NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS

THURSDAY, FEBRUARY 4, 2016
2:00 P.M.

505 CITY PARKWAY WEST, SUITES 108-109
ORANGE, CALIFORNIA 92868

BOARD OF DIRECTORS

Mark Refowitz, Chair	Lee Penrose, Vice Chair
Supervisor Lisa Bartlett	Supervisor Andrew Do
Peter Agarwal	Ellen Ahn
Theresa Boyd	Samara Cardenas, M.D.
Viet Van Dang, M.D.	Tricia Nguyen
Mike Ryan	(Vacant)

Supervisor Todd Spitzer, Alternate

CHIEF EXECUTIVE OFFICER	CHIEF COUNSEL	CLERK OF THE BOARD
Michael Schrader	Gary Crockett	Suzanne Turf

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(s) identifying the item(s) 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, the reading of the individual agenda items, 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, 72 hours prior to the meeting.

The Board Meeting Agenda and supporting documentation is available for review 8:00 a.m. – 5:00 p.m., Monday-Friday, at CalOptima, 505 City Parkway West, Orange, CA 92868 and online at www.caloptima.org.

CALL TO ORDER
Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

MANAGEMENT REPORTS

1. Chief Executive Officer Report
    a. 2015: Year of Achievement Report
    b. OneCare Connect and OneCare
    c. Pharmacy Benefit Manager (PBM)
    d. Applied Behavior Analysis (ABA) Transition
    e. Medi-Cal Audit
    f. Strategic Plan
    g. State Budget Proposal
    h. 1115 Waiver Renewal
    i. SB 75 Implementation
    j. California Children's Services (CCS)
    k. Joint Advisory Committee Meeting
    l. Provider Quality Incentives

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.

CONSENT CALENDAR

2. Minutes
    a. Approve Minutes of the December 3, 2015 Regular Meeting of the CalOptima Board of Directors
    b. Receive and File Minutes of the November 12, 2015 Meeting of the CalOptima Board of Directors' Provider Advisory Committee, and the September 24, 2015 Meeting of the CalOptima Board of Directors' OneCare Connect (Medicare and Medicaid Plan) Member Advisory Committee

3. Consider Appointments to the OneCare Connect Cal MediConnect (Medicare and Medicaid Plan) Member Advisory Committee

4. Authorize Repurposing of Open Positions Within the Fiscal Year 2015-16 Consolidated Operating Budget

REPORTS

5. Authorize Amendments to Health Network Contracts to Include Rates for OneCare Connect Members Residing in Long Term Care Facilities

6. Authorize Actions Related to Expansion of CalOptima's Program of All-Inclusive Care for the Elderly (PACE) in Orange County

7. Authorize Extension of the Cal MediConnect/OneCare Connect Contract with Windstone Behavioral Health for Behavioral Health Services; Authorize Contract for Consulting Services Related to Request for Proposal (RFP) Development and Delivery Model Optimization for the Behavioral Health Benefit

8. Consider Authorization of Expenditures in Support of CalOptima's Participation in 2016 Lunar New Year Festivals and Orange County Medical Association Community Partnership Activities

ADVISORY COMMITTEE UPDATES

9. Member Advisory Committee Update

10. Provider Advisory Committee Update

11. OneCare Connect Cal MediConnect (Medicare and Medicaid Plan) Member Advisory Committee Update

INFORMATION ITEMS

12. December 2015 Financial Statements

13. Pharmacy Benefit Manager (PBM) Implementation

14. Compliance Report

15. Federal and State Legislative Advocates Reports

16. CalOptima Community Outreach and Program Summary

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

ADJOURNMENT

NEXT REGULAR MEETING: Thursday, March 3, 2016 at 2:00 p.m.

MEMORANDUM

DATE:	February 4, 2016
TO:	CalOptima Board of Directors
FROM:	Michael Schrader, CEO
SUBJECT:	CEO Report
COPY:	Suzanne Turf, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee

2015: Year of Achievement Report
In mid-January, CalOptima distributed the 2015: Year of Achievement report to more than 800 community stakeholders. The document was well received. The purpose was twofold: to be accountable as a public agency with an easy-to-read accounting of our work in the prior year, and to express our gratitude for the partnerships that make quality care for CalOptima members possible.

OneCare Connect and OneCare
On January 1, more than 10,000 OneCare members transitioned to OneCare Connect — a 97 percent retention rate. With the transfer of OneCare members, total enrollment in OneCare Connect is 16,390, as of January 29. The addition of former OneCare members changes the opt-out rate in the new program considerably. Based on passive enrollment notices sent from August 2015 to January 2016, only 45 percent of potential eligible members have opted out of OneCare Connect. This is on par with the averages in other counties where passive enrollment is complete. Further, our disenrollment rate is less than 5 percent, which is below that for all other health plans. Publicly reported enrollment data lags by a month, so the improvements will not be visible on state reports until mid-February. Furthermore, there are six more months of passive enrollment (February to July), so membership in OneCare Connect will continue to grow. At the same time, we are considering future plans for OneCare, which now has approximately 1,300 members. We may pursue a bill to allow developmentally disabled OneCare members to transition to OneCare Connect. Health Plan of San Mateo sponsored such legislation for its county last year. Still, CalOptima is contractually committed to operate OneCare through 2016.

Pharmacy Benefit Manager (PBM)
CalOptima completed another successful transition on January 1 as well — to MedImpact, the new PBM for all programs. Ample preparation paid off with a relatively smooth change. Staff worked on New Year's Day and over the holiday weekend to ensure there were no disruptions in members' access to their medications.

Applied Behavior Analysis (ABA) Transition
Starting February 1 and over six months, responsibility for ABA services for approximately 1,100 Medi-Cal members will transition from the Regional Center of Orange County (RCOC) to CalOptima. However, the number of transitioning members may change over time due to

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ongoing data issues at the state level. RCOC and CalOptima have been collaborating for more than a year on this long-awaited move, and given the preparation, we expect that fewer members will be affected because many have already transitioned or discontinued services. Further, the state is allowing plans to delay transitioning certain members if the plans do not have adequate treatment information. CalOptima anticipates minimal member disruption based on the size of our delegated Beacon Health Strategies network, with 58 ABA vendors. The majority of members accessing services through RCOC were already seeing vendors also contracted with the Beacon network, and others will be granted continuity of care arrangements. As an example, the following applies to the February cohort.

- ABA services for 77 members will transition from RCOC to CalOptima.
- A total of 68 of the 77 members have an RCOC vendor that is also contracted with Beacon, so there will be no disruption to these individuals.
- A total of 5 of the 77 members will continue to receive services from their existing vendor through CalOptima's continuity of care provisions, so they will also not be impacted.
- A total of 4 of the 77 members will be impacted, or will need to choose a new vendor.

CalOptima's Kaiser members receiving ABA services through the RCOC will transition to a Kaiser ABA network rather than Beacon. Prior to this transition, approximately 750 Medi-Cal members were receiving ABA services apart from the RCOC.

Medi-Cal Audit

The annual Medi-Cal medical audit will take place February 8–19, 2016. A team of nine Department of Health Care Services (DHCS) auditors will be on site for a thorough review of CalOptima's compliance with regulations in the areas of utilization management, case management and care coordination, access and availability, member rights and responsibilities, quality improvement, facility site review, and medical records review. The review period is from February 1, 2015, through November 30, 2015, and the audit excludes the seniors and persons with disabilities (SPD) population.

Strategic Plan

Given the potential change in the composition of your Board of Directors by the Orange County Board of Supervisors, CalOptima is temporarily delaying work to complete our FY 2016–19 Strategic Plan. We will resume the strategic planning process under the guidance and direction of the future Board, which is proposed to be in place by August 2016.

State Budget Proposal

On January 7, Gov. Brown released his draft state budget, totaling $170.7 billion. Overall, it is favorable for Medi-Cal and health programs because it assumes adoption of a new Managed Care Organization (MCO) tax and preserves the Coordinated Care Initiative (CCI).

- MCO Tax: The governor expressed the need to resolve the MCO tax as a critical component of the state's financing for health care. To that end, the budget assumes a tax reform package that includes a replacement MCO tax for three years. CalOptima analysts have determined that the new MCO tax proposal appears neutral for the agency. In the current fiscal year, CalOptima's tax obligation is $138 million, all of which is returned in rates. Under the new proposal, the tax would be $127 million for the next fiscal year,

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with a net cost of about $2,500. Final negotiations about the MCO tax are progressing between the state and the California Association of Health Plans.

- CCI: After coordinated advocacy by consumer groups and health plans, including CalOptima, the governor's budget allows CCI to continue until January 2018. CCI includes CalOptima's OneCare Connect program. The long-term future of CCI is linked to passing the MCO tax. Without the MCO tax, the budget projects a net General Fund cost of approximately $130 million for the CCI program in 2016–17. Further, the Administration called for participation rates in CCI to improve, and the state will be working to boost participation over the course of the year. There is no proposed change to the law that currently requires the Director of Finance to send the Legislature an annual determination of whether CCI is cost-effective. If CCI is not cost-effective, the program would automatically cease operation in January 2018.

I will keep your Board informed about key developments regarding the state budget, which is typically finalized in June.

1115 Waiver Renewal

On December 30, 2015, the federal government approved California's 1115 waiver renewal, which includes $6.2 billion in federal funding to support Medi-Cal programs. The waiver runs January 1, 2016, to December 31, 2020. Called Medi-Cal 2020, the waiver builds on the success of the 2010 Bridge to Reform waiver, a critical piece of California's implementation of the Affordable Care Act. It seeks to implement innovations that will improve efficiency, access and quality. The majority of the funding is for new payment methodologies and policies for public hospitals. However, relevant to CalOptima is the waiver's creation of Whole-Person Care (WPC) pilots, which are county-based programs that target high-risk Medi-Cal populations. Using $1.5 billion across five years, WPC pilots will integrate systems that provide physical health, behavioral health and social services to improve members' wellbeing through more efficient use of resources. According to the California Association of Health Plans, limited funding of $300 million a year will make the launch of WPC pilots competitive, with counties going through an application process with state and federal regulators. The state expects to move quickly by releasing information and the application shortly. CalOptima and Orange County Health Care Agency leaders are planning to meet to discuss possible participation in the pilot.

SB 75 Implementation

CalOptima is now receiving regular updates from DHCS regarding implementation of SB 75, the 2015 legislation that provides full-scope Medi-Cal coverage to all children under age 19 regardless of immigration status. Statewide, approximately 115,000 children in restricted-scope Medi-Cal will automatically transition to full-scope coverage no earlier than May 1, 2016. Approximately 9,800 children will be affected in Orange County.

California Children's Services (CCS)

CalOptima medical, operations and policy staff met with the leadership of the Orange County CCS department in January to discuss the DHCS plan to transition CCS to a new Whole-Child Model. Under the new model, responsibility for most CCS functions will move from the county to CalOptima no sooner than July 2017. The goal of the transition is to improve and integrate care for children with complex medical conditions via managed care plans. This was the first of

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now regularly scheduled meetings between CalOptima and County CCS to discuss policy issues and operational considerations in preparation for a seamless transition of an estimated 13,000 children. In the future, CalOptima may also host a stakeholder meeting to be responsive to the member and provider community regarding the changes.

Joint Advisory Committee Meeting
A special joint meeting of the Provider Advisory Committee (PAC) and Member Advisory Committee (MAC) convened on January 21 to address the topic of behavioral health. PAC had requested the session so member and provider stakeholders could better understand the complex system of mental health care in Orange County. CalOptima Medical Director of Behavioral Health Integration Dr. Donald Sharps moderated the discussion with a panel of experts that included speakers from Orange County Behavioral Health Services as well as Windstone Behavioral Health and Beacon Health Strategies, CalOptima's delegated providers. Attendees had the opportunity to direct questions to the appropriate representatives from the various programs. Many suggested that having a single point of contact could improve the behavioral health system and reduce the complexity of receiving services. Given the valuable information and learning, the group tentatively agreed to revisit the topic in a year.

Provider Quality Incentives
In December, CalOptima distributed $6.4 million in quality improvement incentives. Medi-Cal health networks received $5.6 million for performance in HEDIS measures, member satisfaction surveys and meaningful use of health information technology. OneCare health networks received $806,000 for performance in HEDIS measures and member satisfaction surveys.

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CEO Report

Board of Directors Meeting

February 4, 2016

Michael Schrader

Chief Executive Officer

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2015: A Year of Achievement

- Accountability as a public agency
- Appreciation for our partners

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CalOptima
A Public Agency
Better. Together.

OneCare Connect (OCC)

- OCC enrollment
- Future of OCC program
- Managed Care Organization tax
- Future of OneCare

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Pharmacy Benefit Manager Transition

- CalOptima transitioned to MedImpact on January 1
- Staff worked over the holidays to ensure a smooth transition and prevent any member or provider disruption

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Applied Behavior Analysis (ABA)

- CalOptima and the Regional Center of Orange County (RCOC) have begun the transition of responsibility for ABA services
- Number of members affected continues to change, based on state data issues
- CalOptima and RCOC expect limited numbers because many have already transitioned or discontinued service
- Strong continuity of care due to 58 ABA vendors in Beacon Health Strategies network

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MINUTES

REGULAR MEETING
OF THE
CALOPTIMA BOARD OF DIRECTORS

December 3, 2015

A Regular Meeting of the CalOptima Board of Directors was held on December 3, 2015, at CalOptima, 505 City Parkway West, Orange, California. Chair Mark Refowitz called the meeting to order at 2:04 p.m., and observed a moment of silence in memory of the victims of the tragedy at the Inland Regional Center in San Bernardino. Supervisor Andrew Do led the Pledge of Allegiance.

ROLL CALL

Members Present:	Mark Refowitz, Chair; Lee Penrose, Vice Chair; Peter Agarwal; Ellen Ahn; Theresa Boyd; (at 2:52 p.m.); Samara Cardenas, M.D. (at 2:12 p.m.); Viet Van Dang, M.D.; Supervisor Andrew Do; Tricia Nguyen
Members Absent:	Supervisor Lisa Bartlett, Mike Ryan (non-voting)
Others Present:	Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Richard Helmer, Chief Medical Officer; Ladan Khamseh, Interim Chief Operating Officer; Len Rosignoli, Chief Information Officer; Javier Sanchez, Chief Network Officer; Chet Uma, Chief Financial Officer; Richard Bock, Deputy Chief Medical Officer; Suzanne Turf, Clerk of the Board

MANAGEMENT REPORTS

1. CEO Report

Chief Executive Officer Michael Schrader provided an update on the development of CalOptima's 2016-19 Strategic Plan, and a brief report on the transition of approximately 11,000 eligible OneCare members to OneCare Connect (OCC) occurring in January 2016. A review of the activities regarding the proposed expansion of CalOptima's PACE program was also presented.

With regard to the Strategic Plan, Supervisor Do suggested including additional data and assessments that are tailored to communities within the county. Vice Chair Penrose added that a better understanding of the health of the population CalOptima serves from both micro and macro levels will be important in formulating the strategic plan.

PUBLIC COMMENT

There were no requests for public comment.

CONSENT CALENDAR

2. Minutes
   a. Approve Minutes of the October 1, 2015 Regular Meeting of the CalOptima Board of Directors
   b. Receive and File Minutes of the September 21, 2015 Special Meeting and the May 21, 2015 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Minutes of the August 19, 2015 Meeting of the Board of Directors' Quality Assurance Committee;

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Minutes of the October 8, 2015 and September 10, 2015 Meetings of the CalOptima Board of Directors' Provider Advisory Committee; Minutes of the September 10, 2015 Meeting of the CalOptima Board of Directors' Member Advisory Committee; and Minutes of the August 27, 2015 Meeting of the CalOptima Board of Directors' OneCare Connect Cal MediConnect Plan Member Advisory Committee

3. Authorize Execution of Memorandum of Understanding with the Regional Center of Orange County for the Coordination of Behavioral Health Treatment Services
4. Approve Proposed Changes to CalOptima Annual Investment Policy for Calendar Year 2016
5. Approve Modification to Fiscal Year (FY) 2015 Internal Audit Plan; Approve FY 2016 Internal Audit Plan; and Repurpose Budgeted but Unused Funds from FY 2015-16 Operating Budget to Offset the Cost of the FY 2016 Internal Audit Plan
6. Approve Proposed Revisions to CalOptima Board-Designated Reserves Policy
7. Consider Appointment to the CalOptima Board of Directors' Provider Advisory Committee to Fill the Behavioral/Mental Health Representative Seat

Action: ***On motion of Supervisor Do, seconded and carried, the Board of Directors approved the Consent Calendar as presented. (Motion carried 8-0-0; Supervisor Bartlett and Director Boyd absent)***

REPORTS

8. Authorize Actions Related to the OneCare Connect Delivery Model and Member Assignment Policy

Ladan Khamseh, Interim Chief Operating Officer, presented the recommended actions to authorize modifications to the member auto-assignment policy for OneCare Connect (OCC) members who reside in a long-term care facility, and authorize changes to the delivery model for OneCare Connect members to align with updated CMS guidance.

Action: ***On motion of Vice Chair Penrose, seconded and carried, the Board authorized modifications to the member auto-assignment policy for OCC members who reside in a long-term care facility, and authorized changes to the delivery model for OCC members to align with updated CMS guidance. (Motion carried 9-0-0; Supervisor Bartlett absent)***

9. Authorize Contract(s) with Additional Investment Manager(s) for CalOptima's Operating and Tier One Investment Accounts; Authorize Allocation of these Assets Amongst the Current and Additional Investment Manager(s)

Chet Uma, Chief Financial Officer, presented the recommended actions to authorize the Chief Executive Officer (CEO), with the assistance of legal counsel, to enter into a contract with two additional investment managers selected through a Request for Proposal (RFP) process for investment management services, and authorize the allocation of management responsibility for the Operating and Tier One investment accounts on an equal basis between Payden & Rygel and the investment managers selected through the RFP process.

After discussion of the matter, the Board took the following action.

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Action: ***On motion of Vice Chair Penrose, seconded and carried, the Board authorized the CEO, with the assistance of legal counsel, to enter into contracts with two additional investment managers selected through a RFP process for investment management services, and authorized the allocation of management responsibility for the Operating and Tier One investment accounts on an equal basis between Payden & Rygel and the investment managers selected through the RFP process. (Motion carried 8-1-0; Supervisor Do voting no; Supervisor Bartlett absent)***

10. Adopt Resolution Approving Updated CalOptima Human Resources Policy; Adopt Resolution for Employer Paid Member Contributions (Classic Executives); Adopt Resolution for Employer Paid Member Contributions (Classic Directors); and Resolution Affirming and Implementing the Provisions of Section 414(h)(2) of the Internal Revenue Code to Tax Defer Employee Retirement Contributions to CalPERS

Ron Santos, Human Resources Executive Director, presented the following recommendations for consideration: 1) Adopt Resolution No. 15-1203-01, Approving CalOptima's Updated Human Resources Policy GA.8042: Supplemental Compensation; 2) Adopt Resolution No. 15-1203-02, Approving Resolution for Employer Paid Member Contributions (Classic Executives); 3) Adopt Resolution No. 15-1203-03, Approving Resolution for Employer Paid Member Contributions (Classic Directors); and 4) Adopt Resolution No. 15-1203-04, Affirming and Implementing the Provisions of Section 414(h)(2) of the Internal Revenue Code to Tax Defer Employee Retirement Contributions to CalPERS.

Action: ***On motion of Supervisor Do, seconded and carried, the Board adopted Resolution Numbers 15-1203-01, 15-1203-02, 15-1203-03, and 15-1203-04 as presented. (Motion carried 9-0-0; Supervisor Bartlett absent)***

11. Consider Adoption of Resolution Approving Updated Human Resources Policies and Employee Handbook and Pearl Meyer Compensation Updates and Recommendations

Mr. Santos presented the recommended actions to adopt Resolution No. 15-1203-05, approving CalOptima's updated Human Resources Policies and Employee Handbook, and adopt Pearl Meyer compensation updates and authorize the CEO to administer CalOptima compensation practices in accordance with the updates.

Action: ***On motion of Director Agarwal, seconded and carried, the Board adopted Resolution No. 15-1203-05 and adopted Pearl Meyer compensation updates as presented, and authorized the CEO to administer CalOptima compensation practices in accordance with the updates. (Motion carried 8-0-1; Director Boyd abstained; Supervisor Bartlett absent)***

12. Authorize Contract Amendments with Liberty Dental for a Supplemental Dental Benefit for OneCare; Extend the Supplemental Dental Benefit for OneCare Connect; and Authorize Deemed Eligibility for Members Receiving Denti-Cal

Javier Sanchez, Chief Network Officer, presented the following recommended actions for consideration: 1) Authorize the Chief Executive Officer, with the assistance of legal counsel, to enter into contract amendments with Liberty Dental for supplemental dental benefits for: (a) OneCare from January 1, 2016 through December 31, 2016, with two additional one year extension options, each exercisable at

CalOptima's sole discretion, (b) OneCare Connect from January 1, 2016 through December 31, 2017; and 2) Authorize one month of deemed eligibility for OneCare Connect members receiving Denti-Cal services provided by Liberty Dental.

Action: ***On motion of Director Cardenas, seconded and carried, the Board authorized the CEO, with the assistance of legal counsel, to enter into contract amendments with Liberty Dental for supplemental dental benefits for OneCare from January 1, 2016 through December 31, 2016, with two additional one-year extension options, each exercisable at CalOptima's sole discretion, OneCare Connect from January 1, 2016 through December 31, 2017, and authorized one month of deemed eligibility for OneCare Connect members receiving Denti-Cal services provided by Liberty Dental. (Motion carried 8-0-1; Supervisor Do abstained; Supervisor Bartlett absent)***

13. Consider Extending the Timeframe for Qualifying New and Existing Health Networks to Request Changes to Their Proposed Contracting Models and Complete Readiness Assessment Requirements
Based on his provider affiliations, Vice Chair Penrose left the room during the discussion and vote on this item.

Action: ***On motion of Supervisor Do, seconded and carried, the Board extended the deadline to June 30, 2016 for Health Networks qualified through the Board approved Request for Proposal (RFP) process to request changes to their proposed contracting models, and extended the deadline to December 31, 2016 for existing Health Networks requesting changes to their contracting models as well as new networks selected through the RFP process to meet all applicable readiness requirements. (Motion carried 8-0-0; Vice Chair Penrose and Supervisor Bartlett absent)***

ADVISORY COMMITTEE UPDATES

14. Provider Advisory Committee (PAC) Update
PAC Chair Jenna Jensen provided a report of the activities at the PAC meetings held in October and November 2015, including a review of Intergovernmental Transfer (IGT) projects, and the progress of an ad hoc formed to focus on improving CalOptima's Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores. The PAC requested additional details on CalOptima's proposed Strategic Plan, and an opportunity to provide input and updates on IGT 4 before final approval by the Board of Directors.

15. Member Advisory Committee (MAC) Update
MAC Chair Mallory Vega reported that at its November 12, 2015 meeting, the MAC approved the following recommendations from the Autism Outreach Ad Hoc Subcommittee as it relates to children with Autism Spectrum Disorder (ASD): compile a comprehensive list of advocacy agencies and resources for autism services for ease of reference by MAC members and staff for use or distribution as needed; place an article in CalOptima newsletters explaining how to access behavioral health treatment services at CalOptima, including Medi-Cal newsletter and Community Connections; and, invite presenters, such as advocates, medical professionals and/or parents, to MAC meetings to increase

awareness and understanding of this population. It was noted that the needs of members with ASD are represented by the current MAC representatives.

16. OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) Member Advisory Committee (OCC MAC) Update

OCC MAC Chair Patty Moulton reported on a special nomination process to recruit candidates to fill three open seats for OneCare Connect members and/or family members of OneCare Connect member, and the OCC MAC Nominations Ad Hoc will meet to review applications and recommend candidates for consideration.

INFORMATION ITEMS

The following Information Items were accepted as presented:

17. October 2015 Financial Summary;
18. CalOptima Information Security Update;
19. Compliance Report;
20. Federal and State Legislative Advocates Reports; and
21. CalOptima Community Outreach and Program Summary.

BOARD MEMBER COMMENTS

Members of the Board congratulated staff on the successful health and wellness community event held on November 14, 2015, honoring CalOptima's 20th anniversary. The Board also extended thanks to staff for their accomplishments during 2015. Director Cardenas briefly reported on a stakeholder meeting held earlier in the week that focused on identifying physicians who can complete autism assessments and help get patients into treatment more quickly.

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to closed session at 4:23 p.m. pursuant to Government Code Section 54956.9, subdivision (d)(1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. Two Cases: (1) Barbara Saak, an individual v. CalOptima. Orange County Superior Court (OCSC) Case No. 30-2015-00785274-CU-WT-CJC; (2) Saddleback Memorial Medical Center v. CalOptima, et al. OCSC Case No. 30-2014-00746469-CU-BC-CJC.

The Board reconvened to open session at 5:12 p.m. with no reportable actions taken.

ADJOURNMENT

Hearing no further business, the meeting adjourned at 5:13 p.m.

/s/ Suzanne Turf
Suzanne Turf
Clerk of the Board

Approved: February 4, 2016

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MINUTES

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

November 12, 2015

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, November 12, 2015, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Jena Jensen, PAC Chair, called the meeting to order at 8:07 a.m., and Member Ross led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Theodore Caliendo, M.D.; Alan Edwards, M.D.; Camille Fitzpatrick, MSN, ANP-BC, GNP-BC; Jena Jensen; Pamela Kahn, R.N.; Teri Miranti; Cheryl Petterson; Mary Pham, Pharm.D, CHC; Pamela Pimentel, R.N.(at 9:15 am); Suzanne Richards, RN, MBA, FACHE (at 8:13 a.m.); Barry Ross, R.N., MPH, MBA; Joseph M. Ruggio, M.D., FACP, FACC, FSCAI (at 8:22 a.m.); Jacob Sweidan, M.D., FAAP

Members Absent: Stephen N. Flood

Others Present: Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Chet Uma, Chief Financial Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Javier Sanchez, Chief Network Officer; Ladan Khamseh, Interim Chief Operating Officer; Candice Gomez, Executive Director, Program Implementation; Phil Tsunoda, Executive Director, Public Affairs; and Maria Wahab, Project Manager

PUBLIC COMMENTS

No requests for public comments were received.

MINUTES

Approve the Minutes of the October 8, 2015 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

The following correction was made to the October 8, 2015 Meeting Minutes: on page 1 under Call to Order, reflect that Pamela Pimentel, Acting Chair, called the meeting to order.

Action: ***On motion of Member Ross seconded and carried, the Committee approved the minutes of the October 8, 2015 meeting as corrected. (Motion carried 10-0; Members Flood absent)***

REPORTS

Consider Recommended Slate of Candidates for PAC Behavioral/Mental Health Seat

On behalf of Ad Hoc Nominations Subcommittee, Chair Jensen presented the recommended candidate for the new Behavioral/Mental Health Seat. The Ad Hoc Nominations Subcommittee consisted of Chair Jensen and Members Miranti and Sweidan. The ad hoc met on October 28, 2015 to review four applications for the mid-term nomination and recommended Dr. George Orras, President and Chief Executive Officer of Windstone Behavioral Health to serve the remainder of the three-year term ending on June 30, 2018.

Action: ***On motion of Member Edwards, seconded and carried, the Committee approved the recommendation of the new appointment of Dr. George Orras for a three-year term as presented. (Motion carried 10-0-3; Members Fitzpatrick, Pham and Richards abstained; Member Flood absent)***

CEO AND MANAGEMENT REPORTS

Chief Executive Officer (CEO) Update

Michael Schrader, Chief Executive Officer, reported that a conceptual agreement was reached between the California Department of Health Care Services (DHCS) and Centers for Medicare and Medicaid Services (CMS) on the new five-year section 1115 waiver. Mr. Schrader reported that the size and scope of the waiver was significantly reduced from the state's original proposal for a $17 billion dollar waiver. CMS agreed to $6 billion. He stated that several initiatives originally proposed by DHCS were dropped during the negotiations with CMS so the change makes the new waiver significantly less impactful to CalOptima. Mr. Schrader noted that the only element that remains on the waiver that could involve CalOptima potentially is the "Whole-Person Care" program. The "Whole-Person Care" program is defined as the coordination of health, behavioral health, and social services in a patient-centered manner with the goals of improved health outcomes and more efficient and effective use of resources. Mr. Schrader reported that the current five-year waiver will be extended to cover the rest of 2015, and the new five-year waiver will be effective on January 1, 2016. He stated that once the waiver becomes effective, CalOptima will reach out to Orange County's Health Care Agency (HCA) to determine if HCA plans to participate in "Whole-Person Care" and if so, whether HCA could be interested in partnering with CalOptima.

Mr. Schrader reported that Governor Jerry Brown has indicated that the Coordinated Care Initiative (CCI) /Cal MediConnect (CMC)/Duals Demonstration project could be phased out by January 2017 if the program does not achieve expected savings benchmarks. He stated that it appears that the Managed Care Organization (MCO) tax is the primary factor determining the future of CCI in California. Mr. Schrader noted that the future of OneCare Connect, a part of the state's "Coordinated Care Initiative (CCI)," is uncertain, as it may be addressed as part of the Governor's January 2016 budget proposal. He noted that OneCare Connect has enjoyed strong support from the Orange County community, and CalOptima continues to work to ensure that we increase enrollment so that cost savings measures are achieved. However, Mr. Schrader stated

that the program needs more time – especially in Orange County since we are still in the initial enrollment phase.

Mr. Schrader reported that CalOptima is continuing to explore the possibility of expansion of the Program of All-Inclusive Care for the Elderly (PACE) program through an Alternative Care Setting (ACS) model. The potential PACE expansion could include CalOptima's Garden Grove PACE and two satellite sites, one in south county and one in north county. CalOptima will conduct a Request for Proposal (RFP) process to identify two Community-Based Adult Services (CBAS) centers, which could potentially serve as PACE satellite centers. He noted that the PACE expansion proposal will be presented to the Board for consideration at the February 4, 2016 meeting.

Phil Tsunoda, Executive Director of Public Affairs, presented a preliminary draft of CalOptima's Strategic plan for Fiscal Year (FY) 2016 through 2019. He noted that CalOptima's current strategic plan is set to expire at the end of this fiscal year. Mr. Tsunoda highlighted that the proposed strategic plan includes creating a framework for making future decisions regarding national healthcare reform programs and changes, and establishing alignment between the Board and executive team. Additionally, he noted that the FY 2016-19 strategic plan would ensure that CalOptima's executive team remains focused on shared goals and values, drives development of specific goals and metrics to ensure accountability for our members, and communicates CalOptima's priorities to stakeholders and the public. Mr. Tsunoda presented two options for PAC to be involved in CalOptima's Strategic Plan: convene a joint MAC/PAC ad-hoc committee, or allow staff to bring a more defined draft plan to December PAC and January MAC meeting.

PAC members requested additional detail on CalOptima's FY 2016-19 Strategic Plan by the December 10, 2015 PAC meeting. PAC recommended convening a joint MAC/PAC ad hoc subcommittee before the January 21, 2016 MAC/PAC Joint Special Meeting to provide input and recommendations to CalOptima staff. Chair Jensen appointed members Pimentel, Ross and Ruggio to serve on the ad hoc subcommittee.

Chief Medical Officer (CMO) Update:

Dr. Richard Bock, Deputy Chief Medical Officer, reported that in addition to recent high rankings and accolades from the National Committee for Quality Assurance (NCQA), the California Department of Health Care Services (DHCS) awarded CalOptima the Health Plan Employer Data & Information Set (HEDIS) Best Performance award for a large-scale plan in California.

Dr. Bock reported that the transition of the pharmacy benefit manager (PBM) from PerformRX to MedImpact Healthcare Systems, Inc. should be a seamless transition from the members' perspective. He stated that the PBM transition goes live on January 1, 2016.

Chief Network Officer (CNO) Update

Javier Sanchez, Chief Network Officer, presented a brief update regarding the transition of current OneCare members to OneCare Connect (OCC) effective January 1, 2016. He reported that all the networks currently in OneCare have met readiness assessment for OneCare Connect

program. Mr. Sanchez noted that after the eligible OneCare members transition into OCC in January then CalOptima's opt-out rate will be comparable to the state's average. Mr. Sanchez noted that CalOptima has been focusing on Long-Term Care facilities and physicians who round these facilities in order to improve retention for the passive enrollment into OCC. He credited CalOptima's LTC strategy for the lower opt-out rate in comparison to the LTC state average at almost 100%.

Chief Operations Officer (COO) Update

Ladan Khamseh, Interim Chief Operating Officer, reported that Medi-Cal enrollment is approximately 770,000 members. She noted that CalOptima's membership continues to increase, but not as much as it did in 2014. Ms. Khamseh noted that CalOptima is preparing for an audit in February 2016 by the DHCS and Department of Managed Health Care (DMHC). She also reported that CalOptima's Customer Service Department is conducting an outreach campaign to approximately 2,000 CalOptima members who have Medicare Part B only and may be eligible for Qualified Medicare Beneficiary (QMB) program that, in turn, could qualify them for Medicare Part A.

Brown Act Overview

Gary Crockett, Chief Counsel, presented a brief overview of public agency meeting requirements delineated by the Ralph M. Brown Act. Mr. Crocket noted that the purpose of the act is to facilitate public participation in local government decisions and to provide transparency. He covered the procedural requirements, public records act, committee member communication guidelines, and conflict of interest rules.

PAC appreciated the Brown Act Overview presented by Gary Crockett and suggested that this overview be part of the new member orientation.

INFORMATION ITEMS

Federal and State Budget Update

Phil Tsunoda, Executive Director of Public Policy and Public Affairs, noted that PAC had a Federal Budget Update summary in their packets. Mr. Tsunoda recommended that PAC read an informative online public document titled "Health Coverage and Care for Undocumented Immigrants," published by the Public Policy Institute of California (PPIC). Lastly, he encouraged PAC members to attend CalOptima's Health and Wellness Community Event on Saturday, November 14, 2015 at CalOptima building site from 10 a.m. to 2 p.m.

OneCare Connect Risk Stratification and Health Risk Assessment

Tracy Hitzeman, Director of Case Management, presented an update on the OneCare Connect Risk Stratification and Health Risk Assessment (HRA), including health risk stratification performed for all OneCare Connect (OCC) members upon enrollment based upon historical claims data. This stratification identifies members with more complex health needs and drives outreach efforts. She noted that CalOptima is responsible for conducting HRAs for all OCC members and newly enrolled members, and reassessments are performed on an annual basis or with a change in a member's health condition. For example, an HRA will be completed within forty-five (45) days of enrollment for a high-risk OCC member while for a low risk member the HRA will be completed within ninety (90) days of enrollment. Ms. Hitzeman said that the HRA outreach is performed face-to-face, by mail or telephone. She stated that OCC members would receive a member friendly version of the individualized care plan (ICP) whereas the physician will receive the Care Team's more technical ICP. Ms. Hitzeman presented the July-October risk stratification data.

OneCare Connect Update

Candice Gomez, Executive Director of Business Integration, presented an update on the OneCare Connect enrollment per month in the different categories: voluntary, passive and members no longer eligible for OCC, and the opt-out rate for OCC as of November 8, 2015. She reiterated that once the current members in OneCare transition into OCC the opt-out rate is anticipated to decrease.

PAC Member Updates

Chair Jensen reported that the January 14, 2016 PAC Meeting will be cancelled. She also reported that a Special Joint MAC/PAC meeting is scheduled on January 21, 2016 to review the new Medi-Cal Mental Health benefit.

Member Richards reminded PAC that the Hospital Association of Southern California (HASC) designated Mr. Steve Moreau and Ms. Richards to serve on the Orange County Board of Supervisors' ad hoc committee created to formally review and analyze long-term policy solutions for the delivery of public psychiatric services. She reported that she attended the first ad hoc meeting, which was an orientation, and the second meeting will be scheduled sometime in December 2015.

ADJOURNMENT

There being no further business before the Committee, the meeting was adjourned at 10:02 a.m.

/s/ Maria Wahab
Maria Wahab
Staff to the PAC

Approved: December 10, 2015

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS ONECARE CONNECT CAL MEDICONNECT PLAN (MEDICARE-MEDICAID PLAN)

MEMBER ADVISORY COMMITTEE

September 24, 2015

The Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC) held on September 24, 2015, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Patty Mouton called the meeting to order at 3:05. Chair Mouton led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Patty Mouton, Chair; Ted Chigaros, Christine Chow, Gio Corzo, Donta Harrison, Sara Lee, Jorge Sole (non-voting), Erin Ulibarri (non-voting)

Members Absent: Sandy Finestone, Lena Berlove (non-voting), George Crits M.D. (non-voting)

Others Present: Michael Schrader, Chief Executive Officer; Javier Sanchez, Chief Network Officer; Ladan Khamseh, Executive Director of Operations; Candice Gomez, Executive Director Program Implementation; Richard Bock, Deputy Chief Medical Officer; Terrie Stanley Executive Director Clinical Operations; Belinda Abeyta, Director, Customer Service; Becki Melli, Customer Service; Caryn Ireland, Executive Director Quality Analytics; Bridget Kelly, Director Communications

APPROVE MINUTES

Approve the Minutes of the August 27, 2015 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee

There was one correction noted: on page 4, reflect that Dr. Richard Bock stated that the name of the organization should be Illumination Foundation, rather than Elimination Foundation.

Action: ***On motion of Ted Chigaros, seconded and carried, the OCC MAC approved the minutes as corrected.***

PUBLIC COMMENT

No public comments were received.

CEO AND MANAGEMENT REPORTS

Chief Executive Officer (CEO) Update

Michael Schrader, Chief Executive Officer, reported that the National Committee for Quality Assurance (NCQA) informed CalOptima that we are the top rated Medi-Cal managed care plan in California for the second year in a row. Three components comprise the ratings, including prevention, treatment, and consumer satisfaction. Mr. Schrader also relayed that he was in Washington DC to meet with administrators from the Centers for Medicare and Medicaid Services (CMS). He learned that CMS is focused more on disenrollment than the opt-out rate. In addition, CMS is not surprised by California's high opt-out rate. Mr. Schrader noted that CalOptima's opt-out rate is higher than the statewide average because the OneCare members have not transferred into OCC yet. Mr. Schrader reminded the OCC MAC members that passive enrollment for members in Long-Term Care (LTC) facilities would be by facility rather than by birth month and will begin November 2015 through July 2016. CalOptima continues to outreach to the providers that serve this population, including hosting evening forums at provider locations and mailing postcards that explain the benefits for providers. Mr. Schrader explained that CalOptima has developed a marketing strategy that is awaiting approval from the Board of Directors. The marketing plan includes ad placement throughout the county, including bus and radio ads.

Chief Medical Officer Update

Richard Bock, Deputy Chief Medical Officer, reported that the state has recently sent a non-binding letter to CMS stating that California is interested in extending the Cal MediConnect program beyond the three-year demonstration period, reinforcing the state's commitment to this program. Dr. Bock also reported that CalOptima is making a concerted effort to improve the consumer satisfaction portion of the NCQA survey. CalOptima has convened a task force to look at member experience and determine the causes for the low satisfaction scores. He added internal surveys would identify physician specific data that would be used to drill down into the scores. CalOptima will also contract a vendor to conduct member focus groups. Dr. Bock reported that CMS notified CalOptima that they would be conducting a new audit, the Risk Adjustment Data Validation (RADV) audit, which reviews physician documentation of codes that drive risk adjustment scores for payment.

Dr. Bock introduced the new Executive Director of Quality and Analytics, Caryn Ireland.

INFORMATION ITEMS

Federal and State Budget Update

Phil Tsunoda, Executive Director Public Policy and Public Affairs, announced that CalOptima's 20-year Anniversary is October 1, 2015. He reported that CalOptima started in 1995 with approximately 180,000 Medi-Cal recipients and now serves over 740,000 CalOptima members. CalOptima will commemorate this milestone with various Board approved activities, including a community health and wellness event that will feature health and wellness booths, community-resources for low-income families and no-cost health screenings and information. This event

will take place on Saturday, November 14, 2015 in the CalOptima parking lot. Mr. Tsunoda announced that a second event for CalOptima's provider partners would replace the annual Circle of Care luncheon. This evening-based event, CalOptima Cares Legacy, will include providers, community-based organization partners, past and present CalOptima Board members and MAC and Provider Advisory Committee (PAC) members. The CalOptima Cares Legacy is not yet scheduled.

Mr. Tsunoda indicated that a summary of the 2015 Legislative Session and the FY 2016-17 Federal Budget were included in the MAC meeting materials.

Member Enrollment

Belinda Abeyta, Director of Customer Service, provided an OCC enrollment update as of September 14, 2015. She reported that the opt-out rate for August was 67% with an enrollment of 968 while the opt-out rate for September was 66% with an enrollment of 929. Ms. Abeyta reported the highest opt-out rate by threshold language is Vietnamese at 39%, followed by English at 32%, Spanish at 9%, Korean at 5% and Farsi at 4%. She added that the opt-out reason by language indicated that members wanted to remain in fee-for-service across all threshold languages.

Ms. Abeyta reviewed the 90, 60 and 30-day passive enrollment notices that will be sent to OneCare members that are transitioning to OneCare Connect. In response to Member Jorge Sole's question about the reason given for opting out due to wanting to remain in fee-for-service, Ms Abeyta replied that the members stated they wanted the flexibility.

OneCare Connect Update

Candace Gomez, Executive Director Program Implementation, reported that CMS and the Department of Health Care Services (DHCS) have issued guidance on deeming that will provide OCC members with a month of continued eligibility if they lose Medi-Cal eligibility. She added that if the member does not regain eligibility then the member would be disenrolled from OCC at the end of the month. Implementation will begin November 1, 2015. Ms. Gomez also reported that the OneCare program members and approximately 2,000 members from the low-income subsidy group would be transitioning to CalOptima through passive enrollment in January 2016. She added that CMS has requested CalOptima to send the 90, 60 and 30- day passive enrollment notices to OneCare members on an expedited schedule. She explained that once the 90-day notice is sent, the 60 and 30-day notices should each be sent in two-week intervals.

Committee Member Updates

Chair Mouton announced that the recruitment deadline is October 2, 2015 for three OneCare Connect beneficiaries and/or family members of OneCare Connect beneficiaries to participate on OCC MAC. She asked the OCC MAC members provide input on how to recruit candidates for these seats. Chair Mouton suggested using social media to help spread the word, such as CalOptima's Facebook page or LinkedIn. Bridget Kelly, Director, Communications, indicated she would look into the possibility of adding the member recruitment information to social media. Member Gio Corzo volunteered to recruit family members and/or beneficiaries from the

Community-Based Adult Services (CBAS) community. Member Sara Lee offered to contact a Vietnamese health advocate that attends the Vietnamese service provider's quarterly luncheon, to see if they are interested. MAC liaison Becki Melli will send the OCC MAC members the recruitment materials and the requirements to serve on the OneCare Connect Member Advisory Committee. Chair Mouton asked for three volunteers to serve on the Nominations Ad Hoc Subcommittee to evaluate the candidates' applications. Chair Mouton and Members' Ted Chigaros and Gio Corzo volunteered to serve on the subcommittee.

The next meeting for OneCare Connect Members Advisory Committee is October 22, 2015 at 3:00 p.m.

ADJOURNMENT
Hearing no further business, Chair Mouton adjourned the meeting at 3:50 p.m.

/s/ Cindi Reichert
Cindi Reichert
Program Assistant

Approved: December 22, 2015

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken February 4, 2016
Regular Meeting of the CalOptima Board of Directors

Consent Calendar
3. Consider Appointments to the OneCare Connect (Medicare and Medicaid Plan) Member Advisory Committee

Contact
Ladan Khamseh, Interim Chief Operating Officer (714) 246-8400

Recommended Actions
Appoint the following individuals to the OneCare Connect (Medicare and Medicaid Plan) Member Advisory Committee (OCC MAC), effective upon Board approval:
a. Josefina Diaz as a Member/Family Member Representative for a term ending June 30, 2017;
b. Susie Gordee as a Member/Family Member Representative for a term ending June 30, 2017; and
c. Destiny Le as a Member/Family Member Representative for a term ending June 30, 2016.

Background
Since CalOptima's inception, the CalOptima Board of Directors has benefited from stakeholder involvement in the form of advisory committees. The Center for Medicare & Medicaid Services (CMS) and the State of California Department of Health Care Services (DHCS) have established requirements for the implementation of the Cal MediConnect program, including a requirement for the establishment of a Cal MediConnect Member Advisory Committee. The CalOptima Board of Directors established the OneCare Connect Member Advisory Committee (OCC MAC) by resolution on February 5, 2015 to provide input and recommendations to the CalOptima Board relative to the OneCare Connect program.

The OCC MAC is comprised of ten voting seats, seven of which are community seats and three of which are OneCare Connect member or family member seats. There are also four non-voting liaison seats reserved for Orange County agencies. Except for initial appointments, OCC MAC voting members serve two-year terms, with no limit on the number of terms a representative may serve. The initial appointment of voting members is divided between one and two year terms in order to stagger reappointments. One of the appointments to a member/family member seats is for a term ending one year after the committee was established, while the other two member/family member seat appointments are through the second year after the committee was established.

Discussion
While the Board previously took action to fill seven of the 10 voting seats, three reserved for members/family members have not been filled to date. In order to fill these seats CalOptima staff conducted a recruitment process for three OneCare Connect members or family members of a OneCare Connect member. The recruitment included sending notification flyers and applications to community-based organizations (CBOs) and conducting targeted community outreach to agencies and CBOs that serve OneCare Connect members. Upon receipt of the applications from three

interested family members of OneCare Connect members, CalOptima staff submitted them to the Nominations Ad Hoc Subcommittee for review.

The OCC MAC Nominations Ad Hoc Subcommittee, composed of OCC MAC Committee members Ted Chigaros, Gio Corzo and Patty Mouton, evaluated each of the applications for the family member candidates and recommended them for consideration by the OCC MAC.

At the December 22, 2015 meeting, the OCC MAC voted to accept the recommended slate of candidates as proposed by the Nominations Ad Hoc, and to recommend these applicants for Board approval.

The recommended slate of candidates is as follows:

OneCare Connect member/family member seat for a term ending June 30, 2016
Destiny Le is the daughter of a OneCare Connect member. Ms. Le is a teacher who enjoys serving the community in that capacity. She is an advisor to the Community Service Initiator's Club, which actively participates in various service projects. Ms. Le is interested in serving seniors by learning more about OneCare Connect.

OneCare Connect member/family member seat for a term ending June 30, 2017
Susie Gordee is the daughter of a OneCare Connect member. Ms. Gordee has many years of community and volunteer experience, including developing a business to assist seniors and their families with life transitions and working with seniors in assisted living and memory care. She recently started volunteering at Alzheimer's Orange County.

OneCare Connect member/family member seat for a term ending June 30, 2017
Josefina Diaz is the daughter of a OneCare Connect member. Ms. Diaz has several years of experience working in the Orange County community. She currently is a paralegal with the Legal Aid Society of Orange County. Ms. Diaz has the knowledge and experience of working with a diverse community from her work at Legal Aid.

Fiscal Impact
There is no fiscal impact.

Rationale for Recommendation
The OCC MAC established a Nominations Ad Hoc to review potential candidates for the OneCare Connect MAC. The OCC MAC considered the Ad Hoc's recommended slate of candidates and concurred with the recommendation. The OCC MAC forwards the recommended slate of candidates to the Board of Directors for consideration.

Concurrence
OneCare Connect Member Advisory Committee
Gary Crockett, Chief Counsel

Attachments
None

/s/ Michael Schrader *01/29/2016*
Authorized Signature **Date**

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken February 4, 2016
Regular Meeting of the CalOptima Board of Directors

Consent Calendar

4. Authorize Repurposing of Open Positions Within the Fiscal Year 2015-16 Consolidated Operating Budget

Contact

Chet Uma, Chief Financial Officer (714) 246-8400

Recommended Actions

Authorize repurposing of open positions within the Fiscal Year (FY) 2015-16 Consolidated Operating Budget approved on June 4, 2015.

Background

At the June 4, 2015, meeting, the CalOptima Board of Directors approved the FY 2015-16 Consolidated Operating Budget. Medical and administrative expenses, including salaries, wages and benefit were approved by line of business. As such, Management requires Board action to shift medical and administrative resources between departments and lines of business in order to address staffing needs.

Discussion

As of December 23, 2015, staff reports there are an estimated 210 open positions across CalOptima's lines of business.

Open Positions through December 23, 2015

Line of Business	Full Time Equivalents (FTE)
OneCare	28.0
Medi-Cal	140.5
OneCare Connect	30.0
PACE	7.5
Medi-Cal Expansion	4.0
Total	**210.0**

As proposed, Management would be authorized to repurpose the above-referenced positions to shift medical and administrative resources between CalOptima's departments and lines of business based on organizational need. Specifically, this recommended action would give Management flexibility to:

- Right size certain department that are currently staffed incorrectly due to a change in model or care or membership growth; and
- Address staffing needs for new program areas, including OneCare Connect, and the Community Health Network.

Staff will provide further details on the repurposing of open positions in the monthly financial packet distributed to the Board.

Fiscal Impact
The recommended action is budget neutral, and will result in repurposing open positions within the FY 2014-15 Consolidated Operating Budget approved on June 4, 2015.

Rationale for Recommendation
The recommended action will allow Management to appropriately address staffing needs within CalOptima's lines of business, and right size department areas prior to the beginning of FY 2016-17.

Concurrence
Gary Crockett, Chief Counsel

Attachments
None

/s/ Michael Schrader *01/29/2016*
Authorized Signature **Date**

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken February 4, 2016
Regular Meeting of the CalOptima Board of Directors

Report Item
5. Authorize Amendments to Health Network Contracts to Include Rates for OneCare Connect Members Residing in Long Term Care Facilities

Contact
Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Actions
1. Authorize the Chief Executive Officer (CEO) to extend the OneCare Connect Institutional rate to Health Networks for qualifying members residing in Long Term Care Facilities (LTC) effective January 1, 2016; and
2. Authorize the CEO, with assistance of Legal Counsel, to amend Health Network provider contracts and to implement policy updates as necessary to effectuate this change.

Background
On December 5, 2013, the CalOptima Board of Directors (Board) authorized execution of the Three-Way Agreement between the California Department of Health Care Services (DHCS), the Centers for Medicare & Medicaid Services (CMS) and CalOptima for the implementation of Cal MediConnect (CMC), branded CalOptima OneCare Connect Plan (OCC) (Medicare-Medicaid Plan) in Orange County. OCC is a managed care plan that combines Medicare and Medi-Cal, including long term services and supports of which long-term care is part.

On April 2, 2015, the Board authorized staff to modify the OCC enrollment process to allow for enrollment by LTC facility. Regulatory approval was received in July 2015.

On August 6, 2015 and December 3, 2015, the Board approved CalOptima staff's proposal to implement a delivery model specific to members residing in a LTC facility. To benefit from this model, all OCC members residing in Long Term Care Facilities were to be assigned to the CalOptima Care Network (CCN), subject to DHCS and CMS approval. DHCS and CMS have recently indicated that due to the three-way contract provisions related to the protection of member choice, assigning all members to CCN was not approved. Therefore, LTC members also have the option of choosing to join a CalOptima delegated Health Network.

Discussion
Compensation to Health Networks is a combination of a Percent of Premium for Medicare services and a per member per month (PMPM) for the Medi-Cal services. A Percent of Premium results in the Health Network receiving a percent of the premium assigned to individual members. This does not require any adjustments.

Each OCC member is assigned to one of four designations defined by DHCS: Community Well, Home and Community-Based Services (HCBS) Low, HCBS High and Institutional. Each of these four designations is assigned a specific PMPM as reimbursement for the Medi-Cal related services the

Health Networks are required to provide. The Institutional designation applies to members residing in LTC facilities. Because CalOptima staff's original intent was to have all LTC members assigned to the CCN, current contracts with Health Networks do not include the PMPM amount for Institutional members.

On January 1, 2016, all eligible OneCare members transitioned to the OCC. Since these members were already in a CalOptima plan, all members, including those in LTC facilities, transitioned into the Health Network that they were associated with under OneCare unless their PCP was also contracted with CCN. In instances when a LTC member's PCP also participates with CCN, the member was assigned to CCN as their Health Network.

Due to this change, staff proposes to add the Institutional designation compensation rates effective January 1, 2016 to the Health Network Contracts, assuring that the Health Networks receive appropriate compensation for all members assigned to them.

Fiscal Impact
The recommended action to include the OCC Institutional rate in Health Network OCC contracts is budget neutral to CalOptima. Staff developed capitation rates based on the estimated costs of the delegated services associated with each of the four OCC designations. The estimated costs were not adjusted based on whether the member is assigned to a delegated Health Network or to the CCN. As such, the projected medical costs for the Institutional cohort are budgeted under the CalOptima Fiscal Year 2015-16 Operating Budget approved by the Board on June 4, 2015.

Rationale for Recommendation
CalOptima staff recommends this action to assure Health Networks receive appropriate compensation for all the OneCare Connect members assigned to them, including members residing in LTC facilities.

Concurrence
Gary Crockett, Chief Counsel

Attachments
Previous Board action dated December 3, 2015

/s/ Michael Schrader *01/29/2016*
Authorized Signature **Date**

Attachments to:
February 4, 2016
Agenda Item 5

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken December 3, 2015
Regular Meeting of the CalOptima Board of Directors

Report Item

8. Authorize Actions Related to the OneCare Care Connect Delivery Model and Member Assignment Policy

Contact

Ladan Khamseh, Interim Chief Operating Officer, (714) 246-8400
Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Actions

1. Authorize modifications to the member auto-assignment policy for OneCare Connect members who reside in a long-term care facility; and
2. Authorize changes to the delivery model for OneCare Connect members to align with updated CMS guidance

Background

In actions taken on December 5, 2013 and May 7, 2015, the Board approved the Primary Care Provider (PCP) assignment process for eligible OneCare Connect (OCC) members in order to ensure a seamless passive enrollment. The initial enrollment process was based on the Department of Health Care Services (DHCS) requirements to passively enroll eligible members on their birthday month. All members who are enrolled in OCC have an opportunity to select a PCP and health network. If a member does not make a selection prior to the enrollment effective date, CalOptima will assign a PCP and health network based on the Board approved auto-assignment process, which included the following data driven and quality performance components:

1. Data-based assignment to the preferred or prescribing provider;
2. Data-based assignment to the specialist's affiliated health network; and
3. Quality-based alignment when there is no PCP or specialist information.

Subsequently, in July 2015, based on an April 2, 2015 Board action, CalOptima received regulatory approval for OCC members residing in a long-term care (LTC) facility to be passively enrolled by facility rather than by birthday month. This approach was developed with the intent of providing a more positive experience for the member and streamlining the process for the facility. Prior to the passive enrollment date, CalOptima conducts an in-service regarding the OCC plan and benefits for the facility administrators and staff. During this period, the physicians who provide services directly at the facility are identified and encouraged to contract with CalOptima. CalOptima then hosts a family event at the facility and discusses care options available through OCC with members and their families. Enrolling members by facility has resulted in positive feedback from the facilities' staff and providers, and is expected to improve retention rates.

On August 6, 2015, the Board authorized CalOptima to designate the managed CalOptima Community Network (CCN), a part of CalOptima Direct, as the assigned network for OCC members residing in a LTC facility. This action necessitated a change to the Board approved member assignment policy to

facilitate the implementation of the assignment of members to CCN. Subsequently, CalOptima also received guidance from CMS that members residing in LTC facilities must be permitted to select a health network other than CCN. In addition to this change to the delivery model, members will continue to be assigned to health networks as part of the revised autoassignment process to preserve the member/PCP relationship when CCN is not an option. Consequently, those members transitioning from OneCare to OneCare Connect effective January 2016 will continue to be assigned to their current OneCare PCP and health network, unless the provider is also contracted with CCN. Also, if a OneCare Connect member becomes a resident at a LTC facility after their initial assignment to a PCP and health network, or is later identified as residing in a LTC facility, the member will remain with their current OneCare Connect PCP and health network, unless the provider is also contracted with CCN. In those instances where the PCP also participates with CCN, the member will be assigned to CCN as their health network.

CMS requires that LTCs ensure that there is a physician responsible for the medical care of residents. Under CMS regulations, the "physician responsible for his or her care" is defined as the attending or primary physician or clinic, whichever is responsible for managing the resident's medical care. This definition excludes other physicians who the resident may see from time to time when the attending physician is not available (sometimes the LTC's medical director). Under CMS regulations, the LTC resident has the right to choose his or her attending physician.

Discussion

In order to operationalize the Board-approved policy to assign LTC members to CCN, where appropriate and in accordance with CMS' subsequent guidance, staff proposes the following changes to CalOptima's member auto-assignment policy for members residing in a LTC facility. To better identify the attending or primary physician responsible for managing the resident's medical care, CalOptima management proposes assigning a PCP to member based on the specific information available to CalOptima from the LTC facility medical records and face-to-face interactions with members (referred to herein as "LTC PCP"). This process would not include assignment to the LTC medical director who, at times, may act as the resident's attending physician, but is not otherwise the patient's LTC PCP. The proposed process is as follows:

1. If the existing LTC PCP is affliated with CCN, assign the member to the PCP and designate CCN as the health network.
2. If the existing LTC PCP is not contracted with CCN, but is with multiple health networks, assign member to the PCP in the health network based on the existing criteria for network assignment.
3. If the existing LTC PCP is not contracted with CCN or any other CalOptima health network, assign member to a PCP and health network based on the previously- approved data based components, except that if the new PCP identified is contracted with CCN, CCN will be the assigned network.
4. If there is no existing PCP or specialist information, assign the member to CCN and a contracted CCN PCP based on member's geographic location, language preference, gender, age restrictions. If a matched provider is known to provide services in member's facility, assign member to that provider. If there are multiple matched PCPs, assign member based on rotation of available matched PCPs.

Notwithstanding the above process, a member always has the option of selecting a different PCP or health network every thirty days.

Fiscal Impact
The fiscal impact of the recommended actions are budget neutral. Direct costs related to the reimbursement of services provided to OCC members residing in long-term care facilities are included in the CalOptima Fiscal Year 2015-16 Operating Budget that was approved by the Board at its June 4, 2015 meeting.

Rationale for Recommendation
In order to comply with the DHCS and CMS guidelines for OCC enrollment, maintain maximum membership and minimize disruption of member's health care services, CalOptima management proposes to implement changes to the member assignment process to facilitate implementation of the previous Board action to designate CCN as the preferred health network for members residing in LTC facilities to the extent permissible.

Concurrence
Gary Crockett, Chief Counsel

Attachments
Previous Board actions and policy referenced in this Report Item:

- April 2, 2015 Report Item VIII. B., Authorize Modification Process for the OneCare Connect Program: Authorize Supplemental Dental Benefit for the OneCare Connect Program, as well as Funding and Contracting with a Vendor as Necessary to Implement
- May 7, 2015 Report Item VIII.D., Autorize Modification of Auto-Assignment Process for Passively Enrolled OneCare Connect members
- August 6, 2015 Report Item VIII.J., Authorize Actions Related to OneCare Connect Enrollment
- CalOptima OneCare Connect Policy No. CMC.1207a, OneCare Connect Auto Assignment

/s/ Michael Schrader — *11/25/2015*
Authorized Signature — **Date**

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 2, 2015
Regular Meeting of the CalOptima Board of Directors

Report Item

VIII. B. Authorize Modifications to Member Assignment Process for the OneCare Connect Program; Authorize Supplemental Dental Benefit for the OneCare Connect Program, as well as Funding and Contracting with a Vendor as Necessary to Implement

Contact

Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Actions

1. Authorize modifications to the Board approved OneCare Connect (Cal MediConnect) Program member enrollment process to allow for enrollment by Long Term Care (LTC) Facility, subject to approval by the Department of Health Care Services (DHCS); and
2. Authorize the Chief Executive Officer (CEO) to contract with dental benefits administrator to provide a supplemental benefit to the Medi-Cal dental benefit subject to approval by the DHCS and the Centers for Medicare & Medicaid Services (CMS), and upon the successful negotiation of contract terms with Liberty Dental from July 1, 2015 to December 31, 2015.

Background

In actions taken on January 3, 2013, February 7, 2013 and December 5 2013, the Board authorized the CEO to develop a provider delivery system for implementation of the Duals Demonstration, a program for beneficiaries eligible for Medi-Cal and Medicare or "Duals", also known as Cal MediConnect Program and branded by CalOptima as OneCare Connect.

On December 5, 2013 the Board approved the Member enrollment process in order to ensure a seamless passive enrollment of OneCare Connect members who will be allowed the opportunity to make a voluntary choice to disenroll (opt-out). The enrollment process, previously approved, is based on the DHCS requirements to passively enroll eligible members on their birthday month. Approximately 3,900 members in Orange County are expected to be eligible for passive enrollment monthly.

The Cal MediConnect program launched state wide on April 1, 2014 and has been implemented in six counties. Passive enrollment start dates have been staggered throughout the state and the opt-out rates have varied by county with an overall statewide average of 49%. Concerned about the high opt-out rate, CalOptima staff has developed strategies to mitigate opt-out. The member strategies include increasing member outreach efforts and outreach to our community stakeholders informed as they are considered our member's "trusted advisors". Provider strategies, as approved by your Board, include increased provider participation through the implementation of the Community Network and increasing primary care and specialist reimbursement from 80% to 100% of Medicare fee-for-service. Based on the experience of the other Cal MediConnect plans, staff proposes two additional strategies related to the member enrollment process and dental services.

Discussion

As CalOptima prepares to launch the Cal MediConnect or OneCare Connect program, CalOptima staff has explored strategies intended to reduce the pre-enrollment opt-out and strengthening retention of members who are passively enrolled in the program. The strategies CalOptima staff considered are both from the member and provider perspective so as to ensure that both stakeholder groups are motivated to remain in OneCare Connect.

Long Term Care Facility Based Enrollment. From the member impact perspective, CalOptima is proposing to modify the previously approved passive enrollment strategy for individuals who are residing in Long-Term Care (LTC) Facilities. Among the approximately 80,000 Dual eligible individuals in Orange County, approximately 3,500 reside in 56 LTC facilities. These 3,500 individuals are among the most vulnerable members, have complex health care needs, and would greatly benefit from increased integration and coordination of care, which will be available with OneCare Connect. For this reason, CalOptima staff is proposing that it would be a better approach to passively enroll these Duals by LTC facility rather than by birth month based on DHCS approval and on a mutually agreed upon schedule with DHCS. This would allow CalOptima to communicate one-on-one with members and their families regarding care options available to them through OneCare Connect. CalOptima staff would also be able to personally educate providers and coordinate member care. Providing the opportunity to work closely with the LTC facilities, to educate and answer questions and provide the additional care coordination component will help improve the OneCare Connect retention rate.

Dental Benefit. Another proposal to improve the retention rate is by providing supplemental dental services not covered by Medi-Cal to CalOptima OneCare Connect members. While OneCare Connect members are eligible for Denti-Cal, in certain situations, access remains an issue. Management believes that improving access to dental services facilitates a positive member experience, thereby motivating members to stay in OneCare Connect. The CalOptima OneCare program previously offered a supplemental dental benefit that was very popular in attracting Duals to enroll in OneCare. Based on member input, CalOptima staff views the availability of dental services as a key component of a successful OneCare Connect program. Subject to approval by both DHCS and the Centers for Medicare & Medicaid Services (CMS), CalOptima management proposes to utilize funding from the DHCS for the Medi-Cal component of the Cal MediConnect capitation payment to implement this option.

If approved, staff recommends contracting with Liberty Dental Plan to administer and coordinate the proposed supplemental dental benefits for OneCare Connect members on a per member per month (PMPM) payment basis. Liberty Dental has been the dental benefit administrator that administered the OneCare benefit on behalf of CalOptima. Management believes that Liberty Dental Plan is the only potential subcontractor qualified to provide the appropriate supplement to the Medi-Cal benefit. Liberty Dental Plan will ensure timely access to a comprehensive, contracted network of primary and specialty Denti-Cal providers. Unlike in Denti-Cal where certain members may face delays or difficulty in accessing care, the proposed benefit would allow OneCare Connect members to have an

assigned primary care dentist through which to obtain dental services to guarantee a straightforward and seamless path to dental coverage. Through this arrangement, CalOptima intends to:

- Increase CMC members' awareness of the dental benefit through education and outreach;
- Improve utilization of preventive dental services;
- Improve coordination between dental and physical health care providers;
- Provide limited supplemental benefits not covered under Denti-Cal; and
- Improve access to dental providers.

Both the LTC member enrollment and dental strategies require Board and regulator approval. Staff will return to the Board for additional authority, as necessary, to implement these and potentially other retention strategies.

Fiscal Impact
The recommended action to execute a contract with Liberty Dental Plan to provide supplemental dental benefits will have a total fiscal impact between $1.7 million and $2.0 million at capitation rates from $7.00 per member per month (PMPM) to $8.00 PMPM for Fiscal Year 2015-16. Under this capitated arrangement, Liberty Dental Plan will assume full risk for dental services, and will coordinate dental benefits with Denti-Cal. As such, the capitation payment will cover supplemental dental benefits only, including enhanced access to their dental network, with no additional payments made to Liberty Dental Plan. Denti-Cal will remain the primary payor and provider of dental services to OneCare Connect members.

Rationale for Recommendation
CalOptima staff recommends these actions to strengthen the OneCare Connect program's ability to minimize pre enrollment opt-out, maximize post enrollment retention and strong provider participation in the OneCare Connect program.

Concurrence
Gary Crockett, Chief Counsel

Attachments
None

/s/ Michael Schrader — *3/27/2015*
Authorized Signature — **Date**

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 7, 2015
Regular Meeting of the CalOptima Board of Directors

Report Item
VIII. D. Authorize Modification of Auto-Assignment Process for Passively Enrolled OneCare Connect Members

Contact
Ladan Khamseh, Executive Director of Operations, (714) 246-8400
Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Action
Authorize modification of auto-assignment process for passively enrolled OneCare Connect (OCC) members based on quality allocations.

Background
On December 5, 2013, the Board approved the member enrollment process in order to ensure a seamless passive enrollment of OneCare Connect (OCC) members who have the opportunity to make a voluntary choice to dis-enroll (opt-out). The enrollment process is based on the Department of Health Care Services (DHCS) requirements to passively enroll eligible members on their birthday month. All members who will be enrolled in OCC will have an opportunity to select a primary care provider (PCP) and health network. CalOptima will conduct a member outreach campaign prior to the enrollment effective date to assist members with their PCP and health network selection. If a member cannot be reached or does not make a selection prior to the enrollment effective date, CalOptima will conduct a PCP and health network assignment based on the Board approved auto-assignment process. Auto-assignment is based on three components:

1. Data-based assignment to the preferred or prescribing provider
    - If the member's preferred or prescribing provider participates in a CalOptima health network as a PCP, assign the member to that provider and his or her affiliated health network.
    - If there are multiple PCPs, the ranking of the PCP will be based on the highest number of encounters followed by recent date of service (DOS) within a 12-month period.
    - If the PCP participates in multiple health networks, the PCP will be asked to indicate via an attestation which of the health networks he or she would like the member to be assigned to.

2. Data-based assignment to the specialist's affiliated health network
    - If the member's preferred (based on records of the frequency and timing of prior visits) or prescribing provider participates in a CalOptima health network as a specialist, assign the member to the specialist's affiliated health network.
    - If there are multiple specialists, the ranking of the specialist will be based on the highest number of encounters followed by recent date of service DOS.

- If the specialist participates in multiple health networks, members will be equally assigned to the specialist's affiliated health networks based on rotation.
- PCP assignment will be based on the member's geographic location and language preference within the assigned health network.

3. Quality-based when there is no PCP or specialist information.
    - When the provider information is not available, the member will be assigned to a health network based on the health network's quality performance rankings similar to the current Medi-Cal assignment methodology.
    - PCP assignment will be based on the member's geographic location and language preference within the assigned health network.
    - If there are multiple matched PCPs, the member is assigned based on rotation of available matched PCPs.

Discussion

Per the Board-approved process, for data-based assignment to the preferred or prescribing provider, if the PCP participates in multiple health networks, the PCP will be asked to indicate via an attestation which of the health networks he or she would like the member to be assigned to. However, during implementation discussions, it was determined that the attestation process will be difficult to maintain on a rolling 12 month process. Additionally, CalOptima has historically utilized the attestation process only for one-time member movements during health network or program terminations. In lieu of attestations, CalOptima staff proposes an alternate process to utilize quality performance allocations similar to the current CalOptima Medi-Cal Policies AA.1207a, CalOptima Auto-Assignment, and AA.1207b, Performance-based Health Network Auto-Assignment Allocation Methodology, where applicable (attached). This is consistent with the current Medi-Cal program auto-assignment process, which determines a Health Network's performance-based auto assignment allocation according to indicators that measure both quality of clinical service and administrative excellence. Each indicator is given a weight percent and raw scores are converted to weighted scores for the purpose of ranking Health Network assignment allocations. New networks are given an assumed score for one measurement year, and then ranked according to performance in approved indicators thereafter. Medi-Cal Health Networks not participating in OneCare Connect will be excluded and the rankings will be adjusted accordingly.

CalOptima's priority is to make every reasonable effort to allow members to make an informed choice of PCP and health network; however, in situations where auto-assignment is necessary, management proposes to follow this member assignment process for OneCare Connect, including this slight modification.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

This recommendation will improve the efficiency of the OneCare Connect assignment process and implement a quality driven auto-assignment process.

Concurrence
Gary Crockett, Chief Counsel

Attachments
1. CalOptima Medi-Cal Policy AA.1207a, CalOptima Auto-Assignment
2. CalOptima Medi-Cal Policy AA.1207b, Performance-based Health Network Auto-Assignment Allocation Methodology

/s/ Michael Schrader — *5/1/2015*
Authorized Signature — **Date**

Medi-Cal CalOptima
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Policy #:	AA.1207a
Title:	**CalOptima Auto Assignment**
Department:	Administration
Section:	Not Applicable
CEO Approval:	Michael Schrader MS
Effective Date: 1/1/07	Revised: 12/4/07, 2/5/08, 1/1/11, 3/3/11, 11/1/12, 7/1/13
Board Approval: 10/3/06, 12/4/07, 2/5/08, 10/7/10, 3/3/11,11/1/12, 12/6/12, 3/7/13	

I. PURPOSE

To establish a process by which CalOptima shall assign a Member who has not voluntarily selected a Health Network to a Health Network.

II. POLICY

A. A Health Network Eligible Member shall select a Health Network, in accordance with CalOptima Policy DD.2008: Health Network Selection Process. If a Member does not select a Health Network, in accordance with CalOptima Policy DD.2008: Health Network Selection Process, CalOptima shall assign such Member to a Health Network, in accordance with this policy.

B. CalOptima shall auto assign Members, in accordance with the provisions of this policy, to ensure the following:

1. Member access to health care services in geographic proximity to his or her residence, as on file with CalOptima from eligibility files received from the Department of Health Care Services (DHCS);

2. Community Health Center Safety Net provider participation in the CalOptima program; and

3. Member enrollment in Health Networks that demonstrate quality performance.

C. Effective December 1, 2011, if CalOptima auto assigns a Member to a Health Network, the Member may request to change his or her Health Network every thirty (30) calendar days, in accordance with CalOptima Policy DD.2008: Health Network Selection Process.

D. CalOptima shall auto assign a Member who has not selected a Health Network to a Health Network based on a Zip Code Match between the Member's residence and a Health Network's coverage area, as set forth in Section II.E of this policy.

E. CalOptima shall auto assign eligible Members to a Health Network as follows, and in the following order:

1. CalOptima shall auto assign no less than thirty-seven percent (37%) of eligible Members to a Health Network based on the Member's assignment to a Community Health Center as a Primary Care Provider (PCP). CalOptima shall auto assign Members through the Health Network level to the Community Health Center. If a new Federally Qualified Health Center (FQHC) or FQHC-Look-Alike enters the CalOptima program, CalOptima shall increase the base Auto

Assignment allocation for Community Health Centers by one percent (1%), not to exceed forty-five percent (45%). If a FQHC or FQHC-Look-Alike terminates with the CalOptima program, CalOptima shall decrease the total Auto Assignment allocation by one percent (1%), not to fall below thirty-seven percent (37%).

a. A Community Health Center shall select at least one (1) Health Network that shall receive its allocation of auto assigned Members. A Community Health Center may select one (1) Health Network that shall receive its allocation of pediatric auto assigned Members, and one (1) Health Network that shall receive its allocation of adult auto assigned Members.

   i. If a Community Health Center intends to change the Health Network(s) which shall receive its allocation of auto assigned Members, it shall notify CalOptima's Director of Network Operations, in writing.

   ii. If a Community Health Center fails to select at least one (1) Health Network that shall receive its allocation of auto assigned Members, CalOptima shall exclude that Community Health Center from receiving any allocation of auto assigned Members until a Health Network has been selected.

   iii. If the Community Health Center previously selected a Health Network(s) that has been suspended for Auto Assignment, the Community Health Center shall select an alternate Health Network(s) to receive its allocation of auto assigned Members.

b. If a Member has a Zip Code Match with a Community Health Center's coverage area, CalOptima shall assign the Member to the Community Health Center as the Member's Primary Care Physician, in accordance with CalOptima Policy EE.1112: Health Network Eligible Member Assignment to Primary Care Provider.

c. CalOptima shall auto assign Members to Community Health Centers based on performance metrics established in CalOptima Policy AA.1207c: Performance-based Community Health Center Auto Assignment Allocation Methodology.

d. A Health Network's receipt of auto assigned Members from a Community Health Center shall not affect the Health Network's receipt of any other auto assigned Members.

e. If CalOptima auto assigns a Member to a Community Health Center as the Member's PCP, the Member's Health Network shall not reassign such Member to a PCP that is not a Community Health Center unless the Member requests such reassignment.

2. CalOptima shall auto assign eligible Members, not auto assigned under Section II.E.1 of this policy, to a Health Network. The Health Network shall assign a PCP to the Member.

   a. CalOptima shall assign Members to a Health Network once it fills a Community Health Center's assignment allocation, or if there is no Zip Code Match between an eligible Member and a Community Health Center's coverage area.

   b. CalOptima shall auto assign eligible Members to a Health Network based on the Health Network's score on the indicators listed in the Health Network Performance-based Auto Assignment Allocation Table, which shall be calculated pursuant to CalOptima Policy AA.1207b: Performance-based Health Network Auto Assignment Allocation Methodology.

c. CalOptima shall assign any remaining Members to a Health Network with a Zip Code Match, regardless of whether or not that Health Network's Auto Assignment allocation has been satisfied.

F. The number of auto assigned Members a Health Network receives may vary monthly, depending upon the number of Members eligible for Auto Assignment and the Zip Code Match between a Member and a Health Network's coverage area.

G. In an effort to keep Members of the same family covered under one (1) Health Network, CalOptima shall auto assign Members by family unit whenever possible. If a Family Linked Member who is less than twenty-one (21) years of age has family members in more than one (1) Health Network, CalOptima shall auto assign such Family Linked Member to the same Health Network as his or her sibling.

H. Notwithstanding any other provisions of this policy, CalOptima shall assign a new Health Network Eligible Member to CHOC Health Alliance if:

1. The Member's parent or guardian fails to select a Health Network upon enrollment with CalOptima;

2. The Member will be less than seven (7) months of age at the time of enrollment with a Health Network;

3. The Member does not have another Family Link Member enrolled in a Health Network at the time of assignment; and

4. CHOC Health Alliance is not suspended from Auto Assignment pursuant to this policy.

I. CalOptima shall assign former Healthy Families Program (HFP) Members to a Primary Care Provider (PCP) and/or Health Network as follows:

1. If the newly enrolled Member was previously enrolled with CalOptima HFP, the Member shall be assigned to the previous HFP PCP and Health Network.

2. If the Member was previously enrolled in a HFP health plan other than CalOptima, and DHCS provides the Member's HFP PCP and Health Network information, the Member shall be assigned to the same PCP and/or Health Network if one or both are participating in the CalOptima program.

3. If the Member was previously enrolled in another HFP health plan, and DHCS provides the Member's HFP PCP only and that PCP is participating in the CalOptima program, the Member shall be assigned to the same PCP with the following provisions:

a. In cases where a Member's PCP participates in both the HFP and Medi-Cal Health Networks, the Member shall be moved to that same PCP under the Medi-Cal network;

b. In cases where the PCP participates in multiple Medi-Cal Health Networks, the PCP shall be asked to indicate, via an attestation, which of the Medi-Cal health networks he or she would like the Member to be assigned to; or

c. In the event that the PCP only participates in one (1) Medi-Cal Health Network, the Member shall be assigned to the PCP under that Health Network.

d. If the PCP does not participate in any of the Medi-Cal Health Networks, the Member shall be assigned, in accordance with this policy.

4. If the Member was previously enrolled in another HFP health plan, and DHCS provides the Member's HFP health plan only, the Member shall be assigned to the same health plan if the plan is participating as a CalOptima Medi-Cal Health Network. The receiving Health Network would then be responsible for assigning a PCP.

5. If the PCP or Health Network relationship cannot be predetermined in advance, CalOptima shall assign Members in accordance with this policy.

J. A former Healthy Families Program (HFP) Member may request to change his or her Health Network every thirty (30) calendar days, in accordance with CalOptima Policy DD.2008: Health Network Selection Process

III. PROCEDURE

A. Effective January 1, 2008, CalOptima may suspend Auto Assignment of Members to a Health Network, if such Health Network fails to score at or above a specified performance rate on a publicly reported HEDIS or HEDIS-like indicator.

1. For publicly reported HEDIS or HEDIS-like performance indicators reported in 2008 for the 2007 measurement year, CalOptima shall:

a. Suspend Auto Assignment to a Health Network that scores below twenty-five percent (25%) on a performance rate for one or more HEDIS or HEDIS-like performance indicator used to measure Health Network's Annual Quality performance. CalOptima shall provide a written notice to any Health Network that scores below this level.

b. The Health Network shall have thirty (30) days from the receipt of the notice to respond to CalOptima's request for a Corrective Action Plan (CAP).

c. If a CAP is not received by CalOptima from the Health Network within thirty (30) days of the receipt of the notice, the Health Network's Auto Assignment shall be suspended beginning on the first Auto Assignment which occurs no fewer than thirty (30) days after the notice date.

d. If a CAP is received within thirty (30) days of the notice date, CalOptima shall render a decision regarding the adequacy of the proposed CAP within sixty (60) days of the notice date.

i. If CalOptima's Chief Medical Officer (CMO) does not deem the CAP acceptable, Auto Assignment shall be suspended beginning on the first Auto Assignment that occurs no fewer than sixty (60) days after the notice date. The suspension shall remain in effect until CalOptima's CMO accepts the CAP.

ii. If the Health Network submits an acceptable CAP within the time frames, no restriction shall occur.

2. For publicly reported HEDIS or HEDIS-like performance indicators reported in 2009 for the 2008 measurement year, CalOptima shall:

   a. Suspend Auto Assignment to a Health Network that scores below thirty-five percent (35%) on a performance rate for any one of the HEDIS or HEDIS-like performance indicator used to measure Health Network's Annual Quality performance.

      i. This suspension shall be effective on the first Auto Assignment after CalOptima provides the Health Network with written notice of its performance below the required level. The suspension shall remain in effect until after CalOptima's CMO approves a CAP submitted by the Health Network.

   b. Suspend the participation in Auto Assignment of a Health Network that scores below thirty-five percent (35%) on a performance rate for two (2) or more HEDIS or HEDIS-like indicators used to measure Health Network's Annual Quality Performance.

      i. The suspension shall be effective on the first Auto Assignment after CalOptima provides the Health Network with written notice of its performance below the required level. The suspension shall remain in effect, and shall be removed no earlier, if appropriate, than upon publication of the next year's Health Network results.

3. Performance rate used to determine suspension of Auto Assignment may be increased for the 2010 measurement year, or subsequent measurement years, pursuant to this policy. Any change in rate shall be approved by the Quality Assurance Committee of the Board of Directors prior to implementation. CalOptima shall notify Health Networks of the change prior to the commencement of the measurement year.

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

A. CalOptima Policy AA.1000: Glossary of Terms
B. CalOptima Policy AA.1207b: Performance-based Health Network Auto Assignment Allocation Methodology
C. CalOptima Policy AA.1207c: Performance-based Community Health Center Auto Assignment Allocation Methodology
D. CalOptima Policy DD.2006: Enrollment/Eligibility with CalOptima Direct
E. CalOptima Policy DD.2006a: Enrollment in CalOptima Care Network
F. CalOptima Policy DD.2008: Health Network Selection Process
G. CalOptima Policy EE.1112: Health Network Eligible Member Assignment to Primary Care Provider

VI. APPROVALS OR BOARD ACTION

3/7/2013: Regular Meeting of the CalOptima Board of Directors

12/6/12:	Regular Meeting of the CalOptima Board of Directors
11/1/12:	Regular Meeting of the CalOptima Board of Directors
3/3/11:	Regular Meeting of the CalOptima Board of Directors
10/7/10:	Regular Meeting of the CalOptima Board of Directors
2/5/08:	Regular Meeting of the CalOptima Board of Directors
12/4/07:	Regular Meeting of the CalOptima Board of Directors
10/3/06:	Regular Meeting of the CalOptima Board of Directors

VII. REVISION HISTORY

11/1/12:	AA.1207a: CalOptima Auto Assignment
11/1/11:	AA.1207a: CalOptima Auto Assignment Policy
2/5/08:	AA.1207a: CalOptima Auto Assignment Policy
12/4/07:	AA.1207a: CalOptima Auto Assignment Policy
1/1/07:	AA.1207a: CalOptima Auto Assignment Policy

VIII. KEYWORDS

Auto Assignment
Performance
Safety Net Provider

Medi-Cal CalOptima Better. Together.

Policy #:	AA.1207b
Title:	**Performance-based Health Network Auto Assignment Allocation Methodology**
Department:	Administration
Section:	Not Applicable
CEO Approval:	Michael Schrader MS
Effective Date:	1/1/07
Last Reviewed Date:	12/1/14
Last Revised Date:	12/1/14

I. PURPOSE

To establish CalOptima's methodology for determining a Health Network's Auto Assignment allocation according to performance-based indicators.

II. POLICY

A. CalOptima shall auto assign a Health Network Eligible Member who has not selected a Health Network to a Health Network, in accordance with CalOptima Policy AA.1207a: CalOptima Auto Assignment.

B. CalOptima shall assign eligible Members not auto assigned under Section II.E.1 of CalOptima Policy AA.1207a: CalOptima Auto Assignment to Health Networks based on Health Networks' performance-based Auto Assignment allocation.

C. CalOptima shall determine a Health Network's performance-based Auto Assignment allocation according to indicators listed in the Health Network Performance-based Auto Assignment Allocation Table.

1. Indicators listed in the Health Network Performance-based Auto Assignment Allocation Table shall measure the following:

   a. Quality of clinical service; and

   b. Administrative excellence.

2. CalOptima shall assign each indicator a weight percent and score based on performance.

3. CalOptima shall calculate a Health Network's performance-based auto assignment allocation as follows:

   a. CalOptima shall consider a Health Network's score on an indicator as a "raw score."

   b. CalOptima shall divide the Health Network's "raw score" by the total number of points scored by all Health Networks for that indicator, yielding the Health Network's "relative score:"

   Relative score = (indicator raw score) / (total indicator raw score for all Health Networks)

c. CalOptima shall multiply a Health Network's "relative score" by the weight percent assigned to the indicator to yield the "weighted score:"

Weighted score = (relative score) x (weight percent for the indicator)

d. A Health Network's performance-based auto assignment allocation is equal to the sum of the Health Network's "weighted score" for all indicators.

Performance-based auto assignment allocation = Sum of weighted scores for all indicators

D. Each individual Health Network shall be given a Health Network rank. The Health Network rank is determined by the Health Network's achieved "weighted score" in comparison to the achieved "weighted scores" of the other Health Networks. CalOptima shall utilize the Health Network rank, in numerical sequence, as the processing order for Auto Assignments.

E. In the event that a Health Network's Auto Assignment is suspended for any reason, CalOptima shall distribute that Health Network's allocation of auto assigned Members amongst the remaining eligible Health Networks in a manner that is proportional to each individual Health Network's Performance-based Auto Assignment allocation.

F. CalOptima shall score a Health Network for an indicator as long as the Health Network maintains a Contract for Health Care Services for the entire measurement year and is contracted with CalOptima at the time of measurement calculation.

G. Performance-based auto assignment allocation for a new Health Network:

1. CalOptima shall consider a Health Network as a new Health Network for purposes of Auto Assignment for one (1) full measurement year.

2. A new Health Network may receive partial points for an indicator if no measurement is available for the indicator for the measurement year.

H. CalOptima shall evaluate the performance-based auto assignment allocation methodology annually or upon:

1. Addition or termination of a Health Network;

2. A material change of a Health Network; or

3. Change in indicators.

I. CalOptima shall notify Health Networks of any changes in the performance-based auto assignment allocation methodology or indicators.

III. PROCEDURE

A. CalOptima shall measure each indicator annually using the most current data available for the preceding year

B. The measurement results shall take effect the year following the measurement.

IV. ATTACHMENTS

None to Date

V. REFERENCES

A. CalOptima Policy AA.1207a: CalOptima Auto Assignment
B. CalOptima Policy AA.1000: Glossary of Terms

VI. REGULATORY APPROVALS

None to Date

VII. BOARD ACTION

A. 3/7/13: Regular Meeting of the CalOptima Board of Directors
B. 3/3/11: Regular Meeting of the CalOptima Board of Directors
C. 10/7/10: Regular Meeting of the CalOptima Board of Directors
D. 12/4/08: Regular Meeting of the CalOptima Board of Directors
E. 1/23/96: Regular Meeting of the CalOptima Board of Directors
F. 11/14/95: Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Version	Version Date	Policy Number	Policy Title
Original Date	1/1/07	AA.1207b	Performance-based Auto Assignment Allocation Methodology
Revision Date 1	1/1/09	AA.1207b	Performance-based Auto Assignment Allocation Methodology
Revision Date 2	1/1/11	AA.1207b	Performance-based Auto Assignment Allocation Methodology
Revision Date 3	7/1/13	AA.1207b	Performance-based Auto Assignment Allocation Methodology
Revision Date 4	12/1/14	AA.1207b	Performance-based Auto Assignment Allocation Methodology

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 6, 2015
Regular Meeting of the CalOptima Board of Directors

Report Item
VIII. J. Authorize Actions Related to OneCare Connect Enrollment

Contact
Candice Gomez, Executive Director, Program Implementation, (714) 246-8400
Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Actions
1. Authorize implementation of transition plan of OneCare members to OneCare Connect effective January 1, 2016;
2. Authorize a one-month deeming period effective no sooner than September 1, 2015 for OneCare Connect members who no longer meet Cal MediConnect eligibility requirements due to loss of Medi-Cal eligibility with CalOptima;
3. Authorize enhancement of the delivery model for OneCare Connect members who reside in a long-term care facility that is exclusive to CalOptima Direct, subject to approval by the Department of Health Care Services and the Centers for Medicare & Medicaid Services; and
4. Authorize updates to policies as necessary for implementation.

Background
On December 5, 2013, the CalOptima Board of Directors authorized execution of the Three-Way Agreement between the California Department of Health Care Services (DHCS), the Centers for Medicare & Medicaid Services (CMS) and CalOptima for implementation of Cal MediConnect (CMC), branded CalOptima OneCare Connect Plan (Medicare-Medicaid Plan) (OCC) in Orange County. OCC is a managed care plan that combines Medicare and Medi-Cal, including long-term services and supports (such as In-Home Supportive Services, Multipurpose Senior Services Program, Community-Based Adult Services, and long-term care). Both the DHCS and CMS have continued to issue guidance regarding the implementation of CMC. Two topics of recent regulatory discussion include the enrollment of Medicare Dual-Eligible Special Needs Plans (D-SNPs) and a period of deemed continued eligibility for CMC. Additionally, CalOptima is involved in ongoing communications with CMS and DHCS regarding initiatives specific to members residing in long-term care facilities.

Enrollment into D-SNPs
DHCS issued guidance through an All Plan Letter *(APL) 14-014: Enrollment Requirements for Dual-Eligible Special Needs Plan in Alameda and Orange Counties,* which delineates D-SNP enrollment criteria once CMC is implemented in a county. Specific to CalOptima, the APL states that if a D-SNP is also a CMC plan, the following will apply: "No earlier than January 1, 2016, DHCS will crosswalk all Duals who are eligible for CMC into the corresponding CMC plan once CMC is implemented in Orange County. These Duals will not be permitted to re-enroll in the CMC D-SNP; and the CMC D-SNP may serve any existing or new beneficiaries who are not eligible for CMC (Excluded Beneficiaries) only."

Based on this guidance, CalOptima is required to transition its OCC-eligible OneCare Members into OCC effective January 1, 2016. OneCare can no longer enroll Members eligible for CMC. However, OneCare can continue to enroll dual eligible Members not eligible for CMC into the OneCare plan. These include, for example, Members under 21 years of age, Members receiving services through Regional Center or Members participating in Section 1115(c) waiver programs, such as Assisted Living, In Home Operations, and Nursing Facility/Acute Hospital Waivers. During this transition to OCC, Members are subject to the same noticing requirements as apply to Members being passively enrolled into OCC, and CalOptima staff is in the process of obtain approval of modifications to the existing notice templates so that they can be used in conjunction with this transition.

Deeming Process for CMC

Current OCC policy provides that Members, who lose Medi-Cal eligibility, as determined by the State, are disenrolled from the plan. DHCS, in compliance with CMS policy, issued guidance on June 15, 2015 encouraging plans such as CalOptima to offer an optional one or two-month period of deemed continued eligibility in the Medicare-Medi-Cal Plan (MMP) due to loss of Medi-Cal eligibility. For OCC members who lose eligibility with the plan due to 1) loss of Medi-Cal eligibility or 2) change of circumstance impacting eligibility (such as a change in Medi-Cal eligibility aid code or a move out of the service area), DHCS will allow plans to choose to provide a one or two month period of deemed continued eligibility. Deeming guidance became effective July 1, 2015.

Long-Term Care

CalOptima has been responsible for the Medi-Cal long-term care benefit since January 1996. The Medi-Cal long-term care benefit includes room and board for Members who are no longer able to live safely at home or in the community, require round-the-clock custodial care prescribed by a physician, and meet DHCS level of care requirements. These members receive medical, social, and personal care services in a nursing facility. Only care in sub-acute, skilled nursing facilities and intermediate care facilities apply; assisted living and board and care facilities are not eligible.

Traditionally, for Dual eligible members, physician and hospital services are provided through the Medicare fee-for-service program, a Medicare Advantage Plan, or a Special-Needs Plan. CalOptima has managed and paid for long-term care services for these members directly and has not delegated this responsibility. Through OCC, Dual eligible members can now receive all of their services through one coordinated plan.

Since 2009, CalOptima Medi-Cal members in long-term care have received physician, hospital, and long-term care services through the CalOptima Direct network, which includes the CalOptima Community Network. OCC now affords CalOptima the opportunity to provide the full scope of services covered under both Medicare and Medi-Cal through the CalOptima Community Network.

Discussion

Enrollment into D-SNPs

As indicated, effective January 1, 2016, CalOptima is required to transition eligible OneCare Members into OCC. CalOptima intends to make the transition as seamless as possible for Members

and ensure that disruption is kept to a minimum. For this reason, staff intends to assign the Member to the same OneCare primary care provider (PCP) and health network, unless otherwise requested by Member. If the PCP participates in a different OCC health network at the time of transition, the Member will be assigned to the same PCP and the PCP's new health network. This is in alignment with the DHCS March 27, 2015 Dual Plan Letter (DPL) 15-003 requirements for continuity of care which states "if the MMP contracts with delegated entities, the MMP must assign the beneficiary to a delegated entity that has the beneficiary's preferred PCP in its network."

If the member's OneCare PCP does not participate in the same OCC health network but does participate in two or more OCC health networks or none, the Member will be assigned according to the OCC auto-assignment policy initially approved during the December 2013 Board meeting and amended in May 2015, unless otherwise requested by Member.

CalOptima will modify its OCC policies related to primary care selection, network assignment, and member notification to the extent necessary to reflect the above.

Deeming Process for CMC

DHCS issued guidance allowing CMC plans to offer up to two months of deeming eligibility due to loss of Medi-Cal eligibility. The deeming period would apply to OCC members who no longer qualify for OCC due to loss of Medi-Cal eligibility or change of circumstance impacting Medi-Cal eligibility. Plans already participating in CMC have reported that many members who have been involuntarily disenrolled from CMC due to loss of Medi-Cal eligibility regain their Medi-Cal eligibility within one to two months after disenrollment.

For example, a Member may lose Medi-Cal eligibility as a result of late submission of annual Medi-Cal redetermination documentation, delays in redetermination processing, a report of having an out of county residence, or other health coverage information. In many instances, the situation is quickly remediated either by submission of required redetermination documentation or correcting erroneous records, and Medi-Cal eligibility is reinstated. Without a deeming period, these members will be disenrolled from OCC and cannot be automatically enrolled back to the plan. Instead, these members would have to voluntarily re-enroll with OCC to continue coverage.

In order to mitigate breaks in coverage and maintain continuity of care for members, staff proposes to allow a one-month deeming period for OCC Members. A one month deeming period is recommended at this time to limit CalOptima's financial exposure. Based on the proposed action, during the deeming period, CalOptima would continue providing OCC benefits to the Member. CalOptima will continue to receive member premium payments from Medicare; however, Medi-Cal capitation payments will be suspended during this time. Medi-Cal capitation payments from DHCS will be retroactively paid for the deeming month if the member regains Medi-Cal eligibility. However, if the Member does not regain Medi-Cal eligibility during the deeming period, the member would be disenrolled from OCC at the end of the deeming period month, and CalOptima would not be reimbursed for Medi-Cal expenses incurred on behalf of this member during the one-month period.

All regulatory notice requirements to Members will be followed for this process. While DHCS permits plans to implement deeming effective July 1, 2015, due to the time required for regulatory

approval of member materials, CalOptima staff proposes to implement the one month deeming process no earlier than September 1, 2015. As proposed, deeming will continue through the duration of the CMC, currently authorized by the DHCS and CMS through December 31, 2017.

CalOptima will modify its OCC policies related to member enrollment and disenrollment, to the extent necessary to implement the above.

Long-Term Care

On April 2, 2015, the CalOptima Board of Directors authorized staff to modify the OCC enrollment process to allow for enrollment by long-term care facility. Regulatory approval was received in July 2015 and the enrollment of members by facility will begin in November 2015. In order to enhance the care for OCC members residing in a long-term care facility, staff proposes to implement a delivery model specific for these members. By enhancing the delivery model, staff expects to:

- Improve coordination of Medicare and Medi-Cal services, consistent with the goals of Cal MediConnect
- Improve member, family and facility satisfaction
- Promote member enrollment in OCC
- Utilize emergency department (ED) and inpatient resources appropriately with subsequent reduction in ED visits, hospital admissions, days and readmissions rates
- Adhere to regulatory requirements for OCC
- Improve communication and discuss expectations with member, facility, providers, and family
- Measure and report benefits of integrated care

A key component of this delivery model is to contract with providers who provide services in skilled nursing and long-term care facilities. These providers are referred to as skilled nursing facility (SNF) physicians. Because these members permanently reside in the facility, it is important for the members' care to be rendered by physicians who go directly to the facility to provide services on a regular and frequent basis in order to identify and treat acute or deteriorating conditions. These physicians will also be available around-the-clock to provide urgent care services at the facility in order to avoid unnecessary emergency department admissions. As such, new contracts requiring the SNF physician to provide around-the-clock care and minimum thresholds of visits in addition to traditional primary care services will be developed. These contracts will be offered exclusively through CalOptima Direct to individual providers and physician groups and may be based on fee-for-service or capitated with a risk sharing agreement.

The other key component of enhancing the deliver model is to designate the managed CalOptima Community Network, a part of CalOptima Direct, as the assigned network for OCC members residing in a long-term care facility, similar to CalOptima's current policy for Medi-Cal members. The CalOptima Community Network is designed to provide physician, hospital, and long-term care services to all Medi-Cal members residing in a long-term care facility. For Dual eligible members, while physician and hospital services are provided through the Medicare fee-for-service program, a Medicare Advantage Plan, or a Special-Needs Plan, CalOptima has always managed and paid for long-term care services for these members directly. Assigning OCC members to CalOptima

Community Network, therefore, promotes continuity with their CalOptima Medi-Cal network. Additionally, this allows a single entity to be responsible for the members entire covered services.

Subject to approval by both the DHCS and CMS, CalOptima will modify and/or develop OCC policies related to health network selection, primary care selection, auto-assignment, and services provided to a member residing in a long-term care facility to the extent necessary to reflect the above.

Fiscal Impact
The recommended actions are budget neutral. Transition of OneCare members into OneCare Connect, expenses due to deeming, and direct costs related to the reimbursement to long-term care facilities are accounted for in the FY16 budget.

Rationale for Recommendation
In order to comply with the DHCS guidelines for OCC enrollment and to maintain maximum membership and minimize disruption of member's health care services, CalOptima staff proposes to implement the above recommended actions.

Concurrence
Gary Crockett, Chief Counsel

Attachments
None

/s/ Michael Schrader — *07/31/2015*
Authorized Signature — **Date**

OneCare Connect
CalOptima
Better. Together.

Policy #:	CMC.1207a
Title:	**OneCare Connect Auto Assignment**
Department:	Administration
Section:	Not Applicable
CEO Approval:	Michael Schrader MS
Effective Date:	7/1/15
Last Review Date:	7/1/15
Last Revised Date:	7/1/15

I. PURPOSE

To establish a process by which OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan), hereafter "OneCare Connect" shall assign a Member who has not voluntarily selected a Health Network and Primary Care Provider (PCP).

II. DEFINTIONS

Term	Definition
Primary Care Provider (PCP)	A physician who focuses his or her practice of medicine to general practice or who is a board certified or board eligible internist, pediatrician, obstetrician/gynecologist, or family practitioner. The PCP is responsible for supervising, coordinating, and providing initial and primary care to Members, initiating referrals, and maintaining the continuity of Member care under OneCare Connect.
Health Network	A Physician Hospital Consortium (PHC), Physician Medical Group (PMG) under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network. For the purposes of this policy, this term shall apply to CalOptima's Community Network.

III. POLICY

A. OneCare Connect shall ask each eligible Member to select a Health Network and PCP, in accordance with CalOptima Policy CMC.4010: Health Network and PCP Selection, Assignment and Notification.

B. If a Member does not select a Health Network, OneCare Connect shall assign such Member to a Health Network, in accordance with this policy. The OneCare Connect auto assignment process shall ensure the following:

1. Preservation of the Member/provider relationship to maintain continuity of care by leveraging historical utilization/claims and pharmacy data to assign Members to the most appropriate Health Network and PCP; and

2. Member enrollment in Health Networks that demonstrate quality performance.

C. The Member may request to change his or her Health Network every thirty (30) calendar days, in accordance with CalOptima Policy CMC.4010: Health Network and Primary Care Provider Selection, Assignment, and Notification.

IV. PROCEDURE

A. OneCare Connect shall auto assign eligible Members to a Health Network as follows, and in the following order:

1. Data-based assignment when the Member's preferred or prescribing provider information is available.

   a. The member's preferred or prescribing provider participates in a OneCare Connect Health Network as a PCP.

      i. If the provider participates in one (1) Health Network, the Member will be assigned to that provider and his or her affiliated Health Network.

      ii. If there are multiple providers, the Member will be assigned to the provider based on the highest number of encounters followed by recent date of service (DOS) within a twelve (12) month period.

      iii. If the provider participates in multiple Health Networks, CalOptima shall utilize quality performance allocations, based on indicators that measure both quality of clinical services and administrative excellence, to assign the Member to a Health Network that contracts with the provider.

   b. The Member's preferred or prescribing provider participates in a OneCare Connect Health Network as a specialist.

      i. If the provider participates in one (1) Health Network, the Member will be assigned to the provider's affiliated Health Network.

      ii. If there are multiple providers, the Member will be assigned to the provider's Health Network based on the highest number of encounters followed by recent DOS within a twelve (12) month period.

      iii. If the provider participates in multiple Health Networks, the Member will be equally assigned to the provider's affiliated Health Networks based on rotation.

      iv. PCP assignment will be based on the Member's geographic location and language preference within the assigned Health Network.

2. Quality based assignment when the Member's preferred or prescribing provider information is not available.

   a. The member will be assigned to a Health Network based on the Health Networks' quality performance rankings.

   b. PCP assignment will be based on the Member's geographic location and language preference within the assigned health network.

c. If there are multiple matched PCPs, assignment will be based on rotation of available matched PCPs.

B. The number of auto assigned Members a Health Network receives may vary monthly, depending upon the number of Members eligible for Auto Assignment and the historical utilization/claims and pharmacy data to identify a member's preferred or prescribing provider.

V. ATTACHMENTS

Not Applicable

VI. REFERENCES

A. CalOptima Policy CMC.4010: Physician Medical Group and Primary Care Provider Selection, Assignment and Notification

VII. REGULATORY APPROVALS

Not Applicable

VIII. BOARD ACTION

None to Date

IX. REVIEW/REVISION HISTORY

Version	Version Date	Policy Number	Policy Name
Original Date	7/1/15	CMC.1207a	OneCare Connect Auto Assignment
Revision Date 1	7/1/15	CMC.1207a	OneCare Connect Auto Assignment

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken February 4, 2016
Regular Meeting of the CalOptima Board of Directors

Report Item

6. Authorize Actions Related to Expansion of CalOptima's Program of All-Inclusive Care for the Elderly (PACE) in Orange County

Contact

Javier Sanchez, Chief Network Officer, (714) 246-8400
Phil Tsunoda, Executive Director Public Policy and Public Affairs, (714) 246-8400

Recommended Actions

1. Authorize the Chief Executive Officer to:
   a. Submit a PACE Service Area Expansion (SAE) application to the Department of Health Care Services (DHCS) and Centers for Medicare & Medicaid Services (CMS) for south Orange County; ~~and~~
   b. Initiate a Request for Proposals (RFP) process for Alternative Care Settings (ACS) model for PACE expansion satellite locations to include Community-Based Adult Services (CBAS) centers;
   c. Staff to perform financial analysis of the CBAS business model and present to the Board of Directors' Finance and Audit Committee for review; staff to conduct analysis of the efficacy of the model including transportation, and present this analysis, the RFP results, and staff recommendations to the Board of Directors for approval before implementation; and
   d. When the Garden Grove PACE Center reaches 80% capacity, return to Board to consider authorizing RFP for one or more additional PACE centers.

Background/Discussion

As part of the process of evaluating the feasibility of expanding the CalOptima PACE program, staff began a stakeholder vetting process in early May, 2015, that involved numerous meetings, briefings and regular updates to a workgroup of stakeholders to discuss the process and gather feedback. In addition, CalOptima contracted with On Lok PACEpartners, a PACE consulting firm, to conduct an analysis on options and steps that might be considered to better serve the Orange County community. In September 2015, the CalOptima Board of Directors' Provider Advisory Committee (PAC) and Member Advisory Committee (MAC) received a presentation and report summarizing the PACE expansion analysis performed by On Lok PACEpartners. The analysis includes an assessment of potential additional demand of PACE-related services in north and south Orange County and a review of possible expansion models. Based on the On Lok analysis and community input, CalOptima staff has identified the Alternative Care Setting (ACS) model as the most advantageous approach to best address the needs of eligible PACE participants in Orange County.

The ACS model would include CalOptima's Garden Grove site as the main hub with potential satellite sites in north and south Orange County supplementing the Garden Grove facility. Potential satellite sites under the ACS model could include the use of Community-Based Adult Services (CBAS) centers. All PACE participants would be assigned to an interdisciplinary care team at the Garden Grove PACE center, but could potentially receive most of their in-person services at the ACS

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satellite site closer to their place of residence. ACS satellite sites can offer six of the seven required PACE services. These include: primary care, social services, restorative therapies, personal care and supportive services, nutritional counseling, recreational therapy, and meals.

CalOptima already has regulatory authority to expand PACE services through an ACS model in north Orange County. Staff is requesting Board authority to submit a PACE Service Area (SAE) application to the Department of Health Care Services (DHCS) and the Centers for Medicare & Medicaid (CMS) for south Orange County. Additionally, staff is requesting Board approval to begin the planning and preparation process to expand PACE services utilizing the ACS model. This process involves continuing a community stakeholder process as well as initiating an RFP process to identify appropriate healthcare service facility sites that CalOptima could contract with to become an ACS site.

Fiscal Impact
No additional costs are anticipated at this time for the recommended actions to submit a PACE SAE application to DHCS and CMS for south Orange County, and initiate an RFP process to implement an ACS model for PACE expansion satellite locations.

Rationale for Recommendation
The utilization of the PACE ACS model as part of CalOptima's PACE expansion efforts leverages existing community partners and resources to increase access to PACE services and reflects federal and state regulators' preference for enhanced and expanded services for our members. Additionally, the ACS model allows PACE-eligible members in Orange County to receive PACE services in an efficient manner, whereby those members would receive same level of PACE services closer to their place of residence.

Concurrence
Gary Crockett, Chief Counsel

Attachments
1. PACE Expansion PowerPoint Presentation
2. On Lok PACEpartners Demographic, Market Saturation, Language and Competitive Analysis
3. On Lok PACEpartners Addendum to September 8, 2015 Demographic Analysis

/s/ Michael Schrader — *01/29/2016*
Authorized Signature — **Date**

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PACE Expansion

Board of Directors Meeting

February 4, 2016

Phil Tsunoda

Executive Director, Public Policy & Public Affairs

PACE Background

- PACE (Program of All-inclusive Care for the Elderly) is a predominantly dual-eligible program that helps frail seniors meet its health care needs in the community instead of going to a nursing home or other care facility.
- CalOptima PACE Qualifications:
  - Be at least 55 years old
  - Live in our CalOptima PACE service area
  - Meet the nursing facility level of care requirements as determined by the State of California
  - Be able to live safely at home or in the community setting with proper support

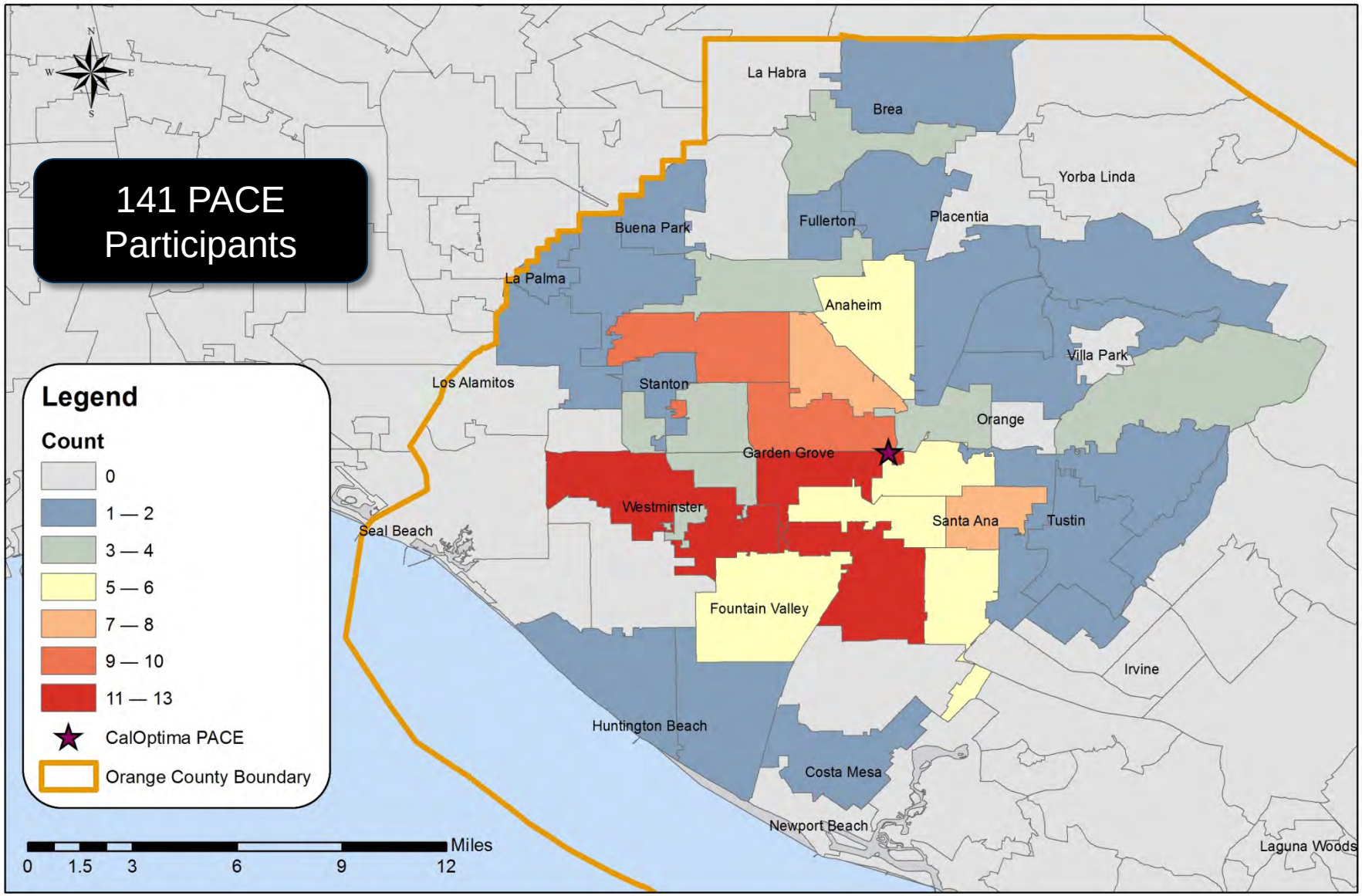
CalOptima PACE

- CalOptima opened their PACE Center in Orange County on October 2013
- PACE is a community-based program that provides all necessary medical and social services to seniors
- A “one-stop shop” that both coordinates the care of its members and improves their quality of life
- CalOptima PACE currently has 141 members with a center capacity of 250

What Services Does PACE Cover?

- Onsite Medical Clinic
- Social Activity/Day Center
- Transportation (Home to Center to Home)
- Rehabilitation (Physical/Occupational Therapy)
- Meals and Healthy Eating Tips
- Home Care
- Prescription Drugs
- Medical Equipment
- Hospital Care
- Long-Term Care

CalOptima PACE Participants by Zip Code, Orange County (CA), 2016



Map Sources: ESRI topographic basemap and ZIP code boundaries; CalOptima membership data, 1/26/16

Map Author: Michael Peralta, CalOptima Date: 1/26/2016

Key Questions for Consideration

- **Question 1: Is there demand for PACE expansion?**
- **Question 2: If yes, what is the recommended expansion model?**

Market Potential
North and South County

	North County	South County
Seniors, non-institutionalized 55+	481,535	212,531
Estimated low-income seniors, 55+ (annual income less than $14,999)	63,037	20,078
Estimated frail, low-income seniors, 55+ with ambulatory difficulties	11,113	2,783
Estimated PACE market based on a 15% saturation rate	1,666	417

Source: On Lok PACEpartners Consulting Report

On Lok Study Findings

- On Lok Consulting advises five years needed to achieve full PACE Center enrollment; CalOptima's PACE Center is halfway through this period

- Current PACE Center is at 56% of the facility's capacity (141 of 250 capacity)

- CalOptima staff projects reaching the 250 member threshold by January 2018

CalOptima PACE Expansion Options

Option 1: Evaluate expansion after additional year of operation	Option 2: Alternative Care Setting	Option 3: Exercise "Right of First Refusal" (Non-CalOptima PACE facility)
Continue operating current CalOptima PACE center	Subcontract with an appropriate healthcare service facility (e.g., community-based adult services (CBAS) center) and provide oversight	Allow an entity to contract directly with CMS and DHCS (outside of CalOptima oversight)

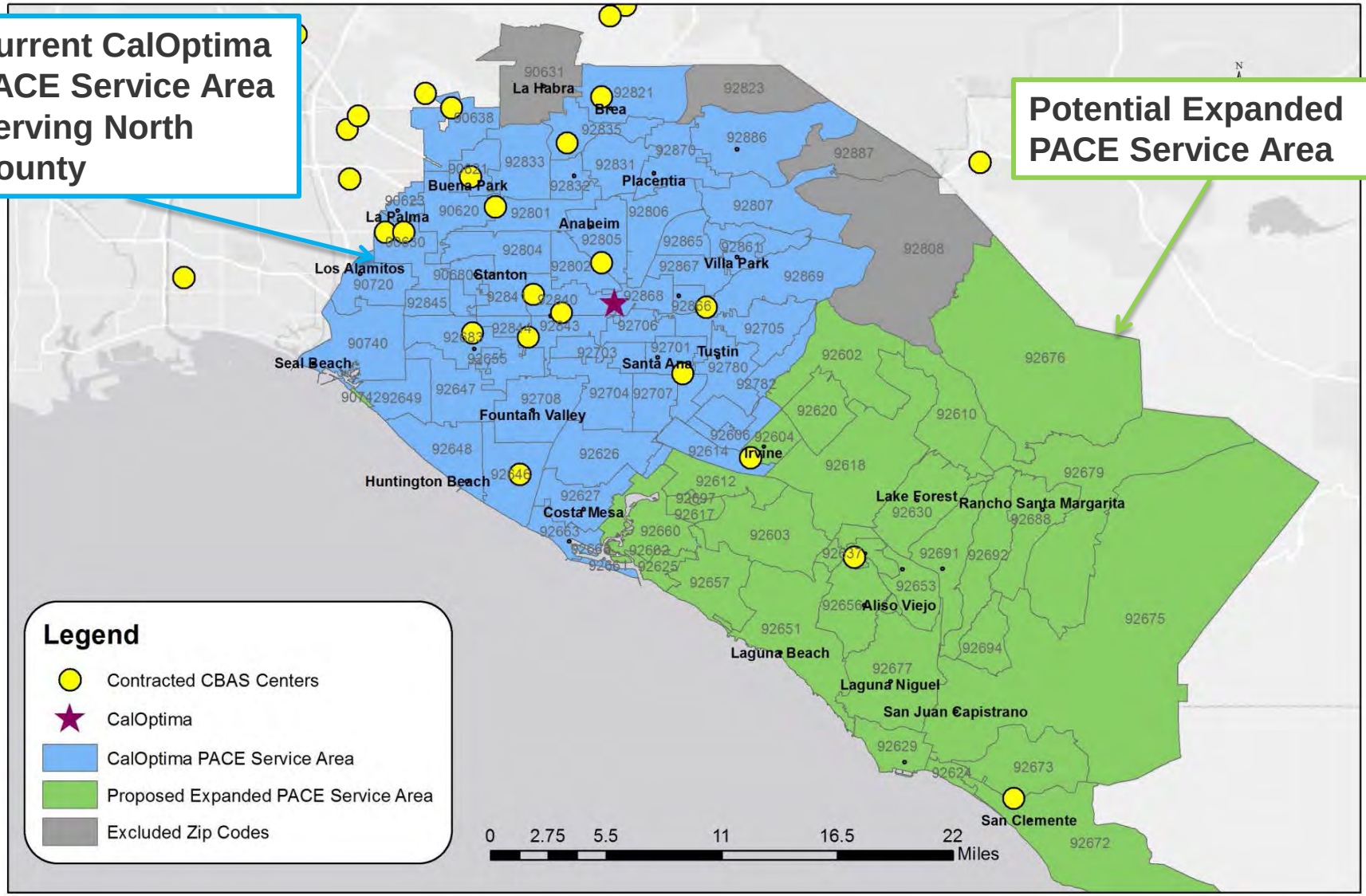
Recommended: Option 2
Alternative Care Setting (ACS) Model

- An ACS is an appropriate healthcare service facility (e.g., CBAS center) in the CMS approved service area
- ACS can offer a maximum of six of the seven required PACE Services
  - Primary care, including physician and nursing services
  - Social services
  - Restorative therapies (physical and occupational)
  - Personal care and supportive services
  - Nutritional counseling
  - Recreational therapy
  - Meals
- CalOptima will provide oversight to ACS facilities to ensure regulatory compliance

ACS Model Benefits

- Allows CalOptima to maximize enrollment opportunities to reach our full capacity
- Allows for participant to receive most of their services closer to home
- Allows for the greatest amount of CalOptima flexibility to add additional satellite facilities as demand grows

CalOptima Contracted CBAS Centers



Map Sources: ESRI basemap; ESRI USA ZIP5 shapefile; US Census Bureau for county boundary; List of contracted CBAS centers, CalOptima

Map Author: Michael Peralta, CalOptima, October 22, 2015

South County PACE Expansion Request

- DHCS approval required for South County area PACE expansion (30-45 day review)

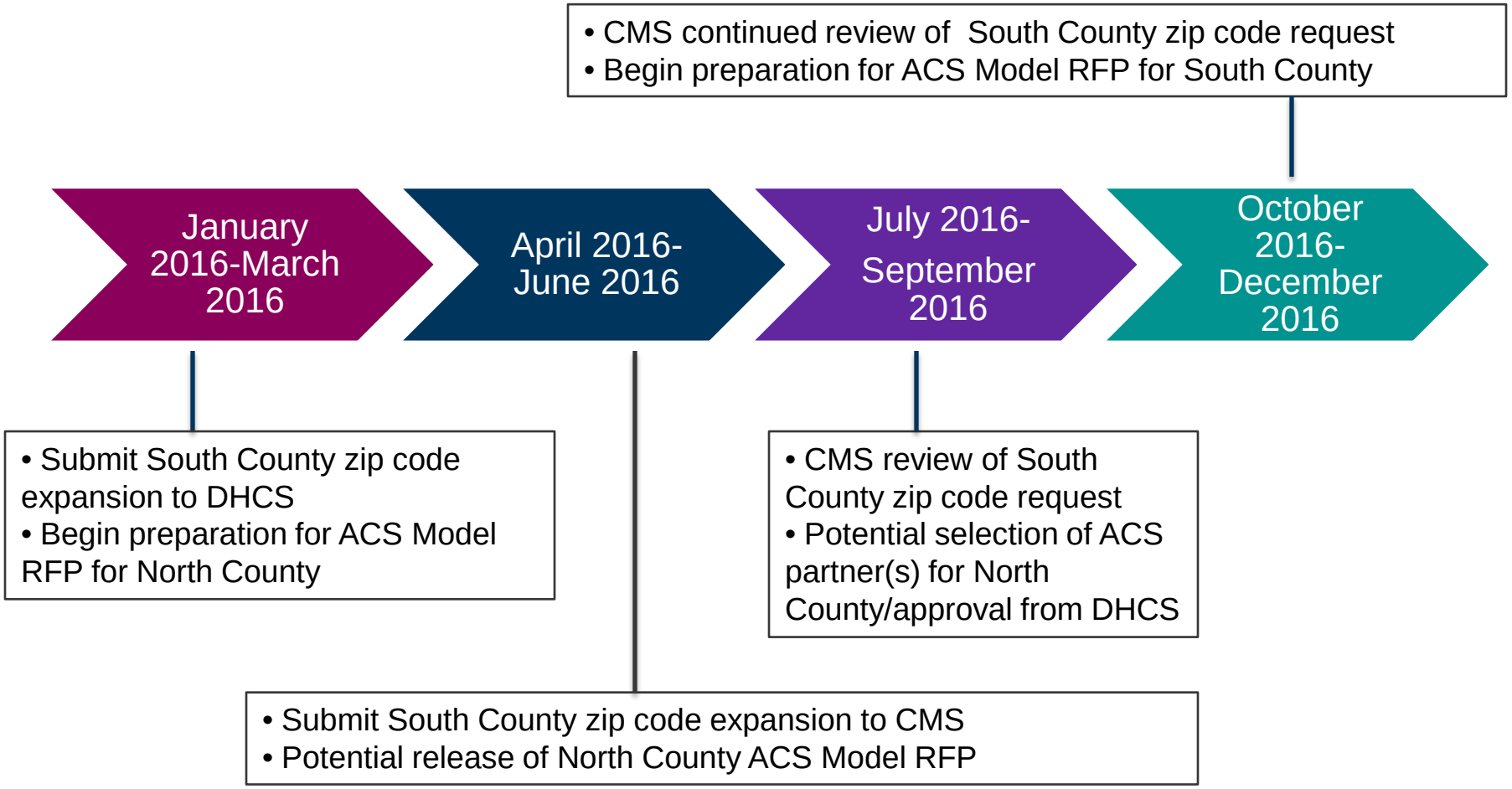
- CMS approval required for South County area PACE expansion (9-12 months)

- 4 application opportunities with CMS
  - January 4-8, 2016
  - June 30, 2016
  - September 30, 2016
  - December 30, 2016

Recommended Action

- Pursue regulatory approval to expand to South County
- Begin planning and preparation for Option 2 (ACS Model)

Proposed Expansion Timeline



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PACEpartners
A tradition of excellence in senior health care

CALOPTIMA

ORANGE COUNTY, CALIFORNIA

Demographic, Market Saturation, Language and Competitive Analysis

Program of All-inclusive Care for the Elderly (PACE)

August 10, 2015

ON LOK
PACE*partners*
A tradition of excellence in senior health care

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CalOptima PACE

Demographic, Market Saturation, Language and Competitive Analysis for PACE

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DEMOGRAPHIC ANALYSIS

Introduction

CalOptima seeks to understand the PACE market in Orange County to inform their strategic planning efforts. On Lok PACE*partners* completed a formal demographic analysis to estimate the number of low-income seniors residing in the current CalOptima PACE service area in northern Orange County, as well as those residing in the proposed expanded PACE service area who meet the eligibility requirements of PACE for age, community-dwelling, income and frailty criteria. In this report, we refer to CalOptima's current service in the northern area of Orange County as, "current CalOptima service area". The area to the south of the current CalOptima service area CalOptima asked to have included in this study we refer to as, "proposed expanded PACE service area".

Map 1 shows Orange County in its entirety, with CalOptima PACE zip codes in highlights.

Map 1: Orange County with CalOptima PACE Service Area in Highlights

Current Service Area

The current CalOptima service area comprises 53 zip codes in northern Orange County. CalOptima operates one PACE centers in Garden Grove in Orange County (the CalOptima PACE Center). Map 2 shows a close-up view of the zip codes that comprise the current CalOptima PACE service area.

The zip codes that CalOptima currently serves are: **90620**, **90621**, **90623**, **90630**, **90638**, **90680**, **90720**, **90740**, **92606**, **92614**, **92626**, **92627**, **92646**, **92647**, **92648**, **92649**, **92655**, **92661**, **92663**, **92683**, **92701**,

92703, **92704**, **92705**, **92706**, **92707**, **92708**, **92780**, **92782**, **92801**, **92802**, **92804**, **92805**, **92806**, **92807**, **92821**, **92831**, **92832**, **92833**, **92835**, **92840**, **92841**, **92843**, **92844**, **92845**, **92861**, **92865**, **92866**, **92867**, **92868**, **92869**, **92870** and **92886**.

These 53 identified zip codes encompass the Orange County communities of Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Mirada, La Palma, Los Alamitos, Midway City, Newport Beach, Orange, Placentia, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster and Yorba Linda.

Map 2: Close-up of CalOptima PACE Service Area with Zip Codes

Proposed Expanded PACE Service Area

CalOptima is interested in exploring the potential for expansion of PACE in Orange County. The proposed expanded PACE service area zip codes not currently served by CalOptima comprise 28 zip codes. (Note: This study does not include zip codes 90631, 92808, 92823, and 92887 which are in the north part of the county, contiguous to the CalOptima PACE service area and not currently served by CalOptima PACE). Map 3 shows the proposed expanded PACE service area zip codes in Orange County that are have been analyzed for this report.

Map 3: Proposed Expanded PACE Service Area

The areas in the proposed expanded PACE service area include the zip codes **90742**, **90743**, **92602**, **92604**, **92610**, **92612**, **92618**, **92620**, **92624**, **92625**, **92629**, **92630**, **92651**, **92653**, **92656**, **92657**, **92660**, **92662**, **92672**, **92673**, **92675**, **92676**, **92677**, **92679**, **92688**, **92691**, **92692** and **92694.** Note: Zip code 92672 is partially in Orange County and partially in San Diego County, however, 100% of the addresses in the zip code are in Orange County.[1]

These 28 identified zip codes include the Orange County communities of Aliso Viejo, Capistrano Beach, Corona Del Mar, Dana Point, Foothill Ranch, Irvine, Ladera Ranch, Laguna Beach, Laguna Niguel, Lake Forest, Mission Viejo, Newport Beach, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Silverado, Sunset Beach, Surfside and Trabuco Canyon.

Analysis to Determine Estimates of PACE-Eligible Seniors

Methodology. This analysis uses zip code-level population and household income data from the U.S. Census Bureau's 2013 American Community Survey (five-year estimates) as well as 2000 Decennial Census data for rates of disability and ratio of civilian non-institutionalized population to total population (Note: The 2000 US Census was the last Census year that gathered level-of-disability questions disability-specific questions were asked.) Zip code level rates of disability (with and without self-care limitations) are applied to estimates of civilian, non-institutionalized seniors who have annual incomes from $0-14,999 per year, and who have incomes from $0-$19,999 per year (two lower-annual levels of income studies by the American Community Survey). Note, these two income levels are categories captured by the US Census. The analysis results in estimated numbers of very frail, low-income seniors by zip code who are considered to be eligible for PACE. Please see Attachment 1 "Estimated Number of PACE-Eligible Seniors" for the complete analysis.

Age. While PACE serves people age 55 and older, most seniors enrolled in PACE are at least 65 years old (the average age is 84). Since PACE enrollees must be able to live independently in the community at time of enrollment, we focused on non-institutionalized seniors age 65+ to assess the size of the proposed service area's PACE-eligible population. As Table 1 shows, an estimated **237,830** non-institutionalized people age 65 or older live in the in the current CalOptima service area, and an

[1] http://www.melissadata.com/lookups/ZipCityPhone.asp?InData=92672&submit=Search

estimated **93,690** non-institutionalized people age 65 or older live in the proposed expanded PACE service area zip codes.

Table 1: Estimated Seniors Age 65+[2]

	Total Seniors Age 65+	Total Non-Institutionalized Seniors Age 65+
CalOptima PACE Service Area	245,740	237,830
Non-CalOptima PACE Zip Codes	95,714	93,690
Total	341,454	331,520

Note: "Non-CalOptima PACE Zip Codes" includes all Orange County zip codes outside the CalOptima PACE service area excluding zip codes 90631, 92808, 92823, and 92887.

Income. While PACE has no income requirements for enrollment, most PACE participants are eligible for Medicaid or for both Medicare and Medicaid. Nationally, few PACE participants pay privately. Persons eligible for Medicaid do not pay for the care provided by PACE, whereas those eligible for Medicare alone must pay privately an amount equal to the Medicaid PACE payment. Having a high concentration of low-income seniors nearby generally increases the likelihood of reaching census goals. In our analysis we considered the number of seniors who have incomes of $0-$14,999 per year, as well as seniors who have incomes of $0-19,999 per year. At the $0-$14,999 annual income level, Table 2 shows an estimated **17,767** seniors in the current CalOptima PACE service area and an estimated **5,491** seniors in the proposed expanded PACE service area zip codes. At the $0-$19,999 annual income level, Table 2 shows an estimated **27,521** seniors in the current CalOptima PACE service area, and **8,586** seniors in the proposed expanded PACE service area zip codes.

Table 2: Estimated Number of Low-income Seniors[3]

	Age 65+ Civilian Non-Institutionalized Seniors Earning $0-$14,999/Year	Age 65+ Civilian Non-Institutionalized Seniors Earning $0-$19,999/Year
CalOptima PACE Service Area	17,767	27,521
Non-CalOptima PACE Zip Codes	5,491	8,586
Total	23,258	36,107

[2] American Community Survey 2013 5-year estimates for population by zip code level; US Census Bureau 2000 zip code-level data for ratio of civilian non-institutionalized population to total population age 65+.
[3] American Community Survey 2013 5-year estimates for income levels; US Census Bureau 2000 zip code-level data for ratio of civilian non-institutionalized population to total population age 65+.

Frailty/Nursing Home Certifiable. Prior to enrolling in PACE, seniors must be certified as nursing home eligible by the California Department of Health Care Services Division of Long-Term Care (DHCS DLTC). A crucial step in estimating the number of PACE-eligible seniors involves applying a proxy for "nursing home certifiable" to the low-income data. Nursing home certifiable (NHC) is a term that denotes impairment in Activities of Daily Living (ADL) and severe medical conditions and/or cognitive impairment such as dementia. Two United States Census data categories—"persons with 2+ disabilities" (moderate estimates) and "persons with 2+ disabilities including self-care" (more conservative estimates)—provide a proxy for NHC. Although this approach for determining the market has been tested by On Lok and deemed reasonable, please note that these numbers represent estimates. As Table 3 shows, the use of income criteria in combination with disability criteria produces an estimated range of **2,988** to **10,804** seniors age 65+ within the current CalOptima PACE service area who are likely to be eligible for PACE. In the proposed expanded PACE service area zip codes, there is an estimated range of **656** to **2,251** seniors age 65+ who are likely to be eligible for PACE.

Table 3: Estimated Number of Frail, Low-Income Seniors Eligible for PACE[4]

	Income Level	Conservative Frailty Estimate (Age 65+ with 2+ Disabilities including Self-Care)	Moderate Frailty Estimate (Age 65+ with 2+ Disabilities)
CalOptima Service Area	$0-$14,999 Annual Income	2,988	7,024
	$0-$19,999 Annual Income	4,598	10,804
Proposed Expanded PACE Service Area	$0-$14,999 Annual Income	656	1,449
	$0-$19,999 Annual Income	1,026	2,251

Estimated PACE Market

Current CalOptima Service Area. The estimated PACE market in the current CalOptima service area is a range of **2,988** to **10,804** PACE-eligible seniors age 65+. This wide range is due to the varying

[4] American Community Survey 5-year estimates for income levels for householders; US Census Bureau 2000 zip code-level data for ratio of civilian non-institutionalized population to total population age 65+ and rates of disability.

criteria used for frailty and income in the demographic analysis (moderate vs. high disability level, $0-$14,999 vs. $0-$19,999 annual income). Please see Attachment 1 – Estimated Number of PACE-Eligible Seniors -- for the detailed demographic analysis.

On Lok PACE*partners* typically recommends that PACE organizations rely on higher frailty criteria (seniors with 2 or more disabilities including a self-care disability), which yields a more conservative - and therefore lower - total number of PACE-eligible seniors in a given geographic area. In that case, for the purposes of this report, the market for the current CalOptima service area is between **2,988** and **4,598** PACE-eligible seniors. The lower number (**2,988**) refers to frail seniors earning $0-$14,999 per year, and the higher number (**4,598**) refers to frail seniors earning $0-$19,999 per year.

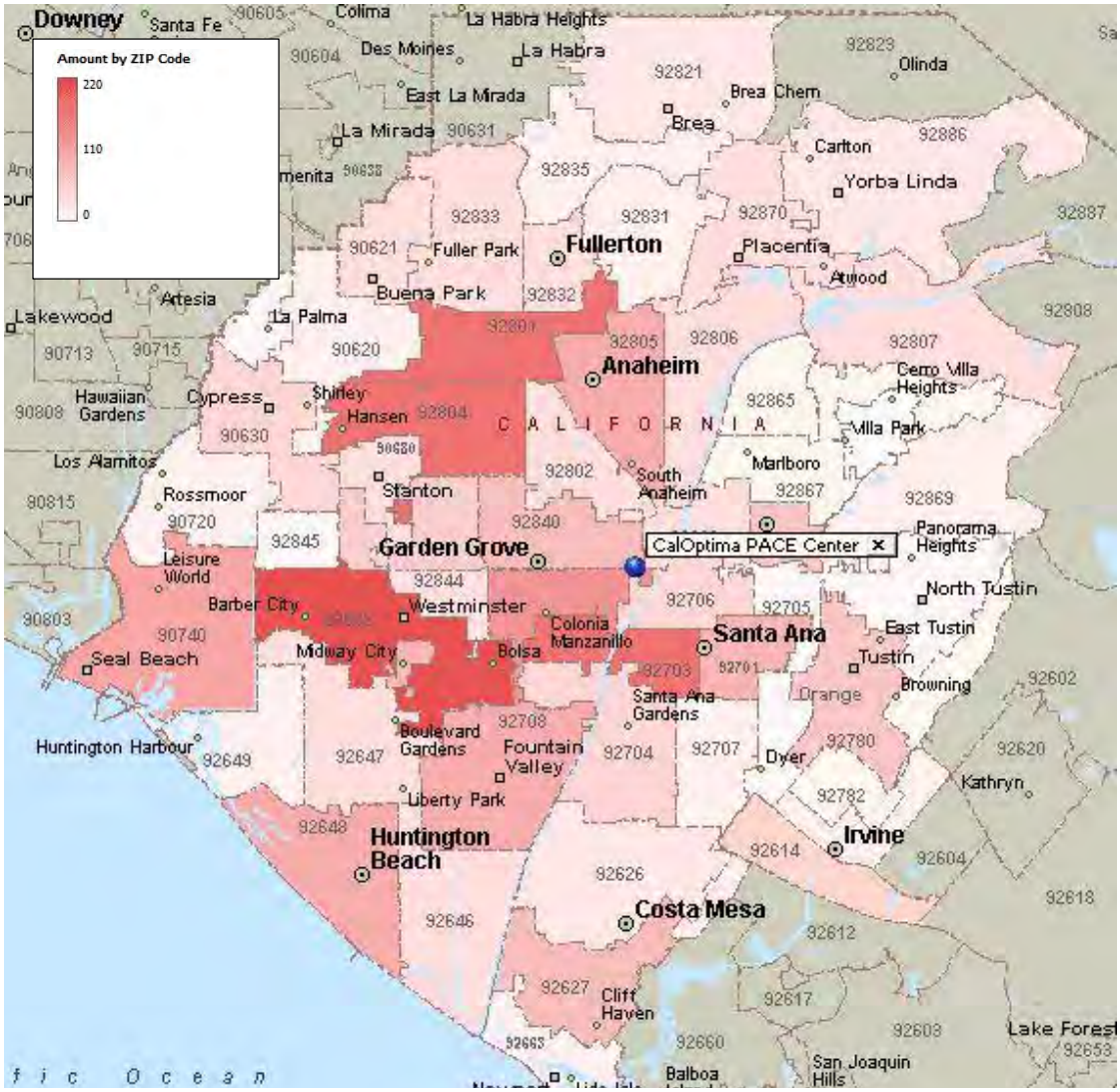
Proposed Expanded PACE Service Area Zip Codes. The estimated PACE market in proposed expanded PACE service area is a range of **656** to **2,251** PACE-eligible seniors age 65+. As above, this wide range is due to the varying criteria used for frailty and income in the demographic analysis. Please see Attachment 1 – Estimated Number of PACE-Eligible Seniors – for the detailed demographic analysis.

Using the On Lok PACE*partners* recommendation that PACE organizations rely on higher frailty criteria, for the purposes of this report, the market for the proposed expanded PACE service area is between **656** and **1,026** PACE-eligible seniors. The lower number (**656**) refers to frail seniors earning $0-$14,999 per year, and the higher number (**1,026**) refers to frail seniors earning $0-$19,999 per year.

Distribution Across Service Area

Current CalOptima Service Area. Map 4 uses the most conservative criteria for both income and disability. It depicts the concentration of PACE-eligible seniors using the **conservative/more stringent disability criteria** (2 or more disabilities including a self-care disability) and the more narrow income criterion (**$0-$14,999 per year**).

Map 4: Current CalOptima PACE Service Area - Concentration of PACE Eligible Seniors-
($0-$14,999 Annual Income, Conservative/Most Stringent Frailty Criterion)



Proposed Expanded PACE Service Area. Map 5 uses the most conservative criteria for both income and disability. It depicts the concentration of PACE-eligible seniors using the **conservative/more stringent disability criteria** (2 or more disabilities including a self-care disability) and the more narrow income criterion (**$0-$14,999 per year**) for the proposed expanded PACE service area zip codes.

Map 5: Proposed Expanded PACE Service Area - Concentration of PACE Eligible Seniors
($0-$14,999 Annual Income, Conservative/Most Stringent Frailty Criterion)

Note: Zip codes in grey within the designated area do not have American Community Survey data available for analysis.

Discussion and Comparison of the Concentration Maps

CalOptima Service Area. For the more narrow income criterion at the conservative/more stringent frailty level, the zip codes with the greatest density of PACE-eligible seniors are: **Westminster** (**92683**, 212 eligibles), **Anaheim** (**92801**, 175 eligibles), **Santa Ana** (**92703**, 170 eligibles), **Anaheim (92804**, 169 eligibles), and Garden Grove (**92843,** 136 eligibles). Because **92683** and **92703** are contiguous (area

to the east of Anaheim), and **92801** and **92804** are contiguous (area to the south of Garden Grove), it is possible to view the two areas as composites. Therefore the highest-density areas east of Anaheim have a total of **382** PACE-eligible seniors, and the high-density areas south of Garden Grove have a total of **344** PACE-eligible seniors.

It is interesting to note that the Garden Grove area, where the CalOptima PACE center is located, contains five zip codes (**92840**, **92481**, **92483**, **92484**, and **92485**). When seen as a composite, these zip codes have a total estimated **337** PACE-eligible seniors, per the conservative frailty and $0-$14,999 annual income criteria.

As explained in the *Analysis to Determine Estimates of PACE-Eligible Seniors*, the conservative frailty and income criteria yield a total estimated **2,988** PACE-eligible seniors within the 53 zip codes served by CalOptima PACE.

The Proposed Expanded PACE Service Area Zip Codes. In this area, the zip codes with the highest density of PACE-eligible seniors are **Mission Viejo** (**92691**, 117 eligibles) and **San Juan Capistrano** (**92675**, 87 eligibles). The rest of the zip codes contain between zero and 45 PACE-eligible seniors.

The estimated total number of PACE-eligible seniors in the the proposed expanded PACE service area zip codes is **656** PACE-eligible seniors (according to the most conservative frailty criteria and the $0-$14,999 annual income level).

Demographic Analysis Conclusion

Using conservative analysis criteria, the current CalOptima service area contains an estimated four times as many PACE-eligible seniors as the proposed expanded PACE service area zip codes. The greatest density of PACE eligibles in the current service area are in the communities of Anaheim, Garden Grove, Santa Ana, and Westminster.

The zip codes not currently served by CalOptima with the highest number of PACE-eligible seniors are Mission Viejo and San Juan Capistrano, although the number of PACE-eligible seniors in those areas is much lower than the high-density zip codes in the current CalOptima PACE service area. Overall, the demographic analysis shows that there is an opportunity to offer PACE to more frail seniors than the current site can accommodate. However, given the low density in the proposed expanded PACE service area zip codes, a site selection will need to be carefully considered taking into account competition and strong partnerships.

MARKET SATURATION ANALYSIS

Estimated PACE Market Based on National Market Saturation Rates

According to the National PACE Association, PACE organizations typically realize a 10% to 15% market saturation rate for the total estimate of PACE-eligible seniors in a given service area. Applying this standard market saturation range to the more conservative range of estimated totals of PACE-eligible seniors in the current CalOptima PACE service area (**2,988** to **4,598** PACE-eligible seniors) based on the demographic analysis in this report, CalOptima PACE can reasonably expect to enroll between **299** and **690** participants in the identified zip codes.

Applying this standard market saturation range to the more conservative range of estimated totals of PACE-eligible seniors in the area currently not served by CalOptima PACE service area (**656 to 2,251** PACE-eligible seniors) based on the demographic analysis in this report, CalOptima PACE can reasonably expect to enroll between **66** and **154** participants in the identified zip codes.

Table 4 below illustrates the application of the typical PACE market saturation range to the estimated number of PACE-eligible seniors in the current CalOptima PACE service area using conservative and moderate frailty criteria, as well as two levels of income.

Table 4: Number of Eligible Seniors that Can Reasonably be Expected to Enroll in PACE Based on Typical PACE Market Saturation Rates (10-15%)

	Income Level	Conservative Frailty Estimate (Age 65+ with 2+ Disabilities including Self-Care)	Moderate Frailty Estimate (Age 65+with 2+ Disabilities)
CalOptima Service Area	$0-$14,999 Annual Income	299-448	702-1,054
	$0-$19,999 Annual Income	460-690	1,080-1,621
Proposed Expanded Service Area	$0-$14,999 Annual Income	66-98	145-217
	$0-$19,999 Annual Income	103-154	225-338

Current CalOptima PACE Service Area Saturation Rates

On Lok PACE*partners* has conducted an analysis of current market saturation rates by zip code and by city for the CalOptima service area. July 2015 enrollment data from CalOptima PACE has been compared to the total estimated number of PACE-eligible seniors in the service area. Table 5 presents actual CalOptima PACE market saturation rates based on zip code level estimates, as compared to typical market saturation rates nation-wide, using varying income and frailty criteria.

Table 5: Typical PACE Market Saturation Rates vs. Current Market Saturation Rates - Using Conservative and Moderate Frailty Criteria at Two Income Levels [5]

Typical Market Saturation for PACE Organizations	10-15%		
Actual Market Saturation Rates for CalOptima PACE Service Area		Conservative Frailty Criteria	Moderate Frailty Criteria
	Seniors with Annual Income $0-$14,999	3.25%	1.38%
	Seniors with Annual Income $0-$19,999	2.11%	0.90%

Note: Comparisons based on American Community Survey 5-year estimates at the zip code level.

Discussion of CalOptima PACE Service Area Market Saturation Results

As Table 5 shows, CalOptima PACE realizes a market saturation rate from 0.90% to 1.38% when using less stringent frailty criteria, and a market saturation rate of 2.11% to 3.25% when using more stringent frailty criteria to determine the estimated PACE market. As expected from a new PACE organization, the saturation rates are significantly lower than the NPA average rates. This represents an opportunity for expansion in Orange County.

[5] National PACE market saturation rate averages provided by the National PACE Association. Market saturation rates for CalOptima PACE were calculated using the following sources: American Community Survey 2013 5-year estimates for income levels; US Census Bureau 2000 zip code-level data for ratio of civilian non-institutionalized population to total population age 65+ and rates of disability; and reports of July 2015 PACE program enrollment totals from CalOptima PACE.

Market Saturation Rates by Zip Code

Please see Attachment 2 - Market Saturation Analysis - for the zip code-level analysis. On Lok PACE*partners* has compared July 2015 zip code level CalOptima PACE enrollment data to the estimated total number of PACE-eligible seniors in each zip code.

Map 6 provides a visual representation of current CalOptima PACE market saturation rates at the zip code-level using conservative (more stringent) frailty criteria, and an income level of $0-$14,999 per year.

Map 6: Market Saturation Rates by Zip Code – CalOptima Service Area
(Conservative/More Stringent Frailty Criteria, Income $0-$14,999)

Individual zip codes with the highest market saturation are **Anaheim** (**92802**, 15.1%), **Santa Ana** (**92704**, 14.3%), **Garden Grove** (**92840**, 10.9%), and **Fullerton** (**92835**, 10.7%). All of these zip codes have market saturation rates on par with the NPA national average of 10-15%.

The CalOptima PACE zip codes with the highest number of PACE-eligible seniors and their market saturation rates are shown in Table 6 below.

Table 6: Market Saturation Rates for CalOptima PACE Zip Codes with the Highest Number of PACE-Eligible Seniors

Zip Code	Area	Number of PACE-Eligible Seniors	Market Saturation Rate
92683	Westminster	212	6.1%
92801	Anaheim	175	1.1%
92703	Santa Ana	170	2.4%
92804	Anaheim	169	1.8%
92843	Garden Grove	136	6.6%
92708	Fountain Valley	101	2.0%

High-density zip codes with relatively high market saturation rates are **Westminster** and **Garden Grove**. High-density zip codes with relatively low market saturation rates are **Anaheim** (92801 and 92804), **Fountain Valley** and **Santa Ana**.

Market Saturation Rates by Area/City

Table 7 below groups zip codes together by area, in order to see a composite estimated number of PACE-eligible seniors as well as the average market saturation rate by grouping.

Table 7: Market Saturation Rates for CalOptima PACE Metropolitan Areas with a Relatively High Number of PACE-Eligible Seniors

Area	Number of PACE-Eligible Seniors (Combined Zip Codes)	Number of PACE-Eligible Seniors Enrolled in CalOptima PACE	Market Saturation Rate by Area
Anaheim (92801, 92802, 92804, 92805, 92806, 92807)	573	19	3.3%
Santa Ana (92701,92703, 92704, 92705, 92706, 92707)	396	21	5.3%
Garden Grove (92840, 92841, 92843, 92844, 92845)	337	24	7.1%
Westminster (92683)	212	13	6.1%
Huntington Beach (92646, 92647, 92648, 92649)	211	1	0.5%
Orange (92865, 92866, 92867, 92868, 92869)	187	4	2.2%
Fullerton (92831, 92832, 92833, 92835)	136	4	2.9%
Costa Mesa (92606, 92614)	109	2	1.8%
Fountain Valley (92708)	101	2	2.0%
Midway City (92655)	92	3	3.3%
Irvine (92606, 92614)	79	0	0.0%

For **Anaheim**, the metropolitan area with the largest number of PACE-eligible seniors in the CalOptima service area, CalOptima currently realizes a 3.3% market saturation rate. CalOptima

realizes a higher relative rate in **Santa Ana** (5.3%), **Garden Grove** (7.1%), and **Westminster** (6.1%). Metropolitan areas with a high number of PACE-eligible seniors but a relatively low market saturation rate are **Midway City** (3.3%), **Fullerton** (2.9%), **Orange** (2.2%), **Fountain Valley** (2.0%), **Costa Mesa** (1.8%), **Huntington Beach** (0.5%), and **Irvine** (0%).

Market Saturation Analysis Conclusion

As a relatively new PACE provider, CalOptima is showing promising uptake in those areas that are in close proximity to its PACE Center -- the communities of Garden Grove, Santa Ana and Westminster. However, as the Market Saturation Analysis shows, there remains an excellent opportunity for growth due to relatively high numbers of eligibles and the CalOptima PACE's low market penetration rates in these areas.

Potential areas for growth include metropolitan areas in close proximity to Garden Grove with a large number of untapped PACE-eligible seniors. Those communities include Anaheim, Huntington Beach, and Orange.

LANGUAGE ANALYSIS

Introduction

On Lok PACE*partners* has completed an analysis of the languages spoken in the CalOptima service area of Orange County.

Languages Spoken at Home by Seniors in the CalOptima Service Area

Methodology. The analysis of languages spoken at home by seniors uses zip code-level language data from the U.S. Census Bureau's 2013 American Community Survey (five-year estimates). Zip code-level estimates of the percentage of seniors age 65+ are applied to the estimated total number of people age 5 years and older speaking each of the languages designated for study. The analysis results in estimated numbers of seniors speaking each language by zip code, and the estimated percentage of seniors speaking each language in each zip code, and the estimated number of seniors speaking each language in the CalOptima PACE service area. Please see Attachment 3 – Analysis of Languages Spoken at Home by Seniors - for the detailed analysis of 40+ languages.

Table 8 shows the estimated percentages and number of seniors age 65+ speaking various languages within the CalOptima service area. The table includes languages spoken at home by over 1,000 seniors in the CalOptima service area.

Table 8: Percentages of Seniors Age 65+ Speaking Various Languages at Home in the CalOptima Service Area (with Estimates Over 1,000 People)

Language	Estimated Percentage of Seniors Age 65+ Who Speak the Language within the CalOptima Service Area	Estimated Number Seniors Age 65+ Who Speak the Language within the CalOptima Service Area
English	53.0%	134,245
Spanish/Spanish Creole	26.9%	68,159
Vietnamese	7.6%	19,341
Korean	3.0%	7,703
Chinese	2.1%	5,334
Tagalog	1.7%	4,280
Arabic	0.6%	1,553
Japanese	0.5%	1,252
Persian	0.4%	1,048

Market Saturation by Language

Methodology. To determine market saturation rates by language for current participants, PACE*partners* used CalOptima PACE enrollment data for July 2015. The estimated percentage of seniors speaking each language in the CalOptima PACE service area (determined in the analysis above) was applied to the most conservative estimates of PACE-eligible seniors in the CalOptima service area (2,988 seniors with 2+ disabilities including a self-care disability at the $0-$14,999 annual income level), based on the demographic analysis in this report. This yields an estimated number of PACE-eligible seniors expected to speak the language, which is compared to the current number of participants speaking that language, for a market saturation rate.

Table 9 below shows the CalOptima PACE market saturation by primary language spoken at home for seniors age 65+.

Table 9: Market Saturation by Primary Language Spoken at Home Realized by Current CalOptima Service Area Zip Codes

Language	**Total Number of CalOptima PACE Participants Speaking Language**	**Estimated Percentage of Seniors Speaking Language in CalOptima PACE Service Area**	**Estimated Number of PACE-Eligible Seniors Expected to Speak the Language** (using most conservative estimates)	**Market Saturation Rate**
Vietnamese	30	7.6%	227	13.2%
English	29	53.0%	1,584	1.8%
Spanish	27	26.9%	804	3.4%
Tagalog	6	1.7%	508	1.2%
Korean	4	3.0%	90	4.4%
Chinese - Cantonese / Mandarin	3	2.1%	63	4.8%
Chamorran (Pacific Island)	1	0.3% for Pacific Island languages	90 (includes all non-specified Pacific island languages)	1.1%

Discussion of Results

CalOptima PACE has realized its highest market saturation rate for the Vietnamese language, which shows that the organization has made positive inroads with the Vietnamese community. There is significant potential for growth with seniors speaking English, Spanish, and Tagalog in the current CalOptima PACE service area.

COMPETITIVE ANALYSIS

Introduction

PACE caters to a specific portion of the elderly population – those whose frailty meets the criteria for nursing facility eligibility. While the PACE model is unique in its comprehensiveness, a variety of other health care and social service providers also serve the frail elderly population and may be perceived by prospective PACE enrollees as a viable alternative to PACE. Hence, identifying the likely sources of competition to PACE is essential, as is understanding, to the extent possible, the current market penetration of these existing services. At the same time, however, a competitor may also serve as a referral source for PACE or become a contract partner.

Our detailed assessment of potential competition from other providers, which follows, addresses various types of services, beginning with a variety of community-based services and then moving to institutional facilities, senior housing, and health plans. We provide summary information on each of these key competitors in CalOptima PACE's current and proposed expanded PACE service area. We also provide advice regarding competitors' potential as referral sources or partners for PACE. Where possible, services are listed that are within the zip codes specific to the proposed service area. Some data, such as Medi-Cal data and Medicare health plans, however, are only available for the entire county and so are presented as county-level data.

Community-Based Services

The PACE model represents a community-based alternative to nursing home care. Since On Lok was developed in the 1970s (the original program which PACE is modeled after) a significant number of new community-based service alternatives have developed. Many of these services are funded by Medicaid through federal waivers to the original, more limited, list of Medicaid mandatory and optional services. In many states, Medicaid funding for community-based services has been increased specifically as a policy initiative to encourage alternatives to more expensive skilled nursing facility care. Some, but not all, of these Medicaid funded alternatives require that the client be deemed eligible for a nursing home level of care. These other community-based services often serve a similar or overlapping population to PACE and, thus, represent potential competition to PACE. States and

communities vary dramatically, however, in the mix of services available. Communities with a rich array of community-based alternatives to nursing home care present a greater competitive challenge for PACE than those with scarce resources. PACE providers are more likely to be able to grow their census successfully if they are familiar with other service options and can present PACE's uniquely comprehensive model. When readily available, this report provides data comparing Orange County community-based services to those of similar or adjacent counties.

The Orange County Area Agency on Aging's most recent Area Plan for 2012 – 2016 reports that Orange County has over 3 million residents and is one of the most densely populated areas of the United States. Its population increased overall by about 6% from the 2000 census to 2010. In contrast to this relatively slow population growth overall, the County's population 60+ increased by 32% between 2000 and 2010, a higher growth than for California as a whole. The population 85+ increased by 45%. As referenced in the previous section on demographics, Orange County is ethnically diverse with a large proportion of the population being of Hispanic/Latino and Asian/Pacific Islander backgrounds.[1]

Several planning documents for Orange County health services look at regions within Orange County. For example, the County of Orange "Services for Seniors: Identification of Resources & Gaps in Services, 2003," divides the County into Central, North, South, and West. Among these areas, the Central region has fewer people overall, and a lower concentration of elderly while each of the other regions has areas with higher numbers of elderly and especially higher numbers of lower income elderly.[2] The Orange County Social Services Agency has regional offices for the North (in Anaheim), South (in Laguna Hills), East in (Santa Ana), and West (in Cypress). The Orange County Social Services Agency reports In Home Supportive Services (IHSS) data by North, Central, West, South, and Coastal.

CalOptima's current PACE service area includes almost all of the northern as well as large portions of the western, eastern, and central regions described in the above mentioned reports. The remainder of Orange County, not included in the CalOptima PACE service area, is primarily southern Orange

[1] Orange County Office on Aging, "2012 – 2016 Area Plan," May 1, 2012, pages 3 – 6: http://officeonaging.ocgov.com/civicax/filebank/blobdload.aspx?blobid=24205

[2] County of Orange Services for Senior: Identification of Resources & Gaps in Service, 2003: http://officeonaging.ocgov.com/civicax/filebank/blobdload.aspx?BlobID=7049

County with only small parts of the western/central/eastern regions described in the above mentioned reports. As the previous demographic section documents, the CalOptima PACE service area includes almost 72% of the population ages 65+ of Orange County. The following service breakdowns reflect this division with the majority of services for older adults in the CalOptima PACE service area in northern Orange County.

Table 10 summarizes the number and various types of community-based service providers in Orange County as a whole and in CalOptima's PACE service area in contrast to the remainder of Orange County.

Table 10: Community-Based Service Providers in Proposed Service Area

Service Provider	Orange County Total	CalOptima PACE Current Service Area	Rest of Orange County
Adult Day Health Care/CBAS	17 (1366 ADA*)	14 (1224)	3 (142)
PACE (CalOptima)	1 (60)	1 (60)	0
Adult Day Centers	13 (470+)	11 (440+)	2 (30+)
Home Health Agencies (Medicare Certified)	95	70	25
Home Care (non-medical)	59	33	26
Hospice	44	17	7
Senior Centers (gov't & non-profit)	50	34	16
Primary Care Clinics	25 (43 locations)	23 (41 locations)	2 (2 locations)

* Average Daily Attendance (ADA)

Adult Day Health Care Centers (ADHC/CBAS), PACE, and Adult Day Centers

Adult Day Health Care/CBAS programs provide an array of health related services in contrast to Adult Day Centers that provide primarily supervised activities and personal care. There are 17 ADHC/CBAS programs in Orange County and one PACE program, which is operated by CalOptima. In addition, there are 13 Adult Day Centers. Map 7 shows the locations of the 17 ADHC/CBAS programs and the CalOptima PACE Center.[3] Together the 17 ADHCs/CBAS located in Orange

[3] CA Dept. of Aging - Providers & Partners - ADHC-CBAS Centers and occupancy April 2015 (List does not include CalOptima PACE): http://www.aging.ca.gov/ProgramsProviders/ADHC-CBAS/CBAS_Providers/Default.aspx

County serve approximately 1,366 clients a day based on average daily attendance (ADA).[4] Fourteen of these are in the current CalOptima PACE service area while only three are in the rest of Orange County. Please see Attachment 4 for a list of ADHC/CBAS centers in Orange County.

CalOptima PACE is the only PACE provider in Orange County. The center enrollment was 111, with an average daily attendance of 62, as of August 1, 2015.[5]

A report by the California Medicaid Research Foundation for The SCAN Foundation found that about 50% of ADHC users in Orange County in 2008 also used IHSS.[6] The combination of ADHC/CBAS and IHSS clearly provides a stronger support system than either program alone and, thus, does represent a more significant competitive challenge for PACE than either program alone.

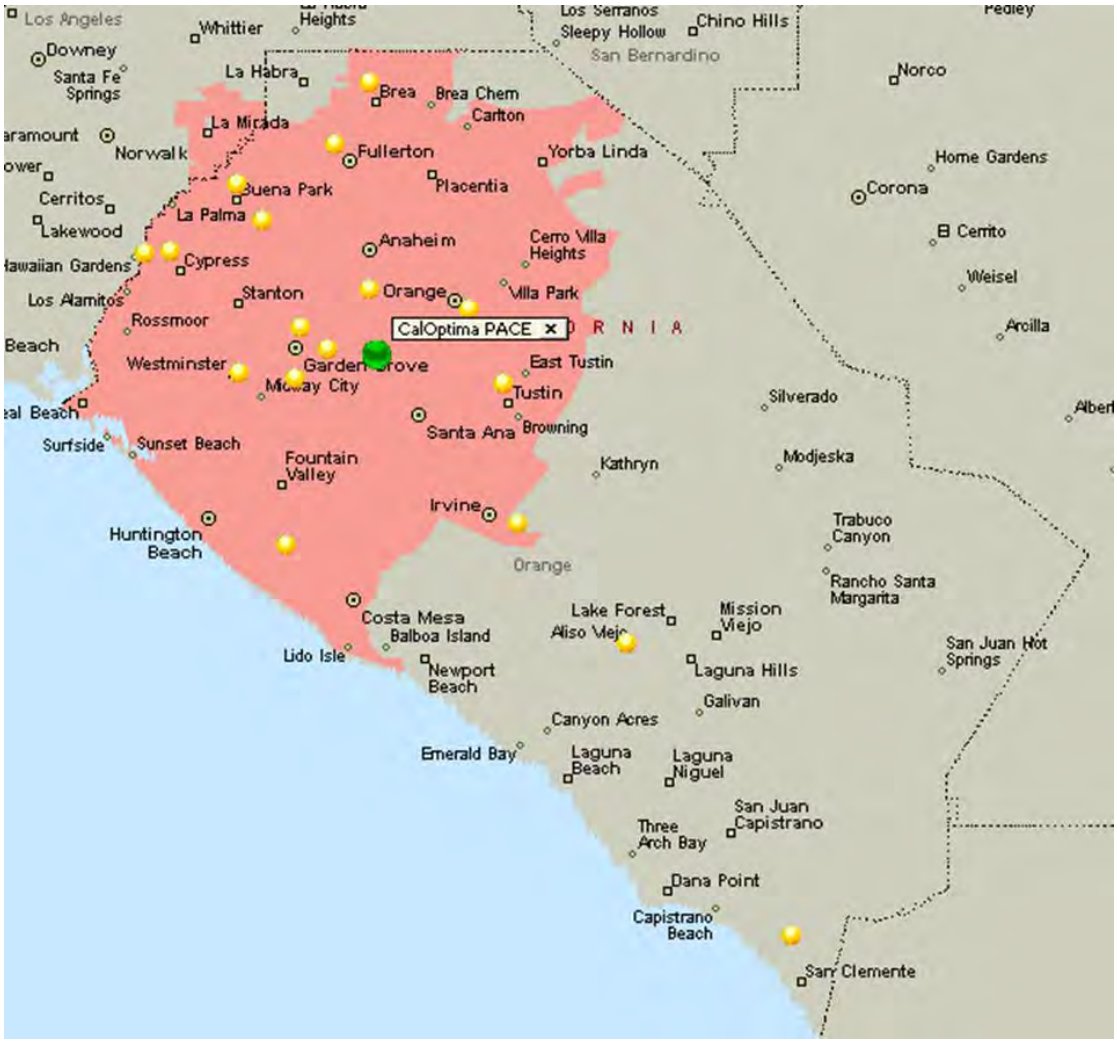
ADHC/CBAS programs represent competition for CalOptima PACE; however, since they do not provide the broad array of services provided by PACE, they may find it appropriate to refer to CalOptima PACE when they have clients whose needs become more complex.

[4] CA Dept. of Aging, Monthly Statistical Summary, April 2015 for Average Daily Attendance and Center Capacity: http://www.aging.ca.gov/ProgramsProviders/ADHC-CBAS/CBAS_Dashboard/Center_Overview/
and CalOptima staff for CalOptima PACE in Orange County.

[5] Personal correspondence with Rena Smith, CalOptima 7-28 and 7-30-2015.

[6] California Medicaid Research Institute, "Medi-Cal Beneficiaries Who Use Long Term Services and Supports: Profiles of Utilization and Spending in Eight Dual Eligible Integration Counties, 2008," February 2013, prepared for the SCAN Foundation:
http://www.seniorservicescoalition.org/wp-content/uploads/Research/camri_eight_county_profiles-2-13-13.pdf

Map 7: ADHC-CBAS-PACE Locations in Orange County



Orange County also has 13 Adult Day Centers with the capacity to serve 470+ clients (see Map 8). Eleven of these are in CalOptima's PACE service area, with the capacity to serve 440+ clients, while only two are in the other areas of Orange County (with a capacity to serve 30+).[7]

[7] CA DSS Facility Search, accessed July 2015: https://secure.dss.ca.gov/CareFacilitySearch/
and the Orange County Council on Aging, Orange County Answers Guide, 2015 (hard copy).
Note that many adult day centers listed by DSS serve developmentally or otherwise disabled adults; these are not included in the data for this report; also several adult day centers serving seniors were identified by the Orange County "Answers Guide" for 2015 but not listed on the DSS Facility directory so there were no capacity data readily available for these.

Because ADCs provide primarily social activities and personal care but do not have health services, they are not likely competition for CalOptima and may be good sources of referrals. Please see Attachment 5 for a list of Adult Day Care centers.

Map 8: Location of Adult Day Care Centers in Orange County

Home Health, Home Care, and In Home Supportive Services (IHSS)

Home Health agencies must be certified by CMS as meeting federal regulatory requirements and, in addition, are licensed by state health agencies. CMS and state health agencies share oversight responsibility for compliance, quality assurance, and outcomes. Home Health agencies must provide an array of health related service such as nursing, physical therapy, occupation therapy, social work and other related services which are typically only provided for short term such as post-acute care following a hospitalization or other health event. In contrast, Home Care agencies typically provide personal care and assistance with activities of daily living. Home Care agencies are not reimbursed by Medicare and have far less stringent oversight.

Orange County has 95 certified Home Health agencies with home office locations in Orange County. Seventy of these are located in CalOptima's PACE service area.[8] There may be additional Home Health agencies serving Orange County but their offices are outside of the County. Home Health agency care focuses on shorter-term skilled care and, therefore, is not a serious competitor to PACE's ongoing, comprehensive medical, long-term care and psychosocial services model.

Fifty-nine Home Care (non-medical) agencies were identified by local senior resources directories as serving Orange County residents, with 33 of these serving CalOptima's PACE service area.[9] Home Care agencies in surrounding counties may also serve parts of Orange County. While some of these likely serve only private pay clients, some also serve Medi-Cal eligible older adults. Since Home Care agencies do not provide skilled nursing and clinical therapy services, they likely are not a direct competitive challenge and can become a potential referral source for PACE when clients become eligible for a nursing home level of care. CalOptima also may look to these agencies for contracting for home and personal care aides. Please refer to Attachment 6 for a list of Orange County Home Care agencies.

Contrary to the practice in many other states, California does not currently regulate non-medical home care agencies and, consequently, there is no central registry of such organizations. Some senior service

[8] CA Office of Statewide Health Planning & Development Facility Listings, Accessed July 2015: http://www.oshpd.ca.gov/hid/Products/Listings.html

[9] The American Board of Home Care: http://www.americanboardofhomecare.org/index.php/abhc-chapters/abhc-oc-chapter: The Orange County Council on Aging, Answers Guide (paper copy and online): http://www.coaoc.org/resources/answer-guide.aspx;
Orange County Office on Aging: http://www.referweb.net/OCOAging/Keywordlist.aspx

directories list home care agencies while others do not. Also, some home care agencies essentially provide private duty nurses and home care aides to private pay clients, so are less likely to be referral sources for PACE. Another type of home care organization provides referrals to their registry of nurses/home care aides; clients engaging such personnel become the employer of the nurses or home care aides caring for them.

Persistent problems with home care quality and safety have led to recent State legislation establishing a new licensing and oversight function for home care agencies within the California Department of Social Services (DSS). Starting in 2016, home care agencies will need to be licensed by CA DSS and, as part of this process, will need to show that all employees going into client homes have had criminal background checks.[10]

In Home Supportive Services (IHSS), funded by Medi-Cal, reaches those older adults most likely to be comparable to CalOptima participants. Many older adults receiving IHSS may be appropriate candidates for PACE yet often are reluctant to give up their personal care assistants for other program options such as PACE since many times these assistants are family members, friends or otherwise familiar individuals who are trusted and who may depend on the IHSS income.

The CA Department of Social Services reports that there were 20,185 IHSS recipients in Orange County in 2011, compared to 182,400 in Los Angeles and 24,176 in San Diego for the same time period (see Table 11).[11] A study by The SCAN Foundation in 2013 found that counties vary in how many Medi-Cal clients received Medi-Cal funded long term services in 2008. For comparison purposes, Orange County had 573 IHSS only recipients per 10,000 Medi-Cal beneficiaries compared to Los Angeles with 1033 and San Diego with 895.[12] While these data are older, it may be that these relative proportions continue and, therefore, CalOptima PACE may see somewhat less competition from IHSS than their PACE counterparts in Los Angeles and San Diego.

More recent data indicate that IHSS had increased to 21,359 by the end of 2014. Of these, 13,563 or

[10] AB-1217 Home Care Services Consumer Protection Act: http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB1217; also CA DSS Home Care Services Bureau: http://www.ccld.ca.gov/PG3654.htm

[11] CA DSS Management Statistics, IHSS, November 2011: http://www.cdss.ca.gov/agedblinddisabled/res/MgmtStats/2011NovMgmtStats.pdf

[12] California Medicaid Research Institute for The Scan Foundation, February 5, 2013, Medi-Cal Beneficiaries Who Use Long Term Services and Supports: Profiles of Utilization and Spending in Eight Dual Eligible Integration Counties, 2008: http://www.seniorservicescoalition.org/wp-content/uploads/Research/camri_eight_county_profiles-2-13-13.pdf

almost 64% are ages 65+ (See Table 12).[13]

Table 11: IHSS Case Loads in Orange, Los Angeles and San Diego Counties

Sub-Regions, 2011County	Cases Open Month End (all ages)
Orange	20,185
Los Angeles	182,400
San Diego	24,176

Table 12: IHSS Case Loads in Orange County and Sub-Regions, December, 2014 (Cases Open at Month End)

Region	All Ages	65+
North	4,895	2,847
Central	3,878	2,401
West	6,052	4,323
South	3,793	2,320
Coastal	2,304	1,392
Other	437	280
Orange County Total	**21,359**	**13,563**

[13] Orange County Social Services Agency, "The Persons Served by Orange County Social Services Agency Report, IHSS for December 2014: http://ssa.ocgov.com/about/people/report

Hospice

There are 44 hospice care providers with home office locations in the Orange County proposed service area. Seventeen are in CalOptima PACE's current service area and seven are outside of that service area, in the southern part of Orange County.[14] PACE and hospice programs address different needs. Hospice provides care during the last six months of life. PACE includes end-of-life care but typically enrolls frail seniors who do not yet need end-of-life care. Thus, hospice poses little competitive threat to CalOptima PACE.

Case Management

Case management is provided for older adults by several organizations in the proposed service area. The Orange County Office on Aging and the Orange County Social Services Agency provide case management services. The Orange County Office on Aging contracts with three community-based service providers for case management services funded by Title III B of the Older Americans Act. In addition, the County of Orange Health Care Agency provides both direct and contract behavioral health services, including case management, to older adults.[15]

Orange County also offers the Multipurpose Senior Services Program (MSSP) through a contract with CalOptima. The MSSP served 474 clients in 2011 (8.5% fewer than the previous year due to funding cuts).[16] This number continues an overall decline as evidenced by reports to the California Assembly Budget Subcommittee for Health and Human Services which stated that, in the 2014-15 Fiscal Year, Orange County had 455 MSSP slots.[17] The IHSS program described above also includes some level of case management. Case management organizations may have concerns about losing their caseloads to PACE but can also be sources of referrals for CalOptima PACE for more complex cases or when resources have necessitated that they create a waitlist for their program.

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[14] CA Office of Statewide Health Planning & Development Facility Listings, Accessed July 17, 2015: http://www.oshpd.ca.gov/hid/Products/Listings.html

[15] Orange County Office on Aging, "2012 – 2016 Area Plan," May 1, 2012, pages 7 – 8: http://officeonaging.ocgov.com/civicax/filebank/blobdload.aspx?blobid=24205

[16] Orange County Office on Aging, "2012 – 2016 Area Plan," May 1, 2012, page 8: http://officeonaging.ocgov.com/civicax/filebank/blobdload.aspx?blobid=24205

[17] CA Assembly Budget Subcommittee on Health and Human Services, March 9, 2015: http://www.cicaihss.org/sites/default/files/march_9_2015_sub_1_agenda_seniors_and_aging.pdf

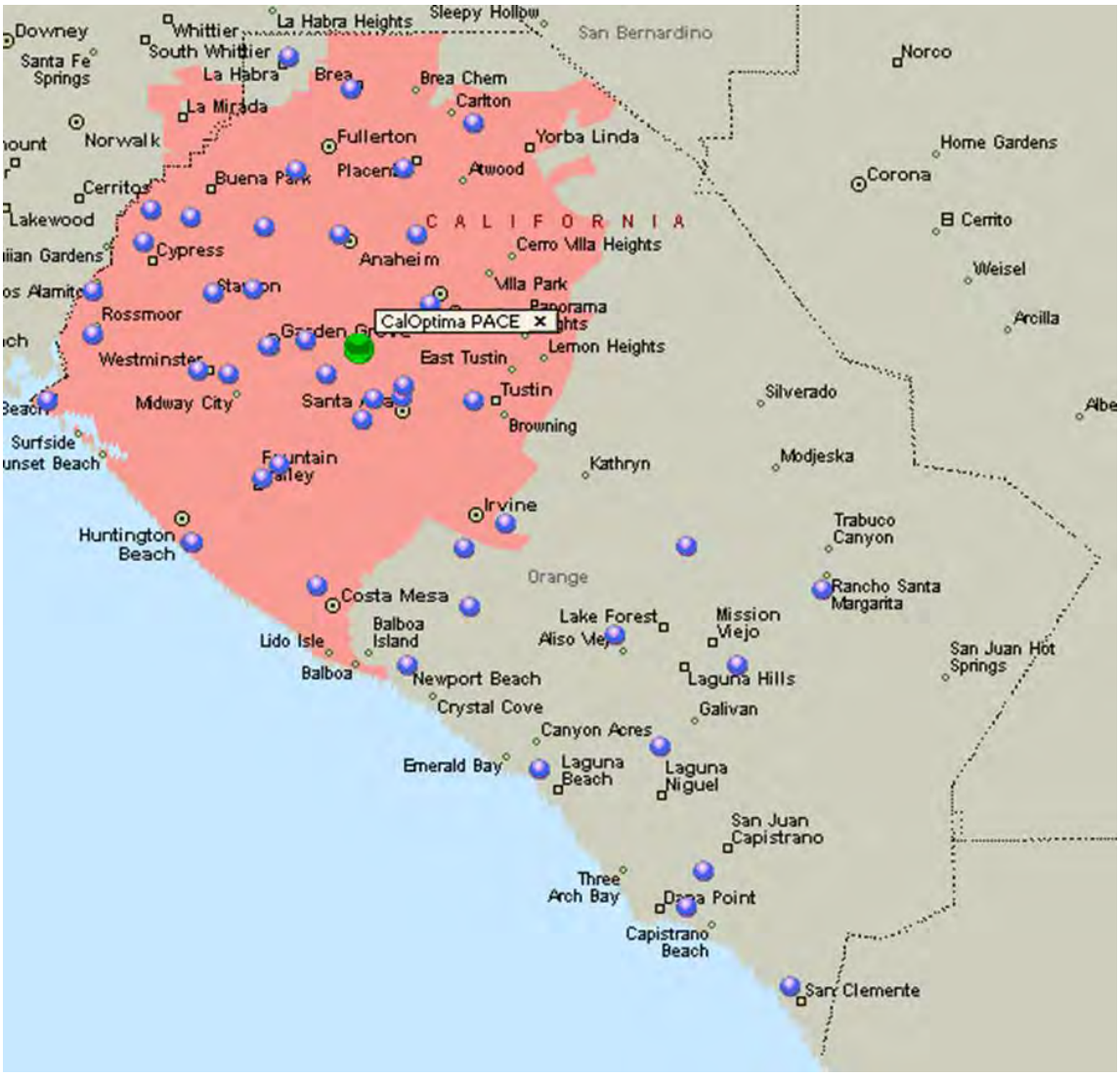
Senior Centers

Senior centers generally serve a healthier senior population than PACE and are good referral resources for seniors at risk of needing nursing home placement. For example, senior center staff noticing that a senior is becoming more frail may contact family members and make a referral to needed services such as PACE. Additionally, senior center attendees may refer loved ones or friends who need a higher level of care.

This study identified 50 senior centers in Orange County (this includes community centers listed by the source directories as serving seniors). Thirty-four of these are in CalOptima PACE's current service area; 16 are in other areas of Orange County.[18] Map 9 shows the locations of these senior centers. Please see Attachment 7 for a list of senior centers in the proposed service area.

[18] Orange County Network of Care Senior Services Directory, online, accessed July 16, 2015: http://orange.networkofcare.org/mh/services/subcategory.aspx?tax=TC-5500.8000&cid=8001; also Orange County Office on Aging AAA Area Plan 2012 - 2016; pages 61 – 63: http://officeonaging.ocgov.com/civicax/filebank/blobdload.aspx?blobid=24205

Map 9: Senior Center Locations in Orange County



Primary Care Medical Clinics

Twenty-five organizations operate primary care clinics at 43 service locations in Orange County. Of these, 23 organizations (operating at 41 service locations) are in the CalOptima PACE service area and two of the organizations are outside the service area.[19] Community medical clinics can serve as a referral source to PACE for families of seniors. Please see Attachment 8 for a list of primary care

[19] CA Department of Statewide Health Planning & Development, Facility Listing, December 2014; Accessed July 2015: http://www.oshpd.ca.gov/hid/Products/Listings.html

clinics in the current CalOptima and proposed expanded PACE service areas.

Institutional Facility Services

Institutional facilities include acute care general hospitals and skilled nursing facilities. While such facilities can pose a minor competitive challenge, in general institutional providers are potentially good referral sources and/or can serve as contracted providers for CalOptima PACE. As Table 13 shows, Orange County has 32 acute care general hospitals and 74 skilled nursing facilities.

Table 13: Institutional Providers in the Proposed Service Area

Institutional Provider	Orange County (Beds)	CalOptima PACE Service Area	Rest of Orange County
Skilled Nursing Facilities	74 (8,159 beds)	63 (7,160)	11 (999)
Hospitals (Acute General Hospital Beds)	32 (6,432)	25 (5,230)	7 (1,202)

Skilled Nursing Facilities (SNF)

There are 74 SNFs with 8159 beds listed on the CA DPH Facility Search site for Orange County (63 in the CalOptima PACE service area with 7,160 beds).[20] Although most of these SNFs will accept Medi-Cal, many are very expensive and it is often difficult for those on Medi-Cal to find an SNF that will accept them for admission. Furthermore, only a few of these facilities provide culturally sensitive care to meet the needs of the diverse population in the area. SNFs may be a potential referral source for seniors returning to the community after a stay in a SNF. Moreover, SNFs can be contract providers for PACE when a higher level of care is required either for a shorter rehabilitation stay or for longer term placement. Please see Attachment 9 for a list of skilled nursing facilitites in the current CalOptima and proposed expanded PACE service areas.

20 CA Department of Statewide Health Planning & Development, Facility Listing, December 2014; Accessed July 2015: http://www.oshpd.ca.gov/hid/Products/Listings.html

Hospitals

The Orange County proposed service area has 32 general (not including specialty) hospitals with 6,432 licensed beds. Of these, 25 hospitals (5,230 beds) are in the CalOptima PACE service area and seven hospitals (1,202 beds) are in the remainder of the County.[21]

Hospitals are likely to be a referral source for PACE rather than a competitor. For example, hospital emergency room staff may refer a frail senior to PACE when that senior is repeatedly readmitted to the emergency room for care due to frailty and multiple medical conditions. Hospital discharge planning staff may also refer elderly patients to PACE.

In summary, most community institutional facilities pose little if any competition for PACE, may be referrals sources, and offer the potential to become contract providers. It should be noted however that such facilities may compete with PACE in the labor market for staff, particularly in the areas of nursing, primary care provider, and rehabilitation. Please see Attachment 10 for a list of acute care facilities in the current CalOptima and proposed expanded PACE service areas.

Senior Housing and Residential Services

Senior housing providers rarely compete with PACE. Most housing providers for low-income seniors do not have the necessary services or proactive approach that enables frail seniors to "age in place." Thus, housing providers become excellent partners and referral sources for PACE because PACE can support the housing residents' ability to remain living in their apartments.

The two major types of residential settings for older adults are residential care facilities for the elderly (RCFE) -- including board and care homes and assisted living -- and affordable senior housing. Affordable senior housing is usually financed by HUD or low-income tax credit financing (which often allows the resident to pay no more than a third of their income for rent). Table 14 summarizes these residential options for seniors in Orange County.

[21] CA Department of Statewide Health Planning & Development, Facility Listing, Accessed July 2015: http://www.oshpd.ca.gov/hid/Products/Listings.html

Table 14: Senior Housing and Residential Options in Proposed Service Area

Housing Type	Orange County Total Service Area Providers (number of units)	Orange County – CalOptima Service Area: Providers (number of units)	Orange County- Rest of County: Providers (number of units)
Residential Care Facilities for the Elderly (RCFE)	914 (19,865)	535 (12,126)	379 (7,739)
HUD Housing Properties	26 (3,078)	21 (2,645)	5 (433)
Low-Income Housing Tax Credit (LIHTC) Senior Housing Properties	25 (2,400)	20 (1,911)	5 (489)
Single Room Occupancy (SRO)	6 (419)	4 (322)	2 (97)
Other Low-Income	53 (5,106)	40 (3,601)	13 (1505)
Low Income Housing (All Types)	**110 (11,003)**	**85 (8,479)**	**25 (2524)**

Note: The types of affordable senior housing used for this summary are HUD, Low-income Housing Tax Credit properties, and other low-income properties identified by Orange County housing directories that are dedicated to senior housing. SROs listed here may be for seniors or for all ages. Additionally, some properties listed are a mix of affordable and market rate units – the numbers include both since it is not always possible to break this down.

Residential Care Facilities for the Elderly (RCFE)

The California Advocates for Nursing Home Reform (CANHR) lists 914 RCFE with 19,865 beds in Orange County.[22] Please see Attachment 11 for a list of RCFEs in the current CalOptima and

[22] California Advocates for Nursing Home Reform (CANHR), July 2015: - http://residentialcareguide.org/RCFE/search_county.lasso

proposed expanded PACE service areas. Many PACE organizations contract with Board and Care or Assisted Living facilities for the "care" portion of board and care for some enrollees. RCFEs willing to serve a frail, Medi-Cal eligible senior enrolled in PACE have the potential to refer to PACE as well as to become part of CalOptima PACE's contract network.

Finally, like institutional providers, RCFEs may compete with PACE for staff, particularly personal care attendants.

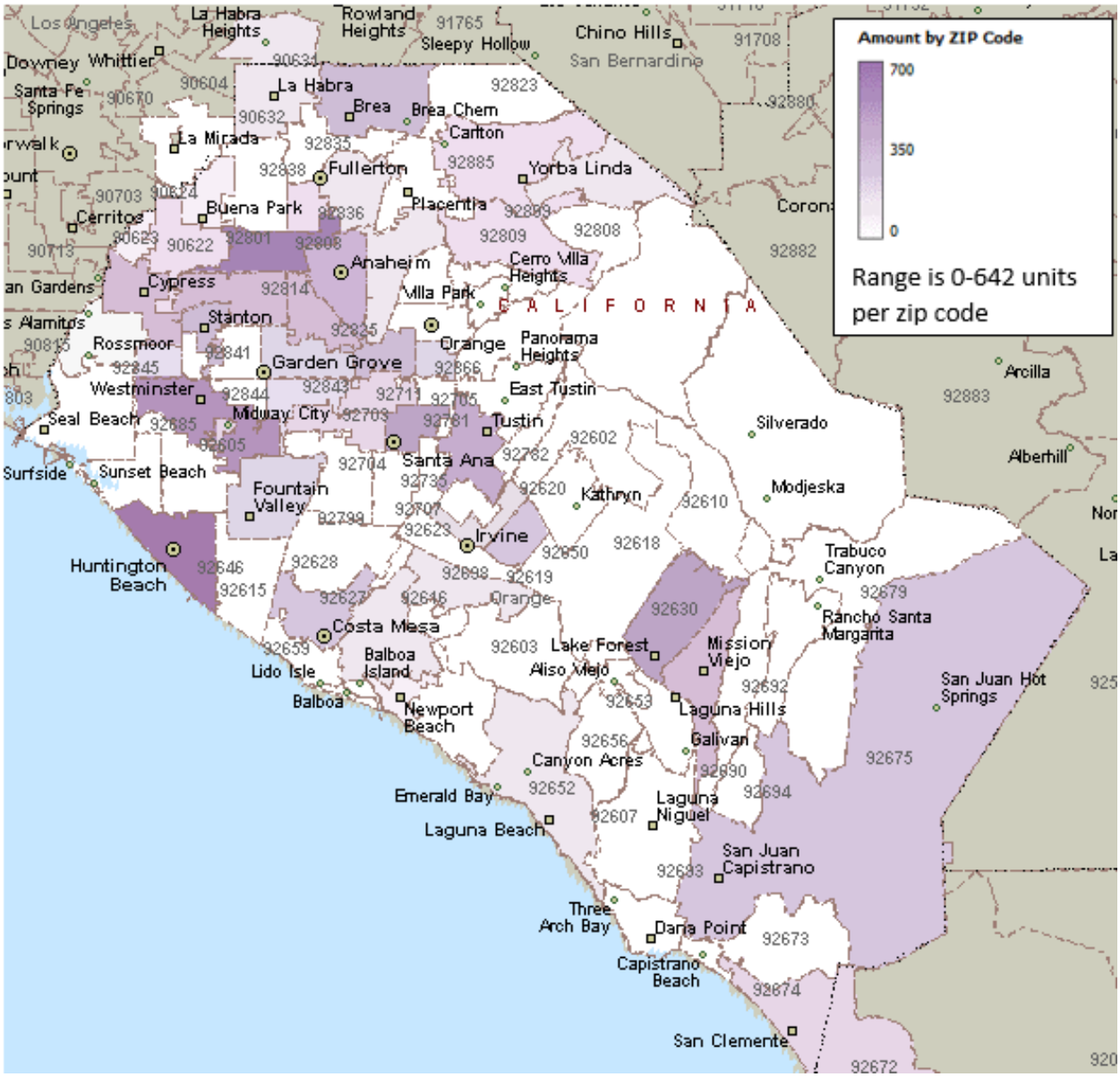
Affordable Senior Housing

HUD, Low-income Tax Credit and other subsidized senior housing providers are important referral sources for PACE. Residents of these properties are low income and often eligible for Medi-Cal; many pay no more than a third of their income for rent. According to data provided by the California Housing Partnership Corporation and other on-line sources, there are 110 affordable senior housing properties in the Orange County area with 11,003 apartments (or rooms). Currently, 85 of these properties, with 8,479 apartments or rooms, are in the CalOptima PACE service area.[23]

Although housing is not a covered PACE benefit, some PACE organizations actively assist their participants in applying for HUD housing, Section 8 rent subsidies, or other low-income housing options. Most communities, including the Orange County area, however, have long waiting lists for these affordable housing options. People may be on these lists for years and many such properties do not even have open waiting lists. Map 10 shows the concentration of low-income senior housing units in the proposed service area by zip code. Please see Attachment 12 for a list of affordable senior housing properties in the area.

[23]County of Orange Affordable Rental Housing List, accessed July 22, 2015: http://ochousing.org/civicax/filebank/blobdload.aspx?BlobID=39906; also California Housing Partnership Corporation (CHPC), James Pappas, Personal correspondence, July 22, 2015

Map 10: HUD, Low-Income Tax Credit and Other Affordable Housing: Number of Units/Apartments by Zip Code



Note: Includes HUD, low-income Tax Credit, and other low-income properties for seniors as identified by local housing directories and the California Housing Partnership Corporation.

The presence of HUD and low-income housing units in the proposed service area should be viewed as a favorable condition for PACE. Senior housing providers usually want to help their residents "age in place" and property managers are likely to welcome a relationship with CalOptima PACE.

Concerted outreach to, and education of, local housing providers about PACE and its potential benefits will be essential to encourage the enrollment of eligible residents of affordable housing.

Health Plans

PACE is similar to other health plans in that seniors who enroll in PACE agree to receive all their care through the PACE organization which receives capitated payments for covered benefits. CalOptima serves northern Orange County with its Garden Grove site. There are no other PACE programs in the Orange County service area. Other Medicare and Medi-Cal health plans operating in the proposed service area, however, may compete for enrollment. Because PACE enrollees obtain all their medical care, prescriptions and services from the PACE organization, they must discontinue enrollment in any other service or health plan covered by Medicaid or Medicare. A senior already enrolled in a managed care plan may be reluctant to leave an established network of providers to enroll in PACE. Although most managed care plans allow members to dis-enroll only once a year, a senior can dis-enroll at any time to join PACE.

As noted before, most PACE enrollees are eligible for both Medicaid and Medicare. Both Medicare and Medi-Cal provide various types of health care coverage to beneficiaries. Medicare beneficiaries may choose from fee-for service, Medicare Advantage or a Special Needs Plan:

- Fee-for-service Medicare, the federal health insurance program for people age 65 and older and the disabled, consists of hospital insurance (Part A) and medical insurance (Part B).
- Medicare Advantage (also known as Medicare Part C) combines Parts A and B and may offer extra benefits and lower co-payments while limiting the choice of physicians and hospitals and imposing other restrictions.
- Special Needs Plans (SNP), a type of Medicare Advantage Plan, are tailored to serve a particularly vulnerable portion of the population.

Many Medi-Cal eligible seniors, including those in the proposed service area, now obtain health care services through Medi-Cal managed care plans. Those who are also eligible for Medicare (i.e., "Dual-Eligibles") may receive Medicare through its original fee-for-service plan or, alternatively, also be simultaneously enrolled in a Medicare Advantage Plan. Medi-Cal pays the cost of Medicare premiums and co-payments for qualified beneficiaries.

Medi-Cal Managed Care

Most of California's non-rural counties now have mandatory Medi-Cal managed care that, with a few exemptions, covers those eligible for Medi-Cal. Until recently, Medi-Cal enrollees who were dually eligible for Medicare and Medi-Cal were exempt from Medi-Cal managed care; however, California's new Medicaid 1115 waiver calls for eventually enrolling most seniors and persons with disabilities, including the dually eligible, into managed care and having, where applicable, their long term supportive services be authorized and managed by the managed care plan. Orange County is one of the demonstration counties and began rolling month-to-month enrollment into Cal MediConnect on August 1, 2015. Dually eligible individuals can opt out of the Medicare managed care plan but will remain in CalOptima since that is Orange County's only Medi-Cal managed care plan. Orange County has a County Organized Health System (COHS) and thus has only the one Medi-Cal managed care plan.

As Table 15 indicates, in January 2013 Orange County had 67,939 enrollees ages 65 and older in Medi-Cal and a total of 467,937 of all ages in either Fee for Service or Medi-Cal Managed Care. Of the 67,939 ages 65 and older, 59,529 are Dually Eligible for Medicare and Medi-Cal. Data for Los Angeles and San Diego are provided for purposes of comparison.[24]

Table 15: Medi-Cal Only and Medi-Cal/Medicare Dual Eligibles by County, January 2013

County	**Age Group in Years**						**Total**
	0-21		22-64		**65 & Up**		
	Medi-Cal Only	Medicare Dual Eligibles	Medi-Cal Only	Medicare Dual Eligibles	**Medi-Cal Only**	**Medicare Dual Eligibles**	
Orange	267,076	122	116,263	16,537	8,410	59,529	467,937
Los Angeles	1,170,150	540	654,054	84,634	42,671	298,304	2,250,353
San Diego	262,403	132	107,280	23,917	6,015	52,095	451,842

[24] CA DHCS, Data and Statistics, accessed February 2015: http://www.dhcs.ca.gov/dataandstats/statistics/Documents/18_Dual_eligible_by_age_by_County_2013.pdf

Table 16 shows 416,798 of those eligible for Medi-Cal in Orange County in January 2013 were enrolled in CalOptima.[25] CalOptima reports that as of May 31, 2015 there were 736,958 enrollees in its Medi-Cal programs and 12,862 enrolled in the CareOne Medicare Special Needs Program.[26] Orange County's Cal MediConnect for dually eligibles provides comprehensive care management for almost all medical and health related services covered by Medi-Cal, including long term supportive services.

The combination of coordinated Medicare and Medicaid services, including long term supportive services represents a direct competitive challenge for PACE. However, since CalOptima will operate both Cal MediConnect and PACE, CalOptima has a unique opportunity to identify eligible individuals who could benefit from PACE and make appropriate referrals, thus strengthening its own PACE.

Table 16: Medi-Cal Managed Care Enrollment Report (January 2013), All Ages, Orange County, Los Angeles, and San Diego

Plan Type	County	Plan Name	Totals
COHS	Orange	CalOptima	416,798
Two-Plan	Los Angeles	LA Care, Health Net	1,498,617
GMS	San Diego	Care 1st Health Plan, Community Health Group, Health Net, Kaiser, Molina Healthcare	321.891

Medicare Advantage

In July of 2015, thirty-seven health plan organizations offered Medicare Advantage plans in Orange County and served 212,262 enrollees.[27] As Table 17 below indicates, the Medicare Advantage market

[25] CA DHCS Medi-Cal Managed Care Enrollment Reports December, 2013: http://www.dhcs.ca.gov/dataandstats/reports/Documents/MMCD_Enrollment_Reports/MMCDEnrollRptJan2013.pdf

[26] CalOptima Fast Facts, July 2015: https://www.caloptima.org/~/media/Files/CalOptimaOrg/508/NewsandPublications/2015/FastFacts07-2015.ashx

[27] CMS Research, Statistics, Data & Systems, MA Enrollment by State/County/Contract July 2015 Abridged version to exclude rows with 10 or less enrollees, accessed 2-26-15: http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Monthly-MA-Enrollment-by-State-County-Contract-Items/MA-Enrollment-by-SCC-2015-07.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending;

penetration in July 2015 was 34% for Orange County.[28] Los Angeles and San Diego Counties are included for comparison.

Table 17: Medicare Advantage Enrollment in July 2015
For Los Angeles, Orange and San Diego Counties

Health Plan Name	Orange County Enrollment	Los Angeles County Enrollment	San Diego County Enrollment
Kaiser Foundation HP, Inc.	56,790	237,105	81,249
UHC of California, Inc.	42,927	82,605	60,542
Scan Health Plan	25,693	61,334	14,411
California Physicians Service	23,922	33,051	2,524
Health Net of California, Inc.	15,714	46,201	14,238
Orange County Health Authority	12,985	15	
CareMore Health Plan	7,880	30,878	15
Anthem Blue Cross Life and Health Insurance Company	5,246	71	3,169

[28] MA Market Penetration Rates from: CMS Research, Statistics, Data And Systems, "Statistics, Trends, and Reports" MA Penetration Rates, July 2015: http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-State-County-Penetration-Items/MA-State-County-Penetration-2015-07.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending

Health Plan Name	Orange County Enrollment	Los Angeles County Enrollment	San Diego County Enrollment
Central Health Plan of California, Inc.	2,561	22,581	
Health Net Community Solutions, Inc.	91	22,741	3,548
Easy Choice Health Plan, Inc.	3,347	20,457	1,028
Care1st Health Plan	3,048	23,416	13,260
Local Initiative Health Authority for L.A. County	29	15,977	16
Humana Health Plan of California, Inc.	3,188	8,155	4,197
Citizens Choice Health Plan	835	6,681	
Inter Valley Health Plan, Inc.	101	5,063	
Community Health Group	12	12	5,382
Molina Healthcare of California	56	4,006	5,518
Other Plans with fewer than 5000 enrollees	7,837	24,092	6,988
Total	**212,262**	**644,441**	**216,085**
Market Saturation	**34%**	**34%**	**27%**

NOTE: The above table lists all organizations with total enrollment of at least 5,000 in one or more of the three counties reviewed. The numbers for each organization reflect total enrollment across all Plan Types with enrollment of 10 or more.

Special Needs Plans

Special Needs Plans (SNP) target a particularly vulnerable portion of the Medicare Advantage population. While SNPs do not provide a fully integrated array of services like PACE, SNPs do serve seniors whose characteristics are similar to those of a PACE-eligible population. There are three types of SNPs: (1) Dual-Eligible, (2) Institutional and (3) Chronic or Disabling Condition. All three types of SNPs are potential competitors for PACE.

CMS reports that in June 2015, Orange County had 55,659 individuals enrolled in Special Needs Plans. Of these, 34,502 were in SNPs for those with Chronic/Disabling Conditions, 18,277 for those Dually Eligible for Medicare and Medicaid and 3,145 for those in Institutions. The OneCare SNP operated, by CalOptima, is the County's largest SNP for dual eligibles. In addition, the Kaiser Foundation HP SNP served 42,576 dual eligible in southern California communities (see Table 18).[29]

Table 18: Medicare Advantage Special Needs Plans (SNP), June 2015

Health Plan Name	County	Total Enrollment	Chronic/ Disabling Condition	Dual Eligible	Institutional
Orange County Health Authority (OneCare)	Orange	12,887		12,887	
CareMore Health Plan	Los Angeles and Orange (partial)	16,510	14,383		2,127
Health Net of California, Inc. (Jade and Seniority Plus Amber)	Los Angeles, Orange, Kern, Riverside, San Bernardino	8,036	6,797	1,239	
Scan Health Plan	Los Angeles and Orange	9,249	8,231		1,018
Universal Care, Inc.	Los Angeles, Orange, Kern,	6,264	4,304	1,960	

[29] CMS Research-Statistics-Data Trends Reports Special Needs Plans Accessed July 2015: http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Special-Needs-Plan-SNP-Data-Items/SNP-Comprehensive-Report-2015-06.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending

	Riverside, San Bernardino, Kings				
Other Plans with fewer than 5000 enrollees	Los Angeles, Orange, San Bernardino, Southern California	2,978	787	2,191	
Total Enrollment		**55,659**	**34,502**	**18,277**	**3,145**
Kaiser Foundation HP, Inc.	Southern California	42,576		42,576	

As mentioned above, the fact that CalOptima is operating the County's Cal MediConnect duals demonstration represents an opportunity to develop strong referral relations between the two programs. Monitoring and developing strong relations with Medicare and Medi-Cal managed care plans, including Cal MediConnect and OneCare will be crucial for CalOptima PACE, since competition from such plans has implications for its growth and continued success.

Competitive Analysis Conclusion

The Competitive Analysis demonstrates a need for services for older adults in the Orange County service area, particularly for community-based alternatives to nursing home care. The most significant challenges to continued growth of the CalOptima PACE are IHSS, particularly when combined with ADHC/CBAS, and the introduction of CalOptima's own duals demonstration, Cal MediConnect, starting in August. Since Cal MediConnect will include many of the long term supportive services offered by PACE, it does represent a direct competitive challenge which may be offset by the CalOptima PACE and Cal MediConnect programs working cooperatively to encourage referrals to PACE, where appropriate.

As the Demographic Analysis demonstrated, there are sufficient numbers of PACE-eligibles to support development of a second PACE Center serving CalOptima's current PACE service area. CalOptima PACE will need to give careful consideration to whether to begin planning now for the development of a second PACE Center to meet the needs of those in its current service area or to

expand its service area to include the southern part of Orange County. CalOptima will want to take into consideration the rate of enrollment growth at its current PACE Center in Garden Grove in light of the expected time frame for developing a second PACE Center. If this is the selected next step, CalOptima will also need to consider alternative locations for a second PACE Center based on its current experience with attracting enrollees from various parts of its current service area. A PACE center location to the south of Garden Grove, perhaps in Irvine, would be consistent with a longer term strategy of eventually serving southern Orange County.

Since the southern Orange County density of PACE-eligibles is low, CalOptima might consider proposing to serve this area through an Alternative Care Setting (ACS) or another type of partnership. CalOptima might look at the areas of Mission Viejo or San Juan Capistrano, which have the larger numbers of PACE-eligibles of the southern Orange County communities. CalOptima might want to look for potential partnerships with, for example, an existing ADHC/CBAS or an affordable senior housing site. Whether the ACS option is feasible also would depend, in part, on travel times from an Alternative Care Setting to the CalOptima PACE Center in Garden Grove, recognizing the PACE regulatory limits on travel time for participants.

In conclusion, given the degree of unmet needs and the number of PACE-eligible seniors in Orange County that exceeds the capacity of the current CalOptima PACE program, conditions for PACE expansion in Orange County are favorable.

ATTACHMENTS

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A tradition of excellence in senior health care

CALOPTIMA

ORANGE COUNTY, CALIFORNIA

Addendum to September 8, 2015 Demographic Analysis

Program of All-inclusive Care for the Elderly (PACE)

Issued November 30, 2015

ON LOK
PACE*partners*
A tradition of excellence in senior health care

This report has been prepared by:

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INTRODUCTION

CalOptima asked On Lok PACE*partner*s to conduct two additional PACE demographic analyses of Orange County as an addendum to the Demographic Analysis Report issued September 8, 2015. For the first analysis included in this addendum, we recalculated the analysis of the an American Community Survey 2013 65+ population count applying data on disability and non-institutionalization from the 5-year American Community Survey rather than the 2000 Census. For the second analysis included in this addendum, we analyzed the 55-64 age group to estimate the number of PACE-eligible individuals under 65 years old.

Seven zip codes were excluded from the original study. Three of the seven zip codes were excluded because 2000 census disability data was not available and four additional zip codes were deemed too far from the high-density low-income areas. Both of the additional analyses for this addendum include the seven excluded zip codes and, therefore, represent all zip codes in Orange County.

As in the original study, these analyses include two geographic areas within Orange County. However, since we are now looking at the entire county, we have changed the names of the two geographic study areas for this addendum from "CalOptima PACE Service Area" to "Northern Orange County" and from "Proposed Expanded PACE Service Area" to "Southern Orange County". Northern Orange County includes all of the zip codes in the current CalOptima PACE Service Area plus an additional four zip codes that are not in the current service area but are in the Northern part of the county. The Southern Orange County study area are those zip codes that fall south of the Northern Orange County.

REVISED DEMOGRAPHIC ANALYSIS (65+ POPULATION)

Methodology. This analysis utilizes US Census Bureau American Community Survey (ACS) data by zip code. We chose the option for five-year estimates that pool data collected over five years (2009-2013) because it ultimately offers a larger sample size. ACS zip code level rates of disability (seniors age 65 and older with a self-care difficulty or with an ambulatory difficulty) are applied to ACS estimates of civilian, non-institutionalized seniors who have annual incomes from $0-14,999 per year, and who have incomes from $0-$19,999 per year. The analysis results in an estimated range of very frail, low-income seniors by zip code who are considered to be eligible for PACE. Please see Attachment 1 "Estimated Number of PACE-Eligible Seniors – Revised 65+ Analysis" for the detailed analysis of PACE-eligible seniors by zip code.

Age. The US Census Bureau combines the disability data for ages 18-64. Therefore, we are conducting this analysis of the population aged 65 and older. (See analysis of the group 55 – 64 below using a different methodology based on the data available.) Since PACE enrollees must be able to live independently in the community at the time of enrollment, we focused on non-institutionalized seniors age 65+ to assess the size of the proposed service area's PACE-eligible population. See Table 1 for the estimated non-institutionalized 65+ population of Orange County.

Table 1: Estimated Seniors Age 65+[1]

	Total Seniors Age 65+	**Total Non-Institutionalized Seniors Age 65+**
Northern Orange County	258,200	253,106
Southern Orange County	110,476	109,721
County Total	**368,676**	**362,827**

Income. While PACE has no income requirements for enrollment, most PACE participants are eligible for Medicaid or for both Medicare and Medicaid. In our analysis we applied ACS data on low-income Householders ages 65+ to the total 65+ population to estimate the total number of low-

[1] American Community Survey 2013 5-year estimates for population by zip code level and civilian non-institutionalized population.

income 65+ individuals. See Table 2 for the estimate of the number of non-institutional seniors at the $0-$14,999 and $0-$19,999 annual income levels.

Table 2: Estimated Number of Low-income Seniors[2]

	Age 65+ Civilian Non-Institutionalized Seniors Earning $0-$14,999/Year	Age 65+ Civilian Non-Institutionalized Seniors Earning $0-$19,999/Year
Northern Orange County	33,031	51,758
Southern Orange County	10,753	17,181
County Total	**43,784**	**68,939**

Frailty/Nursing Home Certifiable. The US Census Bureau entirely changed the questions in their surveys to determine disability. We are applying the new disability results in this analysis. In the 2000 Census the disability information available was persons self-reporting two or more disabilities with or without a self-care need. The 2000 Census was the last time US Census Bureau collected this data set during the decennial count and they have since been developing different measures of disability using new questions and the ACS rather than the decennial count. Currently, the ACS covers six disability types – difficulty with hearing, vision, cognitive function, ambulation, self-care and independent living. Survey respondents who reported any one of the six disability types are considered to have a disability by the US Census Bureau. As a proxy for frailty, we have selected two of the US Census Bureau's disability types – self-care difficulty and ambulatory difficulty. According to their website, US Census Bureau's definitions for these two types of disability are as follows:

- **Self-care difficulty** Having difficulty bathing or dressing
- **Ambulatory difficulty** Having serious difficulty walking or climbing stairs

According to the US Census Bureau website, the Bureau made available the first 5-year estimates (pooling 60 months of data collection) on the disability status of individuals for all geographies following the 2013 ACS. Hence, we are now able to access zip code level data on a reasonable sample size from the US Census Bureau on the current disability types. See Table 3 below for the results of applying the ambulatory difficulty and self-care difficulty disability categories to the low-income non-institutionalized population of 65+ seniors of Orange County. Please see Attachment 1 – "Estimated Number of PACE-Eligible Seniors – Revised 65+ Analysis" – for the detailed demographic analysis.

[2] American Community Survey 2013 5-year estimates for income levels and civilian non-institutionalized population.

Table 3: Estimated Frail, Low-Income Seniors Eligible for PACE[3]

Area	Income Level	Estimated Civilian Non-institutionalized Age 65+ with a Self-Care Difficulty	Estimated Civilian Non-institutionalized Age 65+ with an Ambulatory Difficulty
Northern Orange County	$0-$14,999 Annual Income	3,443	7,376
	$0-$19,999 Annual Income	5,345	11,511
Southern Orange County	$0-$14,999 Annual Income	869	1,875
	$0-$19,999 Annual Income	1,405	3,016
County Total	$0-$14,999 Annual Income	**4,312**	**9,251**
	$0-$19,999 Annual Income	**6,750**	**14,527**

Estimated PACE Market Based on National Market Saturation Rates

According to the National PACE Association, PACE organizations typically realize a 10% to 15% market saturation rate for the total estimate of PACE-eligible seniors in a given service area. See Table 4 below for the results of the application the 15% market Saturation to the estimated number of PACE-eligible seniors in Orange County.

Table 4: Estimated PACE Market Based on a 15% Saturation Rate

Area	Income Level	Estimated Civilian Non-institutionalized Age 65+ with a Self-Care Difficulty	Estimated Civilian Non-institutionalized Age 65+ with an Ambulatory Difficulty
Northern Orange County	$0-$14,999 Annual Income	516	1,106
	$0-$19,999 Annual Income	802	1,727
	$0-$14,999 Annual Income	130	281

[3] American Community Survey 5-year estimates for income levels for householders, civilian non-institutionalized population age 65+ and types/rates of disability.

Southern Orange County	$0-$19,999 Annual Income	211	452
County Total	$0-$14,999 Annual Income	**646**	**1387**
	$0-$19,999 Annual Income	**1,013**	**2,179**

Results Compared

The additional zip codes and revised methodology result in an increase in the number of PACE-eligibles in both geographic areas. See table 5 below for the comparison between the analyses in the original September 2015 demographic report and that of the 65+ PACE eligibles in this addendum report.

Table 5: Demographic Analysis Comparison

	Original Report Analysis		Addendum Analysis		Change (#)		Change (%)		Ave % Change
Area	**2+ Self-Care**	**2+ Only**	**Self-Care**	**Ambulatory**	**Conserv.**	**Mod**	**Conserv.**	**Mod**	
Northern OC									
$0-14,999	448	1054	516	1,106	68	52	13.2%	4.7%	8.9%
$0-19,000	690	1,621	802	1,727	112	106	14.0%	6.1%	10.1%
Southern OC									
$0-14,999	98	217	130	281	32	64	24.6%	22.8%	23.7%
$0-19,000	154	338	211	452	57	114	27.0%	25.2%	26.1%
County Total									
$0-14,999	**546**	**1271**	**646**	**1,388**	**100**	**116**	**15.5%**	**8.4%**	**16.3%**
$0-19,000	**844**	**1,959**	**1,013**	**2,179**	**169**	**220**	**16.7%**	**10.1%**	**18.1%**

Conclusion

While the revised methodology using only data from the American Community Survey and the additional zip codes does show a larger PACE Market than the original analysis, our demographic analysis conclusion remains similar to those made in our original report for Northern Orange County but somewhat different for Southern Orange County. The PACE Market in the northern Orange County geographic remains four times larger than that of Southern Orange County. In Northern Orange County there are more PACE-eligibles than the current site can accommodate. However, while in Southern Orange County the PACE market remains relatively small, the larger PACE market of this report (a range of 130-452 PACE-eligibles) suggests that a full PACE site in Southern Orange County is more realistic.

DEMOGRAPHIC ANALYSIS (55 – 64 POPULATION)

Introduction

Traditionally, On Lok PACE*partners* has not conducted analyses of PACE-eligible seniors for the 55 – 64 population due to the limitations of the data made available by the US Census Bureau. Key data needed to determine PACE-eligibility is not made available specifically for the 55-64 age group – most significantly, the age categories for disability data are either ages 18 – 65 or 65+. We are charting new territory by conducting the analysis that CalOptima has requested for this group and want to stress that the results of this analysis are not reliable because of the limitations of the raw data made available by the US Census Bureau. We suspect that the final calculation represents a possibly significant over count of the 55 – 64 PACE-eligible seniors.

Methodology. As with the 65+ analysis above, we are using the US Census Bureau's American Community Survey (ACS). We chose the option for five year estimates that pool data collected over five years (2009-2013) because it ultimately offers a larger sample size. As explained above, due to the limitation of the data available for this group, we are estimating the PACE-eligible population for this 55 – 64 age group. For the non-institutionalization and household income calculations, we applied the 65+ rates for these two areas to the 2013 ACS count of the 55-64 population. For the rates of disability we calculated a blended rate between the results of applying the disability rate of the 65+ populations and the 18 – 64 disability rate. We assigned an equal weight to each (in other words a 50-50 blend). Please see Attachment 2 "Estimated Number of PACE-Eligible Individuals Ages 55 – 64" for the detailed analysis of PACE-eligible seniors by zip code.

Age. The ACS 2013 provides data on the number of Orange County residents by zip code who are ages 55-64. Since PACE enrollees must be able to live independently in the community at the time of enrollment, we focused on non-institutionalized seniors (applying the available ratio of non-institutionalized seniors age 65+) to estimate those 55 – 64 who are living in the community. See Table 6 for the estimated non-institutionalized 55 - 64 population of Orange County.

Table 6: Estimated Individuals Age 55-64[4]

	Total Age 55-64+	Estimated Non-Institutionalized Age 55-64
Northern Orange County	232,973	228,429
Southern Orange County	103,516	102,810
County Total	**336,489**	**331,239**

Income. In our analysis we applied the number of low-income householders ages 65+ to the total 65+ population to estimate the ratio of low-income 65+ individuals. We then applied the ratio of low-income seniors 65+ to the 55- 64 population to estimate the number of low-income people between ages 55 – 64. See Table 7 for the estimate of the number of non-institutionalized people aged 55 – 64 at the $0-$14,999 and $0-$19,999 annual income levels.

Table 7: Estimated Low-income Individuals Ages 55 - 64[5]

	Age 55-64 Civilian Non-Institutionalized Earning $0-$14,999/Year	Age 55-64 Civilian Non-Institutionalized Earning $0-$19,999/Year
Northern Orange County	30,006	46,827
Southern Orange County	9,325	15,059
County Total	**39,331**	**61,886**

Frailty/Nursing Home Certifiable. As a proxy for frailty, we have selected two of the US Census Bureau's disability types – self-care difficulty and ambulatory difficulty. According to their website, US Census Bureau's definitions for these two types of disability are as follows:

- **Self-care difficulty** Having difficulty bathing or dressing
- **Ambulatory difficulty** Having serious difficulty walking or climbing stairs

Disability data is combined for all adults 18 – 64 and is therefore not available for the 55 – 64 age group specifically. For this analysis, we calculated a blended rate of two separate methodologies. First, we applied the rate of disability for both self-care and ambulatory difficulty (for each zip code) of the 65+ population to the 2013 ACS count of the 55 – 64 population. Second, we conducted a separate

[4] American Community Survey 2013 5-year estimates for population by zip code level and civilian non-institutionalized population.
[5] American Community Survey 2013 5-year estimates for income levels and civilian non-institutionalized population.

calculation applying the rate of disability for both self-care and ambulatory difficulty (of the entire county) of the 18 - 64 population to the 2013 ACS count of the 55 – 64 population in each zip code. Finally, we created the blended rate by averaging the results of both of methods. See Table 8 below for the results of this blended rate disability calculation for the 55 – 64 population of Orange County. Please see Attachment 2 – "Estimated Number of PACE-Eligible Individuals Ages 55 – 64" for the detailed demographic analysis.

Table 8: Estimated Frail, Low-Income Individuals Ages 55 - 64[6]

Area	Income Level	Estimated Civilian Non-institutionalized Age 55-64 with a Self-Care Difficulty	Estimated Civilian Non-institutionalized Age 55-64 with an Ambulatory Difficulty
Northern Orange County	$0-$14,999 Annual Income	2,170	3,737
	$0-$19,999 Annual Income	2,705	5,386
Southern Orange County	$0-$14,999 Annual Income	554	908
	$0-$19,999 Annual Income	680	1,332
County Total	$0-$14,999 Annual Income	**2,724**	**4,644**
	$0-$19,999 Annual Income	**3,385**	**6,718**

Estimated PACE Market Based on National Market Saturation Rates

According to the National PACE Association, PACE organizations typically realize a 10% to 15% market saturation rate for the total estimate of PACE-eligible seniors in a given service area. See Table 9 below for the results of the application the 15% market Saturation to the estimated number of PACE-eligible individuals ages 55 - 64 in Orange County.

[6] American Community Survey 5-year estimates for income levels for householders, civilian non-institutionalized population age 65+ and types/rates of disability.

Table 9: Estimated Age 55 – 64 PACE Market Based on a 15% Saturation Rate

Area	Income Level	Estimated Civilian Non-institutionalized Age 55 – 64 with a Self-Care Difficulty	Estimated Civilian Non-institutionalized Age 55 – 64 with an Ambulatory Difficulty
Northern Orange County	$0-$14,999 Annual Income	325	560
	$0-$19,999 Annual Income	406	808
Southern Orange County	$0-$14,999 Annual Income	83	136
	$0-$19,999 Annual Income	102	200
County Total	$0-$14,999 Annual Income	**408**	**696**
	$0-$19,999 Annual Income	**508**	**1,008**

Conclusion

Our analysis of the 55 – 64 population of Orange County results in a significant addition of PACE-eligibles to the number of PACE-eligibles calculated by our traditional 65+ demographic analysis. The additional number of PACE eligibles of this 55 – 64 age group further supports PACE expansion in both Northern and Southern Orange County. However, for decision-making we recommend that CalOptima rely on the data contained in its own database of the 55 – 64 population given the aforementioned limitations of the raw data on disability made available by the US Census Bureau used in this analysis of the 55 – 64 age group.

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken February 4, 2016
Regular Meeting of the CalOptima Board of Directors

Report Item

7. Authorize Extension of the Cal MediConnect/OneCare Connect Contract with Windstone Behavioral Health for Behavioral Health Services; Authorize Contract for Consulting Services Related to Request for Proposal (RFP) Development and Delivery Model Optimization for the Behavioral Health Benefit

Contact

Richard Helmer, M.D., Chief Medical Officer, (714) 246-8400
Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Action

1. Authorize the Chief Executive Officer (CEO), with the assistance of legal counsel, to:
    a. Extend the CalOptima-Windstone Behavioral Health Cal MediConnect/OneCare Connect contract for a six month period, through December 31, 2016, with the option to renew for one additional year (or two consecutive six month periods) exercisable at CalOptima's sole discretion; and
    b. Contract for up to $150,000 to hire a consultant through a Request for Proposal (RFP) process to determine the delivery model optimization for the behavioral health benefit and for the development of an RFP for contracted services, as appropriate.
2. Authorize budget allocation of $150,000 from the Medical Management department to the Behavioral Health Integration department.

Background/Discussion

Behavioral Health is a Medicare covered benefit for both OneCare and OneCare Connect members. In actions taken on May 7, 2015, the CalOptima Board of Directors authorized CalOptima staff to:

1. Enter into a contract with Windstone Behavioral Health (Windstone) for the Cal MediConnect/OneCare Connect program for the period July 1, 2015, through June 30, 2016, with direction that CalOptima staff would conduct a Request for Proposal (RFP) process by March 2016, to ensure that the best services are obtained for our members in a cost efficient manner; and
2. Extend the contract with CalOptima-OneCare Windstone for remaining OneCare members through December 31, 2016, with the option to renew for one additional year at CalOptima's sole discretion.

During the process of developing the RFP's Scope of Work for a Managed Care Behavioral Health Organization (MBHO), staff noted that the separate timing for implementation and transition of two MBHO contracts would potentially increase disruption of services for CalOptima OneCare and OneCare Connect members. Additionally, since the CalOptima Medi-Cal contract with CHIPA / Beacon Health Strategies expires on December 31, 2016, there is an opportunity to issue a single MBHO RFP that would potentially allow a single vendor to respond for OneCare, OneCare Connect, and Medi-Cal.

In order to minimize disrupting services with multiple MBHO implementations and transitions for OneCare and OneCare Connect members, Staff recommends that the Board authorize extending the current OneCare Connect contract with Windstone through December 31, 2016 (a six month extension) to align with the OneCare and Medi-Cal contracts. Aligning these contract expiration dates would allow time to include the Medi-Cal MBHO in the RFP. In addition, Staff believes that it would be prudent to have the option of renewing the Windstone OneCare Connect contract for one additional year (or two consecutive six month periods) at CalOptima's sole discretion, should additional time be required to complete the selection process.

Extending the current contract will support the stability of CalOptima's contracted provider network and ensure continued services without disruption to OneCare Connect members until the RFP process has been completed. Contract language does not guarantee any particular volume and allows for CalOptima and the provider to terminate the contract with or without cause.

To assist in developing an RFP and determining how best to administer the behavioral health benefit, management proposes to engage a consultant. The consultant, to be selected consistent with CalOptima's Board-approved procurement policy, will help with the development of the RFP and to assist staff in evaluating the advisability and feasibility of building internal capacity to perform some or all of the behavioral health benefit functions. Activities in which the consultant would assist staff include, but are not limited to:

- Development/ refinement of an RFP
- Identifying organizations with the capacity to respond to the RFP
- Developing proposed scoring tool(s)
- Assessing proposals, panel review management
- Assisting in the selection process for a vendor
- Make recommendations on activities that should (or should not) be delegated to the proposed vendor(s)
- Provide support in the contract negotiation process

As future plans for the OneCare and OneCare Connect programs are finalized, staff will return to the Board to request authority to enter into future contracts/contract extensions for behavioral health and or consulting services as appropriate.

Fiscal Impact

Staff assumes the capitation rate included in the OneCare Connect Contract with Windstone Behavioral Health will remain unchanged under the contract extension, and will therefore be budget neutral to CalOptima. Funding for the recommended action will be included in the forthcoming Fiscal Year 2016-17 CalOptima Consolidated Operating Budget.

The recommended action to hire a consultant through an RFP process to determine the delivery model optimization for the behavioral health benefit and for the development an RFP for contracted services, as appropriate, is an unbudgeted item, and will be funded in an amount not to exceed

$150,000 of budgeted funds from the Medical Management department to the Behavioral Health Integration department.

Rationale for Recommendation

CalOptima staff recommends authorizing an extension to the OneCare Connect contract with Windstone to ensure that OneCare Connect members continue to have access to covered services, and to authorize contracting with a consultant to assist in optimizing the administration of the behavioral health benefit.

Concurrence

Gary Crockett, Chief Counsel

Attachments

Previous Board action dated May 7, 2015

/s/ Michael Schrader *01/29/2016*

Authorized Signature **Date**

Attachment to:
February 4, 2016
Agenda Item 7

Attachment to:
2/4/16, Agenda Item 7

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 7, 2015
Regular Meeting of the CalOptima Board of Directors

Report Item
VIII. C. Authorize Contract for Behavioral Health Services with Windstone Behavioral Health for Cal MediConnect/OneCare Connect, and Extend the Current OneCare Contract

Contact
Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Actions
Authorize the Chief Executive Officer (CEO), with the assistance of legal counsel to:

1. Enter into a contract with Windstone Behavioral Health (Windstone) for the Cal MediConnect/OneCare Connect program for the period July 1, 2015 through ~~December 31~~, June 30, 2016. ~~with the option to renew for one additional year at CalOptima's sole discretion.~~ Revised 5/7/15
2. Amend the OneCare contract to extend it for one additional year (through calendar 2016), with the option to renew for one additional year at CalOptima's sole discretion. The current OneCare contract expires December 31, 2015.

Background and Discussion
Behavioral Health is a Medicare covered benefit for OneCare and OneCare Connect members. CalOptima currently contracts with Windstone to provide Medicare covered behavioral health services for the OneCare program. Windstone has been contracted with OneCare for behavioral health since January 1, 2007. The current contract is set to expire December 31, 2015, based on the previous contract extensions.

CalOptima's medical management and behavioral health staff have reviewed the utilization performance of this provider and also evaluated the access needs of CalOptima members, and determined that Windstone adequately meets CalOptima's requirements for the current OneCare program and future OneCare Connect program. At its January 2013 meeting, the CalOptima Board authorized the CEO to leverage the OneCare provider network as the basis for the Duals Delivery system. Therefore, staff recommends initiating a new contract for the OneCare Connect program, and renewing the current OneCare contract as indicated above.

Renewal of the OneCare contract will support the stability of CalOptima's contracted provider network should CalOptima decide to renew the OneCare program for 2016. The new contract for OneCare Connect will initiate a stable network with an already established provider. Contract language does not guarantee any particular volume and allows for CalOptima and the provider to terminate the contracts with or without cause.

Fiscal Impact
Based on forecasted OneCare and OneCare Connect enrollment for the extended contract periods, the fiscal impact of the recommended action is approximately $650,000 for OneCare and $2 million for OneCare Connect. Funding for the recommended actions will be included in the upcoming Fiscal Year 2015-16 CalOptima Consolidated Operating Budget.

Rationale for Recommendation

CalOptima staff recommends authorizing an extension to OneCare's contract with Windstone to ensure that OneCare members continue to have access to covered services, and extending a new contract for the OneCare Connect program so that these members will also receive the same quality level of service.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader *5/1/2015*
Authorized Signature **Date**

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken February 4, 2016
Regular Meeting of the CalOptima Board of Directors

Report Item

8. Consider Authorization of Expenditures in Support of CalOptima's Participation in 2016 Lunar New Year Festivals and Orange County Medical Association Community Partnership Activities

Contact

Phil Tsunoda, Executive Director Public Policy and Public Affairs, (714) 246-8400

Recommended Actions

1. Authorize expenditures for CalOptima's participation in the following 2016 Lunar New Year Tet Festivals scheduled in Orange County:
   a. Up to $3,000 and staff participation at the Vietnamese Community of Southern California (VNCSC) Tet Festival 2016 Year of the Monkey in Fountain Valley
   b. Up to ~~$1,000~~ $3,000 related to the Union of Vietnamese Student Associations Southern California (UVSA) the 35th Annual Tet Festival Year of the Monkey in Costa Mesa;
2. Authorize expenditures of up to $5,000 and staff participation for Orange County Medical Association (OCMA) community partnership activities;
3. Make a finding that such expenditures are for a public purpose and in furtherance of CalOptima's mission and statutory purpose; and
4. Authorize the Chief Executive Officer to execute agreements as necessary for the events and expenditures.

Background

CalOptima has a long history of participating in community events, health and resource fairs, town halls, workshops, and other public activities in furtherance of the organization's statutory purpose. Consistent with these activities, CalOptima has offered financial participation in public activities from time to time when such participation is in the public good, in furtherance of CalOptima's mission and statutory purpose, and encourages broader participation in CalOptima's programs and services, or promotes health and wellness among the populations CalOptima serves. As a result, CalOptima has developed and cultivated a strong reputation in Orange County with community partners and key stakeholders.

Requests for participation are considered based on several factors, including: the number of people the activity/event will reach; the marketing benefits accrued to CalOptima; the strength of the partnership or level of involvement with the requesting entity; past participation; staff availability; and available budget.

Discussion

Staff recommends the authorization of expenditures for participation in the two Lunar New Year Tet Festivals scheduled in Orange County (Fountain Valley and Costa Mesa) due in part to highlight the OneCare Connect program in the community and potentially increase enrollment for the program.

Back to Agenda

a. The Vietnamese Community of Southern California (VNCSC) Tet Festival 2016 Year of the Monkey in Fountain Valley includes a $3,000 financial commitment for the following: participation, two (2) 10x10 exhibitor spaces, logo on promotional posters (1,000) and flyers (5,000), one (1) CalOptima banner at the main event entrance, two (2) VIP parking permits, logo on the OC Tet Festival website for one (1) year, on stage, TV and radio announcements, and short video display on stage at the festival. The Fountain Valley festival will take place locally near the largest Vietnamese community in Orange County as well as draw from communities throughout the county.
b. The Union of Vietnamese Student Associations Southern California (UVSA) 35th Annual Tet Festival Year of the Monkey in Costa Mesa includes a $1,000 financial commitment for the following: (no staff participation), one (1) CalOptima banner at the main event entrance and the CalOptima logo on bags provided to festival attendees. The Costa Mesa festival will draw attendees from outside of the county in addition to local communities.
c. Staff also recommends Board authorization for participation in OCMA activities including: targeted marketing opportunity to OCMA members, presentation to the OCMA Board of Directors, customized marketing strategic plan, participation in three collaborative seminars, participate in three OCMA activities, and logo, banner ad, and recognition on the organization website.

CalOptima staff has reviewed each request and both meet the considerations for participation including the following:

1. The number of people the activity/event will reach;
2. The marketing benefits accrued to CalOptima;
3. The strength of the partnership or level of involvement with the requesting entity;
4. Past participation;
5. Staff availability;
6. Available budget.

CalOptima's involvement in community events has been coordinated by the Community Relations department. The Community Relations department will take the lead to coordinate staff schedules, resources, and appropriate materials for each event.

As part of its consideration of the recommended actions, approval of this item would be based on the Board making a finding that the proposed activities and expenditures are in the public interest and in furtherance of CalOptima's statutory purpose.

Fiscal Impact

Funding for the recommended action of $4,000 to participate in two 2016 Lunar New Year Tet Festivals in Orange County and $5,000 for the OCMA community partnership activities are budgeted under the CalOptima Fiscal Year 2015-16 Operating Budget approved by the CalOptima Board of Directors on June 4, 2015.

Back to Agenda

Rationale for Recommendation

Staff recommends approval of the recommended actions in order to support community activities that provide opportunities that reflect CalOptima's mission, encourage broader participation in CalOptima's programs and services, or promote health and wellness. CalOptima's participation in the events will provide an opportunity to highlight the OneCare Connect program in the community and potentially increase enrollment for the program.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Lunar New Year Tet Festival Event Informational Packets
2. Orange County Medical Association Preferred Community Partner Request

/s/ Michael Schrader — **Authorized Signature**

01/29/2016 — **Date**

Back to Agenda

OC Tết FESTIVAL 2016

YEAR OF THE MONKEY

2016 OC TET Festival at Mile Square Park

Mile Square Regional Park

16801 Euclid Street
Fountain Valley, CA 92708

Friday, February 12	Saturday, February 13	Sunday, February 14
12:00 PM to 10:00 PM	10:00 AM to 10:00 PM	10:00 AM to 10:00 PM

www.octetfestival.org • info@octetfestival.org • (888) 551-1220 or (714) 697-7662

OC Tết FESTIVAL 2016

IS NOW OPEN TO ORANGE COUNTY AND BEYOND!

www.octetfestival.org

ALL ARE WELCOME!

Come to the 2016 OC TET Festival at Mile Square Regional Park, February 12-14!

Some of the events that will be going on:

- **FREE PARKING**
- **FREE ADMISSION**
- **FREE LIVE ENTERTAINMENT**
- Sunday Mass in the Grass @ Mile Square Park with Orange County Bishop Kevin Vann
- Shuttle Service from many of Orange County Neighboring City Centers via one of our partners the OCTA and OC Bus system
- Authentic local ethnic cuisine and drinks
- Traditional Lion Dancers
- Nationally Well-known Vietnamese Singers and Performers
- Carnival Rides and Games
- Community Health Expo
- The Crowning of "Miss OC Tet 2016" Beauty Pageant
- Traditional and Modern Fashion Shows
- Soccer and Archery Tournament
- International Talents and Entertainers
- Cultural Village, Arts and Crafts Exhibition
- Health, Community, and Science Fairs
- World Martial Arts Exhibition

WMA

GREAT SHOWS, ENTERTAINMENT, AND MUCH MORE ALL WEEKEND LONG!

Mile Square Regional Park
16801 Euclid Street
Fountain Valley, CA 92708

info@octetfestival.org
(888) 551-1220 or
(714) 697-7662

OC TET FESTIVAL

YEAR OF THE MONKEY

2016

SOME OF OUR PARTNERS

OCparks

AANC Asian American National Committee, Inc.

Supervisor Andrew Do First District

County of Orange California

OCTA

OCBUS

Vietnamese Community of Southern California — Cộng Đồng Việt Nam Nam California

Orange County Sheriff's Department Est. 1889

City of Fountain Valley — Fountain Valley A Nice Place to Live — Incorporated June 13, 1957 — Orange County, California

Fountain Valley Police

Fountain Valley Protect Serve Fire

SPONSORSHIP LEVELS

In a 2012 "State of the Asian American Consumer" report conducted by the nationally renowned **Nielsen Company**, said: "The Asian American market represents a significant growth opportunity for the nation's businesses that sell goods and services … Asian American consumers provide growth opportunity to your business by appealing to a consumer base that is growing, affluent, well-educated, geographically concentrated, technologically savvy and has tremendous buying power that continues to soar."

Title Sponsor

Gold Sponsor

Cherry Blossom Sponsor

Peach Blossom Sponsor

Orange Blossom Sponsor

www.octetfestival.org • info@octetfestival.org • (888) 551-1220 or (714) 697-7662

OC TET FESTIVAL

YEAR OF THE MONKEY

2016

Title Sponsor: $30,000 (limited)

Festival Booth

- 30' x 20' booth at prime location on the festival grounds

Logo Display

- Large sponsor logo on all promotional posters (1,000) and flyers (30,000)
- Large sponsor logo on the OC Tet Festival website for one (1) year

Banners

- Three (3) large (3'x10') banner displays: 1 alongside the entrance, 1 front main stage, and 1 front on stage

Parking

- Ten (10) VIP parking permits

Media Recognition

- **Honorary trophy and recognition from the Chairman of the OC Tet Festival**
- Title Sponsor speech at the Opening Ceremony (3 minutes)
- Thirty (30) mentions on stage as a Title Sponsor
- Significant and effective high level media exposure and brand awareness on all OC Tet media
- Recognition as an industry leader and more
- Three hundred (300) television commercial spots on **Time Warner Cable**
- Three hundred (300) **Time Warner Cable** web impressions
- Full page color advertisement in respected Vietnamese magazine/newspaper for one (1) month
- Present check to the winner of "**Miss OC Tet 2016**" beauty pageant

Gold Sponsor: $15,000 (limited)

Festival Booth

- 30' x 20' booth at prime location festival grounds

Logo Display

- Large sponsor logo on all promotional posters (1,000) and flyers (20,000)
- Large sponsor logo on the OC Tet Festival website for one (1) year

Banners

- Two (2) large (3'x10') banner displays: 1 alongside the entrance and 1 front main stage

Parking

- **Eight (8) VIP parking permits**

Media Recognition

- **Honorary trophy and recognition from the Chairman of the OC Tet Festival**
- **Gold Sponsor speech at the Opening Ceremony** (2 minutes)
- Full page color ad inside the back cover Tet Festival Magazine
- Fifteen (15) mentions on stage as a Gold Sponsor
- One (100) television commercial spots on **Time Warner Cable**
- One Hundred (100) **Time Warner Cable** web impressions
- Half page color advertisement in respected Vietnamese magazine/newspaper for one (1) month

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OC TET FESTIVAL

YEAR OF THE MONKEY

2016

Cherry Blossom Sponsor: $10,000

Festival Booth
- 20' x 20' booth at prime location festival grounds

Logo Display
- Large sponsor logo on all promotional posters (1,000) and flyers (15,000)
- Large sponsor logo on the OC Tet Festival website for one (1) year

Banners
- Three (3) (3'x5') banner displays: 2 alongside the entrance and 1 front main stage

Parking
- Six (6) VIP parking permits

Media Recognition
- Honorary trophy from the OC Tet Festival Board of Directors
- Cherry Blossom Sponsor speech at the Opening Ceremony (1 minute)
- Ten (10) mentions on stage as a Cherry Blossom Sponsor
- Fifty (50) television commercial spots on Time Warner Cable
- Quarter page color advertisement in respected Vietnamese magazine/newspaper for one (1) month

Peach Blossom Sponsor: $5,000

Festival Booth
- 10'x 20' booth at prime location on festival grounds

Logo Display
- Sponsor logo on all promotional posters (1,000) and flyers (10,000)
- Sponsor logo on the OC Tet Festival website for one (1) year

Banners
- Two (2) (3'x5') banner displays: 1 alongside the entrance and 1 front main stage

Parking
- Four (4) VIP parking permits

Media Recognition
- Honorary plaque from the OC Tet Festival Board of Directors
- Full page color advertisement inside the Tet Festival Magazine
- Five (5) mentions on stage as a Peach Blossom Sponsor

Orange Blossom Sponsor: $2,500

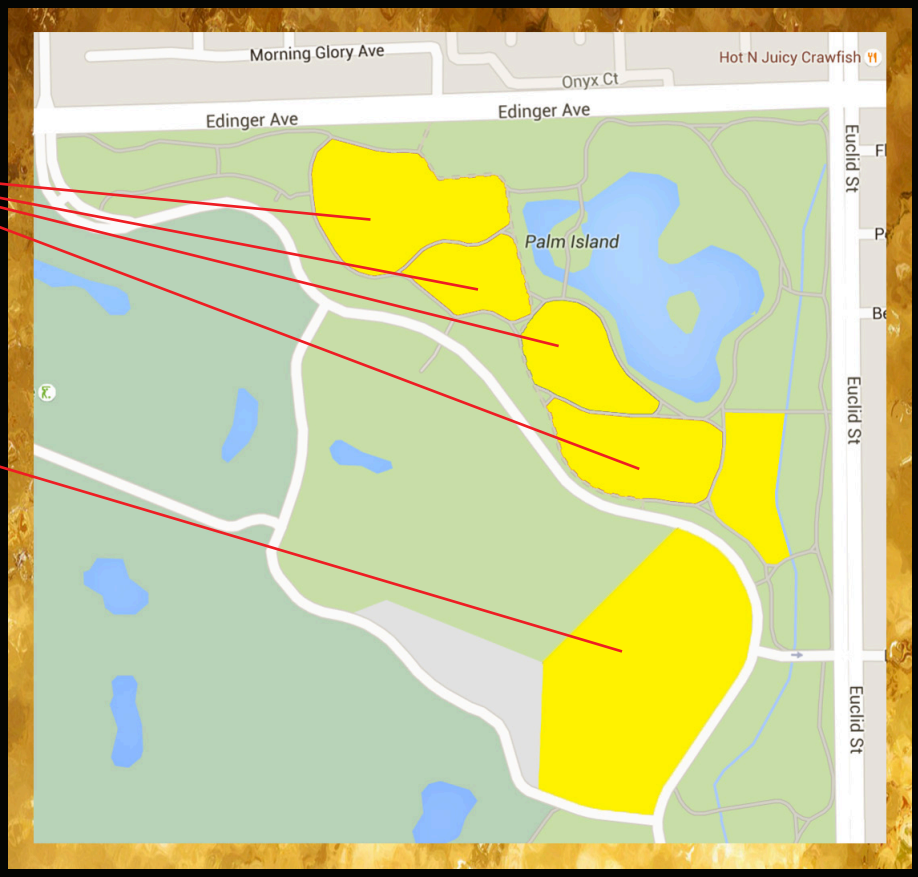
Festival Booth
- 10' x 10' booth at main festival grounds

Logo Display
- Sponsor logo on all promotional posters (1,000) and flyers (5,000)
- Sponsor logo on the OC Tet Festival website for one (1) year

Banners and Parking
- One (1) (3'x5') banner display alongside the entrance
- Two (2) VIP parking permits

TET FESTIVAL FAIRGROUNDS

MASS IN THE GRASS



Mile Square Regional Park
16801 Euclid Street
Fountain Valley, CA 92708

www.octetfestival.org

Media kit design by:

karissa a. ogawa

info@octetfestival.org • (888) 551-1220 or (714) 697-7662

THE VIETNAMESE COMMUNITY OF SOUTHERN CALIFORNIA IS A CERTIFIED 501(C)(3) NON-PROFIT CHARITABLE ORGANIZATION. FEDERAL TAX ID # 33-0448822. ALL DONATIONS AND FINANCIAL SUPPORTS ARE FULLY TAX-DEDUCTIBLE UNDER THIS IRS CODE.

Dear Orange County Community/Business Leader(s), November 26, 2015

We are pleased and proud to announce that the Vietnamese Community of Southern California (VNCSC) has recently been selected by the County of Orange as the organizer for the 2016 OC Tet Festival at Mile Square Regional Park in Fountain Valley.

As we ring in the Year of The Monkey, we are also celebrating our new venue at Mile Square Regional Park. With great thanks to the leadership of Orange County Supervisor Andrew Do and to the great staff of OC Parks. This new location will allow us to accommodate more visitors, more vendors, more space, more convenience, more exciting and new live entertainment during this special 3-day Tet Festival.

This year's OC Tet Festival will exhibit the beauty of Mile Square Regional Park. This 3-day special event includes: **FREE ADMISSION, FREE PARKING, AND FREE LIVE ENTERTAINMENT**, including, but not limited to, top-tier/A-list Vietnamese singers and performers, and much more.

As the Chairman of the 2016 OC Tet Festival, I want to personally invite you to join us in this historic celebration bringing together many of Orange County non-profit organizations, businesses, and many enthusiastic community supporters alike. In honoring our new venue at Mile Square Regional Park, we need and ask for your generous support contributing to the success of our 2016 OC Tet Festival.

As a sponsor of the 2016 OC Tet Festival, you will enjoy extensive media, community exposures and more, prior to and during the 3-day event. With our new venue, we expect to have well over 100,000 visitors from all over Orange County as well as throughout Southern California and the United States, to ring in the Lunar New Year.

For over 25 years, the VNCSC has been a strong and influential voice for Little Saigon, the largest and most established community of Vietnamese expatriates in the world. With the collaboration of other non-profit organizations, we have provided resources to help our many members of the community at large. The 2016 OC Tet Festival is an exciting opportunity for VNCSC to further its mission to outreach to many more of our neighbors in this increasingly more visible cultural event in Orange County.

What:	**2016 OC Tet Festival at Mile Square Park** Lunar New Year: Year of the Monkey
Where:	Mile Square Regional Park, Fountain Valley, CA 92708
When:	**Friday, February 12, 2016**, 12:00 PM to 10:00 PM **Saturday, February 13, 2016**, 10:00 AM to 10:00 PM **Sunday, February 14, 2016**, 10:00 AM to 10:00 PM

We are looking forward to your generous support for this year's historic 2016 OC Tet Festival at Mile Square Regional Park. For more information, please visit our website: **www.octetfestival.org** or **www.hoitetcongdong.org.** You can also reserve your sponsorship opportunity by contacting us at **info@octetfestival.org** or **info@hoitetcongdong.org** or call (**800) 404-6616.** Thank you.

Sincerely yours,

Tuan D. Nguyen

Tuan D. Nguyen, A.L.M.
Chairman, OC Tet Festival
info@octetfestival.org (714) 759-0506

GENERAL OVERVIEW

Event: **2016 OC Tet Festival at Mile Square Park**. Lunar New Year: Year of the Monkey

Goal: To celebrate and share Vietnamese cultural and artistic heritage

Objective: To promote unity and cultural diversity in Southern California and beyond

Theme: "Enjoying Festivity, Building our Community"

Date: **Friday, February 12, 2016**, 12:00 PM to 10:00 PM
Saturday, February 13, 2016, 10:00 AM to 10:00 PM
Sunday, February 14, 2016, 10:00 AM to 10:00 PM

Location: Mile Square Regional Park (at the corner of Euclid Street and Edinger Avenue)
16801 Euclid Street
Fountain Valley, CA 92708

Attendance: Surpass 100,000 (estimated)

Booths: Well over 200 booths: information and exhibition, arts and crafts, foods, drinks, and games, community expo, and much more.

Overview of Events: (Subject to change without notice) (**This shall be an alcohol-free Tet event**)

- Ribbon Cutting Ceremony
- Vietnamese Traditional Ritual Grand Ceremony
- Catholic **Mass in the Grass at Mile Square Park, Bishop Kevin Vann is the celebrant**, the Bishop of the Roman Catholic Diocese of Orange County; and Multi-faith Services
- Speeches by Elected Representatives and various Dignitaries
- Lion and Dragon Dance
- **Famous and Top-Tier/A-List Vietnamese Singers and Performers**
- Martial Arts Demonstrations
- Children's Traditional Attire and Talents Shows
- Modern Hip Hop Shows
- Magic Shows; Firecracker Show
- World Martial Arts Exhibition
- Valentine's Day Special
- Traditional & Modern Fashion Shows
- Miss OC Tet 2016 Beauty Pageant
- Multi-ethnic Entertainments
- Singing and Performance Shows
- Live Entertainment and Karaoke Music
- Folkloric Dancing; Comedy Skits
- Soccer Tournaments; Chess Contests
- Vietnamese Culture, Arts and Crafts Exhibitions
- Health, Community, and Science Fairs
- Carnival Rides and Games
- Awards and Recognitions
- Great Foods and Drinks

* Archery Tournaments, and much more

Organizer: Vietnamese Community of Southern California (VNCSC), is a **certified 501(c)(3) non-profit** charitable organization. <u>All donations and financial supports are fully tax-deductible under this IRS code</u>.

Contact: 14351 Euclid St, Suite 1R, Garden Grove, CA 92843
Phone: (800) 404-6616 • Fax: (657) 232-1546
Email: info@octetfestival.org www.octetfestival.org
Email: info@hoitetcongdong.org www.hoitetcongdong.org

2016 TET FESTIVAL AT MILE SQUARE PARK
SPONSORSHIP REQUEST FORM

Company name: _____

Employer ID (EIN) #: _____ Type of Non-Profit : _____

Address: _____

City: _____ State: _____ Zip Code: _____

Contact person full name: _____

Title: _____ Website: _____

Work phone: _____ Cell phone:_____

Email: _____ Fax: _____

Sponsorship Levels:

Orange Blossom Sponsor ( ) **Peach Blossom Sponsor ( )**

Cherry Blossom Sponsor ( ) **Gold Sponsor ( )** **Title Sponsor ( )**

Additional requests or instructions: _____

_____

Amount enclosed: $_____

- Please make check payable to: **VNCSC Tet Festival**
- Please email or send our office a copy of your company's logo and a brief description of your products and services.

FOR OFFICIAL VNCSC USE ONLY:

Received by (name): _____ Date Received: _____

Approved by (name): _____ Title: _____Date:_____

Notes: _____

_____

TẾT FESTIVAL

HOSTED BY UVSA THSV

YEAR OF THE MONKEY - XUÂN BÍNH THÂN






THE 35TH ANNUAL

TẾT FESTIVAL

FEBRUARY 12-14, 2016 | OC FAIR & EVENT CENTER

SPONSORSHIP PROPOSAL

DEAR PROSPECTIVE SPONSOR,

The Union of Vietnamese Student Associations Southern California (UVSA) is proud to submit this proposal for your review. We wish to provide your organization with unique and advantageous marketing opportunities to promote your brand and business to the Vietnamese community.

The 35th Annual UVSA Tet Festival will take place between February 12 and February 14, 2016 at OC Fair & Event Center—adjacent to Costa Mesa, Newport Beach, Santa Ana and Irvine. The event attracts over 60,000 attendees, encompassing a multi-ethnic populace with strong Asian American presence.

UVSA Tet Festival is recognized as the most distinguished Vietnamese Lunar New Year celebration in the nation for many reasons:

- **We are the largest Tet Festival in the world with 34 years of success**
- **UVSA is one of the four pillars upholding the Vietnamese community in cooperation with the Vietnamese American Federation of Southern California, the Coalition of Vietnamese Armed Forces, and the Association of Vietnamese Language & Culture Schools of Southern California**
- **We are the strongest Vietnamese youth organization in the country and we represent students and young leaders in the Santa Barbara, Los Angeles, Riverside, San Bernardino, and San Diego counties**
- **Our involvement in the Vietnamese community is built on cultural awareness, education, social and civic engagement**
- **We join together 300+ youth volunteers and provide them with opportunities for community service and leadership development with real life application at Tet Festival**
- **UVSA is a 501(c)3 grant-giving organization and has awarded over $1,000,000 in festival proceeds to deserving non-profit organizations across Southern California**

We cordially invite your team to join us this year in making UVSA Tet Festival 2016 the most spectacular yet! We are confident that your participation will acquire benefits that only UVSA can offer, with increased publicity, prestigious affiliation, customer contact, and community impact.

We look forward to building a prolific partnership with you as we welcome the Year of the Monkey, with prosperity and success for all. Thank you for your consideration to support UVSA Tet Festival 2016!

Sincerely,

Thao-Chi (TC) Pham
Sponsorship Director
thaochi.pham@uvsa.org

FESTIVAL SUMMARY

EVENT: 35th Annual UVSA Tet Festival

DESCRIPTION: Tet is a celebration of the Lunar New Year, the most observed holiday for Vietnamese people

OBJECTIVES:

1. To celebrate the new lunar year
2. To preserve and promote Vietnamese culture
3. To share Vietnamese tradition with surrounding communities
4. To provide opportunities for organizations to promote their products and services to the Vietnamese American market
5. To raise funds to support educational and cultural programs in the community
6. To bring Vietnamese youths together and provide them with opportunities for leadership development and community service

Lion dancers perform at the Opening Ceremony on Saturday morning

DATES:
Friday, February 12, 2016; 4PM - 11PM
Saturday, February 13, 2016; 11AM - 11PM
Sunday, February 14, 2016; 11AM - 10PM

LOCATION:
OC Fair & Event Center
88 Fair Dr., Costa Mesa, CA 92626

60,000+ patrons
300+ vendors and sponsors
500+ volunteers

ACTIVITIES:

Lion Dancing
Firecracker
Carnival Games
Children's Pageant
Cultural Ceremony
Cultural Village
Fashion Show
Gift Booths
Pageant
Traditional Dances
Martial Arts
Carnival Rides
Military Exhibit
Special Guests
Cultural Foods
Grand Concert
Talent Show
Youth Night
Pho Eating Contest
Film Contest
Chess Competition
Vendors
Community Exhibitions

HOSTING ORGANIZATION

ABOUT: The Union of the Vietnamese Student Associations Southern California (UVSA) is a 501(c)3 non-profit, non-partisan, community-based organization founded in 1982. UVSA consists of alumni, college students, and high school students from various Vietnamese Student Associations across Southern California.

MISSION: To bring together Vietnamese American students from different colleges and high schools throughout Southern California to build unity, to serve our community, and to advocate for social justice issues that affect our community domestically and in Vietnam.

GRANTS: Over the past years, nearly $1,000,000 in festival proceeds have been awarded to non-profit organizations in the community such as the Boy & Girl Scouts of America, the American Red Cross, Vietnamese language schools, and many more.

MEMBERS:

Cal Poly Pomona VSA
Cal State Los Angeles VSA
Cal State San Bernardino VSA
San Diego State University VSA
UC Los Angeles VSU
UC Santa Barbara VSA
University of Southern California VSA
Cal State Fullerton VSA
Cal State Long Beach VSA
Golden West College VSA
UC Irvine VSA
UC Riverside VSA
UC San Diego VSA
Vietnamese American High School Alliance

Chase (Silver Sponsor) brings their mascot to welcome festival patrons.

DEMOGRAPHICS & STATISTICS

According to the 2010 U.S. Census, 1,548,449 people identify as Vietnamese, ranking them fourth among the Asian American groups; 447,032 (40%) of them live in California. The largest Vietnamese population outside of Vietnam is found in Southern California—totaling over 300,000 members from Los Angeles, Orange, and San Diego counties. Vietnamese American businesses continue to grow in areas such as Garden Grove and Westminster while rapidly extending lucrative development to surrounding cities.

KEY BENEFITS

The success of this event depends on the generosity of sponsors. In return, UVSA staff is dedicated to helping sponsors gain maximum benefits from their participation, including:

- Brand awareness and brand loyalty from current and prospective buyers
- High level media exposure from local television stations, radio stations, magazines, newspapers, and advertisements.
- Large-scale onsite product promotion and face-to-face customer interaction
- Positive public outreach and market response
- Tax-deductible contribution to a certified 501(c)3 non-profit and charitable organization
- Recognition as an industry leader above competitors

UVSA interviews Yeo's (Silver Sponsor).

Festival patrons view sponsor banners at Front Gate and Exit.

Toyota (Diamond Sponsor) showcases their vehicles in a custom booth.

The Miss Vietnam of Southern California Royal Court pose in front of Wells Fargo's (Title Sponsor) stage coach.

Verizon Wireless (Silver Sponsor) promotes their wireless services to festival patrons.

SPONSORSHIP PACKAGES

Your company's sponsorship directly impacts the success of Tet Festival, UVSA's ability to provide funding to nearly one hundred non-profit organizations across Southern California, and UVSA's ability to provide leadership and community programming to the youth. We offer the following packages, which include standard benefits or the option to tailor your participation to meet company goals. We hope that you take this opportunity to sponsor Tet Festival as a means to promote brand loyalty from a very accomplished community. All monetary sponsorships to the Tet Festival are tax-deductible. Please contact our Sponsorship Director for more information.

THAO-CHI (TC) PHAM

Tet Festival Sponsorship Director
Direct: 949.237.2887
Email: thaochi.pham@uvsa.org

Wells Fargo (Title Sponsor) presents a scholarship award to the Miss Vietnam of Southern California winner.

UVSA interviews Saving Call (Gold Sponsor) about their experience at the festival.

BRONZE SPONSOR: $3,500

- 10' x 10' booth in prime location at Tet Festival
- One (1) banner display near Front Gate
- Booth listing in Festival program booklet (60,000)
- Sponsor logo on promotional posters (1,000) & flyers (25,000)
- Sponsor logo on UVSA Tet Festival website for one (1) year
- Twenty-five (25) Tet Festival admission tickets
- Two (2) VIP admission badges
- Two (2) VIP parking permits

SILVER SPONSOR: $6,000

- 20' x 10' booth in prime location at Tet Festival
- Two (2) banner displays: Front Gate, Food Court
- Quarter page color ad in Festival Program Booklet (60,000)
- Booth listing in Festival program booklet (60,000)
- Sponsor logo on all promotional posters (1,000) & flyers (25,000)
- Sponsor logo on UVSA Tet Festival website for one (1) year
- Forty (40) Tet Festival admission tickets
- Four (4) VIP admission badges
- Four (4) VIP parking permits

DIAMOND SPONSOR: $22,000

TITLE SPONSOR: $35,000

- 40′ x 20′ booth in prime location at Tet Festival
- Six (6) banner displays: Front Gate, Food Court, Main Stage, Exit
- Full page Back Cover color ad in Festival program booklet (60,000)
- Sponsor logo on UVSA Tet Festival Staff and Volunteer t-shirts (500)
- Title Sponsor speech at the Opening Ceremony (5 min)
- Title Sponsor speech at Pageant Night (5 minutes)
- Present winning check to Miss Vietnam Southern California
- Logo on Tet Festival billboard in Westminster
- Logo printed on the back of all Tet Festival admission tickets
- Full page color ad in Pageant Program book (1,000)
- Six (6) LED video ad impressions on Main Stage (30 sec)
- Six (6) LED graphic ad impressions on Main Stage
- Fifteen (15) mentions on Main Stage
- Sixty (60) radio impressions
- Thirty (30) newspaper and magazine impressions
- Ten (10) television impressions
- Two (2) social media impressions
- Booth listing in Festival program booklet (60,000)
- Large sponsor logo on all promotional posters (1,000) & flyers (25,000)
- Large sponsor logo on the Tet Festival website for one (1) year
- One hundred fifty (150) Tet Festival admission tickets
- Twelve (12) VIP admission badges
- Twelve (12) VIP parking permits

Union of the Vietnamese Student Associations Southern California
12831 Western Ave., Suite B
Garden Grove, CA 92841

Mailing Address:
PO BOX 2069
Westminster, CA 92684

E-mail: contact@uvsa.org
Tel: (714) 890-1418

www.uvsa.org | www.tetfestival.org

THANK YOU TO OUR PAST FESTIVAL SPONSORS

106.3 FM ° 1480 AM ° 24-7 ° AIG American General ° Asia Entertainment ° AT&T ° Bally's ° Bank of America ° Bank of the West ° California Lottery ° CLEO Global Energy ° Coca Cola ° CNN ° East West Bank ° Ford ° Foresters Financial ° Indochina Land ° Kaiser Permanente ° KCal 9 News ° Kimberly Skin ° Little Saigon Radio ° Los Angeles Times ° Lowe's ° Lunex Telecom ° Moneygram ° New York Life ° NRG Resources ° OC News ° OC Register ° Qualified Lending ° Saigon TV ° SBC Pacific Bell ° SBTN ° Spatech ° Startec ° Subaru ° Union Bank of California ° United States Census 2010 ° US Post Office ° VATV ° Verb ° Verizon Wireless ° VTC ° Western Union

ORANGE COUNTY
medical association
HELPING YOU NAVIGATE CHANGE

17322 Murphy Avenue Irvine, CA • 92614
Phone: 949.398.8100 • Fax: 949.398.8120

September 9, 2015

Michael Schrader, CEO
CalOptima
505 City Parkway West
Orange, CA 92868

Dear Mr. Schrader –

On behalf of the Orange County Medical Association, a renewal of your annual Preferred Community Partner status is requested.

CalOptima's support is exceptionally meaningful to OCMA and is essential in the pursuit of our common goals. We will continue to coordinate seminars and other outreach activities to Orange County physicians regarding CalOptima programs and initiatives emphasizing the most efficient and high quality care for CalOptima members.

OCMA will be happy to discuss any specific Community Partner plans and initiatives to increase your level of satisfaction. We are most grateful for your commitment of collaboration with and direct support of OCMA.

Enclosed is a renewal invoice for your convenience. Please contact us with any questions.

We look forward to actively working alongside you over the next year!

Sincerely,

Jim Peterson
Chief Executive Officer

Mark Morones
Director of Membership

Board of Directors Meeting
February 4, 2016

Member Advisory Committee Update

On December 7, 2015, committee members from the Member, Provider and OneCare Connect Member Advisory Committees convened a Strategic Plan Ad Hoc Subcommittee to provide input on CalOptima's FY 16 - FY19 Strategic Plan. MAC members who attended were Sally Molnar and Velma Shivers. Ad hoc members recommended the following: 1) collaborate directly with providers, including considering direct pay-for-performance initiatives; 2) ensure that CalOptima is a thought partner in the evaluation of community-based or provider pilots by sharing data to support evaluation and impact analysis; 3) ensure the role of the PAC is explicitly referenced in the objectives on provider collaboration; 4) ensure that the word "expanding access" is incorporated into objectives for provider/plan collaboration; 5) continue to seek direct member engagement and input into proposed pilots, programs and services; and 6) collaborate with community-based organizations on advocacy issues impacting members, providers, and the community. CalOptima staff will provide an updated strategic plan to the MAC for review before being presented to the CalOptima Board for consideration.

Chair Mallory Vega reported on the MAC's recommendations for outreach to the autism population at the December 3, 2015 Board of Directors meeting. As follow up to the recommendations, articles on accessing care for members with Autism Spectrum Disorder (ASD) will be featured in February's Community Connections E-newsletter and the winter issue of the Medi-Cal newsletter due out the latter half of February. In addition, a comprehensive list of advocacy agencies and resources for autism services is being compiled. This resource list will provide ease of reference for MAC members and CalOptima staff to use or distribute.

A Special Joint Member and Provider Advisory Committee convened on January 21, 2016 to discuss the new Medi-Cal mental health benefit. Behavioral health representatives from Beacon, Windstone and the Orange County Health Care Agency (HCA) attended to serve as resources for the discussion, which Dr. Sharps facilitated. Angela Leong from the Legal Aid Society of Orange County provided public comment from the member perspective. Shannon Connelly, Primary Care Director, Melody Women's Health and Dr. Manijeh Javaherim offered public comment from the provider perspective. The main obstacles reported from public comment include: 1) members have difficulty reaching call center representatives at the behavioral health plans; 2) callbacks to members from the behavioral health plans are not consistent; 3) lack of communication from the mental/behavioral health provider after member is referred for behavioral health services; 4) language barriers; and 5) member difficulty navigating the mental/behavioral health system. CalOptima staff will work with the behavioral health representatives to improve services. In addition, MAC and PAC members heard a summary of comments from nurse practitioners within the community. Committee members agreed that the forum was an effective way to discuss Medi-Cal mental health benefits and services.

The MAC appreciates the opportunity to provide the CalOptima Board with input and updates on the MAC activities.

Board of Directors Meeting
February 4, 2016

Provider Advisory Committee (PAC) Update

December 10, 2015 PAC Meeting

Ten (10) PAC members were in attendance at the December 10, 2015 meeting.

On December 7, 2015, committee members from the Member, Provider and OneCare Connect Member Advisory Committees convened a Strategic Plan Ad Hoc Subcommittee to provide input on CalOptima's FY 16 - FY19 Strategic Plan. PAC members who attended were Dr. Joseph Ruggio; Barry Ross, RN, MPH, MBA; and Pamela Pimentel, RN. The MAC, PAC and OCC MAC Ad Hoc members compiled six recommendations: 1) collaborate directly with providers, including considering direct pay for performance initiatives; 2) ensure CalOptima is a thought partner in the evaluation of community-based or provider pilots by sharing data to support evaluation and impact analysis; 3) ensure the role of the PAC is explicitly referenced in the objectives on provider collaboration; 4) ensure that the phrase "expanding access" is incorporated into objectives for provider/plan collaboration; 5) continue to see direct member engagement and input into proposed pilots, programs and services; and 6) collaborate with community based organizations on advocacy issues impacting members, providers, and the community. CalOptima staff will provide an updated strategic plan to the MAC for review before being presented to the CalOptima Board for consideration.

On December 10, PAC members heard testimony from Dr. Mike Cater, Dr. Praful A. Sarode and Dr. Jacob Wolsztejn focusing on mental health services access, lack of feedback to primary care physicians following a mental health referral, pharmacy shopping by consumers, limited number of inpatient psych beds and challenges related to ED capacity for psych patients. In addition, PAC members received written testimony from Dr. Andrew P. Ko, Adel A. Broutros, Dr. Muhammad J. Sohel, Dr. Edward Chai and Dr. Ferdous F. Kazemi with similar issues as those presented.

PAC requested that staff provide an update on the CalOptima Childhood Obesity Program at the next PAC meeting and a detailed allocation and progress report regarding the expenditure of IGT funds.

PAC received the following updates from CalOptima executive staff at the December 10, 2015, PAC meeting: CalOptima's FY 2016-2019 Strategic Plan; Community Health Needs Assessment; and Federal and State Budget Update.

January 21, 2016 Joint MAC/PAC Special Meeting

Twelve (12) PAC members were in attendance at the January 21, 2016 MAC and PAC Special Meeting.

PAC welcomed Dr. George Orras as the new Behavioral/Mental Health Representative.

A Special Joint Member and Provider Advisory Committee convened on January 21, 2016 to discuss the new Medi-Cal mental health benefit. Behavioral health representatives from Beacon, Windstone and the Orange County Health Care Agency (HCA) attended to serve as resources for the discussion, which Dr. Sharps facilitated. Angela Leong from the Legal Aid Society of Orange County provided public comment from the member perspective. Shannon Connelly, Primary Care Director, Melody Women's Health and Dr. Manijeh Javaherim offered public comment from the provider perspective. The main obstacles reported from public comment include: 1) members have difficulty reaching call center representatives at the behavioral health plans; 2) callbacks to members from the behavioral health plans are not consistent; 3) lack of communication from the mental/behavioral health provider after being referred for behavioral health services; 4) language barriers; and 5) member difficulty navigating the mental/behavioral health system. CalOptima staff will work with the behavioral health representatives to improve services. In addition, MAC and PAC members heard a summary of comments from nurse practitioners within the community. Committee members agreed that the forum was an effective way to discuss Medi-Cal mental health benefits and services.

Once again, the PAC appreciates and thanks the CalOptima Board for the opportunity to present input and updates on the PAC's activities.

Board of Directors Meeting
February 4, 2016

OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)
Member Advisory Committee Update

The OneCare Connect Member Advisory Committee (OCC MAC) has been recruiting for OneCare Connect members and/or family members for three open seats on the committee. The OCC MAC Nominations Ad Hoc, composed of Committee Members Ted Chigaros, Gio Corzo and Chair Patty Mouton, evaluated three applications from interested candidates. Upon their review, they forwarded their recommendation to the OCC MAC for consideration at the December 22, 2015 OCC MAC meeting. The OCC MAC approved the following candidates and is recommending them for Board consideration at the February 4, 2016 meeting:

- Josefina Diaz as a Member/Family Member Representative for a term ending June 30, 2017;
- Susie Gordee as a Member/Family Member Representative for a term ending June 30, 2017; and
- Destiny Le as a Member/Family Member Representative for a term ending June 30, 2016.

The OCC MAC also approved its FY 2015-16 Goals and Objectives, which were developed based on Cal MediConnect goals and CalOptima's Strategic Plan. The OCC MAC Goals & Objectives (G&O) Ad Hoc Subcommittee was composed of Chair Mouton and Members Ted Chigaros and Christine Chow.

On December 7, 2015, Member Chigaros attended the Member, Provider and OneCare Connect Member Advisory Committee Strategic Plan Ad Hoc Subcommittee to provide input on CalOptima's FY 16 - FY19 Strategic Plan. Ad hoc members recommended the following: 1) collaborate directly with providers, including considering direct pay-for-performance initiatives; 2) ensure that CalOptima is a thought partner in the evaluation of community-based or provider pilots by sharing data to support evaluation and impact analysis; 3) ensure the role of the PAC is explicitly referenced in the objectives on provider collaboration; 4) ensure that the word "expanding access" is incorporated into objectives for provider/plan collaboration; 5) continue to seek direct member engagement and input into proposed pilots, programs and services; and 6) collaborate with community-based organizations on advocacy issues impacting members, providers, and the community. OCC MAC reviewed the strategic plan at the December 22, 2015 meeting.

The OCC MAC appreciates the opportunity to provide the CalOptima Board with input and updates on the OCC MAC activities.

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Financial Summary

December 2015

Board of Directors Meeting

February 4, 2016

Chet Uma

Chief Financial Officer

FY 2015-16: Consolidated Enrollment

- December 2015 MTD:
  - ➢ Overall enrollment reached 796,331
    - ▪ Actual higher than budget by 0.1%
      - • MCE enrollment offset by budgeted TANF growth not materialized
    - ▪ 0.9% increase from prior month
      - • Increase in Medi-Cal over prior month of 6,041
      - • OneCare Connect increased by 1,248 to 4,437 from prior month 3,189, but still below forecast
    - ▪ 11.2% or 80,178 increase in enrollment from prior year

- December 2015 YTD:
  - ➢ Actual of 4,658,791 lower than budget by 1.3% or 59,132
    - ▪ Attributable to 103,046 unfavorable variance in TANF population
    - ▪ Offset by 52,601 favorable variance in Medi-Cal Expansion population

FY 2015-16: Consolidated Revenues

- December 2015 MTD:
  - MTD lower than budget
  - Negative variance of ($12.6) million or (4.7%) for the month
    - Volume variance is $0.2 million
    - Price variance is ($12.8) million
      - In Medi-Cal, Applied Behavioral Analysis (ABA) revenue adjustment due to methodology change

- December 2015 YTD:
  - YTD lower than budget
  - Negative variance of ($54.3) million
    - Volume variance is ($19.4) million
      - Medi-Cal TANF enrollment (103,046) unfavorable to budget
    - Price variance is ($35.0) million due to aid code mix

FY 2015-16: Consolidated Medical Expenses

- December 2015 MTD:
  - ➢ Actual lower than budget by $9.3 million or 3.7% for the month
    - Volume variance is ($0.2) million
    - Price variance is $9.5 million
      - MCE IBNR methodology change and prior period adjustment

- December 2015 YTD:
  - ➢ Actual lower than budget by $47.6 million
    - Volume variance is $18.5 million
    - Price variance is $29.0 million: mainly attributable to Medi-Cal LOB
      - Total capitation and claims are favorable by $36.8 million
      - Favorable variance of $9.2 million in medical management
      - Unfavorable variance of ($3.5) million in contingencies
      - Unfavorable variance in prescription drugs of ($15.0) million

FY 2015-16: Consolidated Medical Expenses (cont.)

- Medical Loss Ratio (MLR):
  - December 2015: Actual: 97.0% Budget: 95.9%
  - December YTD: Actual: 96.1% Budget: 95.8%

FY 2015-16: Consolidated Administrative Expenses

- December 2015 MTD:
  - Actual lower than budget
  - Positive variance of $4.2 million or 32.8% for the month
    - Savings in all categories
- December 2015 YTD:
  - Actual lower than budget
  - Positive variance of $25.1 million or 33.4%
    - Salaries and benefits positive variance is $11.2 million
    - Professional fees and purchased services under budget by $4.8 million ($2.2 million and $2.6 million, respectively)
    - Printing & postage under budget $3.0 million
- Administrative Loss Ratio (ALR):
  - December 2015: Actual: 3.4% Budget: 4.8%
  - December YTD: Actual: 3.4% Budget: 4.9%

FY 2015-16: Change in Net Assets

- December 2015 MTD:
  - ($1.6) million deficit
  - $78.1 thousand favorable to budget
  - Attributable to:
    - Lower than anticipated revenue of $12.6 million
    - Savings in medical expenses of $9.3 million
    - Savings in administrative expenses of $4.2 million

- December 2015 YTD:
  - $8.1 million surplus
  - $18.3 million favorable to budget
  - Due to:
    - Lower than budgeted revenue of $54.3 million
    - Savings in medical expenses of $47.6 million
    - Savings in administrative expenses of $25.1 million

FY 2015-16: Change in Net Assets (cont.)

- December YTD variance attributable to:
  - Medi-Cal: $13.0 million surplus; $21.4 million favorable to budget
    - Lower revenue than budgeted of $16.6 million
    - Savings in medical expenses of $17.4 million
    - Savings in administrative expenses of $20.6 million
  - OneCare: $1.9 million surplus; $1.3 million unfavorable to budget
    - Lower revenue than budgeted of $5.6 million
    - Unfavorable drugs costs of $3.0 million; remaining medical expenses favorable by $6.1 million
  - PACE: $1.4 million deficit; slightly unfavorable to budget
    - Slightly higher than budgeted medical expenses
  - OneCare Connect: $6.3 million deficit; $1.8 million unfavorable to budget
    - Early start-up costs prior to implementation of program

Enrollment Summary: December 2015 and December YTD

Month					Year - to - Date			
Actual	Budget	Variance	%	Enrollment (By Aid Category)	Actual	Budget	Variance	%
63,386	59,133	4,253	7.2%	Aged	380,445	366,684	13,761	3.8%
703	736	(33)	(4.5%)	BCCTP	4,097	4,418	(321)	(7.3%)
53,567	54,253	(686)	(1.3%)	Disabled	326,467	330,490	(4,023)	(1.2%)
3,599	3,437	162	4.7%	LTC	22,198	22,069	129	0.6%
219,331	200,367	18,964	9.5%	MCE	1,238,359	1,185,758	52,601	4.4%
438,824	455,244	(16,420)	(3.6%)	TANF	2,596,033	2,699,079	(103,046)	(3.8%)
779,410	773,170	6,240	0.8%	Medi-Cal	4,567,599	4,608,498	(40,899)	(0.9%)
464	479	(15)	(3.1%)	MSSP	2,774	2,874	(100)	(3.5%)
779,874	**773,649**	**6,225**	**0.8%**	**Total Medi-Cal**	**4,570,373**	**4,611,372**	**(40,999)**	**(0.9%)**
4,437	**9,024**	**(4,587)**	**(50.8%)**	**OneCare Connect**	**12,744**	**28,440**	**(15,696)**	**(55.2%)**
129	**124**	**5**	**4.0%**	**PACE**	**710**	**669**	**41**	**6.1%**
11,891	**12,923**	**(1,032)**	**(8.0%)**	**OneCare**	**74,964**	**77,442**	**(2,478)**	**(3.2%)**
796,331	**795,720**	**611**	**0.1%**	**CalOptima Total**	**4,658,791**	**4,717,923**	**(59,132)**	**(1.3%)**

Financial Highlights: December 2015 and December YTD

Month					Year-to-Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
796,331	795,720	611	0.1%	Member Months	4,658,791	4,717,923	(59,132)	(1.3%)
253,762,375	266,336,556	(12,574,181)	(4.7%)	Revenues	1,488,764,146	1,543,088,427	(54,324,281)	(3.5%)
246,173,948	255,523,190	9,349,242	3.7%	Medical Expenses	1,431,341,633	1,478,903,881	47,562,248	3.2%
8,543,315	12,709,027	4,165,712	32.8%	Administrative Expenses	50,172,358	75,314,018	25,141,660	33.4%
(660,115)	202,596	(862,711)	(425.8%)	Non Operating	860,252	951,290	(91,038)	(9.6%)
(1,615,003)	**(1,693,065)**	**78,062**	**4.6%**	**Change in Net Assets**	**8,110,407**	**(10,178,182)**	**18,288,589**	**179.7%**
97.0%	95.9%	(1.1%)		Medical Loss Ratio	96.1%	95.8%	(0.3%)	
3.4%	4.8%	1.4%		Administrative Loss Ratio	3.4%	4.9%	1.5%	

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Consolidated Performance Actual vs. Budget: December 2015 and December YTD (in millions)

CURRENT MONTH				YEAR-TO-DATE		
Actual	Budget	Variance		Actual	Budget	Variance
(0.3)	(3.2)	2.9	Medi-Cal	13.0	(8.4)	21.4
0.1	0.8	(0.7)	OneCare	1.9	3.2	(1.3)
(0.6)	0.7	(1.2)	OCC	(6.3)	(4.5)	(1.8)
0.0	0.0	0.0	ASO	0.1	0.0	0.1
(0.2)	(0.2)	0.0	PACE	(1.4)	(1.4)	(0.1)
(1.0)	**(1.9)**	**0.9**	**Operating**	**7.3**	**(11.1)**	**18.4**
(0.7)	0.2	(0.9)	Inv./Rental Inc, MCO tax	0.9	1.0	(0.1)
(0.7)	**0.2**	**(0.9)**	**Non-Operating**	**0.9**	**1.0**	**(0.1)**
(1.6)	**(1.7)**	**0.1**	**TOTAL**	**8.1**	**(10.2)**	**18.3**

Consolidated Revenue & Expense: December 2015

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
Member Months	779,874	11,891	4,437	129	-	796,331
REVENUES						
Capitation revenue	$ 232,459,242	$ 12,383,762	$ 8,149,480	$ 769,890	$ -	$ 253,762,375
Other Income	-	-	-	-	-	-
Total Operating Revenues	232,459,242	12,383,762	8,149,480	769,890	-	253,762,375
MEDICAL EXPENSES						
Provider capitation	77,796,849	4,364,502	1,847,887	-	-	84,009,238
Facility inpatient	41,038,371	3,960,728	1,062,017	-	-	46,061,116
Ancillary		315,311	466,032	-	-	781,343
Skilled Nursing		582,549	2,153,496	-	-	2,736,046
Facility outpatient	7,037,203	-	-	222,539	-	7,259,742
Professional Claims	8,055,734	-	-	155,277	-	8,211,011
Prescription drugs	34,172,970	1,591,490	1,544,527	56,591	-	37,365,578
Quality Incentives		44,795	-	-	-	44,795
Long-term care facility payments	46,679,420	-	-	-	-	46,679,420
Contingencies	8,355,895	-	-	-	-	8,355,895
Medical management	2,534,506	508,841	449,448	-	-	3,492,795
Reinsurance & other	699,316	45,864	6,710	426,753	(1,675)	1,176,969
	226,370,264	11,414,081	7,530,118	861,160	(1,675)	246,173,948
GROSS MARGIN	6,088,978	969,681	619,362	(91,270)	1,675	7,588,427
ADMINISTRATIVE EXPENSES						
Salaries, wages & employee benefits	5,007,162	571,570	364,910	95,748	-	6,039,390
Professional fees	55,875	10,487	-	2,261	-	68,623
Purchased Services	491,755	45,364	79,465	113	-	616,697
Printing and Postage	341,993	47,465	137,570	252	(578)	526,701
Depreciation and Amortization	203,669		-	2,518	-	206,188
Other Expenses	919,124	36,832	87	7,819	-	963,862
Indirect cost allocation, Occupancy Expense	(625,416)	157,695	587,649	1,926	-	121,854
Total Administrative Expenses	6,394,163	869,412	1,169,681	110,637	(578)	8,543,315
INCOME (LOSS) FROM OPERATIONS	(305,185)	100,269	(550,319)	(201,907)	2,253	(954,888)
INVESTMENT INCOME	-	-	-	-	-	(517,607)
NET RENTAL INCOME	-	-	-	-	-	(142,625)
OTHER INCOME	117	-	-	-	-	117
CHANGE IN NET ASSETS	**$ (305,067)**	**$ 100,269**	**$ (550,319)**	**$ (201,907)**	**$ 2,253**	**$ (1,615,003)**
BUDGETED CHANGE IN ASSETS	(3,167,022)	795,512	682,344	(206,494)	-	(1,693,065)
VARIANCE TO BUDGET - FAV (UNFAV)	2,861,955	(695,243)	(1,232,663)	4,587	2,253	78,062

Consolidated Revenue & Expense: December YTD

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
Member Months	4,570,373	74,964	12,744	710	-	4,658,791
REVENUES						
Capitation revenue	$ 1,385,104,600	$ 78,403,743	$ 21,112,404	$ 4,143,399	$ -	$ 1,488,764,146
Other Income	-	-	-	-	-	-
Total Operating Revenues	1,385,104,600	78,403,743	21,112,404	4,143,399	-	1,488,764,146
MEDICAL EXPENSES						
Provider capitation	467,143,665	28,083,450	5,386,719	-	-	500,613,834
Facility inpatient	303,682,318	27,897,419	3,060,482	-	-	334,640,220
Ancillary		2,336,961	1,218,763	-	-	3,555,724
Skilled Nursing		2,247,981	4,499,629	-	-	6,747,610
Facility outpatient	49,882,492	-	-	1,112,353	-	50,994,845
Professional Claims	69,454,032	-	-	1,043,228	-	70,497,260
Prescription drugs	191,511,647	6,349,849	4,363,262	442,156	-	202,666,915
Quality Incentives		899,979	-	-	-	899,979
Long-term care facility payments	258,224,900	-	-	-	-	258,224,900
Contingencies	(24,490,324)	-	-	-	-	(24,490,324)
Medical management	14,738,342	3,056,134	2,394,257	-	-	20,188,733
Reinsurance & other	3,882,951	583,058	22,185	2,386,435	(72,692)	6,801,937
	1,334,030,024	71,454,831	20,945,298	4,984,172	(72,692)	1,431,341,633
GROSS MARGIN	51,074,576	6,948,913	167,106	(840,773)	72,692	57,422,513
ADMINISTRATIVE EXPENSES						
Salaries, wages & employee benefits						
Professional fees	26,272,235	3,131,741	1,903,614	491,378	-	31,798,968
Purchased Services	1,310,195	162,409	-	9,221	-	1,481,826
Printing and Postage	4,141,365	455,732	236,258	129	-	4,833,485
Depreciation and Amortization	1,535,175	111,879	794,992	17,629	(405)	2,459,270
Other Expenses	1,288,661		-	15,111	-	1,303,772
Indirect cost allocation, Occupancy Expense	6,189,170	224,438	13,098	40,717	13	6,467,436
Total Administrative Expenses	(2,655,863)	946,170	3,525,892	11,402	-	1,827,602
	38,080,938	5,032,370	6,473,854	585,588	(392)	50,172,358
INCOME (LOSS) FROM OPERATIONS	12,993,638	1,916,543	(6,306,748)	(1,426,361)	73,083	7,250,155
INVESTMENT INCOME	-	-	-	-	-	1,137,225
NET RENTAL INCOME	-	-	-	-	-	(277,659)
OTHER INCOME	687	-	-	-	-	687
CHANGE IN NET ASSETS	**$ 12,994,325**	**$ 1,916,543**	**$ (6,306,748)**	**$ (1,426,361)**	**$ 73,083**	**$ 8,110,407**
BUDGETED CHANGE IN ASSETS	(8,409,358)	3,180,183	(4,532,805)	(1,367,491)	-	(10,178,182)
VARIANCE TO BUDGET - FAV (UNFAV)	21,403,683	(1,263,640)	(1,773,943)	(58,869)	73,083	18,288,589

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Balance Sheet: As of December 2015

ASSETS			LIABILITIES & FUND BALANCES	
Current Assets			Current Liabilities	
	Operating Cash	$211,121,727	Accounts payable	$5,994,067
	Catastrophic Reserves	11,382,597	Medical claims liability	527,314,132
	Investments	1,187,350,074	Accrued payroll liabilities	7,091,016
	Capitation receivable	184,418,425	Deferred revenue	549,305,982
	Receivables - Other	8,987,207	Deferred revenue - CMS	0
	Prepaid Expenses	5,681,890	Deferred lease obligations	311,581
			Capitation and withholds	377,945,226
			Accrued insurance costs	0
	Total Current Assets	**1,608,941,919**	**Total Current Liabilities**	**1,467,962,004**
Capital Assets	Furniture and equipment	25,225,592		
	Leasehold improvements	11,320,074		
	505 City Parkway West	46,625,859		
		83,171,525	Other (than pensions) post employment benefits liability	27,208,628
	Less: accumulated depreciation	(29,007,560)	Net Pension Liabilities	(325,475)
	Capital assets, net	54,163,965	Long Term Liabilities	150,000
			TOTAL LIABILITIES	**1,494,995,157**
Other Assets	Restricted deposit & Other	264,540		
			Deferred inflows of Resources	5,580,552
	Board-designated assets			
	Cash and cash equivalents	8,521,661		
	Short term investments	-	Tangible net equity (TNE)	82,518,380
	Long term investments	460,049,309	Funds in excess of TNE	552,634,848
	Total Board-designated Assets	468,570,970		
			Net Assets	**635,153,228**
	Total Other Assets	468,835,510		
	Deferred outflows of Resources	3,787,544		
TOTAL ASSETS & OUTFLOWS		**2,135,728,937**	**TOTAL LIABILITIES, INFLOWS & FUND BALANCES**	**2,135,728,937**

UNAUDITED FINANCIAL STATEMENTS

December 2015

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CalOptima - Consolidated
Financial Highlights
For the Six Months Ended December 31, 2015

Month					Year-to-Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
796,331	795,720	611	0.1%	Member Months	4,658,791	4,717,923	(59,132)	(1.3%)
253,762,375	266,336,556	(12,574,181)	(4.7%)	Revenues	1,488,764,146	1,543,088,427	(54,324,281)	(3.5%)
246,173,948	255,523,190	9,349,242	3.7%	Medical Expenses	1,431,341,633	1,478,903,881	47,562,248	3.2%
8,543,315	12,709,027	4,165,712	32.8%	Administrative Expenses	50,172,358	75,314,018	25,141,660	33.4%
(660,115)	202,596	(862,711)	(425.8%)	Non Operating	860,252	951,290	(91,038)	(9.6%)
(1,615,003)	**(1,693,065)**	**78,062**	**4.6%**	**Change in Net Assets**	**8,110,407**	**(10,178,182)**	**18,288,589**	**179.7%**
97.0%	95.9%	(1.1%)		Medical Loss Ratio	96.1%	95.8%	(0.3%)	
3.4%	4.8%	1.4%		Administrative Loss Ratio	3.4%	4.9%	1.5%	

CalOptima
Financial Dashboard
For the Six Months Ended December 31, 2015

MONTH

Enrollment

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	779,410	773,170	6,240	0.8%
OneCare	11,891	12,923	(1,032)	(8.0%)
OneCare Connect	4,437	9,024	(4,587)	(50.8%)
PACE	129	124	5	4.0%
MSSP	464	479	(15)	(3.1%)
Total	796,331	795,720	611	0.1%

Change in Net Assets ($000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	$ (305)	$ (3,167)	$ 2,862	90.4%
OneCare	100	796	(695)	(87.4%)
OneCare Connect	(550)	682	(1,233)	(180.7%)
PACE	(202)	(206)	5	2.2%
ASO	2	-	2	100.0%
505 Bldg.	(143)	(6)	(137)	(2386.2%)
Investment Income & Other	(517)	208	(726)	(348.4%)
Total	$ (1,615)	$ (1,693)	$ 78	4.6%

MLR

	Actual	Budget	% Point Var
Medi-Cal (w/ MSSP)	97.4%	97.1%	(0.3)
OneCare	92.2%	86.7%	(5.5)
OneCare Connect	92.4%	86.5%	(5.9)

Administrative Cost ($000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	$ 6,394	$ 9,917	$ 3,523	35.5%
OneCare	869	1,057	188	17.8%
OneCare Connect	1,170	1,611	441	27.4%
PACE	111	124	13	10.7%
Total	$ 8,544	$ 12,709	$ 4,165	32.8%

Total FTE's Month

	Actual	Budget	Fav / (Unfav)
Medi-Cal	744	873	129
OneCare	128	158	29
OneCare Connect	100	133	33
PACE	36	43	7
MSSP	18	18	(0)
Total	1,026	1,224	198

MM per FTE

	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,047	885	162
OneCare	93	82	11
OneCare Connect	44	68	(24)
PACE	4	3	1
MSSP	26	27	(1)
Total	1,214	1,065	149

YEAR - TO - DATE

Year To Date Enrollment

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	4,567,599	4,608,498	(40,899)	(0.9%)
OneCare	74,964	77,442	(2,478)	(3.2%)
OneCare Connect	12,744	28,440	(15,696)	(55.2%)
PACE	710	669	41	6.1%
MSSP	2,774	2,874	(100)	(3.5%)
Total	4,658,791	4,717,923	(59,132)	(1.3%)

Change in Net Assets ($000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	$ 12,994	$ (8,409)	$ 21,404	254.5%
OneCare	1,917	3,180	(1,264)	(39.7%)
OneCare Connect	(6,307)	(4,533)	(1,774)	(39.1%)
PACE	(1,426)	(1,367)	(59)	(4.3%)
ASO	73	-	73	100.0%
505 Bldg.	(278)	(299)	21	7.0%
Investment Income &	1,138	1,250	(112)	(9.0%)
Total	$ 8,111	$ (10,178)	$ 18,289	179.7%

MLR

	Actual	Budget	% Point Var
Medi-Cal (w/ MSSP)	96.3%	96.4%	0.1
OneCare	91.1%	88.7%	(2.4)
OneCare Connect	99.2%	90.5%	(8.7)

Administrative Cost ($000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	$ 38,081	$ 58,660	$ 20,579	35.1%
OneCare	5,032	6,289	1,257	20.0%
OneCare Connect	6,474	9,622	3,148	32.7%
PACE	586	743	158	21.2%
Total	$ 50,173	$ 75,314	$ 25,141	33.4%

Total FTE's YTD

	Actual	Budget	Fav / (Unfav)
Medi-Cal	4,325	5,210	885
OneCare	737	947	209
OneCare Connect	545	787	242
PACE	203	252	49
MSSP	109	107	(2)
Total	5,919	7,302	1,382

MM per FTE

	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,056	884	172
OneCare	102	82	20
OneCare Connect	23	36	(13)
PACE	4	3	1
MSSP	26	27	(1)
Total	1,210	1,032	178

CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended December 31, 2015

	Actual		Month Budget		Variance	
	$	PMPM*	$	PMPM*	$	PMPM
Member Months**	796,331		795,720		611	
Revenues						
Medi-Cal	$ 232,459,242	$ 298.07	$ 234,713,551	$ 303.39	$ (2,254,309)	$ (5.31)
OneCare	12,383,762	1,041.44	13,925,504	1,077.58	(1,541,742)	(36.14)
OneCare Connect	8,149,480	1,836.71	16,950,036	1,878.33	(8,800,556)	(41.62)
PACE	769,890	5,968.14	747,466	6,027.95	22,425	(59.81)
Total Operating Revenue	253,762,375	318.66	266,336,556	334.71	(12,574,181)	(16.05)
Medical Expenses						
Medi-Cal	226,370,264	290.27	227,963,453	294.66	1,593,189	4.39
OneCare	11,414,081	959.89	12,072,636	934.20	658,555	(25.69)
OneCare Connect	7,530,118	1,697.12	14,656,981	1,624.22	7,126,864	(72.90)
PACE	861,160	6,675.66	830,119	6,694.51	(31,041)	18.85
ASO for Specialty Mental Health Srvcs	(1,675)	-	-	-	1,675	-
Total Medical Expenses	246,173,948	309.14	255,523,190	321.12	9,349,242	11.99
Gross Margin	7,588,427	9.53	10,813,366	13.59	(3,224,939)	(4.06)
Administrative Expenses						
Salaries and benefits	6,039,390	7.58	7,366,313	9.26	1,326,923	1.67
Professional fees	68,623	0.09	626,134	0.79	557,510	0.70
Purchased services	616,697	0.77	1,254,688	1.58	637,991	0.80
Printing and Postage	526,701	0.66	907,316	1.14	380,615	0.48
Depreciation and amortization	206,188	0.26	460,712	0.58	254,525	0.32
Other	963,862	1.21	1,692,921	2.13	729,059	0.92
Indirect Cost Allocation, Occupancy Expense	121,854	0.15	400,943	0.50	279,089	0.35
Total Administrative Expenses	8,543,315	10.73	12,709,027	15.97	4,165,712	5.24
Income (Loss) From Operations	(954,888)	(1.20)	(1,895,660)	(2.38)	940,773	1.18
Investment income						
Interest income	767,819	0.96	208,333	0.26	559,487	0.70
Realized gain/(loss) on investments	(49,515)	(0.06)	-	-	(49,515)	(0.06)
Unrealized gain/(loss) on investments	(1,235,912)	(1.55)	-	-	(1,235,912)	(1.55)
Total Investment Income	(517,607)	(0.65)	208,333	0.26	(725,940)	(0.91)
Net Rental Income	(142,625)	(0.18)	(5,737)	(0.01)	(136,888)	(0.17)
Total Net Operating Tax	-	-	-	-	-	-
Total Net Grant Income	-	-	-	-	-	-
QAF/IGT	-	-	-	-	-	-
Other Income	117	0.00	-	-	117	0.00
Change In Net Assets	**(1,615,003)**	**(2.03)**	**(1,693,065)**	**(2.13)**	**78,062**	**0.10**
Medical Loss Ratio	**97.0%**		**95.9%**		**(1.1%)**	
Administrative Loss Ratio	**3.4%**		**4.8%**		**1.4%**	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment
** Includes MSSP

CalOptima - Consolidated - Year to Date
Statement of Revenue and Expenses
For the Six Months Ended December 31, 2015

	Year to Date					
	Actual		Budget		Variance	
	$	PMPM*	$	PMPM*	$	PMPM
Member Months**	4,658,791		4,717,923		(59,132)	
Revenues						
Medi-Cal	$ 1,385,104,600	$ 303.06	$ 1,401,671,108	$ 303.96	$ (16,566,508)	$ (0.90)
OneCare	78,403,743	1,045.89	83,962,618	1,084.20	(5,558,875)	(38.31)
OneCare Connect	21,112,404	1,656.65	53,415,998	1,878.20	(32,303,594)	(221.55)
PACE	4,143,399	5,835.77	4,038,703	6,036.93	104,696	(201.15)
Total Operating Revenue	1,488,764,146	319.56	1,543,088,427	327.07	(54,324,281)	(7.51)
Medical Expenses						
Medi-Cal	1,334,030,024	291.89	1,351,420,127	293.06	17,390,103	1.18
OneCare	71,454,831	953.19	74,493,527	961.93	3,038,696	8.74
OneCare Connect	20,945,298	1,643.54	48,327,215	1,699.27	27,381,917	55.73
PACE	4,984,172	7,019.96	4,663,012	6,970.12	(321,161)	(49.84)
ASO for Specialty Mental Health Srvcs	(72,692)	-	-	-	72,692	-
Total Medical Expenses	1,431,341,633	307.23	1,478,903,881	313.47	47,562,248	6.23
Gross Margin	57,422,513	12.33	64,184,546	13.60	(6,762,033)	(1.28)
Administrative Expenses						
Salaries and benefits	31,798,968	6.83	43,028,617	9.12	11,229,650	2.29
Professional fees	1,481,826	0.32	3,678,064	0.78	2,196,238	0.46
Purchased services	4,833,485	1.04	7,473,369	1.58	2,639,884	0.55
Printing and Postage	2,459,270	0.53	5,500,886	1.17	3,041,616	0.64
Depreciation and amortization	1,303,772	0.28	2,764,273	0.59	1,460,502	0.31
Other	6,467,436	1.39	10,458,069	2.22	3,990,632	0.83
Indirect cost allocation, Occupancy Expense	1,827,602	0.39	2,410,740	0.51	583,138	0.12
Total Administrative Expenses	50,172,358	10.77	75,314,018	15.96	25,141,660	5.19
Income (Loss) From Operations	7,250,155	1.56	(11,129,472)	(2.36)	18,379,627	3.92
Investment income						
Interest income	3,978,547	0.85	1,249,996	0.26	2,728,552	0.59
Realized gain/(loss) on investments	179,676	0.04	-	-	179,676	0.04
Unrealized gain/(loss) on investments	(3,020,998)	(0.65)	-	-	(3,020,998)	(0.65)
Total Investment Income	1,137,225	0.24	1,249,996	0.26	(112,771)	(0.02)
Net Rental Income	(277,659)	(0.06)	(298,706)	(0.06)	21,046	0.00
Total Net Operating Tax	-	-	-	-	-	-
Total Net Grant Income	-	-	-	-	-	-
QAF/IGT	-	-	-	-	-	-
Other Income	687	0	-	-	687	0
Change In Net Assets	**8,110,407**	**1.74**	**(10,178,182)**	**(2.16)**	**18,288,589**	**3.90**
Medical Loss Ratio	**96.1%**		**95.8%**		**(0.3%)**	
Administrative Loss Ratio	**3.4%**		**4.9%**		**1.5%**	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended December 31, 2015

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
Member Months	779,874	11,891	4,437	129	-	796,331
REVENUES						
Capitation revenue	$ 232,459,242	$ 12,383,762	$ 8,149,480	$ 769,890	$ -	$ 253,762,375
Other Income	-	-	-	-	-	-
Total Operating Revenues	232,459,242	12,383,762	8,149,480	769,890	-	253,762,375
MEDICAL EXPENSES						
Provider capitation	77,796,849	4,364,502	1,847,887	-	-	84,009,238
Facility inpatient	41,038,371	3,960,728	1,062,017	-	-	46,061,116
Ancillary		315,311	466,032	-	-	781,343
Skilled Nursing		582,549	2,153,496	-	-	2,736,046
Facility outpatient	7,037,203	-	-	222,539	-	7,259,742
Professional Claims	8,055,734	-	-	155,277	-	8,211,011
Prescription drugs	34,172,970	1,591,490	1,544,527	56,591	-	37,365,578
Quality Incentives		44,795	-	-	-	44,795
Long-term care facility payments	46,679,420	-	-	-	-	46,679,420
Contingencies	8,355,895	-	-	-	-	8,355,895
Medical management	2,534,506	508,841	449,448	-	-	3,492,795
Reinsurance & other	699,316	45,864	6,710	426,753	(1,675)	1,176,969
	226,370,264	11,414,081	7,530,118	861,160	(1,675)	246,173,948
GROSS MARGIN	6,088,978	969,681	619,362	(91,270)	1,675	7,588,427
ADMINISTRATIVE EXPENSES						
Salaries, wages & employee benefits	5,007,162	571,570	364,910	95,748	-	6,039,390
Professional fees	55,875	10,487	-	2,261	-	68,623
Purchased Services	491,755	45,364	79,465	113	-	616,697
Printing and Postage	341,993	47,465	137,570	252	(578)	526,701
Depreciation and Amortization	203,669		-	2,518	-	206,188
Other Expenses	919,124	36,832	87	7,819	-	963,862
Indirect cost allocation, Occupancy Expense	(625,416)	157,695	587,649	1,926	-	121,854
Total Administrative Expenses	6,394,163	869,412	1,169,681	110,637	(578)	8,543,315
INCOME (LOSS) FROM OPERATIONS	(305,185)	100,269	(550,319)	(201,907)	2,253	(954,888)
INVESTMENT INCOME	-	-	-	-	-	(517,607)
NET RENTAL INCOME	-	-	-	-	-	(142,625)
NET OPERATING TAX	-	-	-	-	-	0
NET GRANT INCOME	-	-	-	-	-	0
QAF/IGT	-	-	-	-	-	0
OTHER INCOME	117	-	-	-	-	117
CHANGE IN NET ASSETS	**$ (305,067)**	**$ 100,269**	**$ (550,319)**	**$ (201,907)**	**$ 2,253**	**$ (1,615,003)**
BUDGETED CHANGE IN ASSETS	(3,167,022)	795,512	682,344	(206,494)	-	(1,693,065)
VARIANCE TO BUDGET - FAV (UNFAV)	2,861,955	(695,243)	(1,232,663)	4,587	2,253	78,062

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Six Months Ended December 31, 2015

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
Member Months	4,570,373	74,964	12,744	710	-	4,658,791
REVENUES						
Capitation revenue	$ 1,385,104,600	$ 78,403,743	$ 21,112,404	$ 4,143,399	$ -	$ 1,488,764,146
Other Income	-	-	-	-	-	-
Total Operating Revenues	1,385,104,600	78,403,743	21,112,404	4,143,399	-	1,488,764,146
MEDICAL EXPENSES						
Provider capitation	467,143,665	28,083,450	5,386,719	-	-	500,613,834
Facility inpatient	303,682,318	27,897,419	3,060,482	-	-	334,640,220
Ancillary		2,336,961	1,218,763	-	-	3,555,724
Skilled Nursing		2,247,981	4,499,629	-	-	6,747,610
Facility outpatient	49,882,492	-	-	1,112,353	-	50,994,845
Professional Claims	69,454,032	-	-	1,043,228	-	70,497,260
Prescription drugs	191,511,647	6,349,849	4,363,262	442,156	-	202,666,915
Quality Incentives		899,979	-	-	-	899,979
Long-term care facility payments	258,224,900	-	-	-	-	258,224,900
Contingencies	(24,490,324)	-	-	-	-	(24,490,324)
Medical management	14,738,342	3,056,134	2,394,257	-	-	20,188,733
Reinsurance & other	3,882,951	583,058	22,185	2,386,435	(72,692)	6,801,937
	1,334,030,024	71,454,831	20,945,298	4,984,172	(72,692)	1,431,341,633
GROSS MARGIN	51,074,576	6,948,913	167,106	(840,773)	72,692	57,422,513
ADMINISTRATIVE EXPENSES						
Salaries, wages & employee benefits						
Professional fees	26,272,235	3,131,741	1,903,614	491,378	-	31,798,968
Purchased Services	1,310,195	162,409	-	9,221	-	1,481,826
Printing and Postage	4,141,365	455,732	236,258	129	-	4,833,485
Depreciation and Amortization	1,535,175	111,879	794,992	17,629	(405)	2,459,270
Other Expenses	1,288,661		-	15,111	-	1,303,772
Indirect cost allocation, Occupancy Expense	6,189,170	224,438	13,098	40,717	13	6,467,436
Total Administrative Expenses	(2,655,863)	946,170	3,525,892	11,402	-	1,827,602
	38,080,938	5,032,370	6,473,854	585,588	(392)	50,172,358
INCOME (LOSS) FROM OPERATIONS	12,993,638	1,916,543	(6,306,748)	(1,426,361)	73,083	7,250,155
INVESTMENT INCOME	-	-	-	-	-	1,137,225
NET RENTAL INCOME	-	-	-	-	-	(277,659)
NET OPERATING TAX	-	-	-	-	-	0
NET GRANT INCOME	-	-	-	-	-	0
QAF/IGT	-	-	-	-	-	0
OTHER INCOME	687	-	-	-	-	687
CHANGE IN NET ASSETS	**$ 12,994,325**	**$ 1,916,543**	**$ (6,306,748)**	**$ (1,426,361)**	**$ 73,083**	**$ 8,110,407**
BUDGETED CHANGE IN ASSETS	(8,409,358)	3,180,183	(4,532,805)	(1,367,491)	-	(10,178,182)
VARIANCE TO BUDGET - FAV (UNFAV)	21,403,683	(1,263,640)	(1,773,943)	(58,869)	73,083	18,288,589

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is ($1.6) million, $0.1 million favorable to budget
- Operating deficit is ($1.0) million with a deficit in non-operating of ($0.7) million

YTD RESULTS:

- Change in Net Assets is $8.1 million, $18.3 million favorable to budget
- Operating surplus is $7.3 million, and non-operating surplus is $0.9 million

Change in Net Assets by LOB ($millions)

CURRENT MONTH				YEAR-TO-DATE		
Actual	Budget	Variance		Actual	Budget	Variance
(0.3)	(3.2)	2.9	Medi-Cal	13.0	(8.4)	21.4
0.1	0.8	(0.7)	OneCare	1.9	3.2	(1.3)
(0.6)	0.7	(1.2)	OneCare Connect	(6.3)	(4.5)	(1.8)
(0.2)	(0.2)	0.0	PACE	(1.4)	(1.4)	(0.1)
(1.0)	**(1.9)**	**0.9**	**Operating**	**7.3**	**(11.1)**	**18.4**
(0.7)	0.2	(0.9)	Inv./Rental Inc, MCO tax	0.9	1.0	(0.1)
(0.7)	**0.2**	**(0.9)**	**Non-Operating**	**0.9**	**1.0**	**(0.1)**
(1.6)	**(1.7)**	**0.1**	**TOTAL**	**8.1**	**(10.2)**	**18.3**

CalOptima

Enrollment Summary

For the Six Months Ended December 31, 2015

Month					Year - to - Date			
Actual	**Budget**	**Variance**	**%**	**Enrollment (By Aid Category)**	**Actual**	**Budget**	**Variance**	**%**
63,386	59,133	4,253	7.2%	Aged	380,445	366,684	13,761	3.8%
703	736	(33)	(4.5%)	BCCTP	4,097	4,418	(321)	(7.3%)
53,567	54,253	(686)	(1.3%)	Disabled	326,467	330,490	(4,023)	(1.2%)
3,599	3,437	162	4.7%	LTC	22,198	22,069	129	0.6%
219,331	200,367	18,964	9.5%	MCE	1,238,359	1,185,758	52,601	4.4%
438,824	455,244	(16,420)	(3.6%)	TANF	2,596,033	2,699,079	(103,046)	(3.8%)
779,410	773,170	6,240	0.8%	Medi-Cal	4,567,599	4,608,498	(40,899)	(0.9%)
464	479	(15)	(3.1%)	MSSP	2,774	2,874	(100)	(3.5%)
779,874	**773,649**	**6,225**	**0.8%**	**Total Medi-Cal**	**4,570,373**	**4,611,372**	**(40,999)**	**(0.9%)**
4,437	**9,024**	**(4,587)**	**(50.8%)**	**OneCare Connect**	**12,744**	**28,440**	**(15,696)**	**(55.2%)**
129	**124**	**5**	**4.0%**	**PACE**	**710**	**669**	**41**	**6.1%**
11,891	**12,923**	**(1,032)**	**(8.0%)**	**OneCare**	**74,964**	**77,442**	**(2,478)**	**(3.2%)**
796,331	**795,720**	**611**	**0.1%**	**CalOptima Total**	**4,658,791**	**4,717,923**	**(59,132)**	**(1.3%)**
				Enrollment (By Network)				
43,459	43,754	(295)	(0.7%)	HMO	255,723	258,484	(2,761)	(1.1%)
228,713	235,128	(6,415)	(2.7%)	PHC	1,347,042	1,393,716	(46,674)	(3.3%)
349,932	353,792	(3,860)	(1.1%)	Shared Risk Group	2,053,054	2,097,922	(44,868)	(2.1%)
157,306	140,496	16,810	12.0%	Fee for Service	911,780	858,376	53,404	6.2%
779,410	773,170	6,240	0.8%	Medi-Cal	4,567,599	4,608,498	(40,899)	(0.9%)
464	479	(15)	(3.1%)	MSSP	2,774	2,874	(100)	(3.5%)
779,874	**773,649**	**6,225**	**0.8%**	**Total Medi-Cal**	**4,570,373**	**4,611,372**	**(40,999)**	**(0.9%)**
4,437	**9,024**	**(4,587)**	**(50.8%)**	**OneCare Connect**	**12,744**	**28,440**	**(15,696)**	**(55.2%)**
129	**124**	**5**	**4.0%**	**PACE**	**710**	**669**	**41**	**6.1%**
11,891	**12,923**	**(1032)**	**(8.0%)**	**OneCare**	**74,964**	**77,442**	**(2478)**	**(3.2%)**
796,331	**795,720**	**611**	**0.1%**	**CalOptima Total**	**4,658,791**	**4,717,923**	**(59,132)**	**(1.3%)**

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2016

Network Type	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	MMs
HMO													
Aged	275	274	276	268	271	266	-	-	-	-	-	-	1,630
BCCTP	-	-	-	-	2	4	-	-	-	-	-	-	6
Disabled	1,705	1,709	1,719	1,715	1,731	1,719	-	-	-	-	-	-	10,298
MCX	9,194	9,431	9,678	9,990	10,203	10,411	-	-	-	-	-	-	58,907
TANF	30,496	30,681	30,806	31,011	30,829	31,059	-	-	-	-	-	-	184,882
	41,670	42,095	42,479	42,984	43,036	43,459	-	-	-	-	-	-	255,723
PHC													
Aged	1,209	1,265	1,286	1,264	1,316	1,355	-	-	-	-	-	-	7,695
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	8,147	8,148	8,139	8,080	8,141	8,031	-	-	-	-	-	-	48,686
MCX	31,591	32,558	33,426	34,638	35,529	36,352	-	-	-	-	-	-	204,094
TANF	179,126	179,848	180,626	181,957	182,035	182,975	-	-	-	-	-	-	1,086,567
	220,073	221,819	223,477	225,939	227,021	228,713	-	-	-	-	-	-	1,347,042
Shared Risk Group													
Aged	7,127	7,221	7,326	7,156	7,377	7,406	-	-	-	-	-	-	43,613
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	15,565	15,485	15,439	15,178	15,245	15,067	-	-	-	-	-	-	91,979
MCX	125,793	127,941	130,404	133,133	135,550	138,081	-	-	-	-	-	-	790,902
TANF	186,142	186,379	186,841	188,949	188,873	189,378	-	-	-	-	-	-	1,126,562
	334,627	337,026	340,010	344,416	347,045	349,932	-	-	-	-	-	-	2,053,056
Fee for Service (Dual)													
Aged	52,530	52,110	51,992	51,739	51,522	51,041	-	-	-	-	-	-	310,934
BCCTP	35	35	34	33	36	47	-	-	-	-	-	-	220
Disabled	25,713	25,495	25,271	25,063	24,900	24,467	-	-	-	-	-	-	150,909
LTC	3,391	3,395	3,337	3,347	3,311	3,228	-	-	-	-	-	-	20,009
MCX	2,904	2,965	2,934	3,034	3,007	3,152	-	-	-	-	-	-	17,996
TANF	1,358	1,383	1,381	1,361	1,346	1,387	-	-	-	-	-	-	8,216
	85,931	85,383	84,949	84,577	84,122	83,322	-	-	-	-	-	-	508,284
Fee for Service (Non-Dual)													
Aged	2,401	2,671	1,925	3,122	3,136	3,318	-	-	-	-	-	-	16,573
BCCTP	629	620	594	693	683	652	-	-	-	-	-	-	3,871
Disabled	3,962	4,076	3,598	4,454	4,222	4,283	-	-	-	-	-	-	24,595
LTC	406	389	255	388	380	371	-	-	-	-	-	-	2,189
MCX	25,032	26,395	24,324	29,312	30,062	31,335	-	-	-	-	-	-	166,460
TANF	28,961	29,852	31,084	32,224	33,662	34,025	-	-	-	-	-	-	189,808
	61,391	64,003	61,780	70,193	72,145	73,984	-	-	-	-	-	-	403,496
MEDI-CAL TOTAL													
Aged	63,542	63,541	62,805	63,549	63,622	63,386	-	-	-	-	-	-	380,445
BCCTP	664	655	628	726	721	703	-	-	-	-	-	-	4,097
Disabled	55,092	54,913	54,166	54,490	54,239	53,567	-	-	-	-	-	-	326,467
LTC	3,797	3,784	3,592	3,735	3,691	3,599	-	-	-	-	-	-	22,198
MCX	194,514	199,290	200,766	210,107	214,351	219,331	-	-	-	-	-	-	1,238,359
TANF	426,083	428,143	430,738	435,502	436,745	438,824	-	-	-	-	-	-	2,596,035
	743,692	750,326	752,695	768,109	773,369	779,410	-	-	-	-	-	-	4,567,601
PACE	101	114	119	123	124	129	-	-	-	-	-	-	710
OneCare	13,021	12,803	12,628	12,455	12,166	11,891	-	-	-	-	-	-	74,964
OneCare Connect	2	954	1,666	2,496	3,189	4,437	-	-	-	-	-	-	12,744
MSSP	455	458	466	466	465	464	-	-	-	-	-	-	2,774
TOTAL	757,271	764,655	767,574	783,649	789,313	796,331	-	-	-	-	-	-	4,658,791

ENROLLMENT

Overall enrollment was 796,331

- Increased 7,018 or 0.9% from prior month
- Increased 80,178 or 11.2% from prior year (December 2014)
- Favorable to budget by 611

Medi-Cal enrollment was 779,410

- Increased 6,041 from prior month
- Favorable to budget by 6,240 primarily driven by:
    - TANF unfavorable by 16,420
    - Offset with Medi-Cal Expansion favorable by 18,964 and aged by 4,253

OneCare enrollment was 11,891

- Decreased 275 from prior month
- Unfavorable to budget by 1,032

OneCare Connect enrollment was 4,437

- Increased 1,248 from prior month
- Unfavorable to budget by 4,587

PACE enrollment was 129

- Increased 5 from prior month
- Favorable to budget by 5

CalOptima - MediCal Total
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015

Month					Year - To - Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
779,874	773,649	6,225	0.80%	Member Months	4,570,373	4,611,372	(40,999)	-0.89%
				Revenues				
232,459,242	234,713,551	(2,254,309)	-0.96%	Capitation revenue	1,385,104,600	1,401,671,108	(16,566,508)	-1.18%
0	0	0	0.00%	Grant & other income	0	0	0	0.00%
232,459,242	234,713,551	(2,254,309)	-0.96%	Total Operating Revenues	1,385,104,600	1,401,671,108	(16,566,508)	-1.18%
				Medical Expenses				
77,796,849	82,248,874	4,452,025	5.41%	Provider capitation	467,143,665	503,377,827	36,234,162	7.20%
41,038,371	44,920,086	3,881,715	8.64%	Facility inpatient	303,682,318	252,254,646	(51,427,672)	-20.39%
7,037,203	10,664,083	3,626,879	34.01%	Facility outpatient	49,882,492	62,866,415	12,983,923	20.65%
8,055,734	18,917,791	10,862,056	57.42%	Professional Claims	69,454,032	106,594,744	37,140,712	34.84%
34,172,970	32,114,451	(2,058,519)	-6.41%	Prescription drugs	191,511,647	184,553,302	(6,958,346)	-3.77%
46,679,420	39,558,998	(7,120,423)	-18.00%	Long-term care facility payments	258,224,900	244,761,518	(13,463,382)	-5.50%
8,355,895	(4,729,014)	(13,084,909)	-276.69%	Contingencies	(24,490,324)	(28,374,085)	(3,883,761)	-13.69%
2,534,506	3,720,981	1,186,476	31.89%	Medical Management	14,738,342	22,112,938	7,374,596	33.35%
699,316	547,205	(152,111)	-27.80%	Reinsurance & other	3,882,951	3,272,822	(610,128)	-18.64%
226,370,264	227,963,453	1,593,189	0.70%	Total Medical Expenses	1,334,030,024	1,351,420,127	17,390,103	1.29%
6,088,978	6,750,097	(661,119)	-9.79%	Gross Margin	51,074,576	50,250,980	823,595	1.64%
				Administrative Expenses				
5,007,162	6,016,097	1,008,935	16.77%	Salaries, wages & employee benefits	26,272,235	35,060,761	8,788,527	25.07%
55,875	569,933	514,058	90.20%	Professional fees	1,310,195	3,332,768	2,022,573	60.69%
491,755	1,000,803	509,047	50.86%	Purchased services	4,141,365	6,013,432	1,872,067	31.13%
341,993	659,049	317,056	48.11%	Printing and postage	1,535,175	3,981,851	2,446,676	61.45%
0	0	0	0.00%	Occupancy expenses	0	0	0	0.00%
203,669	458,456	254,787	55.58%	Depreciation & amortization	1,288,661	2,750,737	1,462,076	53.15%
919,124	1,619,941	700,817	43.26%	Other operating expenses	6,189,170	9,958,451	3,769,282	37.85%
(625,416)	(407,160)	218,256	53.60%	Indirect cost allocation	(2,655,863)	(2,437,662)	218,201	8.95%
6,394,163	9,917,120	3,522,957	35.52%	Total Administrative Expenses	38,080,938	58,660,339	20,579,401	35.08%
				Operating Tax				
9,042,866	11,640,815	2,597,948	22.32%	Tax Revenue	55,038,346	69,492,770	14,454,424	20.80%
0	11,640,815	11,640,815	100.00%	Premium tax expense	0	69,492,770	69,492,770	100.00%
9,042,866	0	(9,042,866)	0.00%	Sales tax expense	55,038,346	0	(55,038,346)	0.00%
0	0	0	0.00%	Total Net Operating Tax	0	0	0	0.00%
				Grant Income				
0	617,857	(617,857)	-100.00%	Grant Revenue	0	617,857	(617,857)	-100.00%
0	525,179	525,179	100.00%	Grant expense - Service Partner	0	525,179	525,179	100.00%
0	92,679	92,679	100.00%	Grant expense - Adminsitrative	0	92,679	92,679	100.00%
0	0	0	0.00%	Total Net Grant Income	0	0	0	0.00%
0	0	0	0.00%	QAF and IGT - Net	0	0	0	0.00%
117	0	117	0.00%	Other income	687	0	687	0.00%
(305,067)	(3,167,022)	2,861,955	90.37%	Change in Net Assets	12,994,325	(8,409,358)	21,403,683	254.52%

MEDI-CAL INCOME STATEMENT – DECEMBER MONTH

REVENUES of $232.5 million are unfavorable to budget by ($2.3) million, driven by:

- Price related variance of: ($4.2) million relates to aid code mix
- Volume related variance of: $1.9 million due to the higher enrollment

MEDICAL EXPENSES: Overall $226.4 million, favorable to budget by $1.6 million due to:

- **Capitation** is favorable to budget $4.5 million due to:
  - Price related variance of: $5.1 million
  - Volume related variance of: ($0.7) million
- **Total Claim Payments** are favorable to budget $9.2 million due to:
  - Price related variance of: $10.4 million
    - Favorable prior period adjustment for Medi-Cal Expansion IBNR methodology
  - Volume related variance of: ($1.2) million
- **Contingencies** are unfavorable to budget ($13.1) million driven by:
  - Expense due to risk corridor recovery to bring MLR to 95% per DHCS contract
  - Prior period adjustment for Medi-Cal Expansion IBNR methodology

ADMINISTRATION EXPENSES are $6.4 million, favorable to budget $3.5 million, driven by:

- Salary & Benefits: $1.0 million favorable to budget
- Non-Salary: $2.5 million favorable to budget across all categories

CHANGE IN NET ASSETS is ($0.3) million for the month

CalOptima - OneCare
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015

Month					Year - To - Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
11,891	12,923	(1,032)	-7.99%	Member Months	74,964	77,442	(2,478)	-3.20%
				Revenues				
12,383,762	13,925,504	(1,541,742)	-11.07%	Capitation revenue	78,403,743	83,962,618	(5,558,875)	-6.62%
12,383,762	13,925,504	(1,541,742)	-11.07%	Total Operating Revenue	78,403,743	83,962,618	(5,558,875)	-6.62%
				Medical Expenses				
4,364,502	4,688,717	324,215	6.91%	Provider capitation	28,083,450	28,289,845	206,395	0.73%
3,960,728	5,099,546	1,138,818	22.33%	Inpatient	27,897,419	30,045,633	2,148,214	7.15%
315,311	542,903	227,593	41.92%	Ancillary	2,336,961	3,183,025	846,065	26.58%
582,549	485,392	(97,157)	-20.02%	Skilled nursing facilities	2,247,981	2,874,873	626,892	21.81%
1,591,490	172,390	(1,419,100)	-823.19%	Prescription drugs	6,349,849	3,315,448	(3,034,401)	-91.52%
44,795	172,261	127,466	74.00%	Quality incentives	899,979	1,032,291	132,312	12.82%
508,841	699,783	190,942	27.29%	Medical management	3,056,134	4,119,133	1,062,999	25.81%
45,864	211,644	165,780	78.33%	Other medical expenses	583,058	1,633,278	1,050,220	64.30%
11,414,081	12,072,636	658,555	5.45%	Total Medical Expenses	71,454,831	74,493,527	3,038,696	4.08%
969,681	1,852,868	(883,187)	-47.67%	Gross Margin	6,948,913	9,469,091	(2,520,179)	-26.61%
				Administrative Expenses				
571,570	668,512	96,942	14.50%	Salaries, wages & employee benefits	3,131,741	3,976,271	844,530	21.24%
10,487	36,833	26,346	71.53%	Professional fees	162,409	230,000	67,591	29.39%
45,364	98,344	52,981	53.87%	Purchased services	455,732	555,252	99,520	17.92%
47,465	42,503	(4,962)	-11.67%	Printing and postage	111,879	254,268	142,389	56.00%
36,832	41,633	4,801	11.53%	Other operating expenses	224,438	255,931	31,492	12.31%
157,695	169,531	11,836	6.98%	Indirect cost allocation, Occupancy Expense	946,170	1,017,186	71,016	6.98%
869,412	1,057,356	187,944	17.77%	Total Administrative Expenses	5,032,370	6,288,908	1,256,539	19.98%
100,269	795,512	(695,243)	-87.40%	Change in Net Assets	1,916,543	3,180,183	(1,263,640)	-39.73%
92.2%	86.7%	-5.5%	-6.3%	Medical Loss Ratio	91.1%	88.7%	-2.4%	-2.7%
7.0%	7.6%	0.6%	7.5%	Admin Loss Ratio	6.4%	7.5%	1.1%	14.3%

ONECARE INCOME STATEMENT – DECEMBER MONTH

REVENUES of $12.4 million are unfavorable to budget by ($1.5) million

MEDICAL EXPENSES are favorable to budget $0.7 million due to:

- Across all categories relative to enrollment
- Offsetting unfavorable variance of ($1.4) for prescription drugs due to the budget methodology at year end

ADMINISTRATIVE EXPENSES are favorable to budget by $0.2 million

CHANGE IN NET ASSETS is unfavorable to budget by ($0.7) million

CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015

Month					Year - To - Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
4,437	9,024	(4,587)	-50.83%	Member Months	12,744	28,440	(15,696)	-55.19%
				Revenues				
8,149,480	16,950,036	(8,800,556)	-51.92%	Capitation revenue	21,112,404	53,415,998	(32,303,594)	-60.48%
8,149,480	16,950,036	(8,800,556)	-51.92%	Total Operating Revenue	21,112,404	53,415,998	(32,303,594)	-60.48%
				Medical Expenses				
1,847,887	4,933,193	3,085,306	62.54%	Provider capitation	5,386,719	15,546,364	10,159,646	65.35%
1,062,017	1,811,082	749,065	41.36%	Inpatient	3,060,482	5,700,920	2,640,438	46.32%
466,032	956,458	490,426	51.28%	Ancillary	1,218,763	2,999,883	1,781,120	59.37%
2,153,496	5,556,151	3,402,654	61.24%	Skilled nursing facilities	4,499,629	17,446,188	12,946,558	74.21%
1,544,527	351,443	(1,193,084)	-339.48%	Prescription drugs	4,363,262	1,774,638	(2,588,624)	-145.87%
0	150,173	150,173	100.00%	Quality incentives	0	473,253	473,253	100.00%
449,448	605,490	156,042	25.77%	Medical management	2,394,257	3,462,640	1,068,383	30.85%
6,710	292,992	286,282	97.71%	Other medical expenses	22,185	923,329	901,144	97.60%
7,530,118	14,656,981	7,126,864	48.62%	Total Medical Expenses	20,945,298	48,327,215	27,381,917	56.66%
619,362	2,293,055	(1,673,692)	-72.99%	Gross Margin	167,106	5,088,783	(4,921,677)	-96.72%
				Administrative Expenses				
364,910	592,284	227,374	38.39%	Salaries, wages & employee benefits	1,903,614	3,469,763	1,566,149	45.14%
0	8,367	8,367	100.00%	Professional fees	0	49,295	49,295	100.00%
79,465	146,011	66,545	45.58%	Purchased services	236,258	847,496	611,238	72.12%
137,570	201,598	64,027	31.76%	Printing and postage	794,992	1,239,767	444,775	35.88%
87	25,781	25,694	99.66%	Other operating expenses	13,098	195,247	182,149	93.29%
587,649	636,670	49,021	7.70%	Indirect cost allocation, Occupancy Expense	3,525,892	3,820,020	294,128	7.70%
1,169,681	1,610,711	441,029	27.38%	Total Administrative Expenses	6,473,854	9,621,588	3,147,734	32.72%
				Operating Tax				
97,692	0	97,692	0.00%	Tax Revenue	198,216	0	198,216	0.00%
97,692	0	(97,692)	0.00%	Sales tax expense	198,216	0	(198,216)	0.00%
0	0	0	0.00%	Total Net Operating Tax	0	0	0	0.00%
(550,319)	682,344	(1,232,663)	-180.65%	Change in Net Assets	(6,306,748)	(4,532,805)	(1,773,943)	-39.14%
92.4%	86.5%	-5.9%	-6.9%	Medical Loss Ratio	99.2%	90.5%	-8.7%	-9.7%

CalOptima - PACE
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015

Month					Year - To - Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
129	124	5	4.03%	Member Months	710	669	41	6.13%
				Revenues				
559,743	496,552	63,191	12.73%	Medi-Cal capitation revenue	3,066,854	2,676,732	390,122	14.57%
210,147	250,913	(40,766)	-16.25%	MediCare capitation revenue	1,076,545	1,361,971	(285,426)	-20.96%
0	0	0	0.00%	MediCare Part D Revenue	0	0	0	0.00%
769,890	747,466	22,425	3.00%	Total Operating Revenues	4,143,399	4,038,703	104,696	2.59%
				Medical Expenses				
246,350	246,306	(45)	-0.02%	Clinical salaries & benefits	1,312,316	1,405,849	93,533	6.65%
0	0	0	0.00%	Pace Center Support salaries & benefits	0	0	0	0.00%
0	0	0	0.00%	Provider capitation	0	0	0	0.00%
222,539	103,664	(118,875)	-114.67%	Claims payments to hospitals	1,112,353	559,284	(553,069)	-98.89%
155,277	198,566	43,289	21.80%	Professional Claims	1,043,228	1,071,299	28,071	2.62%
56,591	66,960	10,369	15.49%	Prescription drugs	442,156	361,260	(80,896)	-22.39%
0	0	0	0.00%	Long-term care facility payments	0	0	0	0.00%
50,945	80,600	29,655	36.79%	Patient Transportation	290,739	434,850	144,111	33.14%
60,443	54,141	(6,302)	-11.64%	Depreciation & amortization	362,658	324,848	(37,810)	-11.64%
37,655	37,235	(420)	-1.13%	Occupancy expenses	225,929	223,410	(2,519)	-1.13%
8,690	14,663	5,973	40.74%	Utilities & Facilities Expense	75,580	96,445	20,865	21.63%
762	2,329	1,567	67.28%	Purchased Services	1,204	14,165	12,961	91.50%
8,564	8,408	(156)	-1.86%	Indirect Allocation	47,727	45,362	(2,365)	-5.21%
0	0	0	0.00%	Reinsurance	0	0	0	0.00%
13,344	17,248	3,904	22.64%	Other Expenses	70,282	126,240	55,958	44.33%
861,160	830,119	(31,041)	-3.74%	Total Medical Expenses	4,984,172	4,663,012	(321,161)	-6.89%
(91,270)	(82,654)	(8,616)	-10.42%	Gross Margin	(840,773)	(624,309)	(216,464)	-34.67%
				Administrative Expenses				
95,748	89,419	(6,328)	-7.08%	Salaries, wages & employee benefits	491,378	521,822	30,444	5.83%
2,261	11,000	8,739	79.45%	Professional fees	9,221	66,000	56,779	86.03%
113	9,530	9,417	98.81%	Purchased services	129	57,189	57,059	99.77%
252	4,167	3,915	93.96%	Printing and postage	17,629	25,000	7,371	29.49%
2,518	2,256	(262)	-11.63%	Depreciation & amortization	15,111	13,536	(1,575)	-11.63%
7,819	5,566	(2,253)	-40.47%	Other operating expenses	40,717	48,439	7,723	15.94%
1,926	1,901	(24)	-1.29%	Indirect cost allocation, Occupancy Expense	11,402	11,196	(206)	-1.84%
110,637	123,840	13,203	10.66%	Total Administrative Expenses	585,588	743,182	157,595	21.21%
(201,907)	(206,494)	4,587	2.22%	Change in Net Assets	(1,426,361)	(1,367,491)	(58,869)	-4.30%
111.9%	111.1%	-0.8%	-0.7%	Medical Loss Ratio	120.3%	115.5%	-4.8%	-4.2%
14.4%	16.6%	2.2%	13.3%	Admin Loss Ratio	14.1%	18.4%	4.3%	23.2%

CalOptima - Behavioral Health ASO
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015

Month								
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
				Revenues				
0	0	0	0.00%	Other Income	0	0	0	0.00%
0	0	0	0.00%	Total Operating Revenues	0	0	0	0.00%
				Medical Expenses				
(1,675)	0	1,675	0.00%	Other Medical	(72,692)	0	72,692	0.00%
0	0	0	0.00%	Medical management	0	0	0	0.00%
(1,675)	0	1,675	0.00%	Total Medical Expenses	(72,692)	0	72,692	0.00%
1,675	0	1,675	0.00%	Gross Margin	72,692	0	72,692	0.00%
				Administrative Expenses				
0	0	0	0.00%	Salaries, wages & employee benefits	0	0	0	0.00%
0	0	0	0.00%	Professional fees	0	0	0	0.00%
0	0	0	0.00%	Purchased services	0	0	0	0.00%
(578)	0	578	0.00%	Printing and postage	(405)	0	405	0.00%
0	0	0	0.00%	Depreciation & amortization	0	0	0	0.00%
0	0	0	0.00%	Other operating expenses	13	0	(13)	0.00%
0	0	0	0.00%	Indirect cost allocation, Occupancy Expense	0	0	0	0.00%
(578)	0	578	0.00%	Total Administrative Expenses	(392)	0	392	0.00%
2,253	0	2,253	0.00%	Change in Net Assets	73,083	0	73,083	0.00%
0.0%	0.0%	0.0%	0.0%	Medical Loss Ratio	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	Admin Loss Ratio	0.0%	0.0%	0.0%	0.0%

CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015

Month					Year - To - Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
				Revenues				
24,056	20,473	3,583	17.50%	Rental income	231,410	122,840	108,570	88.38%
24,056	20,473	3,583	17.50%	Total Operating Revenue	231,410	122,840	108,570	88.38%
				Administrative Expenses				
0	2,085	2,085	100.00%	Professional fees	4,865	12,510	7,645	61.11%
26,346	22,912	(3,433)	-14.98%	Purchase services	137,910	137,474	(435)	-0.32%
143,674	136,086	(7,588)	-5.58%	Depreciation & amortization	862,046	816,518	(45,529)	-5.58%
14,549	15,110	561	3.72%	Insurance expense	87,293	90,662	3,369	3.72%
75,783	161,923	86,140	53.20%	Repair and maintenance	706,709	971,539	264,829	27.26%
35,914	0	(35,914)	0.00%	Other Operating Expense	389,089	0	(389,089)	0.00%
(129,585)	(311,907)	(182,322)	-58.45%	Indirect allocation, Occupancy Expense	(1,678,843)	(1,607,157)	71,686	4.46%
166,682	26,210	(140,472)	-535.95%	Total Administrative Expenses	509,069	421,545	(87,524)	-20.76%
(142,625)	(5,737)	(136,888)	-2386.18%	Change in Net Assets	(277,659)	(298,706)	21,046	7.05%

OTHER STATEMENTS – DECEMBER MONTH:

ONECARE CONNECT INCOME STATEMENT

- **Change in Net Assets** is ($0.6) million, ($1.2) million unfavorable to budget

- **Medical Expenses** are $7.5 million favorable to budget $7.1 million across all categories due to lower enrollment and delayed transition of long-term care members

- **Administration Expenses** are 27.4.% or $0.4 million favorable to budget due to lower enrollment and timing of actual expenses

PACE INCOME STATEMENT

- **Change in Net Assets** for the month is ($0.2) million, which is operating favorable to budget by $4.6 thousand

505 CITY PARKWAY BUILDING INCOME STATEMENT

- **Change in Net Assets** for the month is ($142.6) thousand which is unfavorable to budget ($136.9) thousand, driven by tenant vacancy timing and FASB 13 rental revenue recognition timing

CalOptima
BALANCE SHEET
December 31, 2015

ASSETS		
Current Assets		
	Operating Cash	$211,121,727
	Catastrophic Reserves	11,382,597
	Investments	1,187,350,074
	Capitation receivable	184,418,425
	Receivables - Other	8,987,207
	Prepaid Expenses	5,681,890
	Total Current Assets	**1,608,941,919**
Capital Assets	Furniture and equipment	25,225,592
	Leasehold improvements	11,320,074
	505 City Parkway West	46,625,859
		83,171,525
	Less: accumulated depreciation	(29,007,560)
	Capital assets, net	54,163,965
Other Assets	Restricted deposit & Other	264,540
	Board-designated assets	
	Cash and cash equivalents	8,521,661
	Short term investments	-
	Long term investments	460,049,309
	Total Board-designated Assets	468,570,970
	Total Other Assets	468,835,510
	Deferred outflows of Resources	3,787,544
TOTAL ASSETS & OUTFLOWS		**2,135,728,937**

LIABILITIES & FUND BALANCES		
Current Liabilities		
	Accounts payable	$5,994,067
	Medical claims liability	527,314,132
	Accrued payroll liabilities	7,091,016
	Deferred revenue	549,305,982
	Deferred revenue - CMS	0
	Deferred lease obligations	311,581
	Capitation and withholds	377,945,226
	Accrued insurance costs	0
	Total Current Liabilities	**1,467,962,004**
Other (than pensions) post employment benefits liability		27,208,628
Net Pension Liabilities		(325,475)
Long Term Liabilities		150,000
TOTAL LIABILITIES		**1,494,995,157**
Deferred inflows of Resources		5,580,552
	Tangible net equity (TNE)	82,518,380
	Funds in excess of TNE	552,634,848
Net Assets		**635,153,228**
TOTAL LIABILITIES, INFLOWS & FUND BALANCES		**2,135,728,937**

CalOptima
Statement of Cash Flows
December 31, 2015

	Month Ended	Year-To-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(1,615,003)	8,110,407
Adjustments to reconcile change in net assets	-	-
to net cash provided by operating activities		
Depreciation and amortization	349,862	2,165,818
Changes in assets and liabilities:		
Prepaid expenses and other	(920,410)	(5,681,890)
Catastrophic reserves	-	-
Capitation receivable	67,243,877	385,959,978
Medical claims liability	(62,212,588)	(143,019,168)
Deferred revenue	36,731,372	338,294,936
Payable to providers	(26,568,950)	87,312,314
Accounts payable	(2,463,087)	(20,476,906)
Other accrued liabilities	769,711	(1,023,345)
Net cash provided by/(used in) operating activities	11,314,785	651,642,145
GASB 68 CalPERS Adjustments	-	1,163,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	27,554,981	(441,557,466)
Purchase of property and equipment	(991,895)	(2,980,395)
Change in Board designated reserves	368,437	(8,281,384)
Net cash provided by/(used in) investing activities	26,931,523	(452,819,243)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	38,246,308	199,986,269
CASH AND CASH EQUIVALENTS, beginning of period	$184,258,016	22,518,055
CASH AND CASH EQUIVALENTS, end of period	**$ 222,504,324**	**$ 222,504,324**

BALANCE SHEET

ASSETS decreased $55.4 million from November

- **Cash and Cash Equivalents** increased by $38.2 million from November based upon month-end cut-off and cash funding requirements
- **Capitation Receivables** decreased $67.3 million based upon month-end cut-off and cash funding requirements
- **Investments** decreased $27.6 million

LIABILITIES decreased $53.7 million from November

- **Deferred Revenue** increased by $36.7 million from November due to:
  - Medi-Cal Expansion: $35.2 million for the overpayment amount related to the rate change effective January 1, 2015 to be recouped by DHCS
- **Medical Claims Liability** decreased $62.2 million
- **Incentives and Risk Pool** decreased $26.6 million

NET ASSETS are $635.2 million

CalOptima Foundation
Statement of Revenues and Expenses
For the Six Months Ended December 31, 2015
Consolidated

Month					Year - To - Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
				Revenues				
22,449	0	22,449	0.0%	Income - Grant	98,951	331,766	(232,815)	(70.2%)
28,604	0	28,604	0.0%	In Kind Revenue - HITEC Grant	134,880	0	134,880	0.0%
45	0	45	0.0%	In Kind Revenue - Foundation Corporate	78	0	78	0.0%
51,098	0	51,098	0.0%	Total Operating Revenue	233,910	331,766	(97,856)	(29.5%)
				Operating Expenditures				
23,793	7,373	(16,420)	(222.7%)	Personnel	102,295	44,240	(58,054)	(131.2%)
9,666	3,559	(6,107)	(171.6%)	Taxes and Benefits	46,091	21,354	(24,737)	(115.8%)
345	0	(345)	0.0%	Travel	345	0	(345)	0.0%
262	0	(262)	0.0%	Supplies	994	0	(994)	0.0%
20,000	0	(20,000)	0.0%	Contractual	85,698	310,766	225,068	72.4%
2,869	231,282	228,413	98.8%	Other	5,747	1,408,691	1,402,945	99.6%
56,935	242,214	185,279	76.5%	Total Operating Expenditures	241,169	1,785,052	1,543,883	86.5%
0	0	0	0.0%	Investment Income	0	0	0	0.0%
(5,837)	(242,214)	(236,378)	(97.6%)	Program Income	(7,259)	(1,453,286)	(1,446,027)	(99.5%)

CalOptima Foundation
Balance Sheet
December 31, 2015

ASSETS		**LIABILITIES & NET ASSETS**	
Operating cash	2,899,345	Accounts payable-Current	34,693
Grants receivable	34,693	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	**2,934,038**	Grants-Foundation	0
		Total Current Liabilities	**34,693**
		Total Liabilities	**34,693**
		Net Assets	**2,899,345**
TOTAL ASSETS	**2,934,038**	**TOTAL LIABILITIES & NET ASSETS**	**2,934,038**

CALOPTIMA FOUNDATION INCOME STATEMENT

- For December, expenses are $5.8 thousand higher than revenue
- YTD expenses are $7.3 thousand higher than revenue due to non-grant expenses from the Foundation reserve

Budget Allocation Changes
Reporting changes for December 2015

Transfer Mo	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	MediCal	Human Resources Professional Fees	Human Resources Professional Fees	$19,428	Re-purpose funds for CareerBuilder Professional Searches & Software	2016
July	Capital	Facilities - Car Charging Station	PACE - Blinds	$13,000	Re-purpose FY15 unspent Board approved budget to purchase blinds for PACE	2016
July	Capital	Facilities - Board Breakout Room 104 & 105	PACE - Water Softener	$40,000	Re-purpose FY15 unspent Board approved budget to purchase water softener for PACE	2016
July	Capital	Facilities - Car Charging Station	Facilities - Beacon Space Re-Wiring	$26,000	Re-purpose FY15 unspent Board approved budget to re-wire the 7th floor space previously occupied by Beacon	2016
August	MediCal	Executive - Other Pay	Compliance - Professional	$99,000	Funds needed for Susan Miller Consulting for DHCS/DHMC	2016
August	OneCare	Compliance - Professional	Executive - Other Pay	$99,000	Re-allocate funds from department for DHCS/DMHC consulting services	2016
August	OneCare Connect	Community Relations - Public Activities; Printing	Community Relations - Professional Fees	$10,000	Consulting services to address opt-out rate for OneCare Connect specifically in the Vietnamese community	2016
September	MediCal	IGT - Security Audit Remediation	IGT - Case Management	$99,000	Re-allocate funds from IGT Security Audit Remediation to fund services done by Altruista	2016
September	MediCal	Human Resources - Professional Fees - Sal & Comp Research; Executive Coaching	Human Resources - Professional Fees	$29,000	Re-purpose additional funds needed to cover SageView, CalOptima's 457b Plan Reviewer	2016
September	MediCal	Government/Legislative Affairs - Membership	Government/Legislative Affairs - Professional Fees	$42,612	Re-allocate funds from Membership for consultation services that strengthen relationship between CalOptima & local Vietnamese providers	2016
September	MediCal	IS Application Development -Professional Fees	IS Application Development - Maintenance HW/SW	$18,400	Re-allocate funds for add-on service by Ceridian for ACA reporting requirement, which is annual filing of ACA forms required by the Taxing Authority	2016
October	MediCal	IS Application Mgmt - Professional Fees	Quality Analytics - Purchased Services - Member Satisfaction Surveys	$75,000	Transfer of funds budgeted in IS Application Mgmt to Quality Analytics for Member Experience Survey	2016
October	MediCal	Quality Analytics - Incentives	Quality Analytics - Purchased Services - Access & Avail Study	$80,000	Funds needed for the Timely Access Survey for 2016	2016
October	OneCare	Health Network Provider Relations - In Home Assessments	Health Network Provider Relations - RADV Plan Audit	$25,000	Additional funds needed for the RADV Plan Audit	2016
October	MediCal	Human Resources - Purchased Services	Human Resources - Professional Fees - Sal & Comp Research	$18,500	Funds needed for Pearl Meyer Salary Structure review and Senior Management benchmarking	2016
November	MediCal	Cultural & Linguistic - Member Communications	Grievances & Appeals Resolution Office - Purchased Services & Office Supplies	$40,000	Funds needed to cover office supplies & services from ImageNet	2016
November	MediCal	eBusiness - Purchased Services	eBusiness - Purchased Services	$11,648	Re-purpose funds from FY16 AMA Royalty to pay for SAAS License Fee	2016
November	OneCare	Quality Analytics - Member Communications - QIP Activities	Quality Analytics - Purchased Services - Member Satisfaction Surveys	$20,000	Funds needed to cover OC Group Level CAHPS (member experience) survey	2016
November	MediCal	Process Excellence - Professional Fees	Executive - Other Pay	$50,000	Funds needed to cover RADV Plan Audit Chart Administrative Fee	2016
November	OneCare	Executive Office - Other Pay	Health Network Provider Relations - RADV Plan Audit	$50,000	Funds needed to cover RADV Plan Audit Chart Administrative Fee	2016
December	PACE	PACE - DME	PACE - Recreation Therapy Supplies	$10,000	Funds needed for member recreation therapy supplies	2016
December	MediCal	Compliance - Professional Fees	Audit & Oversight - Professional Fees	$12,500	Re-allocate funds from Compliance to Audit & Oversight for review of audit tools and protocols for A&O audit processes	2016
December	MediCal	IS-Infrastructure - Minor Equipment & Supplies	IS-Infrastructure - Software Maintenance	$29,000	Funds needed for maintenance expense relating to the HPCA e-mail archiving system	2016

This report summarizes budget transfers between general ledger classes that are greater than $10,000 and less than $100,000.
This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.

Pharmacy Benefit Manager (PBM) Implementation

Board of Directors Meeting

February 4, 2016

Richard Bock, M.D., Deputy Chief Medical Officer

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

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PBM Implementation Background

- CalOptima changed Pharmacy Benefit Managers (PBMs) from PerformRx to MedImpact on January 1, 2016

- The previous PBM implementation with PerformRx occurred January 1, 2012

- The PBM's primary responsibilities include:
  - Pharmacy claims adjudication
  - Prior authorization intake for Medicare Part D
  - Prior authorization intake and first-level review for Medi-Cal
  - Pharmacy provider help desk

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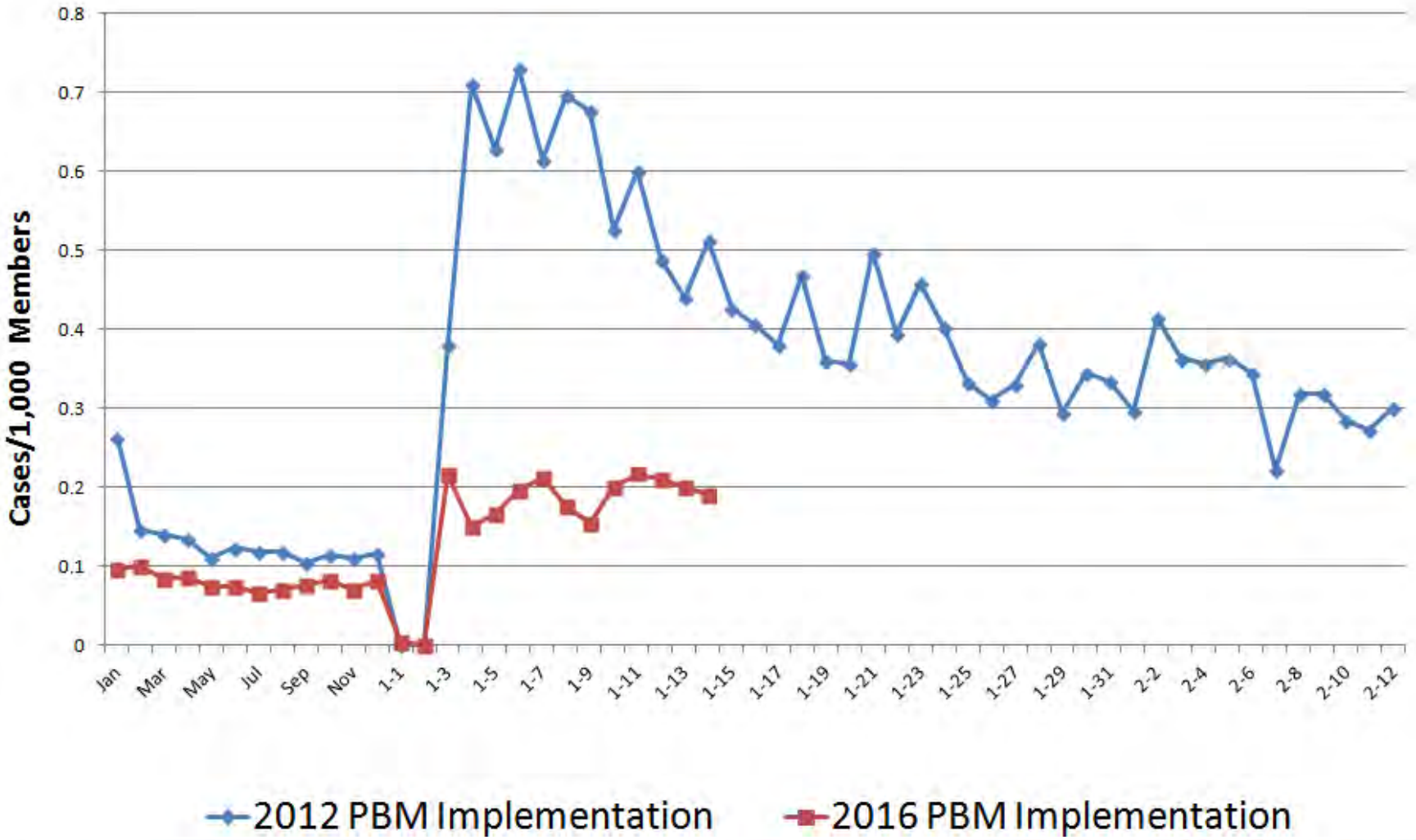
CalOptima Customer Service Pharmacy Access Cases



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CalOptima
A Public Agency
Better. Together.

Implementation Issues

- Two transitions at once
- Pharmacies billing OneCare instead of OneCare Connect
- Formulary programming errors (most corrected within one business day)
- Some prior authorizations did not transfer
- PBM helpdesk misinformation
- No significant Medicare Part D issues

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Summary

- Overall the implementation went very well
  - Expected call volume for CalOptima Customer Service
  - No Part D complaints to the Centers for Medicare & Medicaid Services (CMS)
  - One grievance related to a copay
- Next Steps
  - Continued outreach and education to pharmacies for billing issues
  - Monitoring and oversight
    - Daily rejected and approved claims review
    - Daily review of Pharmacy Customer Service cases
    - Daily prior authorization timeliness monitoring
    - Weekly oversight of prior authorizations for regulatory requirements
  - CMS Transition Monitoring Program Audit data due 2-3-16

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Board of Directors' Meeting
February 4, 2016

Monthly Compliance Report

The purpose of this report is to provide compliance updates to CalOptima's Board of Directors, including but may not be limited to, updates on internal and external audits, regulatory audits, privacy updates, fraud, waste, and abuse (FWA) updates, and any notices of non-compliance received from a regulator.

A. Updates on Internal /External Audits

1. Pharmacy Audits – OneCare (October and November 2015)

- Formulary Rejected Claims Review

Month	% Claims Rejected in Error (Member Impact)
October 2015	0%
November 2015	0%

  - No claims rejected in error due to formulary restrictions.

- Coverage Determination Timeliness Review

Month	Non-Compliant Cases	% of Timeliness
October 2015	0	100%
November 2015	0	100%

  - For the past ten (10) months, timeliness for coverage determinations has been 100% compliant.

- Monthly Direct Member Reimbursement (DMR) Review

Month	% of DMR Case Compliance
October 2015	100%
November 2015	100%

  - For the past ten (10) months, pharmaceutical direct member reimbursement (DMR) has been above 95% compliant, with 100% compliance in October and November 2015.

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- Coverage Determination Clinical Decision Making (CDM) Review

Week	Protected Drug Cases (# Inappropriate)	Unprotected Drug Cases (# Inappropriate)	Overall Compliance
09/28/15 - 10/04/15	2	28	93.3%
10/05/15 - 10/11/15	6	24	100.0%
10/12/15 - 10/18/15	6	24	100.0%
10/19/15 - 10/25/15	5	25	86.7%
October 2015 Summary	19	101	95.0%

Week	Protected Drug Cases (# Inappropriate)	Unprotected Drug Cases (# Inappropriate)	Overall Compliance
10/26/15 - 11/01/15	2	28	100.0%
11/02/15 - 11/08/15	6	24	93.3%
11/09/15 - 11/15/15	6	24	100.0%
11/16/15 - 11/22/15	5	25	96.7%
11/23/15 - 11/29/15	3	22	92.0%
November 2015 Summary	22	123	96.6%

  - For October through November 2015, compliance for coverage determination CDM reviews has ranged from about 87% to 100%.

2. Delegation Oversight: Utilization Management (UM) and Claims

- Medi-Cal Utilization Management (UM) – Summary of Findings (October and November 2015)

	Timeliness for Urgents	CDM for Urgents	Letter Score for Urgents	Timeliness For Routine	Letter Score for Routine	Timeliness For Denials	CDM for Denials	Letter Score for Denials	Timeliness For Modifieds	CDM for Modifieds	Letter Score for Modifieds	Timeliness for Deferrals	CDM for Deferrals	Letter Score for Deferrals
October 2015	94%	NA	NA	96%	NA	89%	100%	98%	90%	96%	92%	50%	100%	73%
November 2015	96%	NA	NA	89%	NA	87%	99%	100%	85%	100%	97%	89%	100%	91%

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- The lower scores for timeliness and letters were due to the following reasons:

  - Timeliness:
    - Failure to meet timeframe for clinical decision making
    - Failure to meet timeframe for initial notification

  - Letters:
    - Failure to provide description of services in lay language

- Medi-Cal Claims – Summary of Findings: Misclassified Claims (October and November 2015)

	Misclassified Paid Claims	Misclassified Denied Claims
October 2015	100%	95%
November 2015	98%	94%

  - The compliance rate for misclassified paid claims has remained above 95% for the past four (4) months.
  - The compliance rate for misclassified denied claims has decreased by 1% due to submission of duplicates.

- Medi-Cal Claims – Summary of Findings: Professional Claims (October and November 2015)

	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2015	100%	100%	98%	98%
November 2015	100%	100%	100%	98%

  - For the past six (6) months, the compliance rate for paid and denied claims accuracy and timeliness has increased, and remains stable above 95%.

- Medi-Cal Claims – Summary of Findings: Misclassified Hospital Claims (October and November 2015)

	Misclassified Paid Claims	Misclassified Denied Claims
October 2015	100%	98%
November 2015	98%	94%

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- The compliance rate for misclassified paid hospital claims and misclassified denied claims has been above 93% for the past five (5) months.
- Deficiencies consist of improper classification of denied claims.

- Medi-Cal Claims – Summary of Findings: Hospital Claims (October and November 2015)

	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2015	100%	100%	100%	97%
November 2015	100%	100%	100%	100%

- The compliance rate for paid and denied claims timeliness has remained at 100% for the past five (5) months.
- The compliance rate for paid and denied claims accuracy has remained above 96% for the past two (2) months.

- OneCare Utilization Management (UM) – Summary of Findings (October and November 2015)

	Timeliness for EIOD [a\]	Letter Score for EIOD	Timeliness for SOD [b\]	Letter Score for SOD	Timelines for Denials	CDM for Denials [c\]	Letter Score for Denials
October 2015	100%	95%	100%	96%	100%	100%	97%
November 2015	98%	96%	100%	96%	100%	100%	100%

- The compliance rate for OneCare UM file review remains stable ranging from 95% – 100%.
- The compliance rate for EIOD letter score has been above 94% for the past three (3) months.
- The compliance rate for SOD letter score has remained steady at 96% for the past two (2) months.

[a\] EIOD = expedited initial organization determination
[b\] SOD = standard organization determination
[c\] CDM = clinical decision making

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- OneCare Claims – Summary of Findings: Misclassified Claims (October and November 2015)

	Misclassified Paid Claims	Misclassified Denied Claims
October 2015	97%	80%
November 2015	100%	100%

  - The compliance rate for misclassified paid claims has been above 95% during the last five (5) months.
  - The compliance rate for misclassified denied claims has increased by 20% from the previous month.

- OneCare Claims (Professional) – Summary of Findings (October and November 2015)

	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2015	95%	95%	100%	100%
November 2015	98%	86%	100%	100%

  - The compliance rate for denied claims accuracy remains at 100% for the past three (3) months.
  - The compliance rate for paid claims timeliness continues to be above 95%.
  - The compliance rate for paid claims accuracy has decreased 14% during the last three (3) months.

- OneCare Connect Utilization Management (UM) – Summary of Findings (October and November 2015)

	Timeliness for Urgents	CDM for Urgents	Letter Score for Urgents	Timeliness For Routine	Letter Score for Routine	Timeliness For Denials	CDM for Denials	Letter Score for Denials	Timeliness For Modifieds	CDM for Modifieds	Letter Score for Modifieds	Timeliness for Deferrals	CDM for Deferrals	Letter Score for Deferrals
October 2015	97%	NA	88%	93%	93%	100%	100%	100%	100%	100%	75%	NA	NA	NA
November 2015	100%	NA	81%	94%	91%	92%	100%	100%	100%	100%	100%	NA	NA	NA

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- The lower letter scores were due to the following reasons:

  - Letter Score for Urgent:
    - Failure to provide letter in member's primary language
  - Letter Score of Routine:
    - Failure to provide letter in member's preferred language

- OneCare Connect Claims (Professional) – Summary of Findings (October and November 2015)

	Misclassified Paid Claims	Misclassified Denied Claims
October 2015	96%	70%
November 2015	100%	100%

  - The compliance rate for misclassified paid claims has been above 95% for the past four (4) months.
  - The compliance rate for misclassified denied claims for November has increased 30% from the previous month.

- Medi-Cal Claims – Summary of Findings: Professional Claims (October and November 2015)

	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2015	100%	100%	NA	NA
November 2015	100%	100%	100%	98%

  - The compliance rate for paid and denied claims accuracy and timeliness has been at or above 98% for the past four (4) months.

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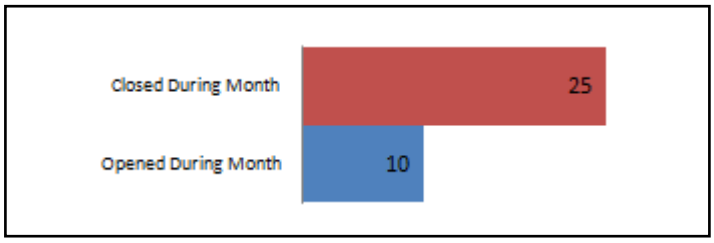
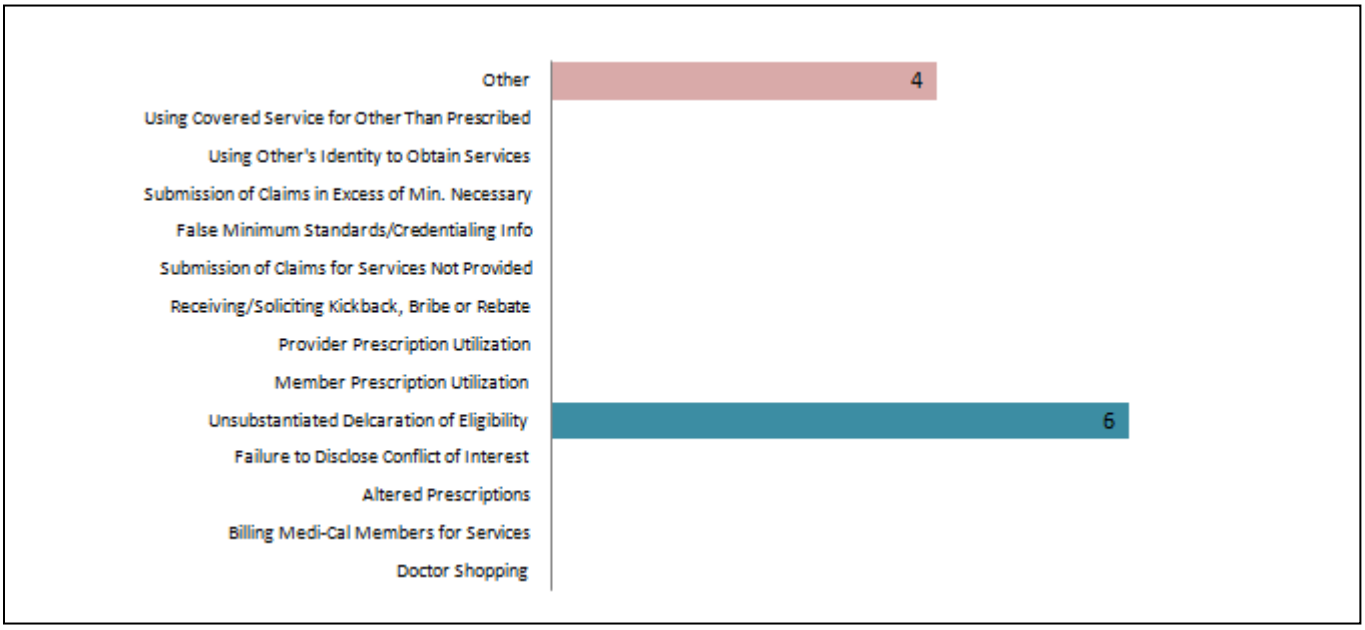
3. Special Investigation Unit (SIU) / Fraud, Waste and Abuse (FWA) Investigations (December 2015)

Case Status
Case status at the end of December 2015



Note: Cases that are referred to DHCS or the MEDIC are not "closed" until CalOptima receives notification of case closure from the applicable government agency.

Types of FWA Cases:
(Received in December 2015)



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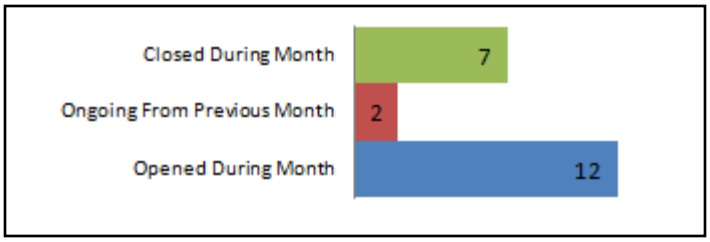
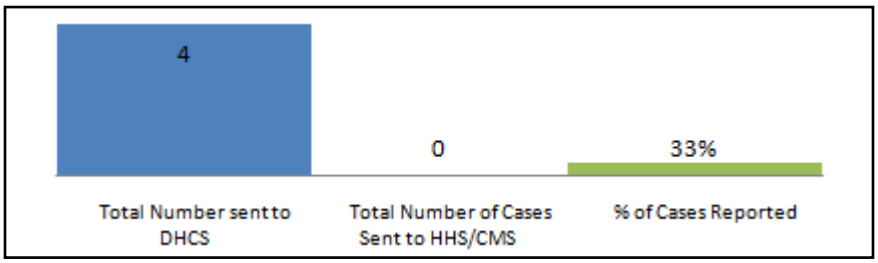
4. Privacy Cases (December 2015)

Case Status
Case status at the end of December 2015 (Case status may change throughout the month)



Privacy Statistics
(December 2015)



B. Updates on Regulatory Audits

1. OneCare

- OneCare Validation Audit: CMS' re-audit of CalOptima's OneCare program took place from January 12 - 26, 2015. CalOptima received the final audit report from CMS on March 10, 2015, which identified four (4) corrective actions required (CARs) and two (2) immediate corrective actions required (ICARs). The validation audit, originally scheduled for December 2015, has been postponed to sometime in March 2016 to capture the new PBM's implementation efforts.

- OneCare Financial Audit: On March 23, 2015, CalOptima received official notification that CMS selected its OneCare program for a financial audit of records for contract year 2013. CMS has contracted with Bland & Associates to conduct this financial audit. The audit will include a review of records and supporting documentation for, but not limited to, the following items --- claims data, solvency, enrollment, base year entries on the bids, medical and/or drug expenses, related party transactions, general administrative expenses, and Direct and Indirect Remuneration (DIR). The onsite audit took place on January 19, 2016, and consisted of a desktop review of all documents requested. The auditors will conduct the remained of the audit activities remotely.

- Medicare Part C Contract-Level Risk Adjustment Data Validation (RADV) Audit: On September 14, 2015, CalOptima received notification from CMS of CalOptima's selection for the CY2012 Medicare Part C Contract-Level Risk Adjustment Data Validation (RADV) audit. CMS will be conducting a medical records review to validate the accuracy of the CY 2012 Medicare Part C risk adjustment data and payments. CalOptima has contracted with Optum to retrieve the medical records requested by CMS. CalOptima must submit all requested medical records to the CMS contractor by May 10, 2016.

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2. PACE

    - The CMS/DHCS onsite audit took place from November 2-5, 2015. CMS/DHCS reviewed nineteen (19) audit elements. On December 5, 2015, CMS/DHCS issued a final audit report with the following findings:

        - Nine (9) Elements: Met
        - Three (3) Elements: Not Met
        - Seven (7) Elements: Met with Notes

    - On December 31, 2015, CalOptima submitted a corrective action plan (CAP) for these findings. CMS/DHCS auditors requested additional information from CalOptima prior to accepting its CAP responses. Responses are due to CMS/DHCS by January 27, 2016.

3. OneCare Connect

    - CY 2016 Quality Withhold Performance Measure Validation: On November 12, 2015, CalOptima received notice that CMS' contractor, Health Services Advisory Group (HSAG), will be conducting a Quality Withhold Performance Measure Validation (PMV) for OneCare Connect for CY 2016.

    - CalOptima submitted a pre-audit questionnaire to HSAG on January 20, 2016. The validation will be performed via webex on April 5, 2016.

4. Medi-Cal

    - 2015 DHCS Medical Audit: On November 24, 2015, CalOptima received an engagement letter from DHCS to conduct a medical audit on CalOptima's Medi-Cal program. The scope of the DHCS medical audit is inclusive of Cal-Optima's Medi-Cal population, excluding the seniors and persons with disabilities (SPD) population. The review period is from February 1, 2015 through November 30, 2015. The DHCS medical audit will consist of an evaluation of CalOptima's compliance with its contract and regulations in the areas of utilization management, case management and care coordination, access and availability, member rights and responsibilities, quality improvement system, organization and administration of CalOptima, facility site reviews, and medical records review. DHCS will be onsite from February 8 - 19, 2016.

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CalOptima
A Public Agency
Better. Together.

Federal & State Legislative Advocate Reports

Board of Directors Meeting
February 4, 2016

James McConnell / Edelstein Gilbert Robson & Smith

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CalOptima
Washington Report
January 20, 2016

On January 8, President Obama vetoed the "Restoring Americans' Healthcare Freedom Reconciliation Act of 2015" (H.R. 3762), which would have repealed key portions of the Affordable Care Act (ACA) and defunded Planned Parenthood for one year. The House voted 240-181 on January 6 to pass H.R. 3762, while the Senate passed the bill on December 3 by a vote of 52-47.

Passage of the bill marked the first time such a repeal measure has reached the President since the enactment of the Affordable Care Act in 2010. The veto was the eighth of the Obama Presidency and the sixth since last year, when Republicans took over both Chambers of Congress. Even though the President had long threatened to veto the measure, Republicans believe the vote as an important step toward reversing the ACA if the party wins the White House in November.

House Speaker Paul Ryan (R-WI) pledged that Congress would vote to override President Obama's veto, even though Republicans lack the two-thirds majority necessary to achieve that. Speaker Ryan said the vote showed there is a "clear path" for Republicans to repeal the law.

In mid-January, a rift developed between House and Senate Republicans regarding their legislative agenda for the year and whether a comprehensive replacement bill for the ACA should be introduced in 2016, with House Republicans in favor of doing so and Senate Republican leadership against the plan. The two plans gaining the most traction among House Republicans are proposals from House Budget Committee Chairman Tom Price (GA) and the Republican Study Committee (RSC), which is chaired by Representative Bill Flores (TX).

Senate Majority Leader Mitch McConnell (KY), however, wants 2016 to be a referendum on President Obama’s record. He prefers sticking to the basic function of government: passing the annual appropriations bills. With at least five Senate Republican incumbents facing tough reelection races, Senate leaders argue there is no point in moving a bill that the President is sure to veto.

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The United States Supreme Court turned down another opportunity to invalidate the ACA on January 19, denying review of a case that alleged Congress acted improperly when it enacted the ACA (Sissel v. HHS, U.S., No. 15-543, cert. denied1/19/16).

The Supreme Court has previously refused to strike major components of the law, upholding in 2012 the provision requiring individuals to have health insurance or pay a penalty and, in 2014, a provision that allows for the payment of subsidies to individuals who buy that coverage on the federal health exchanges.

In its latest action, the Court declined to review a federal appeals court's affirmance of the dismissal of a lawsuit claiming the ACA violated the Constitution's origination clause. This clause requires all bills for raising revenue to originate in the House, the body closest and most accountable to the voters.

The plaintiff in the action said the bill that eventually became the ACA originated in the House, but that bill was gutted, and the language of the ACA inserted, by the Senate. The U.S. District Court for the District of Columbia dismissed the complaint, saying the ACA was not a bill for raising revenue, despite the inclusion of provisions, namely the individual mandate, that were expected to add significant funds to the Treasury. The district court added that the bill originated in the House, not the Senate.

The U.S. Court of Appeals for the District of Columbia Circuit affirmed, saying the ACA wasn't a provision for the raising of revenue, as that phrase has been interpreted by the Supreme Court in previous cases.

EDELSTEIN GILBERT ROBSON & SMITH LLP

Donald B. Gilbert Michael R. Robson Trent E. Smith Alan L. Edelstein OF COUNSEL

CALOPTIMA LEGISLATIVE REPORT

By Don Gilbert and Trent Smith
January 20, 2016

Governor Brown has unveiled a $122 billion State Budget Proposal for the 2016-2017 State Budget Year. Not surprisingly, the Governor once again urged caution in using surplus revenue despite a multi-billion dollar surplus. In announcing his Budget, Governor Brown argued that without due prudence, the state could easily find itself with a $14 billion deficit during the next recession.

The Governor's State Budget Proposal generally reflects this fiscally conservative viewpoint. He insists on making an ahead-of-schedule $3.5 billion deposit into the state's rainy day fund, $2 billion more than is required by Proposition 2. The State Budget Proposal does open up the state's coffers for a number of one-time expenses including $1.2 billion in one time funding for schools to be used as they deem fit, $1.5 billion for restoration and retrofitting of state buildings, and $500 million for parks, levees, and other public infrastructure.

The largest new ongoing expenses in the Proposed State Budget will likely also prove to be most controversial – revising the managed care tax on health plans, which failed to advance in the 2015 Legislative Session. This is because it requires a two-third vote in the Legislature for approval and would require all of the Democrats and a few Republicans in each House to vote to approve the new revenue.

The Managed Care Organization (MCO) tax on health plans, which has been deemed invalid by the Federal Government, is a complex mechanism whereby the state taxes health plans and uses the revenue to draw down additional federal funding for Medi-Cal. Governor Brown is proposing to raise the MCO tax, while lowering other taxes on health plans as a way to gain support for his proposal.

Early MCO tax proposals would have imposed hundreds of millions of dollars in new taxes for many commercial health plans. However, more recent proposals tried to offset these new costs by lowering or eliminating other taxes on health plans. For example, the Governor has proposed eliminating the bank and corporation tax, as well as the Gross Premiums Tax for commercial health plans.

In addition, the most recent proposal put forth by the Administration creates a new tax bracket under the MCO and further adjusts the tax rate within certain tax brackets. The end result is that several of the large commercial health plans will pay less in taxes than previously proposed, but some public health plans will pay more. CalOptima's tax liability is relatively unchanged from the previous proposal.

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The Governor would like to see final adoptions of a new MCO tax by the end of January. This seems a little ambitious, but the most recent proposal does appear to put a final deal within sight. The Federal Government still needs to approve the deal. In addition, Republicans willing to support a tax increase in a budget year must be identified. However, if all of the health plans are at least neutral, it will be easier to get Republican votes – but not guaranteed.

The Governor's Budget Proposal also plans to end the Coordinated Care Initiative (CCI) program in January 2018 unless the MCO plan is passed and other cost saving reforms are adopted to the program. This was welcomed news, as there was speculation that the Governor would call for an end to the CCI program in the current budget year because it is failing to save the state money.

In fact, the Budget Proposal documents how the CCI program has failed to save the money that was once projected. For example, enrollment has been less than projected (69% eligible for program have opted out), largely because certain populations are excluded or are allowed to disenroll. In addition, the Federal Government is keeping a larger portion of the savings than originally estimated. The Budget states that the CCI is costing the state approximately $130 million annually.

The Governor's Budget spends a lot of time highlighting the fact that Medi-Cal enrollment continues to grow and now equals one third of the state's total population. In addition, the state is beginning to assume more costs from the Federal Government. Thus, state costs for Medi-Cal are growing without further expanding the population served, increasing benefits or provider payments. Because of health care cost inflation, program expansion, and caseload growth, Medi-Cal spending is projected to increase 8% in the fiscal year from $17.7 Billion to $19.1 billion. The Budget Proposal also mentions that California is among the most generous states in providing Medi-Cal benefits.

The Governor's Budget does include an 8.4% increase for IHSS services, including restoring the current 7% across-the-board reduction in services hours with proceeds from the new MCO tax. Interestingly, the budget states that IHSS costs have doubled since 2010-11, while caseload has increased only 12%.

In somewhat of a surprise the Governor's Budget did not propose any changes in California Children's Services Program (CCS). However, we have confirmed that there will be legislation this year that focuses on CCS reform. The Governor's proposal from last year, the Whole-Child Model, will likely be the starting point for debate. As you may recall, the Whole-Child Model would place CCS children into managed care only in the COHS systems. On behalf of CalOptima, we will be very involved in lobbying any CCS bills that are introduced this year.

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State Budget Update
January 2016

Governor's 2016-17 Budget Proposal – Overview

On January 7, 2016, the Governor released his 2016-17 state budget proposal. The total budget proposal is $170.7 billion, with General Fund spending at $122.6 billion, which is a 5.6% increase over this current fiscal year's General Fund. The budget proposes to spend $19.6 billion from the General Fund on the Medi-Cal program, an increase of 8% over FY 15-16. This increase in Medi-Cal funding is based on an estimated enrollment of 13.5 million members.

The most noteworthy element of the proposal is the Governor's assumed passage of a new managed care organization (MCO) tax, which would generate $1.35 billion for the Medi-Cal program. The Governor's proposal tied the continuation of the Coordinated Care Initiative (CCI), which includes CalOptima's OneCare Connect program − our new coordinated healthcare program for 'dual eligibles' (members who are eligible for both Medicare and Medi-Cal) − to the passage of a new MCO tax. OneCare Connect, which launched in July 2015, provides members with integrated, coordinated health care services and enhanced benefits at a lower cost. Overall, the budget proposal provides a positive outlook for OneCare Connect, as the Governor affirmed his support for continuing the program. These, and other major issues that are pertinent to CalOptima are noted below.

MCO Tax

The MCO tax is a health care financing program used by California to access federal matching dollars. The current MCO tax expires on June 30, 2016. In response, the Governor called a special session of the Legislature to establish and stabilize funding sources for Medi-Cal, most notably to modify the MCO tax to conform to federal guidelines and to take effect July 1, 2016. The modified MCO tax would require a "supermajority" two-thirds vote in the Legislature. The Governor's budget proposal assumes that the tax will be extended for three years.

The revenue generated from the assumed passage of the MCO tax results in three major impacts to the Medi-Cal program: 1) The continuation of CCI, 2) Restoration of In-Home Supportive Services (IHSS) cuts to service hours, and 3) Increased funding for programs for the developmentally disabled.

- CCI

  Due to the assumption of a modified MCO tax, the budget proposes to conditionally continue operation of CCI until January 1, 2018. However, the Administration has concerns regarding the participation rates in the program and it will look for opportunities for improvements over the next year. If a new MCO tax is not implemented and participation rates in the program are not improved by January 2017, CCI could cease operating effective January 1, 2018. CalOptima has already begun working with state

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and federal regulators and health care advocates to identify strategies to increase enrollment in OneCare Connect. Specifically, we have targeted our efforts on populations that have had high opt-out rates, such as residents of Long-Term Care facilities and recipients of IHSS.

- Restoration of IHSS Service Hours

  IHSS is a state program that provides personal care services for low-income seniors, children and people with disabilities. The program is intended to be an alternative to institutional long-term care, providing recipients with assistance in their home with tasks such as bathing, housework, meal preparation and dressing. In 2013, as a result of a settlement of a class action lawsuit filed against the state by IHSS advocates, a 7 percent reduction in IHSS service hours was implemented. The 2015-16 state budget included $226 million, on a one-time basis, to restore the IHSS service hours associated with the 7 percent reduction. The Governor's 2016-17 budget proposes to restore the 7 percent reduction on an ongoing basis with proceeds tied to the MCO tax. If a new MCO tax is passed, IHSS service hours would be restored effective July 1, 2016, at an estimated cost of $236 million.

- Increased Funding for Developmentally Disabled Services

  The 2016-17 budget proposes $130 million in new funding for programs that serve the developmentally disabled. However, this new funding is also directly tied to the passage of a new MCO tax. If MCO tax revenue is secured, we will likely learn more about what programs will be impacted by this new potential funding.

CalOptima is closely monitoring the legislative and budgetary discussions regarding a potential new MCO tax, and its impact on our programs and services.

Medi-Cal Expansion

The budget proposal assumes a growth of approximately 1.5% in the Medi-Cal program from 2015-16 to 2016-17, which would bring the total Medi-Cal membership to 13.5 million members, covering over a third of the state's population. For the first three years of Medi-Cal expansion, the federal government covers 100% of the costs. Beginning in January 2017 (the halfway point of the FY 16-17), the state will assume a 5% share of the costs for this population. The cost of implementing Medi-Cal expansion in 2016-17 is $740 million to the state's General Fund to serve 3.4 million Medi-Cal Expansion beneficiaries.

Medi-Cal for All Children

Prior state legislation which authorized full-scope Medi-Cal for undocumented children, is currently scheduled to begin on May 1, 2016. The budget includes $182 million to provide Medi-Cal benefits to that population. CalOptima is working closely with the Department of Health Care Services (DHCS) and local stakeholders regarding the transition of these new members to Medi-Cal.

Next Steps

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

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

Phil Tsunoda, *Executive Director, Public Policy and Public Affairs*
(714) 246-8632; ptsunoda@caloptima.org

Arif Shaikh, *Director, Government Affairs*
(714) 246-8418; ashaikh@caloptima.org

Claudia Hernandez, *Manager, Community Relations*
(714) 347-3262; chernandez@caloptima.org

Board of Directors Meeting
February 4, 2016

CalOptima Community Outreach Summary – December 2015

Background

CalOptima participates in public activities that meet at least one of the following criteria:

- Member interaction/enrollment – The event/activity attracts a significant number of CalOptima members and/or potential members who could be enrolled in any of CalOptima's programs.
- Branding – The event/activity promotes awareness of CalOptima in the general community.
- Partnerships – The event/activity has the potential to create positive visibility for CalOptima and create a long-term collaborative partnership between CalOptima and the requesting entity.

Requests for sponsorship are considered based on several factors, including: the number of people the activity/event will reach; the marketing benefits accrued to CalOptima; the strength of the partnership or level of involvement with the requesting entity; past participation; staff availability; and available budget.

In addition to participating in community events, CalOptima is active on several committees/coalitions focused on community health, with an emphasis on improving health care access, reducing health disparities, strengthening the safety net system and promoting a healthier Orange County.

OneCare Connect Program Outreach Efforts

Community Forums

CalOptima Community Relations department continues to collaborate with community partners to host community forums to provide accurate information about OneCare Connect, understand the benefits of the program, explain the difference between CalOptima offered programs, as well as address any miscommunication heard in the community about the OneCare Connect program.

The Community Relations department is scheduling community forums to target the Farsi, Korean and Spanish speaking communities.

The community forums are geared to the community member and hosted in the cities identified with the highest concentration of dual eligible people. The presentations on OneCare Connect are presented in English, Spanish and Vietnamese throughout Orange County. OneCare Connect program partners attend each forum to be able to answer any questions about the program and schedule additional time with forum attendees to provide detailed information.

For additional information or questions, you can contact Claudia S. Hernandez, Manager of Community Relations at 1-714-347-3262 or via e-mail at chernandez@caloptima.org.

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Summary of Public Activities
CalOptima participated in 30 community events and coalition and committee meetings:

Date	Events/Meetings	Audience Reached
12/01	Collaborative to Assist Motel Families	Health and Human Service Provider
	Orange County Women's Health Project Advisory Board	Health and Human Service Provider
12/02	Anaheim Human Services Network	Health and Human Service Provider
	Orange County Aging Services Collaborative	Health and Human Service Provider
	Orange County Healthy Aging Initiative Meeting	Health and Human Service Provider
12/03	Homeless Provider Forum	Health and Human Service Provider
	Housing Education Forum	Health and Human Service Provider
12/04	KomenUNITY: Community Grants Breakfast hosted by Susan G. Komen	Health and Human Service Provider
12/05	Health Fair hosted by the Lions Club District 4L4 Orange Region	Member/Potential Member
12/06	2015 Senator Lou Correa's 14th Annual Zoo Event hosted by Retired Senator Lou Correa and Councilwoman Angelica Amezcua	Member/Potential Member
12/07	Orange County Health Care Agency Mental Health Services Act Steering Committee	Health and Human Service Provider
12/08	Orange County Certified Application Assistant/Certified Enrollment Counselors Task Force Meeting	Health and Human Service Provider
	Buena Clinton Coalition	Health and Human Service Provider
	State Refugee Forum and the State Resettlement Agencies Joint Meeting	Health and Human Service Provider
12/09	Buena Park Collaborative	Health and Human Service Provider
	Orange County Head Start Health Services Advisory Committee	Health and Human Service Provider
	Quarterly Networking Meeting for the Vietnamese-American Professionals in the Human Services Field	Health and Human Service Provider
12/10	Orange County Developmental Screening Network	Health and Human Service Provider
12/11	Senior Citizen Advisory Committee (SCAC)	Health and Human Service Provider
	Help Me Grow Community Advisory Board	Health and Human Service Provider
12/12	Jornadas Sabatinas hosted by the Mexican Consulate	Member/Potential Member
12/14	Fullerton Collaborative	Health and Human Service Provider
12/15	Santa Ana Building a Healthy Community Prevention Workgroup	Health and Human Service Provider
12/16	Covered Orange County Steering Committee	Health and Human Service Provider

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	La Habra Collaborative	Health and Human Service Provider
	Ageless Alliance Meeting	Health and Human Service Provider
12/17	Orange County Children's Partnership Committee (OCCP)	Health and Human Service Provider
	Senior Providers Network Luncheon hosted by Surf City Huntington Beach	Health and Human Service Provider
12/22	Orange County Senior Roundtable	Health and Human Service Provider
12/28	Stanton Collaborative	Health and Human Service Provider

CalOptima organized/convened 2 community stakeholder events, meetings and presentations:

Date	Event/Meetings	Audience Reached
12/01	Speakers Bureau Presentation: OneCare Connect Overview presented at the OneCare Connect Forum hosted by the Vietnamese Community of Southern California in partnership with CalOptima	Member/Potential Member
12/02	Speakers Bureau Presentation: OneCare Connect Overview presented at the OneCare Connect Forum hosted by the Garden Grove H. Louis Lake Senior Center in partnership with CalOptima	Member/Potential Member

There were three (3) items during this reporting period (letters of support, program/public activity event with support, or use of name/logo).

1. Use of the CalOptima Master logo on the Orange County Business Council website as a member of the Board of Directors

2. Use of the CalOptima Master logo on the Integrated Health Association website as a member of the association

3. Use of the CalOptima Master logo on the Sage Behavior Services website as a provider for Medi-Cal

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Board of Directors Meeting
February 4, 2016

CalOptima Community Outreach Summary – January 2016

Background

CalOptima participates in public activities that meet at least one of the following criteria:

- Member interaction/enrollment – The event/activity attracts a significant number of CalOptima members and/or potential members who could be enrolled in any of CalOptima's programs.
- Branding – The event/activity promotes awareness of CalOptima in the general community.
- Partnerships – The event/activity has the potential to create positive visibility for CalOptima and create a long-term collaborative partnership between CalOptima and the requesting entity.

Requests for sponsorship are considered based on several factors, including: the number of people the activity/event will reach; the marketing benefits accrued to CalOptima; the strength of the partnership or level of involvement with the requesting entity; past participation; staff availability; and available budget.

In addition to participating in community events, CalOptima is active on several committees/coalitions focused on community health, with an emphasis on improving health care access, reducing health disparities, strengthening the safety net system and promoting a healthier Orange County.

CalOptima's 2016 Resource Fair – Families and Children

On January 26, CalOptima's Community Relations and Case Management departments collaborated to host the CalOptima 2016 Resource Fair.

The resource fair focused on services for families and children. The event attracted more than 20 community-based organizations. The resource fair attendees included CalOptima staff and staff from our delegated Health Network partners. The partners who participated specialized in offering information and resources to low-income families and children. Many of the resources and services provided by the community-based organizations were available to our members or potential members at no to low cost.

The purpose of the community resource fair was to increase the knowledge of CalOptima staff and our health network partners of resources available in the community.

For additional information about community resources and engagement activities, contact Claudia S. Hernandez, Manager of Community Relations at 1-714-347-3262 or via e-mail a chernandez@caloptima.org.

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Summary of Public Activities
CalOptima participated in 25 community events and coalition and committee meetings:

Date	Events/Meetings	Audience Reached
1/05	Collaborative to Assist Motel Families	Health and Human Service Provider
1/07	Homeless Provider Forum	Health and Human Service Provider
1/08	Covered Orange County Collaborative	Health and Human Service Provider
1/11	Fullerton Collaborative	Health and Human Service Provider
1/12	Buena Clinton Coalition	Health and Human Service Provider
	Susan G. Komen Orange County – Unidos Contra el Cáncer del Seno Coalition	Health and Human Service Provider
	Santa Ana Building a Healthy Community Prevention Workgroup	Health and Human Service Provider
	State Council on Developmental Disabilities Regional Advisory Committee – *(formerly known as Area XI Board Meeting)*	Health and Human Service Provider
1/13	Buena Park Collaborative	Health and Human Service Provider
1/14	Orange County Developmental Screening Network	Health and Human Service Provider
	Orange County Women's Health Project Advisory Board	Health and Human Service Provider
1/16	Refugee Resource Fair hosted by World Relief Garden Grove, PAX Manifesto and the Arab Civil Council	Member/Potential Member
1/19	Commission to End Homelessness Coordinated Entry Healthcare and Housing Integration Workgroup	Health and Human Service Provider
	Placentia Community Collaborative	Health and Human Service Provider
1/20	Covered Orange County Steering Committee	Health and Human Service Provider
	Diverse Community Program Leaders Advisory Committee Meeting	Health and Human Service Provider
1/21	Orange County Children's Partnership Committee (OCCP)	Health and Human Service Provider
	South Orange County Mental Health Coalition	Health and Human Service Provider
	Orange County Transportation Authority (OCTA) Specials Needs Advisory Committee	Health and Human Service Provider
1/25	Orange County Health Research Alliance	Health and Human Service Provider
	Stanton Collaborative	Health and Human Service Provider
	Community Outreach Meeting and Resource Fair: Positive Parenting, Healthy Choices hosted by the Garden Grove Unified School District	Health and Human Service Provider
1/26	Orange County Senior Roundtable	Health and Human Service Provider

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1/27	California Association of Area Agencies on Aging (C4A) Advisory Board Meeting *(Sacramento)*	Health and Human Service Provider
1/28	Health Funders Partnership of Orange County	Health and Human Service Provider

CalOptima organized/convened 5 community stakeholder events, meetings and presentations:

Date	Event/Meetings	Audience Reached
1/05	Speakers Bureau Presentation: Heart Health Presentation for the lo-income apartment facility residents at the Presidio Apartments	Member/Potential Member
1/13	Community Alliances Planning Meeting	Health and Human Service Provider
1/19	Monthly Health Education Seminar at the Orange County Community Service Center – ReThink Your Drink: Make Every Sip Count	Member/Potential Member
1/20	Speakers Bureau Presentation: OneCare Connect Overview presented at the OneCare Connect Town Hall hosted by the Congresswoman Loretta Sanchez and Alta Med	Member/Potential Member
1/29	CalOptima Informational Series: CalOptima: Looking Back, Moving Forward Honoring Our 20th Anniversary and Planning for New Programs in 2016	Health and Human Service Provider

There are no items during this reporting period (letters of support, program/public activity event with support, or use of name/logo).

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CalOptima Board of Directors
Community Activities

For more information on the listed items, contact Claudia Hernandez, Manager of Community Relations, at 714-347-3262 or by email at chernandez@caloptima.org.

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
January 2016			
Friday, 1/29 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: ReThink Your Drink: Make Every Sip Count	**Presentation to senior, caregivers and community members**	Orange County Community Service Center 5460 Magnolia Ave., Westminster
Friday, 1/29 12:30-2:30pm	*CalOptima Informational Series: Looking Back, Moving Forward Honoring our 20th Anniversary and Planning for New Programs in 2016	**Presentation and Networking Session: Open to the CBO's, Health Advocates and Services Providers**	CalOptima Rooms 107, 108,109-N
February 2016			
Tuesday, 2/3 9-10:30am	++Orange County Aging Services Collaborative	**Steering Committee Meeting: Open to Collaborative Members**	Alzheimer's Orange County 2515 McCabe Way, Irvine
Tuesday, 2/3 10:30-12noon	++Orange County Healthy Aging Initiative	**Steering Committee Meeting: Open to Collaborative Members**	Alzheimer's Orange County 2515 McCabe Way, Irvine
Tuesday, 2/3 10-11:30am	++Orange County Cancer Coalition	**Steering Committee Meeting: Open to Collaborative Members**	American Cancer Society 1940 E. Deere Ave., #100 Santa Ana
Friday, 2/5 9-10:30am	++Covered OC General Meeting	**Steering Committee Meeting: Open to Collaborative Members**	The Village at 17th Street Casa Training Room 1505 E.17th Street, Santa Ana

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Saturday, 2/6 10am-4pm	+2016 OC Black History Cultural Faire	**Health/Resource Fair: Open to the Public**	Downtown Anaheim 205 W. Center St., Promenade, Anaheim
Wednesday, 2/10 10-11am	++Help Me Grow / First 5 / IEHP	**Steering Committee Meeting: Open to Collaborative Members**	IEHP 10801 Sixth Street, Rancho Cucamonga
Wednesday, 2/10 10-11am	++Buena Park Collaborative	**Steering Committee Meeting: Open to Collaborative Members**	Buena Park Public Library 7150 La Palma Ave. Buena Park
Thursday, 2/11 2-4pm	++OC Developmental Screening Network	**Steering Committee Meeting: Open to Collaborative Members**	Help Me Grow 2500 Redhill Ave., Suite 290B, Santa Ana
Thursday, 2/11, 11:30am-12:30pm	++FOCUS Collaborative Meeting	**Steering Committee Meeting: Open to Collaborative Members**	Magnolia Park FRC 11402 Magnolia St., Garden Grove
Thursday, 2/11 3-5pm	++Orange County Women's Health Project Advisory Board	**Steering Committee Meeting: Open to Advisory Board Members**	The Village at 17th Street Conference Room 1505 E.17th Street, Santa Ana
Friday-Sunday 2/12-14, 10am-5pm	***PENDING*** +Vietnamese Community of Southern CA 2016 Tet Festival	**Health/Resource Fair: Open to the Public**	Mile Square Regional Park 16801 Euclid St. Fountain Valley
Friday-Sunday 2/12-14, 10am-5pm	***PENDING*** +Union of Vietnamese Student Union of Southern CA 2016 Tet Festival	**Health/Resource Fair: Open to the Public**	Orange County Fairgrounds 88 Fair Dr., Costa Mesa
Tuesday, 2/16 2-3:30pm	++Coordinated Entry Healthcare and Housing Integration Workgroup	**Steering Committee Meeting: Open to Workgroup Members**	The Village at 17th St. 1505 E. 17th St., Santa Ana
Wednesday, 2/17 9-10:30am	++Covered OC Steering Committee	**Steering Committee Meeting: Open to Collaborative Members**	Orange County United Way 18012 Mitchell S, Irvine
Wednesday, 2/17 1-2pm	++Community Partners Meeting	**Steering Committee Meeting: Open to Collaborative Members**	Orange County Health Care Agency1725 W. 17th St., Building 1729E, Santa Ana

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Saturday, 2/20 8:30am-12noon	+Magnolia School District Wellness Fair: Health+Knowledge=Better	**Health/Resource Fair: Open to the Public**	Dr. Jonas E. Salk Elementary 1411 S. Gilbert St., Anaheim
Monday, 2/22 9-11am	++Orange County Health Research Alliance	**Steering Committee Meeting: Open to Collaborative Members**	MOMS Orange County 1128 W. Santa Ana Blvd. Santa Ana
Monday, 2/22 12:30-1:30pm	++Stanton Collaborative	**Steering Committee Meeting: Open to Collaborative Members**	Stanton Civic Center 7800 Katella Ave., Stanton
Friday, 2/26, 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	**Presentation to senior, caregivers and community members**	Orange County Community Service Center 5460 Magnolia Ave., Westminster
March 2016			
Thursday, 3/3, 3-5pm	++Orange County Women's Health Project Advisory Board	**Steering Committee Meeting: Open to Collaborative Members**	The Village at 17th Street 1505 E.17th Street Santa Ana
Friday, 3/4 9-10:30am	++Covered OC General Meeting	**Steering Committee Meeting: Open to Collaborative Members**	The Village at 17th Street Casa Training Room 1505 E.17th Street
Tuesday, 3/8, 2-4pm	++Susan G. Komen Unidos Contra el Cancer del Seno Coalition	**Steering Committee Meeting: Open to Collaborative Members**	Susan G. Komen 1319-A Airport Loop Dr. Costa Mesa
Wednesday, 3/9 9-11am	*CalOptima Community Alliances Forum	**Presentation and Networking Session: Open to the CBO's, Health Advocates and Services Providers** ***Registration recommended***	Delhi Community Center 505 E. Central Ave. Santa Ana
Thursday, 3/10 2-4pm	++Orange County Health Improvement Partnership	**Steering Committee Meeting: Open to Collaborative Members**	Orange County Health Care Agency Public Health Training Center 1725 W. 17th Street, Bldg. 1729E, Santa Ana, CA 92706

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Thursday, 3/10 2-4pm	++Orange County Developmental Screening Network	**Steering Committee Meeting: Open to Collaborative Members**	Help Me Grow 2500 Redhill Ave., Suite 290B Santa Ana
Tuesday, 3/15 10-11am	++Placentia Collaborative (Formerly Families First)	**Steering Committee Meeting: Open to Collaborative Members**	Whitten Community Center 900 S. Melrose St. Placentia
Tuesday, 3/15 10-11:30am	++Orange County Cancer Coalition (OC3)	**Steering Committee Meeting: Open to Collaborative Members**	American Cancer Society 1940 E. Deere Ave. Suite 100, Santa Ana
Wednesday, 3/16 9-10:30am	++Covered OC Steering Committee	**Steering Committee Meeting: Open to Collaborative Members**	Orange County United Way 18012 Mitchell S, Irvine
Thursday, 3/24, 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	**Presentation to senior, caregivers and community members**	Orange County Community Service Center 5460 Magnolia Ave., Westminster
Monday, 3/28 9-11am	++Community Health Research Exchange (formerly OC Health Research Alliance)	**Steering Committee Meeting: Open to Collaborative Members**	1128 W. Santa Ana Blvd., Santa Ana
Monday, 3/28 12:30-1:30pm	++Stanton Collaborative	**Steering Committee Meeting: Open to Collaborative Members**	Stanton Civic Center 7800 Katella Ave., Stanton
April 2016			
Friday, 4/1 8-11:00am	+2nd Annual Leadership Forum on Aging	**Networking Session and Presentation: Open to the CBO's, Health Advocates and Services Providers** ***Registration recommended***	Alzheimer's Orange County 2515 McCabe Way, Irvine
Friday, 4/1 9-10:30am	++Covered OC General Meeting	**Steering Committee Meeting: Open to Collaborative Members**	The Village at 17th Street Casa Training Room 1505 E.17th Street

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Tuesday, 4/19, 3-4:30pm	*Aging and Disability Resource Connection Snack & Learn: Topic TBD	**Networking Session and Presentation: Open to the CBO's, Health Advocates and Services Providers** ***Registration recommended***	CalOptima Rooms 107, 108,109-N
Friday, 4/29, 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	**Presentation to senior, caregivers and community members**	Orange County Community Service Center 5460 Magnolia Ave., Westminster
May 2016			
Friday, 5/27, 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	**Presentation to senior, caregivers and community members**	Orange County Community Service Center 5460 Magnolia Ave., Westminster
June 2016			
Wednesday, 6/8, 9-11am	*CalOptima Community Alliances Forum	**Networking Session and Presentation: Open to the CBO's, Health Advocates and Services Providers** ***Registration recommended***	Delhi Community Center 505 E. Central Ave. Santa Ana
Friday, 6/24 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	**Presentation to senior, caregivers and community members**	Orange County Community Service Center 15460 Magnolia Ave., Westminster