



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

**THURSDAY, JUNE 2, 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**  
Michael Schrader

**CHIEF COUNSEL**  
Gary Crockett

**CLERK OF THE BOARD**  
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, at least 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](http://www.caloptima.org).*

**CALL TO ORDER**

Pledge of Allegiance  
Establish Quorum

**PRESENTATIONS/INTRODUCTIONS**

## MANAGEMENT REPORTS

### 1. Chief Executive Officer Report

- a. Managed Care Organization Tax Approval
- b. May Revision of FY 2016-17 State Budget
- c. PACE Modernization Act
- d. FY 2016-17 Budgets and Rates
- e. Chief Network Officer Transition
- f. Human Resources Update
- g. Employee Activities Committee Scholarship Essay Contest
- h. Whole Person Care
- i. Key Meetings and Events

## 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 April 7, 2016 Regular Meeting of the CalOptima Board of Directors
  - b. Receive and File Minutes of the March 23, 2016 Special Meeting of the CalOptima Board of Directors' Quality Assurance Committee, the February 18, 2016 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee, the November 12, 2015 Meeting of the CalOptima Board of Directors' Member Advisory Committee, the January 21, 2016 Joint Meeting of the Member and Provider Advisory Committee; the March 24, 2016 Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee, and the April 14, 2016 Meeting of the CalOptima Board of Directors' Provider Advisory Committee
3. Authorize Contract Amendments and Revisions of the Current Specialist Medi-Cal Expansion (MCE) Member Rates, with the Exception of Contracts with Ophthalmologists, and Revise Contract Terms to Align with Fiscal Year
  4. Authorize Contract Amendments and Revisions of the Current Ophthalmologist Specialist Medi-Cal Expansion (MCE) Member Rates, and Revise Contract Terms to Align with Fiscal Year
  5. Consider Appointments to the CalOptima Board of Directors' Member Advisory Committee (MAC); Consider Appointment of MAC Chairperson
  6. Consider Appointments to the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC); Consider Appointment of OCC MAC Chairperson
  7. Consider Appointments to the CalOptima Board of Directors' Provider Advisory Committee (PAC); Consider Appointment of PAC Chairperson
  8. Consider Adoption of Resolution Approving Updated CalOptima Policy GA.8058, Salary Schedule

9. Consider Approval of Proposed Technical Changes to Policy GG.1643: Minimum Physician Standards
10. Consider Adoption of the Proposed CalOptima Board of Directors Meeting Schedule for Fiscal Year 2016-17
11. Authorize and Direct the Chairman of the Board of Directors to Execute Amendments to the Primary and Secondary Agreements with the California Department of Health Care Services
12. Adopt Resolution Authorizing and Directing the Chairman of the Board of Directors to Execute Contract MS-1617-41 with the California Department of Aging for the Multipurpose Senior Service Program for Fiscal Year 2016-17
13. Authorize Extension of Contract with Imagenet
14. Authorize Proposed Budget Allocation Changes in the CalOptima Fiscal Year 2015-16 Operating Budget
15. Consider Adoption of Resolution Approving Updated CalOptima Human Resources Policy GA.8055, Retiree Health Benefits

## **REPORTS**

16. Approve the CalOptima Fiscal Year 2016-17 Operating Budget
17. Approve the CalOptima Fiscal Year 2016-17 Capital Budget
18. Authorize Participation with the Orange County Health Care Agency in the Department of Health Care Services Whole Person Care Pilot Program
19. Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Events
20. Authorize the Chief Executive Officer to Submit Supplemental Benefit Recommendations to the Centers for Medicare & Medicaid Services and the California Department of Health Care Services for the OneCare Connect Program *(to follow closed session)*
21. Consider Chief Executive Officer and Chief Counsel Performance Reviews and Compensation *(to follow closed session)*

## **ADVISORY COMMITTEE UPDATES**

22. Provider Advisory Committee Update
  - a. FY 2015-16 Accomplishments
23. Member Advisory Committee Update
  - a. FY 2015-16 Accomplishments
  - b. FY 2016-17 Goals and Objectives
24. OneCare Connect Cal MediConnect (Medicare and Medicaid Plan) Member Advisory Committee Update
  - a. FY 2015-16 Accomplishments
  - b. FY 2016-17 Goals and Objectives

## **INFORMATION ITEMS**

- 25. [April 2016 Financial Summary](#)
- 26. [Member Experience Update](#)
- 27. [Compliance Report](#)
- 28. [Federal and State Legislative Advocates Reports](#)
- 29. [CalOptima Community Outreach and Program Summary](#)

## **BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS**

### **CLOSED SESSION**

- CS 1 Pursuant to Government Code Section 54956.87, subdivision (b), Health Plan Trade Secrets – OneCare Connect Program
- CS 2 Pursuant to Government Code Section 54956.9, subdivision (d)(1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. One Case: Fountain Valley Regional Hospital and Medical Center v. Orange County Health Authority (CalOptima). Orange County Superior Court (OCSC) Case No. 30-2015-00816716-CU-BC-CJC
- CS 3 Pursuant to Government Code Section 54956.9, subdivision (d)(1), CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. (One Case): Kirsten Mayer v. CalOptima Foundation, Inc., Orange County Superior Court (OCSC) Case No. 30-2015-00803243-CU-OE-CJC
- CS 4 Pursuant to Government Code Section 54956.9, subdivision (d)(4), CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (One Case)
- CS 5 Pursuant to Government Code Section 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Chief Executive Officer) - *Continued to a future Board meeting*
- CS 6 Pursuant to Government Code Section 54957.6, CONFERENCE WITH LABOR NEGOTIATORS  
Agency Designated Representatives: (Mark Refowitz and Lee Penrose)  
Unrepresented Employee: (Chief Executive Officer) - *Continued to a future Board meeting*
- CS 7 Pursuant to Government Code Section 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Chief Counsel) - *Continued to a future Board meeting*
- CS 8 Pursuant to Government Code Section 54957.6, CONFERENCE WITH LABOR NEGOTIATORS  
Agency Designated Representatives: (Mark Refowitz and Lee Penrose)  
Unrepresented Employee: (Chief Counsel) - *Continued to a future Board meeting*

## **ADJOURNMENT**

**NEXT REGULAR MEETING:** Thursday, August 4, 2016 at 2:00 p.m.

---

## MEMORANDUM

---

DATE: June 2, 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

---

### **Managed Care Organization (MCO) Tax Approval**

On May 17, the Centers for Medicare & Medicaid Services (CMS) signed off on California's MCO tax on health plans. This will enable the state to draw down much needed money to pay for the growing Medi-Cal program. The approval came after about two months of review by the federal government and just a few days after Gov. Jerry Brown had released the May Revision to his state budget proposal, which included revenue from the MCO tax. The tax will bring in an estimated \$1.1 billion for Medi-Cal in the coming fiscal year as well as allocate more money for programs that serve people with developmental disabilities.

### **May Revision of FY 2016–17 State Budget**

When Gov. Brown released the May Revision to the FY 2016–17 state budget on May 13, he reiterated his focus on ensuring that California is prepared for a potential economic slowdown or recession. Related to health care, the May Revision includes \$2.2 billion in federal funds for the new Medi-Cal 2020 waiver, increased General Fund spending of \$86.4 million (\$180.2 million total) for Behavioral Health Treatment, \$45.4 million (\$188.2 million total) to provide full-scope Medi-Cal benefits to undocumented children, and \$5 million to implement the new federal Medicaid managed care regulations. The May Revision also highlights the continued increase of Medi-Cal enrollees, going from 7.9 million in 2012–13 to a projected 14.1 million in 2016–17. That there was no specific mention in the May Revision of the Coordinated Care Initiative (CCI) is good news for our OneCare Connect program. It means the current policy on CCI remains in effect, thereby authorizing the continuation of OneCare Connect through January 1, 2018. The budget also includes \$1.1 billion in reduced General Fund spending due to passage of the aforementioned MCO tax. According to the May Revision, the MCO tax solidifies funding for Medi-Cal for the next three years.

### **PACE Modernization Act**

The Department of Health Care Services (DHCS) has proposed the PACE Modernization Act as part of a state budget trailer bill. The bill is largely supported by PACE advocates, including CalPACE and CalOptima, because, among other improvements, it aims to correct issues inherent in the PACE payment methodology. Today, PACE rates are based on fee for service (FFS), or what a senior's care would cost if there were no PACE center. The state then pays PACE centers 95 percent of that estimated cost. This current methodology has resulted in a geographic disparity in rates, as Southern California PACE programs receive substantially lower rates than

Northern California PACE programs. One potential reason for this disparity is the strong penetration of managed care in Southern California, which may result in insufficient FFS data. The trailer bill proposes a move to cost-based reimbursement based on the actuarially sound Rate Development Template process, which relies on utilization data. If passed, the PACE Modernization Act would go into effect January 1, 2017. Given that PACE rates are based on the calendar year, CalOptima could potentially see a change in PACE revenue next year under this new methodology. I will keep your Board informed about the status of this bill, which will be acted upon soon as part of the state budget process.

### **FY 2016–17 Budgets and Rates**

On May 19, CalOptima's FY 2016–17 Operating Budget and Capital Budget was presented to your Board's Finance and Audit Committee (FAC). Of note, CalOptima had received draft FY 2016–17 Medi-Cal rates from DHCS on April 29, and the financial impact of those rates was integrated into the proposed budgets. Significant changes to both the draft Medi-Cal Classic and Medi-Cal Expansion (MCE) rates are described below:

- **Medi-Cal Classic Rate Increase**

The draft FY 2016–17 Medi-Cal Classic rates reflect an aggregate 4 percent increase compared with rates in the prior fiscal year. Implementing the rate increase is a two-step process. First, the rates are integrated into CalOptima's budget, which is up for approval by your full Board this month. Then, CalOptima will develop a method to pass along the increase to providers and gain Board approval to enact the change. We anticipate bringing a rate increase implementation plan to your August meeting. Medi-Cal Classic members represent three-fourths of our overall Medi-Cal membership.

- **MCE Rate Decrease**

The draft FY 2016–17 MCE rates reflect a 4 percent reduction. Over the past several months, CalOptima had informed providers in advance that a reduction was coming. However, the reduction proposed in the draft rates is less than expected. CalOptima had previously thought that the reduced MCE rate would be near the current Temporary Assistance for Needy Families (TANF) adult rate. In a separate discussion on May 24 with DHCS rate team leaders, I addressed the status of MCE rates in general, noting that the newest reduction is the fifth decrease since MCE was implemented in January 2014. Leaders shared that the proposed rates are, for the first time, based on actual costs and trends of caring for the MCE population. Data used to calculate rates typically lags two years. The draft MCE rates for FY 2016–17 were developed using a 50/50 blend of data through the standard Rate Development Template and the proxy method of 75 percent TANF and 25 percent Seniors and Persons With Disabilities experience.

While the FAC acknowledged that the Medi-Cal rates were not final, the committee engaged in a thorough review and discussion, voting to approve both budgets. This clears the way to bring the budgets before your Board this month. For the next fiscal year, CalOptima's proposed operating budget is \$3.4 billion and capital budget is \$10.1 million.

### **Chief Network Officer Transition**

Chief Network Officer Javier Sanchez will be leaving CalOptima, effective Friday, June 3. CalOptima sincerely appreciates his service for the past eight years and is pleased he will remain in the local health care community, taking on a newly created executive role at CHOC Hospital.



To ensure a smooth transition, departments that previously reported to Javier, including Contracting, Provider Relations and Network Management, will report to Chief Operating Officer Ladan Khamseh. CalOptima plans to conduct an executive recruitment process.

### **Human Resources Update**

CalOptima is in the midst of the annual review process. Managers have completed written performance evaluations of their direct reports, and this month, the executive team will approve the performance ratings and ultimately the budgeted merit increases, effective in July. Beyond financial increases, CalOptima is also focused on development opportunities. The Human Resources Training and Education team recently brought in nationally recognized workforce expert Shirley Davis, Ph.D., for special presentations about implicit bias, diversity and inclusion. The sessions were available to CalOptima's leadership team as well as employees. The information was valuable and practical, and aimed at helping CalOptima enhance our workplace culture.

### **Employee Activities Committee (EAC) Scholarship Essay Contest**

In honor of CalOptima's 20th anniversary, the CalOptima EAC launched a scholarship essay contest as a new way to reflect employees' commitment to members. Applicants covered three topics in their essays: how CalOptima has helped them, why they are working toward a career in health care, and why they would make a good candidate for the award. First, second and third place winners were announced in May. They include a first-year pharmacy student at Chapman University, a high school senior headed to Hollins University on a pre-med path, and a mother of three enrolled in Cal State Fullerton's nursing program. The winning members shared the inspiring content of their essays on a video that I will show at your Board meeting. No public dollars were used; money for the one-time scholarships was raised through voluntary EAC fundraising activities. Further, the first-place winner of our local contest is now entered into a long-running national contest sponsored by the Association for Community Affiliated Plans. We expect to learn the outcome of that contest later this month.

### **Whole-Person Care (WPC)**

WPC Pilots are part of the new five-year 1115 Medicaid Waiver. These pilots will be funded by county dollars, which are matched with federal funds through intergovernmental transfers. On May 13, DHCS received approval from CMS on key documents related to the WPC Pilots, including the reporting requirements and application process. Now that the final application has been released, Orange County Health Care Agency, as the lead entity, will move forward with its plan to submit a response by the July 1 deadline. Staff is bringing an item to your June Board meeting that would allow CalOptima to be a participating entity with the county. As you know, WPC Pilots seek to better coordinate physical and mental health, and social services, in a person-centered manner through more efficient use of resources.

### **Key Meetings and Events**

Below are brief summaries of three key meetings and events during the past month:

- **South County Senior Summit**

On May 20, I spoke at the South County Senior Summit, which was hosted by Supervisor Lisa Bartlett. Reflecting the event's theme, "Aging Simplified," my presentation covered

OneCare Connect and PACE, and the ways those programs make health care easier and more personalized for seniors. My remarks were well received, with attendees asking questions about our programs during the Q&A panel and visiting our information table. CalOptima was a title sponsor of the event. News coverage by the Orange County Register included a mention of CalOptima and the value of our programs for seniors.

- **Meeting With DHCS Leadership**

At DHCS' request, I met with department leaders on May 24 to discuss the planned transition of the California Children's Services (CCS) program from the county to CalOptima. The meeting included Sarah Brooks, deputy director of Health Care Delivery Systems; Javier Portela, chief of Managed Care Operations; and Jacey Cooper, assistant deputy director of Health Care Delivery Systems. They shared that policy guidance will soon be released covering key areas of interest for CalOptima and our partners, such as the timeline for the transition and details regarding readiness assessments. CalOptima will continue to participate in regular meetings with all entities, including DHCS, Orange County Health Care Agency, CCS providers, and CCS families and advocates, as more details are shared regarding the transition.

- **Medi-Cal 50th Anniversary Celebration**

On May 24, in Sacramento, I attended DHCS' Medi-Cal 50th Anniversary Celebration. The event included opening remarks from Director Jennifer Kent, followed by a five-person panel discussing the topic, "Medi-Cal Matters." Panelists included C. Dean Germano, CEO of Shasta Community Health Center; Sen. Ed Hernandez, chair of the California Senate Health Committee and co-sponsor of the Medi-Cal expansion bill; John A. Pérez, Speaker Emeritus of California State Assembly and sponsor of the Medi-Cal expansion bill; Anne Schwartz, executive director of Medicaid and CHIP Payment and Access Commission; and Darrell Steinberg, State Senate president pro tempore (retired) and co-sponsor of the Medi-Cal expansion bill. The event also included the debut of the new Medi-Cal mobile app as well as the premiere of a 50th anniversary video.



**MINUTES**  
**REGULAR MEETING**  
**OF THE**  
**CALOPTIMA BOARD OF DIRECTORS**

**May 5, 2016**

A Regular Meeting of the CalOptima Board of Directors was held on May 5, 2016, at CalOptima, 505 City Parkway West, Orange, California. Chair Mark Refowitz called the meeting to order at 2:03 p.m., and led the Pledge of Allegiance.

**ROLL CALL**

Members Present: Mark Refowitz, Chair; Lee Penrose, Vice Chair; Peter Agarwal; Ellen Ahn; Supervisor Lisa Bartlett; Theresa Boyd; Viet Van Dang, M.D.; Supervisor Andrew Do; Tricia Nguyen; Mike Ryan (non-voting)

Members Absent: Samara Cardenas, M.D.

Others Present: Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Richard Helmer, Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Len Rosignoli, Chief Information Officer; Javier Sanchez, Chief Network Officer; Chet Uma, Chief Financial Officer; Suzanne Turf, Clerk of the Board

**MANAGEMENT REPORTS**

**1. Health Homes Program and Whole Person Care**

Candice Gomez, Program Implementation Executive Director, presented an overview of the Health Homes Program (HHP) authorized through the Affordable Care Act, and funded by a 90/10 federal match for two years. The HHP provides intensive care management for the top 3-5 percent of the members who are the highest utilizers and have the highest acuity within the Medi-Cal and OneCare Connect population with the goal to coordinate physical health, behavioral health, and social support services. Medi-Cal and Cal MediConnect managed care plans will be the lead agency in each county; CalOptima in Orange County. Services may be provided through a Community-Based Care Management Entity (CB-CME). A review of HHP requirements and eligibility, and CB-CME requirements was provided. Next steps include evaluating available resources in the community to provide HHP services, and it is anticipated that the application will be submitted in November 2016.

Arif Shaikh, Government Affairs Director, provided a review of the Whole-Person Care (WPC) pilot authorized by Section 1115 of the Social Security Act, and one of four new initiatives in the new waiver approved late last year, Medi-Cal 2020. The county-based pilot will coordinate behavioral health and social services to improve health and well-being for high users of multiple systems. The Orange County Health Care Agency (HCA) is the lead entity for the WPC pilot, and will submit the application to the Department of Health Care Services (DHCS). CalOptima staff will collaborate with HCA on their WPC application submission to DHCS in July 2016.

**2. CEO Report**

The CEO Report was accepted as presented.

### **PUBLIC COMMENTS**

- Gerald Beeler and Lauren Beeler, PT, DPT, PCS, South Coast Therapy – Oral re: concern for vulnerable families and maintaining access to care.
- Reginald Abraham, Fountain Valley Regional Hospital; Jasmine Do, Annmarie Nguyen, M.D., Mai Nguyen, M.D., Tung Nguyen, D.O., Derek Phu, and Huong Quy, Family Choice Medical Group – Oral re: Agenda Item 4, Authorize Revisions to CalOptima Provider Rates for the Medi-Cal Population Effective July 1, 2016 for Health Networks, Hospitals, and Specialist Physicians.

### **CONSENT CALENDAR**

#### **3. Minutes**

- a. Approve April 7, 2016 Minutes of the Regular Meeting of the CalOptima Board of Directors; and
- b. Receive and File Minutes of the March 10, 2016 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

***Action: On motion of Supervisor Do, seconded and carried, the Board of Directors approved the Consent Calendar as presented. (Motion carried 8-0-1; Director Agarwal abstaining; Director Cardenas absent)***

### **REPORTS**

#### **4. Authorize Revisions to CalOptima Provider Rates for the Medi-Cal Population Effective July 1, 2016 for Health Networks, Hospitals, and Specialist Physicians; Authorize Modifications to Health Network Financial Security and Capitation Withhold Requirements**

Due to their provider affiliations, Vice Chair Penrose and Director Dang did not participate in this item and left the room during the discussion and vote.

Chief Executive Officer Michael Schrader reported that the state provided Medi-Cal Expansion (MCE) preliminary rates after close of business on Friday, April 29, 2016, and noted that the recommended actions have been revised as follows: 1) Implement CalOptima FY 2016-17 MCE Preliminary Rates by applying a 15% reduction to current MCE rates to health networks, hospitals and specialist physicians; and 2) Rates will be effective July 1, 2016 through June 30, 2017, and are subject to any upward or downward adjustments from the rates' effective date to bring them into alignment with final rates from DHCS should the final rates be higher or lower than the preliminary rates.

After considerable discussion of the matter, Supervisor Bartlett suggested implementing CalOptima's FY 2016-17 MCE preliminary rates by applying a 15% reduction to current MCE rates to health networks, hospitals and specialist physicians, and renewing the health network contracts for a six-month period effective July 1, 2016 through December 31, 2016. The hospital and specialist physician contracts would be effective July 1, 2016 through June 30, 2017. Supervisor Bartlett also suggested forming an ad hoc to work on a solution for the health network contracts.

***Action: On motion of Supervisor Bartlett, seconded and carried, the Board of Directors: 1) Authorized the implementation of CalOptima FY 2016-17 Medi-Cal Expansion (MCE) preliminary rates by applying a 15% reduction to***

*current MCE rates to health networks, hospitals, and specialist physicians; 2) Rates for health networks will be effective July 1, 2016 through December 31, 2016; hospitals and specialist physicians, July 1, 2016 through June 30, 2017, and are subject to any upward or downward adjustments from the rates' effective date to bring them into alignment with the final rates from the Department of Health Care Services should the final rates be higher or lower than the preliminary rates; and 3) The Chair will appoint a Board ad hoc to work on a solution for the health network contracts and return to the Board with recommendations. (Motion carried 7-0-0; Vice Chair Penrose and Directors Cardenas and Dang absent)*

5. Ratify Contract Extension Amendments and Authorize Amendment of the CalOptima Medi-Cal Physician Hospital Consortium (PHC) Health Network Contracts for AMVI Care Health Network and Fountain Valley Regional Hospital and Medical Center

**Action:** *On motion of Supervisor Do, seconded and carried, the Board of Directors ratified the contract amendment extending the AMVI Care Health Network and Fountain Valley Regional Hospital and Medical Center Medi-Cal PHC Health Network contracts through June 30, 2016; and authorized the Chief Executive Officer (CEO) to enter into a contract amendment, with the assistance of Legal Counsel, for AMVI Care Health Network and Fountain Valley Regional Hospital and Medical Center Medi-Cal PHC Health Network contracts which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the Division of Financial Responsibility (DOFR). (Motion carried 8-0-0; Directors Boyd and Cardenas absent)*

6. Ratify Contract Extension Amendments and Authorize Amendment of the CalOptima Medi-Cal Physician Hospital Consortium (PHC) Health Network Contracts for CHOC Physician's Network and Children's Hospital of Orange County

**Action:** *On motion of Supervisor Do, seconded and carried, the Board of Directors ratified the contract amendment extending the CHOC Physician's Network and Children's Hospital of Orange County Medi-Cal PHC Health Network contracts through June 30, 2016; and authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for CHOC Physician's Network and Children's Hospital of Orange County Medi-Cal PHC Health Network contracts which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 8-0-0; Directors Boyd and Cardenas absent)*

7. Ratify Contract Extension Amendments and Authorize Amendment of the CalOptima Medi-Cal Physician Hospital Consortium (PHC) Health Network Contracts for Family Choice Medical Group, Inc. and Fountain Valley Regional Hospital and Medical Center

**Action:**        *On motion of Supervisor Do, seconded and carried, the Board of Directors ratified the contract amendment extending the Family Choice Medical Group, Inc., and Fountain Valley Regional Hospital and Medical Center Medi-Cal PHC Health Network contracts through June 30, 2016; and authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for Family Choice Medical Group, Inc., and Fountain Valley Regional Hospital and Medical Center Medi-Cal PHC Health Network contracts which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 8-0-0; Directors Boyd and Cardenas absent)*

8. Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Heritage Provider Network, Inc.

**Action:**        *On motion of Chair Refowitz, seconded and carried, the Board of Directors authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for Heritage Provider Network, Inc. Medi-Cal Health Network contracts which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 8-0-0; Directors Boyd and Cardenas absent)*

9. Authorize Amendment of the CalOptima Medi-Cal Physician Hospital Consortium (PHC) Health Network Contracts for Orange County Advantage Medical Group, Inc. and Fountain Valley Regional Hospital and Medical Center

**Action:**        *On motion of Director Agarwal, seconded and carried, the Board of Directors authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for the Orange County Advantage Medical Group, Inc., and Fountain Valley Regional Hospital and Medical Center Medi-Cal PHC Health Network Contracts which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 9-0-0; Director Cardenas absent)*

10. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for AltaMed Health Services Corporation

**Action:**        *On motion of Chair Refowitz, seconded and carried, the Board of Directors ratified the contract amendment extending the AltaMed Health Services Corporation Medi-Cal Health Network contract through June 30, 2016, and authorized the CEO to enter into a contract amendment, with the assistance of*

***Legal Counsel, for the AltaMed Health Services Corporation Medi-Cal Health Network contract which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 7-0-2; Supervisors Bartlett and Do abstaining; Director Cardenas absent)***

**11. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Arta Western Medical Group, Inc.**

***Action: On motion of Director Agarwal, seconded and carried, the Board of Directors ratified the contract amendment extending the Arta Western Medical Group, Inc. Medi-Cal Health Network contract through June 30, 2016, and authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for the Arta Western Medical Group, Inc. Medi-Cal Health Network contract which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 9-0-0; Director Cardenas absent)***

**12. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Kaiser Foundation Health Plan, Inc.**

***Action: On motion of Director Agarwal, seconded and carried, the Board of Directors ratified the contract amendment extending the Kaiser Foundation Health Plan, Inc. Medi-Cal Health Network contract through June 30, 2016, and authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for the Kaiser Foundation Health Plan, Inc. Medi-Cal Health Network contract which extends the contract through December 31, 2016. (Motion carried 9-0-0; Director Cardenas absent)***

**13. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Monarch HealthCare, A Medical Group, Inc.**

***Action: On motion of Director Agarwal, seconded and carried, the Board of Directors ratified the contract amendment extending the Monarch HealthCare, A Medical Group, Inc. Medi-Cal Health Network contract through June 30, 2016, and authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for the Monarch HealthCare, A Medical Group, Inc. Medi-Cal Health Network contract which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 8-0-1; Supervisor Do abstaining; Director Cardenas absent)***



14. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Noble Community Medical Associates, Inc. of Mid-Orange County

15. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Prospect Medical Group, Inc.

16. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for Talbert Medical Group, Inc.

**Action:** *On motion of Supervisor Do, seconded and carried, the Board of Directors ratified the contract amendments extending the Noble Community Medical Associates, Inc. of Mid-Orange County, Prospect Medical Group, Inc., and Talbert Medical Group, Inc. Medi-Cal Health Network contracts through June 30, 2016, and authorized the CEO to enter into contract amendments, with the assistance of Legal Counsel, for Noble Community Medical Associates, Inc. of Mid-Orange County, Prospect Medical Group, Inc., and Talbert Medical Group, Inc. Medi-Cal Health Networks which extends the contracts through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 9-0-0; Director Cardenas absent)*

17. Ratify Contract Extension Amendment and Authorize Amendment of the CalOptima Medi-Cal Health Network Contract for United Care Medical Group, Inc.

Due to his provider affiliations, Director Dang did not participate in this item and left the room during the discussion and vote.

**Action:** *On motion of Supervisor Do, seconded and carried, the Board of Directors ratified the contract amendment extending the United Care Medical Group Inc. Medi-Cal Health Network contract through June 30, 2016, and authorized the CEO to enter into a contract amendment, with the assistance of Legal Counsel, for the United Care Medical Group, Inc. Medi-Cal Health Network contract which extends the contract through December 31, 2016, revises the capitation rate for Medi-Cal Expansion members effective July 1, 2016 as authorized by the Board, and provides clarifying revisions to the DOFR. (Motion carried 8-0-0; Directors Cardenas and Dang absent)*

18. Subject to Full Completion of all Applicable Readiness Assessment Requirements, Authorize CalOptima Medi-Cal Health Network Contract for St. Joseph Heritage Healthcare

Due to his provider affiliations, Vice Chair Penrose did not participate in this item and left the room during the discussion and vote.

**Action:** *On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the CEO to enter into a contract, with the assistance of Legal Counsel, for the St. Joseph Heritage Healthcare Medi-Cal Health Network contract, subject to full completion of all applicable readiness assessment requirements, which includes the capitation rate for Medi-Cal Expansion*

***members effective July 1, 2016 through December 31, 2016 as authorized by the Board, and provides clarifying provisions to the DOFR. (Motion carried 8-0-0; Vice Chair Penrose and Director Cardenas absent)***

**19. Authorize Contract Amendments and Revisions of the Current Specialist Medi-Cal Expansion (MCE) Member Rates and Revise Contract Terms to Align with Fiscal Year**

Due to a lack of quorum, this item was continued to a future Board of Directors meeting.

**20. Authorize Contract Amendments and the Revision of the Current Fee-For-Service Hospital Medi-Cal Expansion Member Rates**

Due to his provider affiliations, Vice Chair Penrose did not participate in the discussion and vote on this item.

***Action: On motion of Chair Refowitz, seconded and carried, the Board of Directors authorized the CEO to revise the CalOptima Fee-for-Service (FFS) hospital Medi-Cal Expansion member rates that expire June 30, 2016, and amend FFS hospital contracts to reflect the new rates authorized by the Board. (Motion carried 6-0-2; Supervisors Bartlett and Do abstaining; Vice Chair Penrose recusing; and Director Cardenas absent)***

**21. Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Events**

***Action: On motion of Supervisor Do, seconded and carried, the Board of Directors: 1) Authorized expenditures for CalOptima's participation in the following community events: up to \$1,500 and staff participation in the World Refugee Day on June 4, 2016 in Anaheim, up to \$1,000 and staff participation in the 2016 World Elder Abuse Awareness Day on June 18, 2016 in Buena Park, up to \$1,000 and staff participation in the 22<sup>nd</sup> Annual Mental Health Conference Meeting of the Minds on June 23, 2016 in Anaheim, up to \$1,000 and staff participation in the Eleventh Annual Senior Expo 2016 on June 16, 2016 in Fountain Valley; 2) Made a finding that such expenditures are for a public purpose and in furtherance of CalOptima's mission and statutory purpose; and 3) Authorized the CEO to execute agreements as necessary for the events and expenditures. (Motion carried 9-0-0; Director Cardenas absent)***

**22. Authorize the Purchase and Installation of the Water Softener System at the Program of All-Inclusive Care for the Elderly (PACE) Center**

***Action: On motion of Supervisor Bartlett, seconded and carried, the Board of Directors authorized the expenditure of \$42,000 of unbudgeted funds for the purchase and installation of a water softener system at the CalOptima PACE Center. (Motion carried 9-0-0; Director Cardenas absent)***



23. Election of Officers of the Board of Directors for Fiscal Year 2016-17

**Action:**        *On motion of Supervisor Bartlett, seconded and carried, the Board elected Mark Refowitz to serve as Chair, and Lee Penrose to serve as Vice Chair, for terms effective July 1, 2016 through June 30, 2017, or until the election of a successor(s), unless the Board Chair or Vice Chair shall sooner resign or be removed from office. (Motion carried 9-0-0; Director Cardenas absent)*

**ADVISORY COMMITTEE UPDATES**

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

Patti Mouton, OCC MAC Chair, reported that the Nominations Ad Hoc Subcommittee met on April 12, 2016 to review applications for four OCC MAC seats: Community-Based Adult Services provider representative; Home and Community-Based Services (HCBS) representative serving seniors; Long-Term Care facility representative; Member advocate representative; and OneCare Connect member/family member representative. The Goals and Objectives Ad Hoc Subcommittee also met to develop the FY 2016-17. The Committee will consider the recommendations provided by the ad hoc committees at the April 28, 2016 OCC MAC meeting.

26. Provider Advisory Committee (PAC) Update

Jenna Jensen, PAC Chair, presented an update of the activities at the April 14, 2016 meeting, including a discussion of the process to add a Vice Chair position to the PAC, an update on the Health Network Minimum and Maximum Enrollment Policy, and Intergovernmental Transfer (IGT) funding entities. The Committee also discussed concerns regarding the current prescription opioid epidemic and agreed to assist in providing information to their constituents. It was noted that the Nominations Ad Hoc Subcommittee met to review applications for six open positions, which will be reviewed by the PAC at the May 12, 2016 meeting.

27. Member Advisory Committee (MAC) Update

MAC Chair Mallory Vega reported that the Nominations Ad Hoc Subcommittee met on April 20, 2016 to review applications for the following seats: Children; Consumer; Foster Children; Long-Term Care; Medically Indigent Persons; Persons with Mental Illness; and Persons with Special Needs. The Goals and Objectives Ad Hoc Subcommittee also met to develop the Goals and Objectives for FY 2016-17. The Committee will consider the ad hoc recommendations at the May 12, 2016 MAC meeting.

**INFORMATION ITEMS**

28. Primer to the FY 2016-17 CalOptima Budget

Chief Financial Officer Chet Uma provided a brief overview of the proposed Operating Budget assumptions for all lines of business, the proposed Capital Budget assumptions, and the timeline for presentation of the FY 2016-17 budgets to the Board of Directors' Finance and Audit Committee for review, and to the Board of Directors for consideration in June.

The following Information Items were accepted as presented:

- 29. March 2016 Financial Summary
- 30. Compliance Report
- 31. Federal and State Legislative Advocates Reports
- 32. CalOptima Community Outreach and Program Summary

### **BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS**

Board members recognized the month of May as Asian Pacific American Heritage Month, Mental Health Awareness Month, and Foster Care Month. May 6-12, 2016 is National Nurses Week, and National Hospital Week will be celebrated May 8-14, 2016.

Supervisor Bartlett reported on the National Prescription Medication Take Back Day held on Saturday, April 30, 2016. The event was held at various city halls in the county where the public could drop off unwanted, unused, and expired prescription medications, which were collected and incinerated by the sheriff's department or police services. Supervisor Bartlett commented that the event was a tremendous success, and suggested that CalOptima sponsor a similar event in the future.

Chair Refowitz thanked staff for their work on the 20<sup>th</sup> Anniversary Legacy Awards held on April 21, 2016, honoring industry leaders, including the founding Board of Directors, for their vision and partnership in launching CalOptima.

### **ADJOURN TO CLOSED SESSION**

The Board of Directors adjourned to closed session at 5:00 p.m. pursuant to Government Code Section 54956.87, subdivision (b), Health Plan Trade Secrets – OneCare.

The Board reconvened to open session at 5:22 p.m. to consider the following Report Item.

### **24. Authorize the Chief Executive Officer (CEO) to Submit OneCare Bid for Calendar Year 2017 and Execute Contract with the Centers for Medicare & Medicaid Services (CMS)**

***Action: On motion of Chair Refowitz, seconded and carried, the Board of Directors authorized the CEO to submit the Calendar Year 2017 OneCare bid by June 6, 2016, make minor benefit changes to the final bid, as necessary, to address CMS feedback following release of the National Average Bid, and sign the OneCare contract with CMS. (Motion carried 7-0-0; Vice Chair Penrose, and Directors Cardenas and Dang absent)***

### **ADJOURNMENT**

Hearing no further business, Chair Refowitz adjourned the meeting at 5:25 p.m.

/s/ Suzanne Turf  
Suzanne Turf  
Clerk of the Board

*Approved: June 2, 2016*

**MINUTES**  
**SPECIAL MEETING**  
**OF THE**  
**CALOPTIMA BOARD OF DIRECTORS’**  
**QUALITY ASSURANCE COMMITTEE**

**CALOPTIMA**  
**505 CITY PARKWAY WEST**  
**ORANGE, CALIFORNIA**

**March 23, 2016**

**CALL TO ORDER**

Chair Viet Van Dang, M.D., called the meeting to order at 5:32 p.m., and led the Pledge of Allegiance.

**Members Present:** Viet Van Dang, M.D., Chair; Ellen Ahn; Samara Cardenas, M.D.; Tricia Nguyen (at 5:42 p.m.)

**Members Absent:** Theresa Boyd

**Others Present:** Michael Schrader, Chief Executive Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Ladan Khamseh, Interim Chief Operating Officer; Gary Crockett, Chief Counsel; Suzanne Turf, Clerk of the Board

**PUBLIC COMMENTS**

Pam Pimentel, R.N., MOMS Orange County – Oral re: Highlights of recently published evaluation of the impact of MOMS program on birth outcomes.

**CONSENT CALENDAR**

1. Approve the Minutes of the November 18, 2015 Regular Meeting of the CalOptima Board of Directors Quality Assurance Committee

***Action: On motion of Director Cardenas, seconded and carried, the Committee approved the Minutes of the November 18, 2015 Regular Meeting of the CalOptima Board of Directors’ Quality Assurance Committee as presented. (Motion carried 3-0-0; Directors Boyd and Nguyen absent)***

**REPORTS**

2. Receive and File the 2015 CalOptima Quality Improvement Work Plan and Evaluation

Caryn Ireland, Executive Director of Quality and Analytics, presented the 2015 CalOptima Quality Improvement (QI) Work Plan and Evaluation. It was reported that the 2015 QI Program achieved its key performance goals during the year based on the 2015 QI Work Plan. A review of the 2015 accomplishments was provided, including: long-term support services program initiatives pertaining to safety, quality and clinical initiatives; access and availability monitoring; clinical quality measures;

[Back to Agenda](#)

participation in projects related to all-cause readmissions and prenatal visit rates for pregnant women; member experience improvement; and member cultural and linguistic needs.

Ms. Ireland also reviewed opportunities for 2016, including continuity and coordination of care between medical and behavioral health, continued improvement of HEDIS, Stars, and CAHPS scores, and continued enhancement of the Model of Care.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee received and filed the 2015 CalOptima Quality Improvement Work Plan and Evaluation as presented. (Motion carried 3-0-0; Directors Boyd and Nguyen absent)***

**3. Recommend Board of Directors' Approval of the CalOptima 2016 Quality Improvement (QI) Program and 2016 Quality Improvement Work Plan**

Richard Bock, M.D., Deputy Chief Medical Officer, presented the action to recommend Board of Directors' approval of the recommended revisions to the CalOptima 2016 QI Program and 2016 QI Work Plan. Dr. Bock provided an overview of the revisions for 2016, including updated information pertaining to the Behavioral Health network, the adoption of the annual Utilization Management Work Plan that complements the QI Program, and goals and responsibilities of the Credentialing and Peer Review Committee. Dr. Bock also reported on the 2016 program description revisions and the 2016 work plan enhancements.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee recommended Board of Directors' approval of the CalOptima 2016 Quality Improvement Program and 2016 Work Plan as presented. (Motion carried 4-0-0; Director Boyd absent)***

**4. Receive and File the 2015 CalOptima Utilization Management Work Plan and Evaluation**

Frank Frederico, Utilization Management Medical Director, provided an overview of the 2015 CalOptima Utilization Management (UM) Work Plan and Evaluation. The projects and initiatives during 2015 included the integration of a new medical management system, improved reporting and review of appropriate use of specialty drugs, improved data collection and reporting of behavioral health for Medicare and Medi-Cal, and improved oversight and monitoring of UM delegate performance. Operational and utilization performance was also reviewed with the Committee.

**Action:**        ***On motion of Director Nguyen, seconded and carried, the Committee received and filed the 2015 CalOptima Utilization Management Work Plan and Evaluation as presented. (Motion carried 4-0-0; Director Boyd absent)***

**5. Recommend Board of Directors' Approval of the CalOptima 2016 Utilization Management Program and 2016 Utilization Management Work Plan**

Debra Armas, Utilization Management Director, presented the action to recommend Board of Directors' approval of the CalOptima 2016 Utilization Management Program and 2016 Utilization Management (UM) Work Plan. A review of the recommended changes to the UM Program for 2016 was provided, including the addition of long-term services and support guidelines, pharmacy turnaround time guidelines, pharmacy denial and appeals rights and process, and updated information pertaining to Behavioral Health services.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee recommended Board of Directors' approval of the CalOptima 2016 Utilization Management Program and 2016 UM Work Plan as presented. (Motion carried 4-0-0; Director Boyd absent)***

6. Receive and File the 2015 Program of All-inclusive Care for the Elderly (PACE) Quality Assessment and Performance Improvement (QAPI) Plan Evaluation

Miles Masatsugu, M.D., Medical Director, presented a review of the 2015 PACE QAPI evaluation. Accomplishments during 2015 included the successful completion of the year two audit by the Centers for Medicare & Medicaid Services (CMS) and the Department of Health Care Services, the addition of bilingual/multilingual staff, a new dementia care day program, outdoor day program, and two rehabilitation exercise programs. Opportunities for improvement in 2016 include the implementation electronic medical records, access and availability monitoring, the addition of a patient satisfaction quality improvement project, and implementing new utilization management metrics and a new PACE UM committee.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee received and filed the 2015 PACE QAPI as presented. (Motion carried 4-0-0; Director Boyd absent)***

7. Recommend Board of Directors' Approval of the 2016 PACE QAPI Plan

Dr. Masatsugu presented the action to recommend Board of Directors' approval of the 2016 PACE QAPI Plan and 2016 QAPI Work Plan. The 2016 program includes new patient satisfaction metrics and goals, changed goals regarding Physician Orders for Life-Sustaining Treatment, new clinical measures for diabetes, detailed utilization management metrics to enhance oversight, and updated CMS guidance to report unusual incidents. The enhancements to the 2016 QAPI Work Plan include formal reporting of work plan elements with the Quality Improvement Committee, patient satisfaction and member experience metrics, and a focus on utilization management.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee recommended Board of Directors' approval of the 2016 PACE QAPI and 2016 QAPI Work Plan as presented. (Motion carried 4-0-0; Director Boyd absent)***

8. Recommend Board of Directors' Approval of the Expenditure of Intergovernmental Transfer (IGT) Funds to Expand the Shape Your Life Program Countywide

Dr. Masatsugu presented the action to recommend Board of Directors' approval of the use of \$250,000 of the allocated \$500,000 in IGT 1 funds to expand the Shape Your Life program to be used on a consultant to assist staff in refining and expanding the program countywide. As proposed, a RFP process will be conducted to complete an evaluation of CalOptima's current childhood obesity intervention providers to determine capacity, refine the current childhood obesity risk stratification, develop evidence-based core curriculum, outcome metrics, and sustainable reimbursement rates for moderate and high-risk obesity interventions. An analysis will be completed after the first year of the expansion to examine costs and outcome metrics.

After considerable discussion of the matter, the Committee took the following action.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee directed staff to continue further study and return to the full Board with recommendations for consideration. (Motion carried 4-0-0; Director Boyd absent)***

9. Recommend Board of Directors' Approval of Measurement Year CY 2016 Pay for Value Programs for Medi-Cal and OneCare Connect

Dr. Bock presented the action to recommend Board of Directors' approval of the Measurement Year CY 2016 Pay for Value Programs for Medi-Cal and OneCare Connect, subject to regulatory approval, as applicable. The proposed Measurement Year CY 2016 Medi-Cal Pay for Value (P4V) program is a one-year program using calendar year 2016 HEDIS measurements for which payments will be made in 2017. Dr. Bock reviewed the changes for the Medi-Cal P4V, which include performance for both adult and child care that addresses the needs of children in all health networks, the introduction of an "acuity" calculation to address the unique health needs in the populations, the addition of measures for adult access to preventative and ambulatory care services, and children's access to primary care physicians. It was noted that the measures for Provider Satisfaction with the Health Network and UM Process will be retired.

It was reported that the OneCare Pay for Value program will be retired due to the transition of the majority of former OneCare members to OneCare Connect. The OneCare Connect P4V measures are pending regulatory approval. It was also recommended to reinstate P4V measures for Windstone Behavioral Health.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee recommended Board of Directors' approval of the Measurement Year CY 2016 Pay for Value Programs for Medi-Cal and OneCare Connect as presented. (Motion carried 4-0-0; Director Boyd absent)***

10. Recommend Board of Directors' Approval and Reinstatement of Updated Policy GG.1643 Minimum Physician Standards

Ms. Ireland presented the action to recommend Board of Directors' approval and reinstatement of Policy GG.1643 Minimum Physician Standards (MPS). It was noted that the MPS were approved in 2002 and retired in 2010, and the requirements were recently included in the credentialing applications. The proposed updated policy differs from the retired policy as follows: MPS will only apply to all new (first time applicants to CalOptima) Physicians (Doctors of Medicine, Doctors of Osteopathy, and Doctors of Podiatric Medicine), who are applying to participate in a CalOptima or a CalOptima delegated network; new objective criteria added that the applicant practitioner must not currently be on probation or have an accusation pending with their licensing board; and, added a section that the applicant must be board certified in their specialty. The proposed MPS will be distributed to physicians as part of a pre-application attestation process. Physicians would have to satisfy all of the minimum physician standards to be credentialed in CalOptima or through a CalOptima delegated network.

**Action:**        ***On motion of Director Cardenas, seconded and carried, the Committee recommended Board of Directors' approval and reinstatement of updated Policy GG.1643, Minimum Physician Standards as presented. (Motion carried 4-0-0; Director Boyd absent)***

### **INFORMATION ITEMS**

The following Information Items were accepted as presented.

11. PACE Member Advisory Committee Update
12. Quarterly Reports to the Quality Assurance Committee

### **ADJOURNMENT**

Hearing no further business, Chair Dang adjourned the meeting at 7:22 p.m.

/s/ Suzanne Turf

Suzanne Turf  
Clerk of the Board

*Approved: May 18, 2016*



# **MINUTES**

## **REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE**

**CALOPTIMA  
505 CITY PARKWAY WEST  
ORANGE, CALIFORNIA**

**THURSDAY, FEBRUARY 18, 2016, 2:00 P.M.**

### **CALL TO ORDER**

Chair Lee Penrose called the meeting to order at 2:05 p.m. Director Agarwal led the Pledge of Allegiance.

**Members Present:** Lee Penrose, Chair; Peter Agarwal, Mark Refowitz; Mike Ryan (non-voting)

**Members Absent:** All members present

**Others Present:** Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Ladan Khamseh, Interim Chief Operating Officer; Len Rosignoli, Chief Information Officer; Javier Sanchez, Chief Network Officer; Chet Uma, Chief Financial Officer; Suzanne Turf, Clerk of the Board

### **MANAGEMENT REPORTS**

#### **Chief Financial Officer Report**

Chet Uma, Chief Financial Officer, reported

### **PUBLIC COMMENT**

There were no requests for public comment.

### **INVESTMENT ADVISORY COMMITTEE UPDATE**

#### **1. Treasurer's Report**

Mr. Uma presented an overview of the Treasurer's Report for the period October 1, 2015 through December 31, 2015, and noted that based on a review by the Board of Directors' Investment Advisory Committee, all investments were compliant with Government Code Section 53600, *et seq*, and with CalOptima's Annual Investment Policy for Calendar Year 2016.

Investment Advisory Committee Chair Patrick Moore provided an overview of the process conducted by the Committee to consider the selection of an additional investment manager, and the recommendations provided by the IAC.

## **CONSENT CALENDAR**

2. Approve the Minutes of the November 19, 2015 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the October 26, 2015 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

***Action: On motion of Director Refowitz, seconded and carried, the Committee approved the Consent Calendar as presented. (Motion carried 3-0-0)***

## **REPORTS**

3. Receive and File Quarterly Internal Audit Report

John Valenta of Deloitte presented a summary of the Fiscal Year (FY) 2015-16 Internal Audit Plan. Caitlin Holleran of Deloitte provided an update on the status of the provider contracting internal audit, and a review of the observations and management action plans implemented for the internal audit of compliance program effectiveness. The objective of the assessment was to establish whether the CalOptima Compliance Program meets the Centers for Medicare & Medicaid (CMS) compliance program standards in Medicare Managed Care Manual (Chapter 21), Prescription Drug Benefit Manual (Chapter 9), and 2015/2016 Part C and Part D Compliance Program Effectiveness Program Area – Audit Process and Data Request. The review included the seven elements of a compliance program in accordance with CMS 2015 audit protocols and guidelines.

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

***Action: On motion of Director Refowitz, seconded and carried, the Committee received and filed the Quarterly Internal Audit Report as presented. (Motion carried 3-0-0)***

4. Consider Recommending that the Board of Directors Authorize Staff to Negotiate a Lease Agreement for Office Space, Expend Funds on Tenant Improvements and Evaluate and Pursue Other Space Planning Options

Mr. Uma presented the action to recommend that the Board of Directors authorize the Chief Executive Officer, with the assistance of Legal Counsel, to negotiate and execute a lease of up to 66 months for up to 20,000 square feet of office space at a price per square foot not to exceed \$2.55 per month with City Plaza located at 1 City Boulevard West, Orange, California, and authorize a supplemental budget of up to \$2.8 million for expenditures for tenant improvements to the leased space.

After discussion of the matter, Director Agarwal suggested that staff look at options to extend the least past 66 months, including two five-year options.

***Action: On motion of Director Agarwal, seconded and carried, the Committee recommended that the Board of Directors authorize the Chief Executive Officer, with the assistance of legal counsel, to negotiate and execute a lease of up to 66 months for up to 20,000 square feet of office space at a price per square foot not to exceed \$2.55 per month with City Plaza located at 1 City Boulevard West, Orange, California; and authorize a supplemental budget of up to \$2.8 million for expenditures for tenant improvements to the leased space. (Motion carried 3-0-0)***

5. Recommend Extending the Authorization of Expenditures of Fiscal Year 2010-11 Intergovernmental Transfer Funds for OneCare Personal Care Coordinators (PCC) through December 31, 2016; Recommend Authorizing the Reallocation of OneCare Connect PCC Funding to Cover the Cost of the OneCare PCC Program through Calendar Year 2016

**Action:** *On motion of Director Refowitz, seconded and carried, the Committee recommended that the Board of Directors: extend the authorization of expenditures of Fiscal Year 2010-11 Intergovernmental Transfer (IGT) funds (IGT 1) for OneCare PCC from April 1, 2016 through December 31, 2016; and authorize the reallocation of \$50,000 in OneCare Connect PCC funds from IGT1 to OneCare PCC in order to compensate delegated OneCare health networks for the period of April 1, 2016 through December 31, 2016. (Motion carried 3-0-0)*

6. Recommend Board of Directors' Approval of Proposed Budget Allocation Changes in the CalOptima Fiscal Year 2015-2016 Operating Budget for Medecision (CalOptima Link Provider Portal) Annual Licensing Fees

**Action:** *On motion of Director Refowitz, seconded and carried, the Committee recommended Board of Directors' approval of the reallocation of budgeted but unused funds of \$500,000 from Maintenance for New Capital Acquisitions, Software Development Tool Maintenance, and Finance Corporate Application Professional Services to Information Services to fund the CalOptima Link/Medecision annual licensing fees through June 30, 2016. (Motion carried 3-0-0)*

7. Recommend Adoption of Resolution Approving Updated CalOptima Policy GA.8058, Salary Schedule

Ron Santos, Human Resources Executive Director, presented the action to recommend adoption of a Resolution approving updated Human Resources Policy GA.8058, Salary Schedule.

**Action:** *On motion of Director Refowitz, seconded and carried, the Committee recommended Board adoption of Resolution No. 16-0303, Approve Human Resources Policy GA.8058, Salary Schedule, as presented. (Motion carried 3-0-0)*

**INFORMATION ITEMS**

8. December 2015 Financial Statements

Mr. Uma presented an overview of the financials for the month ending December 31, 2015. It was reported that overall enrollment reached 796,331 members, and the change in net assets was reported at \$(1,615,003).

9. CalOptima Computer Systems Security Update

Len Rosignoli, Chief Information Officer, presented an Information Systems Security Update for the fourth quarter of FY 2015, including the top external attempts that were prevented from accessing CalOptima's network. It was noted that none of the attempts were successful.

The following Information Items were accepted as presented:

10. Cost Containment Improvements/Initiatives
11. Catastrophic Claims Update
12. Quarterly Reports: Shared Risk Pool Performance; Health Network Financial Report; Reinsurance Report; and Purchasing Report

**ADJOURNMENT**

Hearing no further business, Chair Penrose adjourned the meeting at 4:02 p.m.

/s/ Suzanne Turf  
Suzanne Turf  
Clerk of the Board

*Approved: May 19, 2016*

# **MINUTES**

## **REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS MEMBER ADVISORY COMMITTEE**

November 12, 2015

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

### **CALL TO ORDER**

Chair Mallory Vega called the meeting to order at 2:35 p.m. and led the Pledge of Allegiance.

### **ESTABLISH QUORUM**

Members Present: Mallory Vega, Chair; Suzanne Butler, Sandy Finestone, Connie Gonzalez, Donna Grubaugh, Gene Howard, Stephanie Martinez, Gregory Mathes, Sally Molnar, Sister Mary Therese Sweeney, Lisa Workman

Members Absent: Victoria Hersey, Patty Mouton, Christina Sepulveda, Velma Shivers

Others Present: Michael Schrader, Chief Executive Officer; Javier Sanchez, Chief Network Officer; Ladan Khamseh, Interim Chief Operating Officer; Candice Gomez, Executive Director, Program Implementation; Phil Tsunoda, Executive Director, Government Affairs; Richard Bock, Deputy Chief Medical Officer; Caryn Ireland, Executive Director, Quality Analytics; Belinda Abeyta, Director, Customer Service; Becki Melli, Customer Service

### **MINUTES**

#### **Approve the Minutes of the September 10, 2015 Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC)**

*Action: On motion of Sally Molnar, seconded and carried, the MAC approved the minutes as submitted.*

### **PUBLIC COMMENT**

Roxanne Hatchett - Oral re: access to medical care.

### **REPORTS**

#### **Consider Recommendations from MAC Autism Outreach Ad Hoc**

Member Gregory Mathes reported on the Autism Outreach Ad Hoc that met on October 7, 2015. Facilitated by Dr. Sharps, Medical Director, and comprised of MAC members Suzanne Butler, Victoria Hersey, Gregory Mathes, and Christina Sepulveda, the ad hoc discussed strategies for reaching out to the autism population. The ad hoc subcommittee recommended the following: 1) compile a comprehensive list of advocacy agencies and resources for autism services for reference by MAC members and staff for use or distribution; 2) place articles in CalOptima newsletters explaining how to access behavioral health treatment services at CalOptima; and 3) invite

presenters, including advocates, medical professionals and/or parents, to MAC meetings to increase awareness and understanding of this population. The ad hoc members determined that the current MAC members represent the needs of members with Autism Spectrum Disorder (ASD).

**Action:**        *On motion of Sally Molnar, seconded and carried, the MAC approved the recommendations from the Autism Outreach Ad Hoc as submitted.*

## **CEO AND MANAGEMENT TEAM DISCUSSION**

### **Chief Executive Officer Report**

Michael Schrader, Chief Executive Officer, reported that the Coordinated Care Initiative (CCI)/Cal MediConnect program is at risk of being phased out by January 2017 if the program does not achieve expected savings benchmarks. The primary factor determining the future of CCI is the elimination of the Managed Care Organization (MCO) tax that would result in a \$1.1 billion deficit in the Medi-Cal program. Mr. Schrader noted that this would be devastating to the numerous CalOptima members that are currently in OneCare Connect (OCC), which is CalOptima's Cal MediConnect plan. Mr. Schrader stated that CalOptima is soliciting letters of support for OneCare Connect from local organizations to send to state officials, demonstrating the strong support that OCC has from the community.

Mr. Schrader announced that the Department of Health Care Services (DHCS) and the Centers for Medicare & Medicaid Services (CMS) reached a conceptual agreement on the new five-year 1115 Waiver. The state's original proposal was for \$17 billion, but CMS agreed to \$6 billion, removing several initiatives making the waiver significantly less impactful to CalOptima. Mr. Schrader noted that the one element that could involve CalOptima would be the "Whole-Person Care" program. This program coordinates 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 remainder of 2015 and the new five-year waiver will be effective on January 1, 2016.

Mr. Schrader reported that CalOptima continues to explore expansion of the Program of All-Inclusive Care for the Elderly (PACE) program through an Alternative Care Setting (ACS) model. The ACS model would utilize the Garden Grove PACE center and two satellite sites in North and South Orange County. The satellite sites will be located in Community-Based Adult Service (CBAS) centers and would be chosen through a request for proposal (RFP). Mr. Schrader noted that program participants would be assigned to the Garden Grove center, but would receive services at the satellite centers on most days. He added the ACS model permits the growth of the PACE program without a large capital investment. Mr. Schrader noted that the Board would consider PACE expansion at its February 2016 meeting.

Phil Tsunoda, Executive Director, Public Affairs, presented the draft of CalOptima's FY16-FY19 Strategic Plan. He noted that the mission and vision statements remain unchanged. The draft of the strategic framework includes the following: 1) pursue innovative programs and services to optimize member access to care; 2) maximize the value of care for members by ensuring quality in a cost effective way; and 3) engage providers and community partners in improving the health status and

experience of our members. Mr. Tsunoda stated that CalOptima would like input from MAC and the Provider Advisory Committee (PAC) to guide CalOptima in developing meaningful outcomes and objectives before the Board review in February 2016. The MAC recommended convening a joint MAC/PAC ad hoc subcommittee before the January 21, 2016 MAC/PAC Joint Special Meeting to allow both MAC/PAC to provide input and recommendations to CalOptima. Chair Vega asked if any committee members would be interested in serving on the ad hoc subcommittee. Sally Molnar and Sister Mary Therese Sweeney volunteered to serve on the ad hoc.

*Chair Vega reordered the agenda to hear Agenda Item VII.A, MAC Member Update .*

#### **MAC Member Update**

Jacqui Knudsen, Family Support and Community Outreach Coordinator, Regional Center of Orange County (RCOC), presented an overview of RCOC. Ms. Knudsen explained that RCOC is an agency that coordinates individualized services for people with developmental disabilities. RCOC, created under the Lanterman Act, is one of 21 regional centers in the State of California. It establishes a single point of entry to services for people with developmental disabilities. Regional centers are private, non-profit community agencies that contract with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

#### **Chief Medical Officer Update**

Dr. Bock, Deputy Chief Medical Officer, announced that CalOptima is the recipient of the Health Plan Employer Data & Information Set (HEDIS) Best Performance award for a large-scale plan. Dr. Bock also reported that the transition of the pharmacy benefit manager (PBM) from PerformRX to MedImpact Healthcare Systems, Inc. is on track and scheduled to go live January 1, 2016. This transition will be seamless for members.

#### **Chief Network Officer Update**

Javier Sanchez, Chief Network Officer, reported that all the networks currently in OneCare met OCC readiness assessment. All OneCare members should continue to have the same physician as they had prior to the transition into OneCare Connect. Mr. Sanchez noted that after this transition, CalOptima's opt-out rate would be comparable to the state's average. Mr. Sanchez reported that CalOptima has been focusing on Long-Term Care (LTC) facilities and those physicians who round LTC facilities in order to improve retention for the passive enrollment into OCC.

#### **Chief Operating Officer Update**

Ladan Khamseh, Interim Chief Operating Officer, reported that Medi-Cal enrollment is approximately 770,000 members with an average of about 2,000 new members a month. Ms. Khamseh reported that the opt-out rate for OneCare members transitioning to OneCare Connect is currently at 2.6% and should remain low. Ms. Khamseh 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 who may be eligible to receive Medicare Part A by applying for the Qualified Medicare Beneficiary (QMB) program. If qualified for QMB, members can receive Medicare Part A. Ms. Khamseh reported that CalOptima is preparing for an audit with



the Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC) in February 2016.

## **INFORMATION ITEMS**

### **Federal and State Legislative and Budget Updates**

Phil Tsunoda, Executive Director Public Affairs, provided a federal budget update summary noting that new legislation to fund the federal government for the next 23 months, through September 30, 2017, took effect immediately upon the President's signature. The two significant elements of the budget that will affect CalOptima include Medicare provider payments and Medicare Part B premiums. Mr. Tsunoda explained that some of the automatic spending cuts to specific federal programs will remain in effect throughout FY 2016 and 2017, specifically the 2% reduction to Medicare provider payments. He also explained that Medicare beneficiaries would no longer face a dramatic increase in the amount of their monthly Part B premiums for 2016, which is particularly important for state Medicaid programs that cover the cost of these monthly premiums for dual-eligible beneficiaries.

### **Multipurpose Senior Services Program (MSSP)**

Jim Pijloo, Manager, Multipurpose Senior Services Program (MSSP), presented an overview of the MSSP program. MSSP provides social and health care management for frail elderly clients who are certified for placement in a nursing facility, which avoids premature placement of older adults in nursing facilities and allows them to remain in their homes. The program services include intensive care management, supplemental chore and personal care services, environmental accessibility adaptations, housing assistance/minor home repair, and home delivered meal services.

### **Member Trend Report**

Janine Kodama, Director, Grievance and Appeals, provided an overview of the complaints and grievances for 2014. Ms. Kodama reported that the average number of grievances received for quarters one through three was 397 compared to 805 grievances in quarter four. She explained that the increase in grievances in the fourth quarter was due to the significant growth in membership.

### **Member and Provider Satisfaction Survey**

Marsha Choo, Manager, Quality Improvement, presented the member satisfaction survey results from the Consumer Assessment of Healthcare Providers and Systems (CAHPS) for measurement year 2014. Ms. Choo reviewed CAHPS results for the Medi-Cal Child, Medi-Cal Adult Plan level surveys and the Medi-Cal adults with disabilities survey, including the overall rating and composite results, the rates compared to the National Committee for Quality Assurance (NCQA) benchmark and opportunities for improvement. Dr. Bock added that there is only one plan in California that scores higher in member satisfaction than CalOptima. It is CalOptima's goal to be number one not only in California, but also in the nation.

### **OCC Risk Stratification and Health Risk Assessment (HRA)**

Tracy Hitzeman, RN, CCM, Director, Case Management, presented the OneCare Connect (OCC) risk stratification and HRA. Ms. Hitzeman reported that the health risk stratification is performed on all OCC members upon enrollment. Based upon historical claims data, the stratification identifies

members with more complex health needs, which drives outreach efforts. OCC members identified as high-risk would have an HRA conducted within 45 days of enrollment while a member identified as low risk would have an HRA conducted within 90 days of enrollment. Members can complete the HRA in-person, by mail or over the telephone.

### **OneCare Connect Update**

Candice Gomez, Executive Director Program Implementation, updated the committee on the OneCare transition to OneCare Connect. Ms. Gomez reported that approximately 11,000 OneCare members would be transitioning to the OCC program effective January 1, 2016. Customer Service is following up with OneCare members that are opting out to ensure they understand they are opting out and that they will not be eligible to remain in OneCare after January 1, 2016.

### **COMMITTEE MEMBER UPDATES**

Chair Vega reported that a suggestion was made to reorder the agenda under Information Items to ensure MAC members have sufficient time to provide input without rushing at the end of the agenda. Chair Vega concurred.

Chair Vega announced the cancellation of the January 14, 2016 MAC meeting and rescheduled the meeting on Thursday, January 21, 2016 from 8:00 a.m. to 10:00 a.m. as a Special Joint MAC/PAC meeting to discuss mental and behavioral health issues.

The Goals and Objectives ad hoc will meet to review MAC's activities to date. Ad hoc members include Members Sally Molnar, Sandy Finestone and Patty Mouton.

In response to Member Suzanne Butler's question about whether CalOptima still does fair hearings and grievances internally, Ms. Khamseh replied that CalOptima participates in State Fair Hearings; however, these hearings are not an internal process.

Chair Vega asked for volunteers to provide an agency or community-based organization (CBO) presentation at the next MAC meeting. Member Connie Gonzalez agreed to present on Medi-Cal redetermination at the January 2016 meeting.

Chair Vega introduced Caryn Ireland, Executive Director, Quality Analytics.

### **ADJOURNMENT**

Hearing no further business, Chair Vega adjourned the meeting at 5:00 p.m.

/s/ Cindi Reichert

Cindi Reichert  
Program Assistant

*Approved: May 12, 2016*

# **MINUTES**

## **SPECIAL MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE AND PROVIDER ADVISORY COMMITTEE**

**January 21, 2016**

A Special Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC) and Provider Advisory Committee (PAC) was held on Thursday, January 21, 2016, 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 8:08 a.m., and Member Ross led the Pledge of Allegiance.

Chair Jensen welcomed Dr. George Orras as the new Provider Advisory Committee Behavioral/Mental Health Representative.

### **ESTABLISH QUORUM**

#### **Member Advisory Committee**

Members Present: Suzanne Butler; Connie Gonzalez; Donna Grubaugh; Gene Howard; Gregory Mathes; Sally Molnar; Patty Mouton; Christina Sepulveda; Velma Shivers; Sr. Mary Therese Sweeney; Mallory Vega; Lisa Workman

Members Absent: Sandy Finestone; Victoria Hersey; Stephanie Martinez

#### **Provider Advisory Committee**

Members Present: Theodore Caliendo, M.D.; Alan Edwards, M.D.; Camille Fitzpatrick, MSN, ANP-BC, GNP-BC; Stephen N. Flood; Jena Jensen; George Orras, PhD; Pamela Kahn, R.N.; Teri Miranti; Mary Pham, Pharm.D, CHC; Pamela Pimentel, R.N.; Barry Ross, R.N., MPH, MBA; Jacob Sweidan, M.D., FAAP

Members Absent: Cheryl Petterson; Suzanne Richards, RN, MBA, FACHE; Joseph M. Ruggio, M.D., FACP, FACC, FSCAI

Others Present: Michael Schrader, Chief Executive 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; Terrie Stanley, Executive Director, Clinical Operations; Phil Tsunoda, Executive Director, Public Policy and Public Affairs; Donald Sharps, M.D., Medical Director, Behavioral Health Integration; Becki Melli, Program Specialist; and Maria Wahab, Project Manager

### **PUBLIC COMMENTS**

1. Angela Leong, Attorney, Legal Aid Society of Orange County; Shannon Connelly, Primary Care Director, Melody Women's Health and Manijeh Javaheri, MD – Oral re: mental and behavioral health.
2. Judy Leonard, NP, Southern Orange County Pediatric Associates and Laguna Beach Community Clinic; Brenda Flores, NP, Alta Med; Karen Deck, NP, Laguna Beach Community Clinic; Alexa Merchant, NP, Alta Med; and Theresa Ulrich, NP, L'Amistad Clinic – Written re: mental and behavioral health.

### **Chief Executive Officer Report**

Michael Schrader, Chief Executive Officer, noted that the goal of the Special Joint Member and Provider meeting was to understand how the Orange County mental and behavioral health system could be improved. PAC Chair Jena Jenson reiterated that the purpose of this meeting was for the members of the MAC and the PAC to hear public comments from the community on the growing need for coordinated mental health services.

### **Community Forum for Member and Provider Stakeholders on Behavioral/Mental Health**

Donald Sharps, M.D., Medical Director, Behavioral Health Integration, presented a brief overview of the referral process for Medi-Cal and Medicare-Medi-Cal members. Dr. Sharps introduced a panel of behavioral health professionals who served as resources for the discussion, including: Lisa Casey, Windstone Behavioral Health; Alan Albright, Beacon Healthcare; Alan Edwards, M.D., Orange County Health Care Agency; and George Orras, Ph.D., Windstone Behavioral Health. Dr. Sharps noted the two toll free numbers for members and providers to refer members for mental and behavioral health issues: CalOptima Behavioral Health (Beacon) 855-877-3885 and Windstone 800-577-4701.

PAC Member Fitzpatrick presented a summary of written comments from nurse practitioners and physician assistants regarding behavioral health services, including behavioral health therapy and applied behavior analysis.

MAC Chair Mallory Vega introduced Angela Leong, Legal Aid Society of Orange County, who shared member concerns regarding mental and behavioral health related to cultural sensitivity, language barriers and appointment challenges.

There was substantive discussion among the MAC and PAC members about the system and about challenges encountered by members and their primary care providers (PCPs) when they sought mental health services. The following concerns were raised: 1) member 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 a member is referred for behavioral health services; 4) language barriers; and 5) member difficulty navigating the mental/behavioral health system.

Panel members from both Windstone and Beacon described how they were in the process of resolving these issues by instituting new procedures that would address these issues. It was noted that Medicare tends to be more streamlined in its processes than Medi-Cal on these issues, as there are multiple entities involved, such as the PCP, College Health Independent Physician Association (CHIPA)/Beacon, and Orange County Mental Health Plan, among others.

Michael Schrader acknowledged that there were challenges with fragmentation issues and that CalOptima staff will continue to work with both Beacon Healthcare and Windstone Behavioral Health to ensure that services which fall within CalOptima's service levels and accessibility standards are met. Committee members complimented CalOptima on holding the forum and felt it was an effective way to discuss Medi-Cal mental health benefits and services.

### **ADJOURNMENT**

There being no further business before the Committees, the meeting adjourned at 9:57 a.m.

Approved by Provider Advisory Committee on February 11, 2016

/s/ Cheryl Simmons

Interim Staff to the PAC

/s/ Cindi Reichert

Cindi Reichert

Program Assistant

*Approved: May 12, 2016*

# **MINUTES**

## **REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' ONECARE CONNECT CALMEDICONNECT PLAN (MEDICARE-MEDICAID PLAN) MEMBER ADVISORY COMMITTEE**

March 24, 2016

The Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC) was held on March 24, 2016, at CalOptima, 505 City Parkway West, Orange, California.

### **CALL TO ORDER**

Chair Patty Mouton called the meeting to order at 3:10 p.m., and led the Pledge of Allegiance.

### **ESTABLISH QUORUM**

Members Present: Christine Chow, Gio Corzo, Josefina Diaz, Sandy Finestone, Susie Gordee, Sara Lee, Patty Mouton, Lena Berlove (non-voting), Jorge Sole (non-voting), Erin Ulibarri (non-voting)

Members Absent: Ted Chigaros, Donta Harrison, George Crits, M.D. (non-voting)

Others Present: Ladan Khamseh, Interim Chief Operating Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Belinda Abeyta, Director, Customer Service; Becki Melli, Customer Service; Caryn Ireland, Executive Director, Quality Analytics; Phil Tsunoda, Executive Director, Public Policy and Public Affairs; Emily Fonda, M.D., Medical Director; Donald Sharps M.D., Medical Director

### **MINUTES**

#### **Approve the Minutes of the February 25, 2015 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee**

*Action: On motion of member Sandra Finestone, seconded and carried, the OCC MAC approved the minutes as submitted.*

### **PUBLIC COMMENT**

No requests for public comment were received.

### **CEO AND MANAGEMENT TEAM DISCUSSION**

#### **CMO Update**

Richard Bock, M.D., Deputy Chief Medical Officer, announced the Quality Assurance Committee of the Board of Directors reviewed and recommended Board of Directors' approval of the 2016 Pay-for-Value proposal, which will be presented for consideration at the April Board



meeting. There are four measures used for the purposes of health network incentives, including various clinical measures and member experience. In the OneCare Connect program, behavioral health incentives include a follow up visit after a behavior health hospitalization and medication management.

Dr. Bock provided an update on the Department of Health Care Services (DHCS) annual medical audit of CalOptima's Medi-Cal plan conducted in February 2016. Dr. Bock indicated that receipt of the preliminary report is anticipated the first week of April 2016; the final report in May 2016.

Dr. Bock reported the Centers for Medicare & Medicaid Services (CMS) would be on site March 29-30, 2016, for the validation audit of OneCare. Dr. Bock also reported on the CMS Risk Adjustment Data Validation Audit (RADV) where CMS auditors review chart documentation to support risk-adjusted diagnoses, under which CalOptima receives payment for OneCare and OneCare Connect programs. CalOptima has collected 89% of the required records for the validation.

## **INFORMATION ITEMS**

### **Federal and State Budget and Legislative Update**

Phil Tsunoda, Executive Director, Public Affairs, reported the managed care organization (MCO) tax passed and will generate \$1.35 billion for the Medi-Cal program. The changes enacted by this legislation will broaden the MCO tax to cover non-Medi-Cal managed care plans (MCPs), thereby bringing it into compliance with federal regulations. Mr. Tsunoda added the passage of the new MCO tax proposes to continue operation of the Coordinated Care Initiative (CCI) until January 1, 2018, with the contingency that program participation rates improve by January 2017.

Mr. Tsunoda announced the Health Care Agency (HCA) continues to recruit for candidates to apply for CalOptima's Board of Directors by the April 15, 2016 deadline. The Board of Supervisors will vote on the appointments with plans to have the new Board seated by the August 4, 2016 Board meeting. Additional information about the recruitment is available on the county website.

### **Member Enrollment**

Belinda Abeyta, Director, Customer Service, reported as of March 16, 2016, the OneCare Connect member enrollment was 17,508. The top three health networks by enrollment are Monarch, Prospect Medical, and Family Choice. The opt-out rate for March is 59.66%, with 117 members in the deeming status. The long-term care (LTC) passive enrollment for March includes five facilities with 115 members eligible for transitioning.

### **OneCare Connect Update**

Ladan Khamseh, Interim Chief Operating Officer, reported July 2016 is the last month for LTC passive enrollment. CalOptima is providing informational orientations for facility staff and the families of eligible members at LTC facilities with 15 or more members transitioning. For

facilities with less than 15 members transitioning CalOptima is hosting in-services for facility staff and family night orientations at CalOptima. For months June and July, the number of members in LTC facilities eligible for passive enrollment is over 300 members.

CalOptima has been working closely with the Orange County Social Services Agency (SSA), In Home Supportive Services (IHSS) Public Authority, and the United Domestic Workers (UDW) to develop a presentation on IHSS that contains information about OneCare Connect. SSA and the Public Authority have agreed to post links to the presentation on their website.

### **Homeless CalOptima Membership Profile**

Mary Botts, Manager, Enterprise Analytics, reported on CalOptima's homeless membership profile, including a comprehensive look at CalOptima's homeless population by condition, utilization and relevant member demographics. As of March 1, 2016, CalOptima's homeless member enrollment was 10,136 with 87 of those identified as OneCare Connect members. Ms. Botts explained that members are identified as "homeless" if one of the following applies: 1) return mail due to bad address; 2) hotel or motel address; 3) living on the street or in a car; 4) CalOptima's address; and 5) incarceration. Ms. Botts reported that the majority of the homeless are male within the age range 19-40. In addition, CalOptima's overall homeless population doubled and the male population more than tripled in the 19-64 age range with Medi-Cal expansion. Ms. Botts also presented a summary of the most prevalent homeless health conditions, including nondependent abuse of drugs, hypertension, asthma and diabetes.

Sloane Petrillo, Manager, Case Management, presented an overview on homelessness, including CalOptima's interventions to assist this population. Ms. Petrillo reported that homelessness is costly to residents of Orange County due to increased utilization of medical services, lengthy hospitalizations, medical readmissions, chronic mental illness and institutionalization. CalOptima is committed to helping the homeless and has developed several strategies to manage this population, including the following: 1) using the Health Risk Assessment (HRA) to identify homeless members allowing for improved opportunities to target interventions for outreach and prevention; 2) developing Interdisciplinary Care Teams (ICTs) and Individualized Care Plans (ICPs) for increased clinical coordination and behavioral health intervention; 3) identifying members for case management and evaluating for community resources, including housing; 4) coordinating appropriate discharge planning from acute care hospitals and nursing facilities; and 5) increasing awareness of homelessness by organizing an Annual Community Resource Fair for case managers and health networks to offer opportunities for linkages to appropriate services. Ms. Petrillo also reported that CalOptima is collaborating with the Illumination Foundation and using Intergovernmental Transfer (IGT) funds for post-acute inpatient recuperative care.

### **OCC MAC Member Presentation on SeniorServ**

OCC Member Gio Corzo, Vice President of Home & Care Services, SeniorServ, presented an overview on SeniorServ, including its mission, programs and services. Member Corzo reported that SeniorServ serves 1.5 million meals annually throughout 25 cities in central and north Orange County. SeniorServ's core programs include Meals on Wheels, Supportive Services, Congregate Senior Lunch Program, Adult Day Care services, and Care Transition Services. In addition, SeniorServ employs 120 people and utilizes 650 volunteers to provide services to older

adults. In 2015, Meals on Wheels served over 900 frail older adults daily, including three meals a day, five days a week.

### **Committee Member Updates**

Chair Mouton reminded OCC MAC members that there are five seats on the committee that expire on June 30, 2016, including those representing seniors, the community-based adult services provider, the LTC facility provider, the member advocate and the OneCare Connect member/family member seat. The deadline to apply is April 1, 2016.

Chair Mouton announced that the Nomination Ad Hoc Subcommittee includes Members Sandy Finestone, Erin Ulibarri and Lena Berlove. The Goals and Objectives Ad Hoc Subcommittee includes Members Sandy Finestone, Josefina Diaz and Chair Mouton.

Chair Mouton asked the OCC MAC members to suggest agenda items for upcoming meetings. Chair Mouton suggested a presentation on the Illumination Foundation, including the recuperative care program and the chronic care plus program. Additional suggestions included a presentation on mental health and substance abuse among OneCare Connect members, palliative care and an update on the transportation services for OneCare Connect members.

Member Jorge Sole provided an update on the implementation of the requirements for the Fair Labor Standards Act (FLSA) as they apply to IHSS providers. Efforts have been concentrated on providing training to IHSS providers of multiple recipients and IHSS providers of single recipients. To date, only seven percent of the approximately 7,000 IHSS providers have turned in the provider enrollment agreement, which is due by April 15, 2016. Member Sole asked committee members to remind IHSS providers with whom they have contact to turn in their enrollment agreement forms.

The next OneCare Connect MAC meeting is April 28, 2016 at 3:00 p.m.

### **ADJOURNMENT**

Hearing no further business, Chair Mouton adjourned the meeting at 4:32 p.m.

/s/ Cindi Reichert  
Cindi Reichert  
Program Assistant

*Approved: April 28, 2016*

# MINUTES

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

**April 14, 2016**

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, April 14, 2016 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 8:05 a.m., and Member Pimentel led the Pledge of Allegiance.

### **ESTABLISH QUORUM**

Members Present: Theodore Caliendo, M.D.; Alan Edwards, M.D.; Stephen N. Flood; Jena Jensen; Pamela Kahn, R.N.; Teri Miranti; Mary Pham, Pharm.D, CHC; Pamela Pimentel, R.N.; Cheryl Petterson; Barry Ross, R.N., MPH, MBA; Jacob Sweidan, M.D.

Members Absent: Camille Fitzpatrick, MSN, ANP-BC, GNP-BC; George Orras, Ph.D.; FAAP Suzanne Richards, RN, MBA, FACHE; Joseph M. Ruggio, M.D., FACP, FACC, FSCAI

Others Present: Michael Schrader, Chief Executive Officer; Chet Uma, Chief Financial Officer; Gary Crockett, Chief Counsel, Richard Bock, M.D., Deputy Chief Medical Officer; Javier Sanchez, Chief Network Officer; Ladan Khamseh, Chief Operating Officer; Cheryl Meronk, Director, Strategic Development; Arif Shaikh, Director, Government Affairs; Cheryl Simmons, Staff to the PAC

### **MINUTES**

#### **Approve the Minutes of the March 10, 2016 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee**

***Action: On motion of Member Edwards seconded and carried, the Committee approved the minutes of the March 10, 2016 meeting with the following corrections: on page 3, line 1 and on page 4, paragraph 4, line 2 replace the word Critical with the word Coordinated so that each one reads Coordinated Care Initiative. (Motion carried 11-0; Members Fitzpatrick, Orras, Richards and Ruggio absent)***

### **PUBLIC COMMENTS**

No requests for public comments were received.

## **REPORTS**

### **Consider Recommending Board of Directors' Addition of Vice Chair Positions to Advisory Committees**

Upon the request of the PAC, Staff presented information on the process to add a Vice Chair position to the PAC.

***Action: On motion of Member Pimentel seconded and carried, the Committee approved the recommendation for the Board to consider the addition of a PAC Vice-Chair. (Motion carried 11-0; Members Fitzpatrick, Orras, Richards and Ruggio absent)***

The Committee also discussed convening a PAC Nominations Ad Hoc should the Board approve the recommendation for a PAC Vice Chair.

***Action: On motion of Member Ross and seconded the committee approved the recommendation to open up nominations among PAC members upon Board approval of a PAC Vice Chair. (Motion carried 11-0; Members Fitzpatrick, Orras, Richards and Ruggio absent)***

### **Consider Recommending Board of Directors' Change to the Health Network Minimum Medi-Cal Enrollment Requirements**

Upon the request of Member Miranti who represents the health networks, Javier Sanchez, Chief Network Officer, provided an update on the Health Network Minimum and Maximum Enrollment Policy. After a robust discussion, PAC members requested that this item be brought back to a future PAC meeting with more information along with benchmarking standards for a possible recommendation that the Board approve a change the minimum Medi-Cal enrollment requirements.

## **CEO AND MANAGEMENT REPORTS**

### **Chief Executive Officer (CEO) Report**

Michael Schrader announced the appointment of Ladan Khamseh as CalOptima's new Chief Operating Officer effective April 1, 2016. Mr. Schrader also discussed the Medi-Cal expansion rates, and noted that he and other executives had met with the Department of Health Care Services (DHCS) rate team, and that the DHCS rate team shared that the expansion rates would decrease significantly, but not all the way down to the Medi-Cal Classic rate, or more specifically the adult Temporary Assistance for Needy Families (TANF) rate. The DHCS rate team would not quantify what it meant by a significant decrease. He also noted that the DHCS rate team had said that a glide path would not be possible and that a rate decrease would become effective all at once on July 1, 2016. Mr. Schrader reiterated that in March 2016, Javier Sanchez' team launched a communications plan to providers and letters were sent to all contracted specialists, health networks and hospitals. Mr. Sanchez' team also addressed this issue at health network forums, hospital meetings, and to the Member Advisory Committee (MAC) and PAC meetings. Providers have been cautioned to prepare for the worst related to their budgeting efforts and that providers should estimate that their expansion rates will be

reduced from what they are today to the rates that CalOptima pays them for the adult TANF population. Mr. Schrader again reiterated that it could be more than 40% given that last year the CalOptima Board did not pass along the full decrease to providers as the rates had decreased over 45%, but CalOptima opted to pass along a 20% reduction to the providers instead of the full 45%. Mr. Sanchez reiterated that a follow-up letter would be sent to providers, specialists, health networks and hospitals identifying what the decrease means to that provider type.

A robust discussion centered on specialist rates. Mr. Schrader reiterated that specialists would still receive 133% of the State Medi-Cal rate and that the health networks were funded so that they too could pass on the same rate in aggregate. He noted that he hoped that the health networks were doing a good job in communicating this rate change. Member Miranti asked for clarification on the budget neutral process. Mr. Schrader clarified that budget neutral did not represent new money.

Mr. Schrader also reminded the members that the Legacy Awards will be held on April 21, 2016 at the Bowers Museum at 6 PM.

#### **Chief Financial Officer Update**

Chet Uma, Chief Financial Officer provided a brief update on the February 2016 Financials that were presented to the Board. Enrollment is at 782,411 for the month of February. Mr. Uma noted that the enrollment budget for Medi-Cal was not met in the TANF category, however, MCE enrollment was higher than budget. The OneCare Connect product line actual enrollment was also lower than budget. On a year-to-date basis, these budget variances were similar by product lines. Mr. Uma advised that in the FY2017 budget, CalOptima will be projecting a relatively flat enrollment, as that is what is trending.

Member Ross asked if the budget takes into account the additional children being transitioned to CalOptima from the Orange County Healthcare Agency (OCHCA) under the California Children's Services (CCS) on July 1, 2016. Mr. Uma responded that approximately 15,000 children are expected to be transitioned and will be taken in to account for budgeting purposes. Member Miranti questioned whether the 15,000 children were CalOptima's estimate or the County's estimate. Mr. Uma responded that this number has been developed based on discussions with the OCHCA.

Mr. Uma noted that administrative expenses were running at 32% of the budgeted level; the favorable variance is attributable to lower enrollment compared to budget. Mr. Uma provided a breakout of the Medi-Cal Classic versus Expansion Medical Loss Ratios (MLR) as requested by Member Miranti at the March meeting. As of February 2016, the Classic MLR is running at 96.9%, while the Expansion is running at 95%, for a combined Medi-Cal MLR of 96.1%. Total assets equaled \$2,173,997,976 with total liabilities at \$1,525,426,242. Net assets were at \$642,991,182. Mr. Uma also reviewed enrollment by product line.

#### **Chief Medical Officer Update**

Deputy Chief Medical Officer Dr. Richard Bock raised concerns on the current levels of prescription opioid abuse and deaths experienced throughout the country, and noted that this issue has become a Center for Disease Control and Prevention (CDC) priority. Several PAC



members agreed to assist Dr. Bock in providing information to their constituents after hearing that Orange County was one of the top counties in California impacted by this epidemic.

#### **Chief Network Officer Update**

Javier Sanchez, Chief Network Officer, discussed the DHCS audit and the findings regarding the accuracy of the Provider Directories. The DHCS auditors pulled a sample of 15 providers and looked at 15 records of these samples, four were found to have issues. CalOptima's Network Management and Provider Relations staff will be reaching out to providers with directory validations. Mr. Sanchez asked the PAC members to communicate with their constituencies, particularly physicians, regarding this endeavor to update the Provider Directories. Member Miranti asked that when the next data validation audit is scheduled that Staff share this with the PAC as PAC Members could help with communicating this to their constituents.

#### **Chief Operating Officer Update**

Ladan Khamseh, Chief Operating Officer, updated the committee on the Medicare Part B only outreach. Over 2,000 members were sent letters notifying them of their eligibility for Medicare Part A. Approximately 1,000 responses (or 48%) were received back by the March 31, 2016 deadline. All forms have been submitted to the Social Services Agency for determinations. Currently, these members are all in CalOptima Direct, but once they get their Medicare Part A and have both Part A and Part B, they will qualify for the OneCare Connect program and this could lead to potentially more members for our networks.

Ms. Khamseh updated the group on the SB75, Full Scope Medi-Cal Coverage for Individuals Under Age 19 Regardless of Immigration Status. The Department of Health Care Services (DHCS) has indicated that the letters were to go out on April 15, 2016 to those members who have limited scope Medi-Cal to let them know they will have full scope starting May 1, 2016. They will begin in the states Fee-For-Service (FFS) program during the month of May, and then will be assigned to CalOptima starting in the month of June. It is estimated that 9,800 members will transition to CalOptima. There is no specific requirement for coordination of care or any type of reporting for this membership from the State. These new members will receive CalOptima enrollment package and have an opportunity to choose a Health Network and a physician from one of the networks and those that do not choose will be auto-assigned.

Ms. Khamseh also provided an update on the California Children's Service (CCS) Program. CCS will begin transitioning children to the County Organized Health Systems (COHS) and it is anticipated that this transition will occur no sooner than July 1, 2017. Jennifer Kent, Director of DHCS attended a Stakeholder meeting on March 25, 2016 at CalOptima and provided information about the CCS program to the managed care stakeholders. CalOptima is meeting regularly with the Orange County Health Care Agency (OCHCA) to discuss the transition process. Another stakeholder meeting may be planned for June and hopefully more information in terms of the transition will be available.

## **INFORMATION ITEMS**

### **Federal and State Budget Update**

Arif Shaikh, Director, Public Policy and Government Affairs, noted that in addition to the Federal and State handout, there were two additional items in the packets, one regarding the Orange County Supervisors recruitment of two vacancies on the In-Home Supportive Services Advisory Committee, and the updated summary of the Medi-Cal 2020 1115 Waiver Renewal document. Mr. Shaikh highlighted the fact that the Governor's assumed passage of a new managed care organization (MCO) tax, which, now that it has passed and been signed into law, will generate \$1.35 billion for the Medi-Cal program. The Governor's proposal tied the continuation of the Coordinated Care Initiative (CCI) (which includes OneCare Connect) to the passage of a new MCO tax.

Mr. Shaikh noted that CalOptima has taken a support position on Senate Bill 1273 – Crisis Stabilization Funding for Counties proposed by Senator Moorlach. This legislation which would clarify that counties may use Mental Health Services Act (MHSA) funds to provide crisis stabilization services, specifically in circumstances in which law enforcement officials have in custody individuals exhibiting behavior that warrants a mental health evaluation, otherwise known as a "5150 hold." He noted that more information was available in the handout available in their packets. Chair Jensen extended her gratitude to CalOptima in requesting the Board's support of this piece of legislation.

Chair Jensen requested that Mr. Shaikh provide an update at the June PAC meeting on the Whole Person Care pilot proposal and what type of proposal CalOptima and the County of Orange might be implementing.

### **Intergovernmental Transfers Update (IGT)**

Cheryl Meronk, Director, Strategic Development presented an overview of the IGT process and discussed the IGT 5 funding entities. On April 7, 2016, the Board approved CalOptima's request on the proposed use of funds for adult mental health, children's mental health, childhood obesity, strengthening the safety net, improving children's health and pilot program planning and implementation. Ms. Meronk noted that Staff would be meeting with the Board ad hoc committee, which will be providing recommendations as to investment percentages in each of the categories and amounts for both IGT 4 and 5 for approval at a future Board meeting. Member Ross requested that when developing opportunities for funding that staff looks at the plan that was developed by the Orange County Improvement Partnership. Ms. Meronk noted that when the Member Advisory Committee (MAC) and PAC workgroup was convened, that the committee did take into consideration the County's health improvement plan. Since the Health Care Agency is one of the funders, they have requested that with any funding investments that CalOptima align with the County's interest in community health. Member Miranti requested that Ms. Meronk return and provide an update at the May PAC meeting on dollars spent to date using IGT 1-3 funds and how many dollars are left.

### **PAC Member Updates**

PAC Nominations closed on April 1, 2016. Fifteen (15) PAC applications were received for six of the current 15 seats with three PAC members applying for the open Chair position. The Nominations Ad Hoc committee consisting of Member Dr. Edwards, Member Kahn and Member Ross will be meeting on April 28, 2016 to review and recommended a slate of candidates for the open seats. The ad hoc recommended candidates will be reviewed at the May 12, 2016 PAC meeting.

Member Miranti requested the Chronic Illness and Disability Payment System (CDPS) be reviewed as the ICD-9 codes (as opposed to ICD-10 codes) were still being used and asked if CalOptima could work with the Networks so that they would not be adversely affected in their next capitation review. Mr. Sanchez noted that this issue had been identified and it will be discussed at the next Health Network Forum.

### **ADJOURNMENT**

There being no further business before the Committee, the Chair adjourned the meeting at 10:00 a.m.

/s/ Cheryl Simmons  
Cheryl Simmons  
Staff to the PAC

*Approved: May 12, 2016*

## **CONTINUED TO 8/4/16 BOARD OF DIRECTORS MEETING**

### **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

#### **Action To Be Taken June 2, 2016**

#### **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

3. Authorize Contract Amendments and Revisions of the Current Specialist Medi-Cal Expansion (MCE) Member Rates, with the Exception of Contracts with Ophthalmologists, and Revise Contract Terms to Align with Fiscal Year

#### **Contact**

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

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

#### **Recommended Actions**

With the exception of contracts with ophthalmologists:

1. Authorize the Chief Executive Officer (CEO) to revise the CalOptima Specialist Medi-Cal Expansion (MCE) member rates that expire June 30, 2016, and amend Specialist contracts to reflect the new rates authorized by the Board; and
2. Authorize the CEO to revise the contract term for all new and existing Community Network Specialist Physicians, to align with the fiscal year. .

#### **Background and Discussion**

In support of MCE, the Board on November 7, 2013, approved the distribution of enhanced federal funding received from the California Department of Health Care Services (DHCS), to the contracted Specialists. CalOptima, in order to maintain the higher funding level for Expansion Members, had to demonstrate a Medical Loss Ratio (MLR) of eighty-five percent (85%) or higher. CalOptima's MLR did not support the continued level of funding established in 2014, and DHCS gradually reduced the level of MCE monies to CalOptima. The Board subsequently approved a reduction in Specialist rates in a Board action on September 3, 2015.

Currently for MCE members, contracted Specialists are reimbursed a thirty-eight percent (38%) upward adjustment of the Medi-Cal physician contracted FFS. As a result of draft MCE rates provided by DHCS, staff is requesting authority to amend specialist contracted rates with the exception of Specialist ophthalmology contracts, for MCE members to reflect the rates approved by the Board at the May 5, 2016 meeting, equaling 156% of the CalOptima Medi-Cal fee schedule. The change was reflected in the proposed Fiscal Year (FY) 2016-17 Operating Budget presented and approved by the Finance and Audit Committee on May 19, 2016, and presented to the Board on June 2, 2016 in a separate agenda item.

The current contracts with Specialists specify that contracts become effective on the effective date and shall remain in effect for a one-year term, and will be renewed for additional one-year terms upon approval by the CalOptima Board of Directors. This results in having variable timeframes under which providers contracts are effective and variable terms under which amendments may become effective.

Staff also requests authorization to standardize the terms of the Contracts with Specialists, except ophthalmologists, based on CalOptima's fiscal year. The initial term of up to one year for a newly contracted provider will be from the effective date until June 30. Renewals will then be effective based

## CONTINUED TO 8/4/16 BOARD OF DIRECTORS MEETING

CalOptima Board Action Agenda Referral  
Authorize Contract Amendments and Revisions of the Current  
Specialist MCE Member Rates, with the Exception of Contracts with  
Ophthalmologists, and Revise Contract Terms to Align with Fiscal Year  
Page 2

on Board approval, from the period July 1 through June 30. Existing contracts will be amended to include the revised term language when they are amended for other contractual revisions.

### **Fiscal Impact**

The anticipated Medi-Cal revenue for FY 2016-17 is projected to be sufficient to cover the costs of the recommended actions. Management has included expenses associated with the revised contracts in the proposed CalOptima FY 2016-17 Operating Budget.

### **Rationale for Recommendation**

The proposed amendment to the Specialist contracts will support the stability of CalOptima's contracted provider delivery system that continues to grow significantly. Contract language allows CalOptima and the providers to terminate the contracts with or without cause.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

## **CONTINUED TO 8/4/16 BOARD OF DIRECTORS MEETING**

### **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

#### **Action To Be Taken June 2, 2016** **Regular Meeting of the CalOptima Board of Directors**

##### **Consent Calendar**

4. Authorize Contract Amendments and Revisions of the Current Ophthalmologist Specialist Medi-Cal Expansion (MCE) Member Rates, and Revise Contract Terms to Align with Fiscal Year

##### **Contact**

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

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

##### **Recommended Actions**

1. Authorize the Chief Executive Officer (CEO) to revise the CalOptima Ophthalmologist Specialist Medi-Cal Expansion (MCE) member rates, , that expire June 30, 2016, and amend Ophthalmologist Specialist contracts, to reflect the new rates authorized by the Board; and
2. Authorize the CEO to revise the contract term for all new and existing Community Network Ophthalmologist Specialist Physicians, to align with the fiscal year.

##### **Background and Discussion**

In support of MCE, the Board on November 7, 2013, approved the distribution of enhanced federal funding received from the California Department of Health Care Services (DHCS), to the contracted Specialists. CalOptima, in order to maintain the higher funding level for Expansion Members, had to demonstrate a Medical Loss Ratio (MLR) of eighty-five percent (85%) or higher. CalOptima's MLR did not support the continued level of funding established in 2014, and DHCS gradually reduced the level of MCE monies to CalOptima. The Board subsequently approved a reduction in Specialist rates in a Board action on September 3, 2015.

Currently for MCE members, contracted Specialists are reimbursed a thirty-eight percent (38 %) upward adjustment of the CalOptima Medi-Cal physician contracted FFS. As a result of draft MCE rates provided by DHCS, staff is requesting authority to amend ophthalmologist specialist contracted rates for MCE members to reflect the rates approved by the Board at the May 5, 2016 meeting, equaling one hundred fifty-six percent (156%) of the CalOptima Medi-Cal fee schedule. The change was reflected in the proposed Fiscal Year (FY) 2016-17 Operating Budget presented and approved by the Finance and Audit Committee on May 19, 2016, and presented to the Board on June 2, 2016 in a separate agenda item.

The current contracts with Specialists specify that contracts become effective on the effective date and shall remain in effect for a one year term and will be renewed for additional one year terms upon approval by the CalOptima Board of Directors. This results in having variable timeframes under which providers contracts are effective and variable terms under which amendments may become effective.

Staff also requests authorization to standardize the terms of the ophthalmologist Contracts Specialists based on CalOptima's fiscal year. The initial term of up to one year for a newly contracted provider will be from the effective date until June 30. Renewals will then be effective based on Board approval, from



## CONTINUED TO 8/4/16 BOARD OF DIRECTORS MEETING

CalOptima Board Action Agenda Referral  
Authorize Contract Amendments and Revisions of the Current  
Ophthalmologist Specialist MCE Member Rates, and Revise  
Contract Terms to Align with Fiscal Year  
Page 2

the period July 1 through June 30. Existing contracts will be amended to include the revised term language when they are amended for other contractual revisions.

### **Fiscal Impact**

The anticipated Medi-Cal revenue for FY 2016-17 is projected to be sufficient to cover the costs of the recommended actions. Management has included expenses associated with the revised contracts in the proposed CalOptima FY 2016-17 Operating Budget.

### **Rationale for Recommendation**

The proposed amendment to the Specialist contracts will support the stability of CalOptima's contracted provider delivery system that continues to grow significantly. Contract language allows CalOptima and the providers to terminate the contracts with or without cause.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016** **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

5. Consider Appointments to the CalOptima Board of Directors' Member Advisory Committee (MAC); Consider Appointment of MAC Chairperson

#### **Contact**

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

#### **Recommended Actions**

The MAC recommends:

1. Reappointment of the following individuals to serve two-year terms on the Member Advisory Committee, effective July 1, 2016:
  - a. Christina Sepulveda as the Children's Representative for a term ending June 30, 2018;
  - b. Lisa Workman as the Consumer Representative for a term ending June 30, 2018;
  - c. Gene Howard as the Foster Children Representative for a term ending June 30, 2018;
  - d. Velma Shivers as the Long-Term Care (LTC) Representative for a term ending June 30, 2018;
  - e. Sally Molnar as the Medically Indigent Persons Representative for a term ending June 30, 2018; and
  - f. Sr. Mary Therese Sweeney as the Persons with Mental Illness Representative for a term ending June 30, 2018.
2. Appointment of Christine Tolbert as the as the Persons with Special Needs Representative for a term ending June 30, 2018.
3. Reappointment of Mallory Vega, Seniors Representative, as the Chair of the MAC for fiscal year 2016-17. – *Continued to future Board of Directors Meeting*

Rev.  
6/2/16

#### **Background**

The CalOptima Board of Directors established the Member Advisory Committee (MAC) by resolution on February 14, 1995 to provide input to the Board. The MAC is comprised of fifteen voting members. Pursuant to the resolution, MAC members serve two-year terms with the exception of the two standing seats, which are representatives from the Social Services Agency (SSA) and the Health Care Agency (HCA). The CalOptima Board is responsible for the appointment of all MAC members. With the fiscal year ending on June 30, 2016, seven MAC seats will expire: Children, Consumer, Foster Children, Long-Term Care, Medically Indigent Persons, Persons with Mental Illness and Persons with Special Needs.

#### **Discussion**

CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included notification methods, such as placing advertisements in local newspapers in all Threshold languages, sending outreach flyers to community-based organizations (CBOs) and targeting community outreach to agencies and CBOs serving the various open positions. CalOptima staff received the applications from interested candidates and submitted them to the Nominations Ad Hoc Subcommittee for review.

Prior to the Nominations Ad Hoc Subcommittee meeting on April 20, 2016, subcommittee members evaluated each of the applications. The subcommittee, including Members Suzanne Butler, Sandy Finestone and Connie Gonzalez, recommended a candidate for each of the open seats as well as the Chairperson and forwarded the proposed slate of candidates to the MAC for consideration.

At the May 12, 2016 meeting, the MAC voted to accept the recommended slate of candidates and Chairperson as proposed by the Nominations Ad Hoc.

Candidates for open positions are as follows:

*Children's Representative Candidates*

Christine Sepulveda\*

Ms. Sepulveda is the Vice President of Programs and Services for the Boys & Girls Clubs of Garden Grove. She has over ten years of experience working with Orange County children and youth in the areas of literacy, health, early learning and alternatives to detention. In addition, she serves as Chair of the Certified Application Assistants (CAA) Task Force.

Rogheih Hamidzadeh

Mr. Hamidzadeh applied for three seats, including the Children's seat. He is a volunteer within the Orange County community and feels he can be of service to the Iranian community.

*Consumer Representative Candidates*

Lisa Workman\*

Ms. Workman and her two children are CalOptima members. As a consumer of Medi-Cal services for over ten years, Ms. Workman has learned to navigate the system for herself and her family. She uses these skills to assist other parents experiencing challenges navigating the health care system.

Rudy Rivas

Mr. Rivas is a CalOptima member. He is an executive with a background in business, health care and human resources. He currently operates a health insurance agency. He owns several entities that study Hispanic growth. Mr. Rivas also has worked with Hispanic organizations in the areas of theater and health care.

*Foster Children Representative Candidates*

Gene Howard\*

Mr. Howard is the Executive Director of the Orange County Alliance for Children and Families, a coalition of 14 major non-profit organizations serving children and families in the foster care system. For the past thirty years, Mr. Howard has held leadership positions in agencies serving foster children, including Child Welfare for the Orange County Social Services Agency and Orangewood Children's Foundation.

\*Indicates MAC recommendation

Rogheih Hamidzadeh

Mr. Hamidzadeh applied for three seats, including the Foster Children's seat. He is a volunteer within the Orange County community and feels he can be of service to the Iranian community.

Long Term-Care Representative Candidate

Velma Shivers\*

Ms. Shivers serves as a Long-Term Care Ombudsman and is currently the Field Services Manager for the Ombudsman Program at the Council of Aging, Orange County. In that position, she serves as an advocate for elderly and developmentally disabled adults and assists LTC residents with the resolution of issues related to health care and coverage.

Medically Indigent Persons Representative Candidates

Sally Molnar\*

Ms. Molnar advocates for breast health screenings and treatment programs that provide a safety net for under-insured and uninsured women in Orange County. She currently serves as the Public Policy Chair and advocates for breast cancer services at the state and federal level. She has volunteered with Susan G. Komen in Orange County for 25 years in various capacities.

Roghieh Hamidzadeh

Mr. Hamidzadeh applied for three seats, including the seat for Medically Indigent Persons. He is a volunteer within the Orange County community and feels he can be of service to the Iranian community.

Persons with Mental Illness Representative Candidates

Sister (Sr.) Mary Therese Sweeney\*

Sr. Sweeney is the Director of Mental Health for St. Joseph Health. She has served the mentally ill, especially those with limited access to services, for over 20 years. Because she believes that direct contact with those served is essential, she visits service sites and spends considerable time talking to people with mental illness at meetings, at drop-in centers and in the community.

Shoura Khatibloo

Ms. Khatibloo is a Marriage and Family Therapy Intern at OMID Multicultural Institute for Development. She works on outreach and engagement programs, specifically socialization for the elderly that are underserved or isolated. She is working on getting her license as a psychotherapist.

Persons with Special Needs Representative Candidate

Christine Tolbert\*

Ms. Tolbert's current work for the State Council on Developmental Disabilities has allowed her to advocate for hundreds of people dealing with an expansive number of medical and/or special needs' conditions. She has helped transition people from the state hospital into the community necessitating her involvement in their transition to managed care and accessing health care services.

\*Indicates MAC recommendation

MAC Chair Candidate

Mallory Vega\*

Ms. Vega has been the Executive Director of Acacia Adult Day Services for over thirty years, providing adult day care, adult day health care, dementia care, and now Community Based Adult Services to seniors. In addition, she serves on numerous community agency boards that serve this population, including CalOptima's PACE Development Advisory Committee (PDAC).

**Fiscal Impact**

There is no fiscal impact.

**Rationale for Recommendation**

As stated in policy, the MAC established a Nominations Ad Hoc to review potential candidates for vacancies on the Committee. The MAC met to discuss the recommended slate of candidates and Chairperson and concurred with the Subcommittee's recommendations. The MAC forwards the recommended slate of candidates and Chairperson to the Board of Directors for consideration.

**Concurrence**

Member Advisory Committee Nominations Ad Hoc

Member Advisory Committee

Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Schrader

**Authorized Signature**

5/26/2016

**Date**

\*Indicates MAC recommendation

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016** **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

6. Consider Appointments to the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC); Consider Appointment of OCC MAC Chairperson

#### **Contact**

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

#### **Recommended Actions**

The OCC MAC recommends:

1. Reappointment of the following individuals to serve two-year terms on the OneCare Connect Member Advisory Committee, effective July 1, 2016:
  - a. Gio Corzo as the Community-Based Adult Services (CBAS) Provider Representative for a term ending June 30, 2018;
  - b. Patty Mouton as the Home and Community-Based Services (HCBS) Seniors Representative for a term ending June 30, 2018;
  - c. Ted Chigaros as the Long-Term Care (LTC) Facility Representative for a term ending June 30, 2018; and
  - d. Christine Chow as the Member Advocate Representative for a term ending June 30, 2018.
2. Appointment of John Dupies as the OneCare Connect Member/Family Member Representative for a two-year term ending June 30, 2018.
3. Reappointment of Patty Mouton as Chair for a one-year term ending June 30, 2017. – *Continued to future Board of Directors Meeting*

Rev.  
6/2/16

#### **Background**

The CalOptima Board of Directors welcomes community stakeholder involvement and benefits from their input in the form of advisory committees. The Center for Medicare & Medicaid Services (CMS) and the State of California Department of Health Care Services (DHCS) 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 Cal MediConnect program administered by CalOptima.

The OCC MAC is comprised of ten voting members, seven of whom represent community seats and three of whom are OneCare Connect members or family of members. There are also four non-voting members representing Orange County agencies. OCC MAC voting members serve two-year terms, with no limit on the number of terms a representative may serve. The four seats due to expire on June 30, 2016 include the CBAS Provider, Seniors representative, LTC Facility representative and Member Advocate. There is one vacant OCC Member/Family Member seat.

#### **Discussion**



CalOptima conducted a comprehensive recruitment, including sending notification flyers to community-based organizations (CBOs), advertising in Threshold language newspapers, placing articles in newsletters and conducting targeted community outreach to agencies and CBOs serving the various open positions. Upon receipt of the applications from interested candidates, 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 Lena Berlove, Erin Ulibarri and Sandy Finestone, evaluated each of the applications for the impending openings and forwarded the proposed slate of candidates to the OCC MAC for consideration. No other candidates applied for OCC MAC other than the slate of candidates below.

At the April 28, 2016 meeting, OCC MAC voted to accept the recommended slate of candidates and Chairperson as proposed by the Nominations Ad Hoc and forwarded the proposed slate of candidates to the CalOptima Board for consideration.

The candidates for the open positions are as follows:

*CBAS Provider Representative Candidate*

*Gio Corzo\**

Mr. Corzo is the Vice President of Home & Care Services for SeniorServ. He has over sixteen years of extensive experience and expertise in strategic planning, development and operations of multiple health facilities, including CBAS centers, Day Programs and residential long-term care facilities. Mr. Corzo was instrumental in working on the Adult Day Health Care (ADHC) to CBAS transition.

*Seniors Representative Candidate*

*Patty Mouton\**

Ms. Mouton is the Vice President of Outreach and Advocacy at Alzheimer's Orange County, and has worked in the area of health care for older adults for fifteen years. She oversees professional and clinical activities and events, provides community education programs, and coordinates the legislative advocacy and public policy forming activities. Ms. Mouton is active in the community, speaking on issues of medical coverage, such as Medicare and Medi-Cal and defining the continuum of care.

*Long-Term Care Facility Representative Candidate*

*Ted Chigaros\**

Mr. Chigaros is the Senior Vice President of Managed Care for Rockport Healthcare Services. He has over thirty-two years of experience contracting with managed care plans for acute rehab facilities and skilled nursing facilities (SNFs). Most recently, he has been working with SNFs in Coordinated Care Initiative (CCI) counties.

*Member Advocate Representative Candidate*

*Christine Chow\**

Ms. Chow is the Director of Community Relations for Alzheimer's Orange County. In that position, she is creating, coordinating and implementing the Orange County Strategic Plan for Aging. Ms. Chow

\*Indicates OCC MAC recommendation

has considerable experience working with community agencies to provide outreach and education on activities and events that benefit Orange County's aging population and their caregivers.

*OneCare Connect Member/Family Member Representative Candidate*

John Dupies\*

Mr. Dupies has over ten years of experience navigating the health care system, first as a dual eligible and now as an OneCare Connect member. Having encountered many obstacles accessing care, he understands how to obtain the health care he needs. Mr. Dupies would like to assist others who experience difficulties accessing care or do not understand the system.

*OCC MAC Chair*

Patty Mouton\*

Ms. Mouton is the Vice President of Outreach and Advocacy at Alzheimer's Orange County, and has worked in the area of health care for older adults for fifteen years. She oversees professional and clinical activities and events, provides community education programs, and coordinates the legislative advocacy and public policy forming activities. Ms. Mouton is active in the community, speaking on issues of medical coverage, such as Medicare and Medi-Cal and defining the continuum of care.

**Fiscal Impact**

There is no fiscal impact.

**Rationale for Recommendation**

As stated in policy, the OCC MAC established a Nominations Ad Hoc to review potential candidates for the OneCare Connect MAC. The OCC MAC met to discuss the Ad Hoc's recommended slate of candidates and Chairperson and concurred with the Subcommittee's recommendations. The OCC MAC forwards the recommended slate of candidates and Chairperson to the Board of Directors for consideration.

**Concurrence**

OneCare Connect Member Advisory Committee Nominations Ad Hoc  
OneCare Connect Member Advisory Committee  
Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

\*Indicates OCC MAC recommendation

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

### Action To Be Taken June 2, 2016 Regular Meeting of the CalOptima Board of Directors

#### Consent Calendar

7. Consider Appointments to the CalOptima Board of Directors' Provider Advisory Committee (PAC); Consider Appointment of PAC Chairperson

#### Contact

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

#### Recommended Actions

The PAC recommends:

1. Reappointment of the following individuals to serve an additional three-year term on the Provider Advisory Committee (PAC), effective July 1, 2016:
  - a. Steven Flood, Long Term Services and Support Representative for term ending June 30, 2019;
  - b. Mary Pham as the Pharmacy Representative for a term ending June 30, 2019;
  - c. Theodore J. Caliendo, M.D., as the Physician Representative for a term ending June 30, 2019;
2. Appointment of Donald Bruhns as the Long Term Services and Support Representative for a three year term ending June 30, 2019;
3. Appointment of John Nishimoto, O.D., as the Non-Physician Medical Practitioner Representative for a three year term ending June 30, 2019;
4. Appointment of Anjan Batra, M.D., as the Physician Representative for a three year term ending June 30, 2019; and
5. Appointment of Teri Miranti, Health Network Representative, as the Chair of the PAC for Fiscal Year 2016-17. – *Continued to future Board of Directors Meeting*

Rev.  
6/2/16

#### Background

The CalOptima Board of Directors established the Provider Advisory Committee (PAC) by resolution on February 14, 1995 to provide input to the Board. The PAC is comprised of fifteen voting members. Pursuant to resolution no. 15-0806-03, PAC members serve three-year terms with the exception of the one standing seat, which is a representative from Health Care Agency (HCA). The CalOptima Board is responsible for the appointment of all PAC members. With the fiscal year ending on June 30, 2016, six PAC seats will expire: two (2) Long Term Services and Support, Non-Physician Medical Practitioner, Pharmacy, and two (2) Physician seats.

#### Discussion

CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included notification methods, such as placing advertisements in local newspapers in all Threshold languages, sending outreach flyers to community-based organizations (CBOs) and targeting community outreach to agencies and CBOs serving the various open positions. CalOptima staff received the applications from interested candidates and submitted them to the Nominations Ad Hoc Subcommittee for review.

Prior to the Nominations Ad Hoc Subcommittee meeting on April 28, 2016, subcommittee members evaluated each of the applications. The subcommittee, including Members Dr. Edwards, Kahn and Ross, selected a candidate for each of the open seats as well as the Chairperson and forwarded the proposed slate of candidates to the PAC for consideration.

At the May 12, 2016 meeting, the PAC voted to accept the recommended slate of candidates and Chairperson as proposed by the Nominations Ad Hoc.

The slate of candidates is as follows:

**Long Term Services and Support Representatives- Two (2) Seats**

**Donald Bruhns\***

Mr. Bruhns is a licensed Nursing Home Administrator with a background in billing. He has experience in understanding the needs of the provider community as it relates to long-term care. He currently serves on various boards and committees for the California Association of Health Facilities (CAHF) at both the state and local levels.

**Steven Flood\***

Mr. Flood is the Co-Owner, COO and Executive Director of New Orange Hills, a skilled nursing facility in Orange, California. Having served on the PAC since 2012, he has also been a member for seven years on the LTC Quality Subcommittee at CalOptima. He has worked on the CCI project as well as having successfully developed a metrics analysis and improved educational outreach to the providers to improve these metrics in his role as a member on the LTC Quality Subcommittee. He is the current Region V Chair and Board Member for CAHF.

**Beth Garver**

Beth Garver has been a nursing home administrator for approximately 16 years, with experience managing 59-185 bed skilled nursing facilities (SNF) in the Los Angeles and Orange County areas. Ms. Garver currently manages a large SNF in Seal Beach, California, is a member of the California Association of Health Facilities (CAHF), and served as a member of its Reimbursement Subcommittee for CAHF.

**Non-Physician Medical Practitioner Representative**

**John Nishimoto, O.D., M.B.A., F.A.A.O.\***

Dr. Nishimoto is currently a professor at Marshall B. Ketchum University and Southern California College of Optometry. He is also a Senior Associate Dean for Professional Affairs at the Southern California College of Optometry and Marshall B. Ketchum University. He has active engagements with the leadership of the California Optometric Association (COA), the COA Health Care Delivery Systems Committee and the leadership of the American Academy of Optometry and the California Academy of Physician Assistants. He is the Chair for the Board of Integrated Health Care Solutions which included collaborative organizations such as Giving Children Hope and the Illumination Foundation.

\*Indicates PAC recommendation

**Brenda Flores, FNP-WHNP**

Brenda Flores is the Associate Medical Director of AltaMed Health Services. She is a board certified women's health nurse practitioner working with the AltaMed Community Clinic. For the past seven years she has served as the Associate Medical Director for AltaMed's Santa Ana Main Clinic. She has served on several committees such as the Breastfeeding Clinic Committee where she served as the project lead for building a sustainable clinic and as a project lead for women's health on AltaMed's Women's Health Team. She is a member of the California Association of Nurse Practitioners and a member/speaker of the California Breastfeeding Coalition.

**Lisa Muller, RN, MSN, FNP-BC, OCN**

Lisa Muller is a nurse practitioner in palliative care for St. Joseph Hospital in Orange and specializes in symptom management as well as clarification of goals for patients with all disease stages, including patients undergoing treatment for curable illnesses and patients who are nearing the end of life. Ms. Muller is a member of the California Association for Nurse Practitioners and a member of the Oncology Nursing Society where she served as secretary in 2010. She is the co-chair of the Diabetic Resource Team at St. Joseph Hospital.

**Pharmacy Representative**

**Mary Pham, Pharm.D, CHC.\***

Dr. Pham has served as the Pharmacy Representative on the PAC since 2014. She is currently the Chief Operating Officer and Chief Compliance Officer for the Center for Inherited Blood Disorders (CIBD). She has over 14 years of Pharmacy experience in Retail, Inpatient, Long Term Care and Specialty Pharmacy in both the adult and pediatric setting. She works directly with many of CalOptima's most vulnerable and sickest patients providing them pharmaceutical care in the CIBD medical home model. She was also the Outpatient Pharmacy Operations Manager for CHOC Children's Hospital.

**Philip H. Dang Nguyen, Pharm.D, M.B.A.**

Dr. Nguyen is the pharmacist in charge at Value Scripts Pharmacy in Garden Grove and at QLT Care Pharmacy in Fountain Valley. Dr. Nguyen is a former member of the Board of Directors for Nhan Hoa comprehensive health care clinic and is currently a member of the Vietnamese American Pharmacy Association (VAPA), Managed Pharmacy Care (MPC), Project Vietnam Foundation (PVNF), Independent Pharmacy Cooperative (IPC) Armad Health Care – Specialty Pharmacy and USC Vietnamese-American Pharmacy Student Association (VAPSA).

**Physician Representatives – Two (2) Positions**

**Anjan Batra, M.D.\***

Dr. Batra currently serves as Division Chief of Pediatric Cardiology, Vice Chair of Pediatrics and Professor of Pediatrics at UC Irvine School of Medicine. In addition, he is also the Director of Electrophysiology at Children's Hospital of Orange County (CHOC) and has served on the Board of Directors of Pediatric Subspecialty Faculty at CHOC for six years. Locally, he has been involved in the Children's Specialty Care Coalition, Orange County Medical Association and the American Academy of Pediatrics

\*Indicates PAC recommendation

Theodore J. Caliendo, M.D.\*

Dr. Caliendo has served as a Physician Representative on the PAC since 2010. Dr. Caliendo has a private pediatric practice as well as a neonatal practice, of which the majority of his patients are CalOptima members. Dr. Caliendo is a Board member on the CHOC Health Alliance Board, as well as a Board Member of the Kids Doc Urgent Care Clinics. He is a fellow with the American Academy of Pediatrics and a member of the American Medical Association and the California Association of Neonatologists.

Veena Charu, M.D.

Dr. Charu is a board certified hematologist/oncologist as well as board certified in internal medicine. Dr. Charu's private practice is composed of two other oncologists and six med-level providers. Prior to entering into private practice, she served as the Chief of the Division of Hematology and Oncology at Lincoln Hospital in New York, affiliated with New York Medical College, where she was honored as "Best Teacher" to residents and fellows. She has also held various prestigious positions in community hospitals, serving as Chairman of the Department of Medicine at Anaheim Regional Medical Center and Chairman of Cancer Committee and Tumor Board at La Palma Intercommunity Hospital.

Jaclynn Do, M.D.

Dr. Do is a board certified family medicine practitioner and holds a license with the American Academy of Family Physicians. Dr. Do is the Chief Executive Officer of the Jaclynn Do, M.D. Clinic Inc. in Westminster, California. She is currently a board member for United Care Medical Group (UCMG) IPA, a member of the Quality Executive Committee for ADOC IPA, Utilization Review Committee for Garden Grove Convalescent Skilled Nursing Facility and Quality Assurance Committee for Mission Palm Skilled Nursing Facility. She is a past board member and Co-Founder of the Asian American Community Clinic. Dr. Do has also served on the Physician Advisor Committee for Monarch IPA.

Vinh Lam, M.D.

Dr. Lam is a board certified pediatric surgeon with Pediatric Surgical Associates Inc., in Orange, California. Dr. Lam is a member of the Orange County Medical Association and a member of the California Medical Association. Dr. Lam is an elected member of the National American Academy of Pediatrics Committee on Hospital Care and Chairman, Credentialing Committee, CHOC Children's Hospital of Orange County at Mission, Pediatric Surgery Specialty Advisor for Medical Students at the University of California, Irvine School of Medicine and a past Chairman of the Ethics Committee at CHOC Children's Hospital of Orange County, Mission Viejo.

MarJan Monfared, M.D.

Dr. Monfared is a board certified pediatrician and President of ABC Children's Clinic. Dr. Monfared received the Compassionate Doctor Award in 2011, the "Patients Choice Award and Compassionate Doctor Award in 2012, Patients Choice Award in 2013 and the Patients Choice Award, On Time Physician and Compassionate Doctor Award in 2014.

Joseph M. Ruggio, MD, FACP, FACC, FSCAI

Dr. Ruggio has served on the PAC since 2012 and is a practicing interventional cardiologist. Since 1995, he has served as Chairman and President of Pacific Cardiovascular Associates (PCA) Medical Group, Inc., a large cardiovascular professional corporation which he founded. He also serves as President and

\*Indicates PAC recommendation



Chief Executive Officer of Via Vitae, a cardiovascular disease management company, founded in February 1996. Since 2000, Dr. Ruggio has served on the Board of Directors of Monarch HealthCare. Dr. Ruggio is also a member of the CalOptima Quality Assurance Committee.

### **PAC Chair**

#### **Teri Miranti, Health Network Representative\***

Ms. Miranti is Director of Government Programs at Monarch HealthCare Irvine. She has over 21 years of health care experience in Orange County focused on government sponsored programs. She worked at CalOptima as the Director of Provider Network Management in 1998 before joining Monarch in 2004. She has been a member of the California Association of Physician Groups (CAPG) State Programs Committee since 2004 and has been a member of the PAC since 2015.

#### **Pamela Pimentel, RN - Allied Health Services**

Pamela Pimentel, RN, has served on the PAC since 2009 as the Nurse Representative and currently as the Allied Health Services Representative. She is Chief Executive Officer of MOMS Orange County and has over 39 years experience in Maternal Child Health Nursing, both clinical and executive leadership. MOMS Orange County has been improving birth outcomes among an at-risk community and bringing children in a highly disadvantaged population to health and developmental levels that exceed those set by the general population.

#### **Suzanne Richards, RN, MBA, FACHE - Hospital Representative**

Ms. Suzanne Richards has served on the PAC since October 2014. She currently serves as the Chief Executive Officer for KPC Healthcare, Inc. as well as the CEO, Orange County Global Medical Centers in Anaheim and Santa Ana. In addition to her duties as a corporate CEO and hospital CEO, Ms. Richards is an active surveyor for The Joint Commission and has conducted accreditation surveys of healthcare entities throughout the United States since 2005.

### **Fiscal Impact**

There is no fiscal impact.

### **Rationale for Recommendation**

As stated in policy, the PAC established a Nominations Ad Hoc to review potential candidates for vacancies on the Committee. The PAC met to discuss the recommended slate of candidates and Chairperson and concurred with the Subcommittee's recommendations. The PAC forwards the recommended slate of candidates and Chairperson to the Board of Directors for consideration.

### **Concurrence**

PAC Advisory Committee Nominations Ad Hoc  
PAC Advisory Committee  
Gary Crockett, Chief Counsel

\*Indicates PAC recommendation

CalOptima Board Action Agenda Referral  
Consider Appointments to the CalOptima Board of Directors' PAC;  
Consider Appointment of PAC Chairperson  
Page 6

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

\*Indicates PAC recommendation

[Back to Agenda](#)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 2, 2016**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

8. Consider Adoption of Resolution Approving Updated CalOptima Policy GA.8058, Salary Schedule

#### **Contact**

Ron Santos, Executive Director, Human Resources, (714)246-8400

#### **Recommended Action**

Consider Adoption of Resolution Approving Updated CalOptima Policy GA.8058, Salary Schedule.

#### **Background**

On November 1, 1994, the Board of Directors delegated authority to the Chief Executive Officer to promulgate employee policies and procedures, and to amend these policies from time to time, subject to annual presentation of the policies and procedures, with specific emphasis on any changes thereto, to the Board of Directors or a committee appointed by the Board of Directors for that purpose. On December 6, 1994, the Board adopted CalOptima's Bylaws, which requires, pursuant to section 13.1, that the Board of Directors adopt by resolution, and from time to time amend, procedures, practices and policies for, among other things, hiring employees and managing personnel.

Pursuant to the California Code of Regulations, Title 2, Section 570.5, CalOptima is required to adopt a publicly available pay schedule that meets the requirements set forth by the California Public Employees' Retirement System (CalPERS) to reflect recent changes, including the addition or deletion of positions and revisions to wage grades for certain positions.

The following table lists an existing Human Resources policy that has been updated and is being presented for review and approval.

	<b>Policy No./Name</b>	<b>Summary of Changes</b>	<b>Reason for Change</b>
1.	GA. 8058: Salary Schedule	<ul style="list-style-type: none"><li>• This policy focuses solely on CalOptima's Salary Schedule and requirements under CalPERS regulations.</li><li>• Attachment 1 – Salary Schedule, has been revised in order to reflect recent changes to the Salary Schedule, including changes to, and the addition and deletion of positions. A summary of the changes to the Salary Schedule is included for reference.</li></ul>	<ul style="list-style-type: none"><li>- Pursuant to CalPERS requirement, 2 CCR §570.5, CalOptima periodically updates the salary schedule to reflect current job titles and pay rates for each job position.</li><li>- There are changes to 16 positions indicated on the attached revised Salary Schedule. Changes to 14 positions are related to the</li></ul>

	Policy No./Name	Summary of Changes	Reason for Change
			<p>reorganization of the Regulatory Affairs Department and the Office of Compliance. The other 2 positions are for the PACE center. As noted under the “For Approval” column they fall under the following categories.</p> <p>New Position: Creation of a new Job Title typically due to a change in the scope of a current position or the addition of a new level in a job family. (8 positions)</p> <p>Remove Position: Elimination of a Job Title typically due to a change in the scope of a current position or the elimination of position in a job family. (8 positions)</p>

### **Fiscal Impact**

The fiscal impact of this recommended action is budget neutral.

### **Rationale for Recommendation**

Approval is recommended to the updated Human Resources Policy to ensure that CalOptima meets its ongoing obligation to provide structure and clarity on employment matters, consistent with applicable federal, state, and local laws and regulations. These policies serve as a framework for CalOptima’s operations.

### **Concurrence**

Gary Crockett, Chief Counsel  
Board of Directors' Finance and Audit Committee

**Attachments**

1. Resolution No. 16-0602-01, Approve Updated Human Resources Policy
2. Revised CalOptima Policy GA.8058: Salary Schedule (redlined and clean versions) with Attachment
3. Summary of Changes to the Salary Schedule

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

**RESOLUTION NO. 16-0602-01**

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

**APPROVE UPDATED HUMAN RESOURCES POLICY**

**WHEREAS**, section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, inter alia, hiring employees, and managing personnel; and,

**WHEREAS**, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose; and

**WHEREAS**, California Code of Regulations, Title 2, Section 570.5, requires CalOptima to adopt a publicly available pay schedule that identifies the position title and pay rate for every employee position, and CalOptima regularly reviews CalOptima's salary schedule accordingly.

**NOW, THEREFORE, BE IT RESOLVED:**

Section 1. That the Board of Directors hereby approves and adopts the attached updated Human Resources Policy GA.8058: Salary Schedule.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of June, 2016.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

/s/ \_\_\_\_\_

Title: Chair, Board of Directors

Printed Name and Title: Mark A. Refowitz, Chair, CalOptima Board of Directors

Attest:

/s/ \_\_\_\_\_

Suzanne Turf, Clerk of the Board

Policy #: GA.8058  
Title: **Salary Schedule**  
Department: Human Resources  
Section: Not Applicable  
CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/14  
Last Review Date: ~~063/023/~~  
Last Revised Date: 16  
~~0306/023~~  
/16

*Board Approved Policy*

**I. PURPOSE**

- A. To maintain a CalOptima Salary Schedule that lists all active job classifications including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate amounts).
- B. To ensure the salary schedule is publicly available pursuant to the requirements of California Code of Regulations (CCR) section 570.5 so that employees who are members of the California Public Employees Retirement System (CalPERS) have their compensation considered qualified for pension calculation under CalPERS regulations.

**II. DEFINITIONS**

Not Applicable

**III. POLICY**

- A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) Section 570.5, CalOptima has established the attached salary schedule for each CalOptima job position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human Resources Department (HR) shall maintain a salary schedule that meets the following eight (8) separate criteria:
  1. Approval and adoption by the governing body in accordance with requirements applicable to public meetings laws;
  2. Identification of position titles for every employee position;
  3. Listing of pay rate for each identified position, which may be stated as a single amount or as multiple amounts with a range;
  4. Specifies the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
  5. Posted at the employer's office or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;



6. Indicates the effective date and date of any revisions;
  7. Retained by the employer and available for public inspection for not less than five (5) years; and
  8. Does not reference another document in lieu of disclosing the pay rate.
- B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper to implement the salary schedule for all other employees not inconsistent therewith.

#### IV. PROCEDURE

- A. The Human Resources Department (HR) will ensure that the salary schedule, meeting the requirements above, are available at CalOptima's offices and immediately accessible for public review during normal business hours or posted on CalOptima's internet website.
- B. HR shall retain the salary schedule for not less than five (5) years.
- C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness of the salary schedule to market pay levels.
- D. Any adjustments to the salary schedule requires that the Executive Director of HR make a recommendation to the CEO for approval, with the CEO taking the recommendation to the CalOptima Board of Directors for final approval. No changes to the salary schedule or CEO compensation shall be effective unless and until approved by the CalOptima Board of Directors.

#### V. ATTACHMENTS

- A. CalOptima - Salary Schedule (Revised as of 06/02/16)

#### VI. REFERENCES

- A. Title 2, California Code of Regulations, Section 570.5

#### VII. REGULATORY APPROVALS

Not Applicable

#### VIII. BOARD ACTIONS

- A. 06/02/16: Regular Meeting of the CalOptima Board of Directors  
A.B. 03/03/16: Regular Meeting of the CalOptima Board of Directors  
B.C. 12/03/15: Regular Meeting of the CalOptima Board of Directors  
C.D. 10/01/15: Regular Meeting of the CalOptima Board of Directors  
D.E. 06/04/15: Regular Meeting of the CalOptima Board of Directors

#### IX. REVIEW/REVISION HISTORY

Version	Version Date	Policy Number	Policy Title
Original Date	05/01/14	GA.8057	Compensation Program and Salary Schedule

Policy #: GA.8058  
Title: Salary Schedule

Revised Date: ~~063~~/023/16

Version	Version Date	Policy Number	Policy Title
Revision Date 1	08/07/14	GA.8057	Compensation Program and Salary Schedule
Revision Date 2	11/06/14	GA.8057	Compensation Program and Salary Schedule
Revision Date 3	12/04/14	GA.8057	Compensation Program and Salary Schedule
Revision Date 4	03/05/15	GA.8057	Compensation Program and Salary Schedule
Revision Date 5	06/04/15	GA.8058	Salary Schedule
Revision Date 6	10/01/15	GA.8058	Salary Schedule
Revision Date 7	12/03/15	GA.8058	Salary Schedule
Revision Date 8	03/03/16	GA.8058	Salary Schedule
<u>Revision Date 9</u>	<u>06/02/16</u>	<u>GA.8058</u>	<u>Salary Schedule</u>

1

Policy #: GA.8058  
Title: **Salary Schedule**  
Department: Human Resources  
Section: Not Applicable  
CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/14  
Last Review Date: 06/02/16  
Last Revised Date: 06/02/16

---

1  
2 **I. PURPOSE**  
3

- 4 A. To maintain a CalOptima Salary Schedule that lists all active job classifications including job  
5 title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate amounts).  
6  
7 B. To ensure the salary schedule is publicly available pursuant to the requirements of California  
8 Code of Regulations (CCR) section 570.5 so that employees who are members of the  
9 California Public Employees Retirement System (CalPERS) have their compensation  
10 considered qualified for pension calculation under CalPERS regulations.  
11

12 **II. DEFINITIONS**  
13

14 Not Applicable  
15

16 **III. POLICY**  
17

- 18 A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) Section  
19 570.5, CalOptima has established the attached salary schedule for each CalOptima job position.  
20 In order for CalPERS member's pay rates to be credited by CalPERS, the Human Resources  
21 Department (HR) shall maintain a salary schedule that meets the following eight (8) separate  
22 criteria:  
23  
24 1. Approval and adoption by the governing body in accordance with requirements  
25 applicable to public meetings laws;  
26  
27 2. Identification of position titles for every employee position;  
28  
29 3. Listing of pay rate for each identified position, which may be stated as a single amount  
30 or as multiple amounts with a range;  
31  
32 4. Specifies the time base, including, but not limited to, whether the time base is hourly, daily,  
33 bi-weekly, monthly, bi-monthly, or annually;  
34  
35 5. Posted at the employer's office or immediately accessible and available for public review  
36 from the employer during normal business hours or posted on the employer's internet  
37 website;  
38  
39 6. Indicates the effective date and date of any revisions;  
40

7. Retained by the employer and available for public inspection for not less than five (5) years;  
and

8. Does not reference another document in lieu of disclosing the pay rate.

B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper to implement the salary schedule for all other employees not inconsistent therewith.

#### IV. PROCEDURE

A. The Human Resources Department (HR) will ensure that the salary schedule, meeting the requirements above, are available at CalOptima's offices and immediately accessible for public review during normal business hours or posted on CalOptima's internet website.

B. HR shall retain the salary schedule for not less than five (5) years.

C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness of the salary schedule to market pay levels.

D. Any adjustments to the salary schedule requires that the Executive Director of HR make a recommendation to the CEO for approval, with the CEO taking the recommendation to the CalOptima Board of Directors for final approval. No changes to the salary schedule or CEO compensation shall be effective unless and until approved by the CalOptima Board of Directors.

#### V. ATTACHMENTS

A. CalOptima - Salary Schedule (Revised as of 06/02/16)

#### VI. REFERENCES

A. Title 2, California Code of Regulations, Section 570.5

#### VII. REGULATORY APPROVALS

Not Applicable

#### VIII. BOARD ACTIONS

- A. 06/02/16: Regular Meeting of the CalOptima Board of Directors
- B. 03/03/16: Regular Meeting of the CalOptima Board of Directors
- C. 12/03/15: Regular Meeting of the CalOptima Board of Directors
- D. 10/01/15: Regular Meeting of the CalOptima Board of Directors
- E. 06/04/15: Regular Meeting of the CalOptima Board of Directors

#### IX. REVIEW/REVISION HISTORY

Version	Version Date	Policy Number	Policy Title
Original Date	05/01/14	GA.8057	Compensation Program and Salary Schedule
Revision Date 1	08/07/14	GA.8057	Compensation Program and Salary Schedule
Revision Date 2	11/06/14	GA.8057	Compensation Program and Salary Schedule

Policy #: GA.8058  
Title: Salary Schedule

Revised Date: 06/02/16

Version	Version Date	Policy Number	Policy Title
Revision Date 3	12/04/14	GA.8057	Compensation Program and Salary Schedule
Revision Date 4	03/05/15	GA.8057	Compensation Program and Salary Schedule
Revision Date 5	06/04/15	GA.8058	Salary Schedule
Revision Date 6	10/01/15	GA.8058	Salary Schedule
Revision Date 7	12/03/15	GA.8058	Salary Schedule
Revision Date 8	03/03/16	GA.8058	Salary Schedule
Revision Date 9	06/02/16	GA.8058	Salary Schedule

1

DRAFT

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
Accountant	K	39	\$47,112	\$61,360	\$75,504	
Accountant Sr	M	68	\$62,400	\$81,120	\$99,840	
Accounting Clerk	I	334	\$37,128	\$46,384	\$55,640	
Actuarial Analyst	L	558	\$54,288	\$70,512	\$86,736	
Actuarial Analyst Sr	M	559	\$62,400	\$81,120	\$99,840	
Actuary	O	357	\$82,576	\$107,328	\$131,976	
Administrative Assistant	H	19	\$33,696	\$42,224	\$50,648	
Analyst	K	562	\$47,112	\$61,360	\$75,504	
Analyst Int	L	563	\$54,288	\$70,512	\$86,736	
Analyst Sr	M	564	\$62,400	\$81,120	\$99,840	
Applications Analyst	K	232	\$47,112	\$61,360	\$75,504	
Applications Analyst Int	L	233	\$54,288	\$70,512	\$86,736	
Applications Analyst Sr	M	298	\$62,400	\$81,120	\$99,840	
Associate Director Customer Service	O	593	\$82,576	\$107,328	\$131,976	
Associate Director Information Services	Q	557	\$114,400	\$154,440	\$194,480	
Auditor	K	565	\$47,112	\$61,360	\$75,504	
Auditor Sr	L	566	\$54,288	\$70,512	\$86,736	
Behavioral Health Manager	N	383	\$71,760	\$93,184	\$114,712	
Biostatistics Manager	N	418	\$71,760	\$93,184	\$114,712	
Board Services Specialist	J	435	\$40,976	\$53,352	\$65,624	
Business Analyst	J	40	\$40,976	\$53,352	\$65,624	
Business Analyst Sr	M	611	\$62,400	\$81,120	\$99,840	
Business Systems Analyst Sr	M	69	\$62,400	\$81,120	\$99,840	
Buyer	J	29	\$40,976	\$53,352	\$65,624	
Buyer Int	K	49	\$47,112	\$61,360	\$75,504	
Buyer Sr	L	67	\$54,288	\$70,512	\$86,736	
Care Transition Intervention Coach (RN)	N	417	\$71,760	\$93,184	\$114,712	
Certified Coder	K	399	\$47,112	\$61,360	\$75,504	
Change Control Administrator	L	499	\$54,288	\$70,512	\$86,736	
Change Control Administrator Int	M	500	\$62,400	\$81,120	\$99,840	
Change Management Analyst Sr	N	465	\$71,760	\$93,184	\$114,712	
** Chief Counsel	T	132	\$197,704	\$266,968	\$336,024	
** Chief Executive Officer	V	138	\$319,740	\$431,600	\$543,600	
** Chief Financial Officer	U	134	\$237,224	\$320,216	\$403,312	
** Chief Information Officer	T	131	\$197,704	\$266,968	\$336,024	
** Chief Medical Officer	U	137	\$237,224	\$320,216	\$403,312	
** Chief Network Officer	T	478	\$197,704	\$266,968	\$336,024	
** Chief Operating Officer	U	136	\$237,224	\$320,216	\$403,312	
Claims - Lead	J	574	\$40,976	\$53,352	\$65,624	
Claims Examiner	H	9	\$33,696	\$42,224	\$50,648	
Claims Examiner - Lead	J	236	\$40,976	\$53,352	\$65,624	
Claims Examiner Sr	I	20	\$37,128	\$46,384	\$55,640	
Claims QA Analyst	I	28	\$37,128	\$46,384	\$55,640	
Claims QA Analyst Sr.	J	540	\$40,976	\$53,352	\$65,624	
Claims Recovery Specialist	I	283	\$37,128	\$46,384	\$55,640	
Claims Resolution Specialist	I	262	\$37,128	\$46,384	\$55,640	
Clerk of the Board	O	59	\$82,576	\$107,328	\$131,976	
Clinical Auditor	M	567	\$62,400	\$81,120	\$99,840	
Clinical Auditor Sr	N	568	\$71,760	\$93,184	\$114,712	
Clinical Pharmacist	P	297	\$95,264	\$128,752	\$162,032	
Clinical Systems Administrator	M	607	\$62,400	\$81,120	\$99,840	
Clinician (Behavioral Health)	M	513	\$62,400	\$81,120	\$99,840	

[Back to Agenda](#)

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
Communications Specialist	J	188	\$40,976	\$53,352	\$65,624	
Community Partner	K	575	\$47,112	\$61,360	\$75,504	
Community Partner Sr	L	612	\$54,288	\$70,512	\$86,736	
Community Relations Specialist	J	288	\$40,976	\$53,352	\$65,624	
<del>Compliance Lead</del>	<del>M</del>	<del>583</del>	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
<del>Compliance Analyst</del>	<del>K</del>	<del>315</del>	<del>\$47,112</del>	<del>\$61,360</del>	<del>\$75,504</del>	Remove Position
<del>Compliance Analyst Sr</del>	<del>L</del>	<del>407</del>	<del>\$54,288</del>	<del>\$70,512</del>	<del>\$86,736</del>	Remove Position
Compliance Claims Auditor	K	222	\$47,112	\$61,360	\$75,504	
Compliance Claims Auditor Sr	L	279	\$54,288	\$70,512	\$86,736	
Contract Administrator	M	385	\$62,400	\$81,120	\$99,840	
Contracts Manager	N	207	\$71,760	\$93,184	\$114,712	
Contracts Specialist	K	257	\$47,112	\$61,360	\$75,504	
Contracts Specialist Int	L	469	\$54,288	\$70,512	\$86,736	
Contracts Specialist Sr	M	331	\$62,400	\$81,120	\$99,840	
* Controller	Q	464	\$114,400	\$154,440	\$194,480	
Credentialing Coordinator	J	41	\$40,976	\$53,352	\$65,624	
Credentialing Coordinator - Lead	J	510	\$40,976	\$53,352	\$65,624	
Customer Service Coordinator	J	182	\$40,976	\$53,352	\$65,624	
Customer Service Rep	H	5	\$33,696	\$42,224	\$50,648	
Customer Service Rep - Lead	J	482	\$40,976	\$53,352	\$65,624	
Customer Service Rep Sr	I	481	\$37,128	\$46,384	\$55,640	
Data Analyst	K	337	\$47,112	\$61,360	\$75,504	
Data Analyst Int	L	341	\$54,288	\$70,512	\$86,736	
Data Analyst Sr	M	342	\$62,400	\$81,120	\$99,840	
Data and Reporting Analyst - Lead	O	TBD	\$82,576	\$107,328	\$131,976	
Data Entry Tech	F	3	\$27,872	\$34,840	\$41,808	
Data Warehouse Architect	O	363	\$82,576	\$107,328	\$131,976	
Data Warehouse Programmer/Analyst	O	364	\$82,576	\$107,328	\$131,976	
Data Warehouse Project Manager	O	362	\$82,576	\$107,328	\$131,976	
Data Warehouse Reporting Analyst	N	412	\$71,760	\$93,184	\$114,712	
Data Warehouse Reporting Analyst Sr	O	522	\$82,576	\$107,328	\$131,976	
Database Administrator	M	90	\$62,400	\$81,120	\$99,840	
Database Administrator Sr	O	179	\$82,576	\$107,328	\$131,976	
** Deputy Chief Counsel	S	160	\$164,736	\$222,352	\$280,072	
** Deputy Chief Medical Officer	T	561	\$197,704	\$266,968	\$336,024	
* Director Accounting	P	122	\$95,264	\$128,752	\$162,032	
* Director Applications Management	R	170	\$137,280	\$185,328	\$233,376	
* Director Audit & Oversight	Q	546	\$114,400	\$154,440	\$194,480	
* Director Behavioral Health Services	P	392	\$95,264	\$128,752	\$162,032	
* Director Budget and Procurement	Q	527	\$114,400	\$154,440	\$194,480	
* Director Business Development	P	351	\$95,264	\$128,752	\$162,032	
* Director Business Integration	Q	543	\$114,400	\$154,440	\$194,480	
* Director Case Management	Q	318	\$114,400	\$154,440	\$194,480	
* Director Claims Administration	P	112	\$95,264	\$128,752	\$162,032	
* Director Clinical Outcomes	Q	602	\$114,400	\$154,440	\$194,480	
* Director Clinical Pharmacy	R	129	\$137,280	\$185,328	\$233,376	
* Director Coding Initiatives	P	375	\$95,264	\$128,752	\$162,032	
* Director Communications	P	361	\$95,264	\$128,752	\$162,032	
* Director Community Relations	P	292	\$95,264	\$128,752	\$162,032	
<del>* Director Compliance</del>	<del>Q</del>	<del>198</del>	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Configuration & Coding	Q	596	\$114,400	\$154,440	\$194,480	
* Director Contracting	P	184	\$95,264	\$128,752	\$162,032	

[Back to Agenda](#)



**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
* Director COREC	Q	369	\$114,400	\$154,440	\$194,480	
* Director Customer Service	P	118	\$95,264	\$128,752	\$162,032	
* Director Electronic Business	P	358	\$95,264	\$128,752	\$162,032	
* Director Enterprise Analytics	Q	520	\$114,400	\$154,440	\$194,480	
* Director Facilities	P	428	\$95,264	\$128,752	\$162,032	
* Director Finance & Procurement	P	157	\$95,264	\$128,752	\$162,032	
* Director Financial Analysis	R	374	\$137,280	\$185,328	\$233,376	
* Director Financial Compliance	P	460	\$95,264	\$128,752	\$162,032	
* Director Fraud Waste & Abuse and Privacy	Q	581	\$114,400	\$154,440	\$194,480	
* Director Government Affairs	P	277	\$95,264	\$128,752	\$162,032	
* Director Grievance & Appeals	P	528	\$95,264	\$128,752	\$162,032	
* Director Health Education	P	484	\$95,264	\$128,752	\$162,032	
* Director Health Education & Disease Management	P	150	\$95,264	\$128,752	\$162,032	
* Director Health Services	Q	328	\$114,400	\$154,440	\$194,480	
* Director Human Resources	Q	322	\$114,400	\$154,440	\$194,480	
* Director Information Services	R	547	\$137,280	\$185,328	\$233,376	
* Director Long Term Support Services	Q	128	\$114,400	\$154,440	\$194,480	
* Director Medi-Cal Plan Operations	P	370	\$95,264	\$128,752	\$162,032	
* Director Network Management	P	125	\$95,264	\$128,752	\$162,032	
* Director OneCare Operations	P	425	\$95,264	\$128,752	\$162,032	
* Director Organizational Training & Education	P	579	\$95,264	\$128,752	\$162,032	
* Director PACE Program	Q	449	\$114,400	\$154,440	\$194,480	
* Director Process Excellence	Q	447	\$114,400	\$154,440	\$194,480	
* Director Program Implementation	Q	489	\$114,400	\$154,440	\$194,480	
* Director Project Management	Q	447	\$114,400	\$154,440	\$194,480	
* Director Provider Data Quality	Q	TBD	\$114,400	\$154,440	\$194,480	
* Director Provider Services	P	597	\$95,264	\$128,752	\$162,032	
* Director Public Policy	P	459	\$95,264	\$128,752	\$162,032	
* Director Quality (LTSS)	Q	613	\$114,400	\$154,440	\$194,480	
* Director Quality Analytics	Q	591	\$114,400	\$154,440	\$194,480	
* Director Quality Improvement	Q	172	\$114,400	\$154,440	\$194,480	
* <del>Director Regulatory Affairs</del>	<del>Q</del>	<del>491</del>	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Regulatory Affairs and Compliance	Q	TBD	\$114,400	\$154,440	\$194,480	New Position
* Director Strategic Development	P	121	\$95,264	\$128,752	\$162,032	
* Director Systems Development	R	169	\$137,280	\$185,328	\$233,376	
* Director Utilization Management	Q	265	\$114,400	\$154,440	\$194,480	
Disease Management Coordinator	M	70	\$62,400	\$81,120	\$99,840	
Disease Management Coordinator - Lead	M	472	\$62,400	\$81,120	\$99,840	
EDI Project Manager	O	403	\$82,576	\$107,328	\$131,976	
Enrollment Coordinator (PACE)	K	441	\$47,112	\$61,360	\$75,504	
Enterprise Analytics Manager	P	582	\$95,264	\$128,752	\$162,032	
Executive Assistant	K	339	\$47,112	\$61,360	\$75,504	
Executive Assistant to CEO	L	261	\$54,288	\$70,512	\$86,736	
** Executive Director, Behavioral Health Integration	S	614	\$164,736	\$222,352	\$280,072	
** Executive Director Clinical Operations	S	501	\$164,736	\$222,352	\$280,072	
** Executive Director Compliance	S	493	\$164,736	\$222,352	\$280,072	
** Executive Director Human Resources	S	494	\$164,736	\$222,352	\$280,072	
** Executive Director Operations	S	276	\$164,736	\$222,352	\$280,072	
** Executive Director Program Implementation	S	490	\$164,736	\$222,352	\$280,072	
** Executive Director Public Affairs	S	290	\$164,736	\$222,352	\$280,072	
** Executive Director Quality Analytics	S	601	\$164,736	\$222,352	\$280,072	
Facilities & Support Services Coord - Lead	J	511	\$40,976	\$53,352	\$65,624	

[Back to Agenda](#)

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
Facilities & Support Services Coordinator	J	10	\$40,976	\$53,352	\$65,624	
Facilities Coordinator	J	438	\$40,976	\$53,352	\$65,624	
Financial Analyst	L	51	\$54,288	\$70,512	\$86,736	
Financial Analyst Sr	M	84	\$62,400	\$81,120	\$99,840	
Financial Reporting Analyst	L	475	\$54,288	\$70,512	\$86,736	
Gerontology Resource Coordinator	M	204	\$62,400	\$81,120	\$99,840	
Graphic Designer	M	387	\$62,400	\$81,120	\$99,840	
Grievance & Appeals Nurse Specialist	N	226	\$71,760	\$93,184	\$114,712	
Grievance Resolution Specialist	J	42	\$40,976	\$53,352	\$65,624	
Grievance Resolution Specialist - Lead	L	590	\$54,288	\$70,512	\$86,736	
Grievance Resolution Specialist Sr	K	589	\$47,112	\$61,360	\$75,504	
HCC Coding Specialist	K	405	\$47,112	\$61,360	\$75,504	
HCC Coding Specialist Sr	L	615	\$54,288	\$70,512	\$86,736	
Health Coach	M	556	\$62,400	\$81,120	\$99,840	
Health Educator	K	47	\$47,112	\$61,360	\$75,504	
Health Educator Sr	L	355	\$54,288	\$70,512	\$86,736	
Health Network Liaison Specialist (RN)	N	524	\$71,760	\$93,184	\$114,712	
Health Network Oversight Specialist	M	323	\$62,400	\$81,120	\$99,840	
HEDIS Case Manager	N	443	\$71,760	\$93,184	\$114,712	
HEDIS Case Manager (LVN)	M	552	\$62,400	\$81,120	\$99,840	
Help Desk Technician	J	571	\$40,976	\$53,352	\$65,624	
Help Desk Technician Sr	K	573	\$47,112	\$61,360	\$75,504	
HR Assistant	I	181	\$37,128	\$46,384	\$55,640	
HR Business Partner	M	584	\$62,400	\$81,120	\$99,840	
HR Coordinator	J	316	\$40,976	\$53,352	\$65,624	
HR Representative	L	278	\$54,288	\$70,512	\$86,736	
HR Representative Sr	M	350	\$62,400	\$81,120	\$99,840	
HR Specialist	K	505	\$47,112	\$61,360	\$75,504	
HR Specialist Sr	L	608	\$54,288	\$70,512	\$86,736	
HRIS Analyst Sr	M	468	\$62,400	\$81,120	\$99,840	
ICD-10 Project Manager	O	411	\$82,576	\$107,328	\$131,976	
Infrastructure Systems Administrator	J	541	\$40,976	\$53,352	\$65,624	
Infrastructure Systems Administrator Int	K	542	\$47,112	\$61,360	\$75,504	
Intern	E	237	\$25,272	\$31,720	\$37,960	
Investigator Sr	L	553	\$54,288	\$70,512	\$86,736	
IS Coordinator	J	365	\$40,976	\$53,352	\$65,624	
IS Project Manager	O	424	\$82,576	\$107,328	\$131,976	
IS Project Manager Sr	P	509	\$95,264	\$128,752	\$162,032	
IS Project Specialist	M	549	\$62,400	\$81,120	\$99,840	
IS Project Specialist Sr	N	550	\$71,760	\$93,184	\$114,712	
Kitchen Assistant	E	585	\$25,272	\$31,720	\$37,960	
Legislative Program Manager	N	330	\$71,760	\$93,184	\$114,712	
Licensed Clinical Social Worker	L	598	\$54,288	\$70,512	\$86,736	
Litigation Support Specialist	M	588	\$62,400	\$81,120	\$99,840	
LVN (PACE)	M	533	\$62,400	\$81,120	\$99,840	
Mailroom Clerk	E	1	\$25,272	\$31,720	\$37,960	
Manager Accounting	N	98	\$71,760	\$93,184	\$114,712	
Manager Actuary	P	453	\$95,264	\$128,752	\$162,032	
Manager Applications Management	P	271	\$95,264	\$128,752	\$162,032	
Manager Audit & Oversight	O	539	\$82,576	\$107,328	\$131,976	
Manager Business Integration	O	544	\$82,576	\$107,328	\$131,976	
Manager Case Management	O	270	\$82,576	\$107,328	\$131,976	

[Back to Agenda](#)

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
Manager Claims	N	92	\$71,760	\$93,184	\$114,712	
Manager Clinic Operations	O	551	\$82,576	\$107,328	\$131,976	
Manager Clinical Pharmacist	Q	296	\$114,400	\$154,440	\$194,480	
Manager Coding Quality	N	382	\$71,760	\$93,184	\$114,712	
Manager Communications	N	398	\$71,760	\$93,184	\$114,712	
Manager Community Relations	M	384	\$62,400	\$81,120	\$99,840	
<del>Manager Compliance</del>	<del>O</del>	<del>518</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Manager Concurrent Review	O	320	\$82,576	\$107,328	\$131,976	
Manager Contracting	O	329	\$82,576	\$107,328	\$131,976	
Manager Creative Branding	N	430	\$71,760	\$93,184	\$114,712	
Manager Cultural & Linguistic	N	349	\$71,760	\$93,184	\$114,712	
Manager Customer Service	N	94	\$71,760	\$93,184	\$114,712	
Manager Decision Support	O	454	\$82,576	\$107,328	\$131,976	
Manager Disease Management	O	372	\$82,576	\$107,328	\$131,976	
Manager Electronic Business	O	422	\$82,576	\$107,328	\$131,976	
Manager Employment Services	N	420	\$71,760	\$93,184	\$114,712	
Manager Encounters	N	516	\$71,760	\$93,184	\$114,712	
Manager Environmental Health & Safety	N	495	\$71,760	\$93,184	\$114,712	
Manager Facilities	N	209	\$71,760	\$93,184	\$114,712	
Manager Finance	N	148	\$71,760	\$93,184	\$114,712	
Manager Financial Analysis	O	356	\$82,576	\$107,328	\$131,976	
Manager Government Affairs	N	437	\$71,760	\$93,184	\$114,712	
Manager Grievance & Appeals	N	426	\$71,760	\$93,184	\$114,712	
Manager Health Education	N	173	\$71,760	\$93,184	\$114,712	
Manager HEDIS	O	427	\$82,576	\$107,328	\$131,976	
Manager Human Resources	O	526	\$82,576	\$107,328	\$131,976	
Manager Information Services	P	560	\$95,264	\$128,752	\$162,032	
Manager Information Technology	P	110	\$95,264	\$128,752	\$162,032	
Manager Integration Government Liaison	N	455	\$71,760	\$93,184	\$114,712	
Manager Long Term Support Services	O	200	\$82,576	\$107,328	\$131,976	
Manager Marketing & Enrollment (PACE)	O	414	\$82,576	\$107,328	\$131,976	
Manager Medical Data Management	O	519	\$82,576	\$107,328	\$131,976	
Manager Medi-Cal Program Operations	N	483	\$71,760	\$93,184	\$114,712	
Manager Member Liaison Program	N	354	\$71,760	\$93,184	\$114,712	
Manager Member Outreach & Education	N	616	\$71,760	\$93,184	\$114,712	
Manager Member Outreach Education & Provider Relations	O	576	\$82,576	\$107,328	\$131,976	
Manager MSSP	O	393	\$82,576	\$107,328	\$131,976	
Manager OneCare Clinical	O	359	\$82,576	\$107,328	\$131,976	
Manager OneCare Customer Service	N	429	\$71,760	\$93,184	\$114,712	
Manager OneCare Regulatory	N	197	\$71,760	\$93,184	\$114,712	
Manager OneCare Sales	O	248	\$82,576	\$107,328	\$131,976	
Manager Outreach & Enrollment	N	477	\$71,760	\$93,184	\$114,712	
Manager PACE Center	O	432	\$82,576	\$107,328	\$131,976	
Manager Payroll & Benefits	N	144	\$71,760	\$93,184	\$114,712	
Manager Pharmacy Operations	N	396	\$71,760	\$93,184	\$114,712	
Manager Prior Authorizations	O	269	\$82,576	\$107,328	\$131,976	
Manager Process Excellence	O	622	\$82,576	\$107,328	\$131,976	
Manager Program Implementation	O	488	\$82,576	\$107,328	\$131,976	
Manager Project Management	O	532	\$82,576	\$107,328	\$131,976	
Manager Provider Data Management Services	N	TBD	\$71,760	\$93,184	\$114,712	
Manager Provider Network	O	191	\$82,576	\$107,328	\$131,976	
Manager Provider Relations	N	171	\$71,760	\$93,184	\$114,712	

[Back to Agenda](#)

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
Manager Provider Services	O	TBD	\$82,576	\$107,328	\$131,976	
Manager Purchasing	N	275	\$71,760	\$93,184	\$114,712	
Manager QI Initiatives	N	433	\$71,760	\$93,184	\$114,712	
Manager Quality Analytics	O	617	\$82,576	\$107,328	\$131,976	
Manager Quality Improvement	O	104	\$82,576	\$107,328	\$131,976	
Manager Regulatory Affairs	O	678	\$82,576	\$107,328	\$131,976	Remove Position
Manager Regulatory Affairs and Compliance	O	TBD	\$82,576	\$107,328	\$131,976	New Position
Manager Reporting & Financial Compliance	O	572	\$82,576	\$107,328	\$131,976	
Manager Strategic Development	O	603	\$82,576	\$107,328	\$131,976	
Manager Strategic Operations	N	446	\$71,760	\$93,184	\$114,712	
Manager Systems Development	P	515	\$95,264	\$128,752	\$162,032	
Manager Utilization Management	O	250	\$82,576	\$107,328	\$131,976	
Marketing and Outreach Specialist	J	496	\$40,976	\$53,352	\$65,624	
Medical Assistant	H	535	\$33,696	\$42,224	\$50,648	
Medical Authorization Asst	H	11	\$33,696	\$42,224	\$50,648	
Medical Case Manager	N	72	\$71,760	\$93,184	\$114,712	
Medical Case Manager (LVN)	L	444	\$54,288	\$70,512	\$86,736	
* Medical Director	S	306	\$164,736	\$222,352	\$280,072	
Medical Records & Health Plan Assistant	G	548	\$30,576	\$38,272	\$45,968	
Medical Records Clerk	E	523	\$25,272	\$31,720	\$37,960	
Medical Services Case Manager	K	54	\$47,112	\$61,360	\$75,504	
Member Liaison Specialist	I	353	\$37,128	\$46,384	\$55,640	
MMS Program Coordinator	K	360	\$47,112	\$61,360	\$75,504	
Occupational Therapist	N	531	\$71,760	\$93,184	\$114,712	
Occupational Therapist Assistant	M	TBD	\$62,400	\$81,120	\$99,840	New Position
Office Clerk	C	335	\$21,008	\$26,208	\$31,408	
OneCare Operations Manager	O	461	\$82,576	\$107,328	\$131,976	
OneCare Partner - Sales	K	230	\$47,112	\$61,360	\$75,504	
OneCare Partner - Sales (Lead)	K	537	\$47,112	\$61,360	\$75,504	
OneCare Partner - Service	I	231	\$37,128	\$46,384	\$55,640	
OneCare Partner (Inside Sales)	J	371	\$40,976	\$53,352	\$65,624	
Outreach Specialist	I	218	\$37,128	\$46,384	\$55,640	
Paralegal/Legal Secretary	K	376	\$47,112	\$61,360	\$75,504	
Payroll Specialist	J	554	\$40,976	\$53,352	\$65,624	
Payroll/HRIS Analyst	K	286	\$47,112	\$61,360	\$75,504	
Performance Analyst	L	538	\$54,288	\$70,512	\$86,736	
Personal Care Attendant	C	485	\$21,008	\$26,208	\$31,408	
Personal Care Attendant - Lead	E	498	\$25,272	\$31,720	\$37,960	
Personal Care Coordinator	I	525	\$37,128	\$46,384	\$55,640	
Pharmacy Resident	K	379	\$47,112	\$61,360	\$75,504	
Pharmacy Services Specialist	I	23	\$37,128	\$46,384	\$55,640	
Pharmacy Services Specialist Int	J	35	\$40,976	\$53,352	\$65,624	
Pharmacy Services Specialist Sr	K	507	\$47,112	\$61,360	\$75,504	
Physical Therapist	N	530	\$71,760	\$93,184	\$114,712	
Physical Therapist Assistant	M	TBD	\$62,400	\$81,120	\$99,840	New Position
Policy Advisor Sr	O	580	\$82,576	\$107,328	\$131,976	
Privacy Manager	N	536	\$71,760	\$93,184	\$114,712	
Process Excellence Manager	O	529	\$82,576	\$107,328	\$131,976	
Program Assistant	I	24	\$37,128	\$46,384	\$55,640	
Program Coordinator	I	284	\$37,128	\$46,384	\$55,640	
Program Development Analyst Sr	M	492	\$62,400	\$81,120	\$99,840	
Program Manager	M	421	\$62,400	\$81,120	\$99,840	

[Back to Agenda](#)

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
Program Manager Sr	O	594	\$82,576	\$107,328	\$131,976	
Program Specialist	J	36	\$40,976	\$53,352	\$65,624	
Program Specialist Int	K	61	\$47,112	\$61,360	\$75,504	
Program Specialist Sr	L	508	\$54,288	\$70,512	\$86,736	
Program/Policy Analyst	K	56	\$47,112	\$61,360	\$75,504	
Program/Policy Analyst Sr	M	85	\$62,400	\$81,120	\$99,840	
Programmer	L	43	\$54,288	\$70,512	\$86,736	
Programmer Int	N	74	\$71,760	\$93,184	\$114,712	
Programmer Sr	O	80	\$82,576	\$107,328	\$131,976	
Project Manager	M	81	\$62,400	\$81,120	\$99,840	
Project Manager - Lead	M	467	\$62,400	\$81,120	\$99,840	
Project Manager Sr	O	105	\$82,576	\$107,328	\$131,976	
Project Specialist	K	291	\$47,112	\$61,360	\$75,504	
Project Specialist Sr	L	503	\$54,288	\$70,512	\$86,736	
Projects Analyst	K	254	\$47,112	\$61,360	\$75,504	
Provider Enrollment Data Coordinator	I	12	\$37,128	\$46,384	\$55,640	
Provider Enrollment Data Coordinator Sr	J	586	\$40,976	\$53,352	\$65,624	
Provider Enrollment Manager	K	190	\$47,112	\$61,360	\$75,504	
Provider Network Rep Sr	L	391	\$54,288	\$70,512	\$86,736	
Provider Network Specialist	K	44	\$47,112	\$61,360	\$75,504	
Provider Network Specialist Sr	L	595	\$54,288	\$70,512	\$86,736	
Provider Office Education Manager	L	300	\$54,288	\$70,512	\$86,736	
Provider Relations Rep	K	205	\$47,112	\$61,360	\$75,504	
Provider Relations Rep Sr	L	285	\$54,288	\$70,512	\$86,736	
Publications Coordinator	J	293	\$40,976	\$53,352	\$65,624	
QA Analyst	L	486	\$54,288	\$70,512	\$86,736	
QA Analyst Sr	N	380	\$71,760	\$93,184	\$114,712	
QI Nurse Specialist	N	82	\$71,760	\$93,184	\$114,712	
QI Nurse Specialist (LVN)	M	445	\$62,400	\$81,120	\$99,840	
Receptionist	F	140	\$27,872	\$34,840	\$41,808	
Recreational Therapist	L	487	\$54,288	\$70,512	\$86,736	
Recruiter	L	406	\$54,288	\$70,512	\$86,736	
Recruiter Sr	M	497	\$62,400	\$81,120	\$99,840	
Registered Dietitian	L	57	\$54,288	\$70,512	\$86,736	
Regulatory Affairs and Compliance Analyst	K	TBD	\$47,112	\$61,360	\$75,504	New Position
Regulatory Affairs and Compliance Analyst Sr	L	TBD	\$54,288	\$70,512	\$86,736	New Position
Regulatory Affairs and Compliance Lead	M	TBD	\$62,400	\$81,120	\$99,840	New Position
RN (PACE)	N	480	\$71,760	\$93,184	\$114,712	
Security Analyst Int	N	534	\$71,760	\$93,184	\$114,712	
Security Analyst Sr	O	474	\$82,576	\$107,328	\$131,976	
Security Officer	F	311	\$27,872	\$34,840	\$41,808	
SharePoint Developer/Administrator Sr	O	397	\$82,576	\$107,328	\$131,976	
Social Worker	K	463	\$47,112	\$61,360	\$75,504	
* Special Counsel	R	317	\$137,280	\$185,328	\$233,376	
Sr Manager Government Affairs	O	451	\$82,576	\$107,328	\$131,976	
Staff Attorney	P	195	\$95,264	\$128,752	\$162,032	
Supervisor Accounting	M	434	\$62,400	\$81,120	\$99,840	
Supervisor Audit and Oversight	N	618	\$71,760	\$93,184	\$114,712	
Supervisor Budgeting	M	466	\$62,400	\$81,120	\$99,840	
Supervisor Case Management	N	86	\$71,760	\$93,184	\$114,712	
Supervisor Claims	K	219	\$47,112	\$61,360	\$75,504	
Supervisor Coding Initiatives	M	502	\$62,400	\$81,120	\$99,840	

[Back to Agenda](#)

**CalOptima - Annual Base Salary Schedule - Revised June 2, 2016**  
**Effective as of May 1, 2014**

Job Title	Pay Grade	Job Code	Min	Mid	Max	For Approval
<del>Supervisor Compliance</del>	<del>L</del>	<del>402</del>	<del>\$54,288</del>	<del>\$70,512</del>	<del>\$86,736</del>	<del>Remove Position</del>
Supervisor Customer Service	K	34	\$47,112	\$61,360	\$75,504	
Supervisor Data Entry	K	192	\$47,112	\$61,360	\$75,504	
Supervisor Day Center (PACE)	K	619	\$47,112	\$61,360	\$75,504	
Supervisor Encounters	L	253	\$54,288	\$70,512	\$86,736	
Supervisor Facilities	L	162	\$54,288	\$70,512	\$86,736	
Supervisor Finance	N	419	\$71,760	\$93,184	\$114,712	
Supervisor Grievance and Appeals	M	620	\$62,400	\$81,120	\$99,840	
Supervisor Health Education	M	381	\$62,400	\$81,120	\$99,840	
Supervisor Health Services	N	506	\$71,760	\$93,184	\$114,712	
Supervisor Information Services	N	457	\$71,760	\$93,184	\$114,712	
Supervisor Long Term Support Services	N	587	\$71,760	\$93,184	\$114,712	
Supervisor Member Outreach and Education	L	592	\$54,288	\$70,512	\$86,736	
Supervisor MSSP	N	348	\$71,760	\$93,184	\$114,712	
Supervisor OneCare Customer Service	K	408	\$47,112	\$61,360	\$75,504	
Supervisor Payroll	M	517	\$62,400	\$81,120	\$99,840	
Supervisor Pharmacy Services	K	146	\$47,112	\$61,360	\$75,504	
Supervisor Pharmacist	P	610	\$95,264	\$128,752	\$162,032	
Supervisor Provider Enrollment	K	439	\$47,112	\$61,360	\$75,504	
<del>Supervisor Regulatory Affairs and Compliance</del>	<del>N</del>	<del>TBD</del>	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	<del>New Position</del>
Supervisor Social Work (PACE)	L	TBD	\$54,288	\$70,512	\$86,736	
Supervisor Systems Development	O	456	\$82,576	\$107,328	\$131,976	
Supervisor Therapy Services (PACE)	N	TBD	\$71,760	\$93,184	\$114,712	
Supervisor Quality Analytics	M	609	\$62,400	\$81,120	\$99,840	
Supervisor Quality Improvement	N	600	\$71,760	\$93,184	\$114,712	
Systems Manager	N	512	\$71,760	\$93,184	\$114,712	
Systems Network Administrator Int	M	63	\$62,400	\$81,120	\$99,840	
Systems Network Administrator Sr	N	89	\$71,760	\$93,184	\$114,712	
Systems Operations Analyst	J	32	\$40,976	\$53,352	\$65,624	
Systems Operations Analyst Int	K	45	\$47,112	\$61,360	\$75,504	
Technical Analyst Int	L	64	\$54,288	\$70,512	\$86,736	
Technical Analyst Sr	M	75	\$62,400	\$81,120	\$99,840	
Technical Writer	L	247	\$54,288	\$70,512	\$86,736	
Technical Writer Sr	M	470	\$62,400	\$81,120	\$99,840	
Therapy Aide	J	521	\$40,976	\$53,352	\$65,624	
Training Administrator	L	621	\$54,288	\$70,512	\$86,736	
Training Program Coordinator	K	471	\$47,112	\$61,360	\$75,504	
Translation Specialist	G	241	\$30,576	\$38,272	\$45,968	
Web Architect	O	366	\$82,576	\$107,328	\$131,976	

\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

\*\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.

Text in **red** indicates new changes to the salary schedule proposed for Board approval.

**Summary of Changes to the CalOptima Salary Schedule**  
**Revised May 3, 2016**

<b>Title</b>	<b>Old Wage Grade</b>	<b>New Job Code / Wage Grade</b>	<b>Notes / Reason</b>	<b>Month Added/Changed</b>
Compliance Lead	M	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016
Compliance Analyst	K	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016
Compliance Analyst Sr	L	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016
Regulatory Affairs and Compliance Lead	N/A-new position	TBD / M	The "Regulatory Affairs and Compliance Lead" job title will replace the "Compliance Lead" title.	June 2016
Regulatory Affairs and Compliance Analyst	N/A-new position	TBD / K	The "Regulatory Affairs and Compliance Analyst" job title will replace the "Compliance Analyst" title.	June 2016
Regulatory Affairs and Compliance Analyst Sr	N/A-new position	TBD / L	The "Regulatory Affairs and Compliance Analyst Sr" job title will replace the "Compliance Analyst Sr" title.	June 2016
Director Regulatory Affairs and Compliance	N/A-new position	TBD / Q	The Director Regulatory Affairs and Compliance job title will replace both the "Director Compliance" and "Director Regulatory Affairs" Titles. This new position will have two incumbents; one with oversight over Medicare and the other over Medi-Cal.	June 2016
Director Regulatory Affairs	Q	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016
Director Compliance	Q	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016



**Summary of Changes to the CalOptima Salary Schedule**  
**Revised May 3, 2016**

<b>Title</b>	<b>Old Wage Grade</b>	<b>New Job Code / Wage Grade</b>	<b>Notes / Reason</b>	<b>Month Added/Changed</b>
Manager Regulatory Affairs and Compliance	N/A- new position	TBD / O	The "Manager Regulatory Affairs and Compliance" job title will replace both the "Manager Compliance" and "Manager Regulatory Affairs" Titles. This new position will have two incumbents; one with oversight over Medicare and the other over Medi-Cal.	June 2016
Manager Regulatory Affairs	O	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016
Manager Compliance	O	N/A	Remove title from salary schedule. Position is being eliminated.	June 2016
Occupational Therapist Assistant	N/A- new position	TBD / M	This is a new position that will provide recommended therapeutic exercises, ADL retraining and therapeutic activities as determined by the Occupational Therapist.	June 2016
Physical Therapist Assistant	N/A- new position	TBD / M	This is a new position that will provide the recommended therapeutic exercise, gait training, ambulation as determined by the Physical Therapist.	May 2016
Supervisor Regulatory Affairs and Compliance	N/A- new position	TBD / N	The "Supervisor Regulatory Affairs and Compliance" job title will replace the "Supervisor Compliance" title. This new position will have oversight over Medicare and Medi-Cal. Market review was completed, job grade is being upgraded to an N.	May 2016
Supervisor Compliance	L	N/A	Remove title from salary schedule. Position is being eliminated.	May 2016

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 2, 2016**

**Regular Meeting of the CalOptima Board of Directors**

### **Consent Calendar**

9. Consider Approval of Proposed Technical Changes to Policy GG.1643: Minimum Physician Standards

### **Contact**

Richard Bock, M.D., Deputy Chief Medical Officer, (714) 246-8400

### **Recommended Action**

Consider approval of the proposed technical changes to Policy GG.1643: Minimum Physician Standards.

### **Background**

On April 7, 2016, the CalOptima Board of Directors approved a new policy, GG.1643: Minimum Physician Standards. Under that policy, physicians wishing to participate as contracted providers in CalOptima Direct are required to attest that they meet a set of minimum physician standards, which are then verified by CalOptima staff, before being provided a credentialing application. Health Networks are required to ensure that all physicians meet the same minimum standards before providing services to any CalOptima Members, but Health Networks are free to choose the manner in which they integrate the minimum standard requirements into their credentialing process.

### **Discussion**

Certain technical language issues requiring modification or clarification were identified subsequent to approval of Policy GG.1643. Staff proposes the following technical changes to Policy GG.1643 as reflected in the attached draft amended policy:

- Since Healthcare Delivery Organizations (HDOs) are not delegated to credential physicians, HDOs were removed from an earlier draft of the policy. The proposed revision is to also delete the definition of HDO as it is not necessary.
- The effective date placeholder was inadvertently left in the policy as approved. Section III.A. should have reflected a July 1, 2016, effective date. The proposed revised policy adds this date.
- A reference to “Physician Assistants” was inadvertently left included in Section III.A.2. However, the proposed policy does not cover Physician Assistants such that this change removes this reference.

The reference in Section III.A.8 limiting the coverage of that subsection to physicians is not necessary as the policy is limited to physicians. Therefore, the proposed revised policy deletes that limitation, and adds a reference to the fact that there are exemptions in the Board Certification Policy that may affect some applicants.

- Section IV.A. is modified to clarify that the process outlined in this Section only applies to prospective CalOptima Direct physicians, and not to Health Network physicians. Health

[Back to Agenda](#)

Networks may implement the minimum standard requirements as they choose as long as the physicians meet the same standards before providing services to CalOptima members. In addition, all references to Health Networks in Section IV.A. are proposed to be removed to avoid confusion.

- Section IV.B. is revised to clarify that, while Health Networks must ensure that their physicians meet the Minimum Physician Standards identified in Policy GG.1643 before they render services to CalOptima members, the manner in which the Health Networks incorporate verification of the Minimum Physician Standards in their processes is left to their discretion.

#### **Fiscal Impact**

It is not anticipated that the proposed changes will have any fiscal impact.

#### **Rationale for Recommendation**

The policy as adopted contained some elements that might lead to confusion. The proposed revisions will correct the potentially confusing elements.

#### **Concurrence**

Gary Crockett, Chief Counsel  
Board of Directors' Quality Assurance Committee

#### **Attachments**

Proposed Revised Policy GG.1643: Minimum Physician Standards (redlined and clean versions) with Attachment

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

Policy #: GG.1643Δ  
 Title: **Minimum Physician Standards**  
 Department: Medical Affairs  
 Section: Quality Improvement  
 CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: ~~TBD~~07/0  
 Last Review Date: 1/16  
 Last Revised Date: N/A  
 N/A

This policy shall apply to the following CalOptima line of business (LOB):

- Medi-Cal
- OneCare
- OneCare Connect
- PACE

## I. PURPOSE

To identify the Minimum Physician Standards that must be met in order for a Physician to be credentialed for participation in CalOptima programs.

## II. DEFINITIONS

Term	Definition
Accusation	A legal document that begins the formal disciplinary process after an investigation finds evidence that the Physician has violated the laws governing the Physician's practice area, and the violation warrants disciplinary action. An accusation lists the charges and/or the section(s) of law alleged to have been violated, and is served on the Physician.
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.
<del>Health Delivery Organization</del>	<del>Includes hospitals, home health agencies, skilled nursing facilities, extended care facilities, nursing homes, and free-standing surgical, laboratory, or other centers.</del>
Physician	For the purposes of this policy, a licensed Doctor of Medicine (MD), Doctor of Osteopathy (DO), or Doctor of Podiatric Medicine (DPM).

## III. POLICY

A. Effective ~~[DATE]~~ July 1, 2016, CalOptima requires that all new Physicians (as defined above) who wish to provide services to CalOptima Members, whether through CalOptima Direct or a CalOptima Health Network meet the Minimum Physician Standards as defined in this policy and be credentialed in accordance with CalOptima GG.1609Δ: Credentialing and Recredentialing. The Minimum Physician Standards include:

1. Current valid California license to practice;

2. Current valid Drug Enforcement Agency (DEA) certificate ~~(for Physicians and Surgeons or Physician Assistants);~~
  3. Current professional liability (malpractice) insurance or self-insurance (e.g. trust, escrow accounts, etc.) coverage in the minimum amounts of \$1 million per occurrence and \$3 million aggregate per year;
  4. Not currently excluded, suspended, or otherwise ineligible to participate in any State or Federal health care programs;
  5. Not currently on probation or have an Accusation pending, with their licensing board.
  6. Never been excluded from participation in Federal or State health care programs based on conduct that supports a mandatory exclusion under the Medicare program set forth in Title 42, United States Code, Section 1320a-7(a) as follows:
    - a. A conviction of a criminal offense related to the delivery of an item or service under Federal or State health care programs;
    - b. A felony conviction related to the neglect or abuse of patients in connection with the delivery of a health care item or service;
    - c. A felony conviction related to health care fraud; or
    - d. A felony conviction related to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.
  7. No felony conviction in the ten (10) year period prior to the date of execution of the attestation containing these Minimum Physician Standards.
  8. ~~If a physician,~~ Board certified in their specialty in accordance with CalOptima Policy GG.1633Δ: Board Certification Requirements for Physicians, unless exempt from the certification requirements as set forth under that policy.
- B. Health Networks that are delegated to perform credentialing and recredentialing shall incorporate the Minimum Physician Standards into their credentialing processes.
- C. A Health Network shall establish policies and procedures to evaluate and select Physicians to participate in CalOptima that, at minimum, meet the requirements as outlined in this policy.
- D. The Minimum Physician Standards will apply to all new, first-time Physician applicants to CalOptima who wish to provide covered services to CalOptima members, without exception.
- E. All new Physicians must meet the Minimum Physician Standards to contract with CalOptima or its Health Networks to furnish services to CalOptima Members and bill and receive reimbursement for such services (subject to compliance with all other applicable CalOptima Policies).

#### IV. PROCEDURE

- 1 A. For Physicians who wish to provide services to CalOptima Members through CalOptima Direct,  
2 CalOptima's Provider Relations staff will distribute the Minimum Physician Standards attestation to  
3 Physicians as part of a pre-application process. Physicians must satisfy all of the Minimum  
4 Physician Standards to be eligible to be credentialed in CalOptima ~~or through a CalOptima~~  
5 ~~delegated Health Network.~~ Any incomplete attestations shall be returned to the Physician by  
6 Provider Relations staff.  
7  
8 1. If the Physician does not fully complete the attestation within one hundred eighty (180) days  
9 after receipt of the attestation, the Physician's attestation shall be considered expired.  
10  
11 2. CalOptima's Quality Improvement Department shall review the attestation and documentation  
12 and communicate results to Provider Relations. A Physician shall ensure that all information  
13 included in the attestation is no more than six (6) months old.  
14  
15 3. A Physician whose completed attestation reflects that he or she meets all of the Minimum  
16 Physician Standards is eligible to receive a credentialing application, and if the credentialing  
17 application is approved, a contract to participate in the CalOptima Program.  
18  
19 4. A Physician whose attestation reflects that he or she does not meet one (1) or more of the  
20 Minimum Physician Standards shall not be eligible to participate in the CalOptima Program.  
21  
22 5. CalOptima's Quality Improvement (QI) department shall verify all answers and notify the  
23 Physician by certified mail that the Physician did not meet the Minimum Physician Standards  
24 within three (3) business days of receipt of a signed and completed attestation.  
25  
26 6. If CalOptima ~~or a Health Network~~ is unable to render a decision within one hundred eighty  
27 (180) calendar days after receipt of the attestation for any Physician, the Physician's attestation  
28 shall be considered expired.  
29  
30 B. Health Networks that are delegated to perform credentialing and recredentialing shall adopt a  
31 procedure to ensure that new Physicians seeking to contract with that Health Network to provide  
32 services to CalOptima Members satisfy all Minimum Physician Standards ~~before receiving a~~  
33 ~~credentialing application or any contract documents for the CalOptima program.~~  
34  
35 C. CalOptima or a Health Network, shall verify the information provided through primary or  
36 secondary source verification using industry-recognized verification sources or a credentials  
37 verification organization according to CalOptima Policy GG.1609Δ: Credentialing and  
38 Recredentialing.  
39

40 **V. ATTACHMENTS**

- 41  
42 A. CalOptima Minimum Physician Standards Attestation  
43

44 **VI. REFERENCES**

- 45  
46 A. CalOptima Compliance Plan  
47 B. CalOptima Contract With Department of Health Care Services (DHCS)  
48 ~~C.A. Contract For Health Care Services~~  
49 ~~D.C. CalOptima Policy~~ GG.1609Δ: Credentialing and Recredentialing  
50 ~~E.D. CalOptima Policy~~ GG.1633Δ: Board Certification Requirements for Physicians

E. Contract For Health Care Services

F. Title 42, United States Code, ~~section §~~ 1320a-7(a)

G. Welfare and Institutions Code ~~section §~~ 14043.36

**VII. REGULATORY APPROVALS**

None to Date

**VIII. BOARD ACTIONS**

None to Date

**IX. REVIEW/REVISION HISTORY**

Version	<del>Version</del> Date	Policy Number	Policy Title
Original- <del>Date</del>	<del>DATE</del> 07/01/2016	GG.1643	Minimum Physician Standards



Policy #: GG.1643Δ  
 Title: **Minimum Physician Standards**  
 Department: Medical Affairs  
 Section: Quality Improvement  
 CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 07/01/16  
 Last Review Date: N/A  
 Last Revised Date: N/A

This policy shall apply to the following CalOptima line of business (LOB):

- Medi-Cal
- OneCare
- OneCare Connect
- PACE

## I. PURPOSE

To identify the Minimum Physician Standards that must be met in order for a Physician to be credentialed for participation in CalOptima programs.

## II. DEFINITIONS

Term	Definition
Accusation	A legal document that begins the formal disciplinary process after an investigation finds evidence that the Physician has violated the laws governing the Physician's practice area, and the violation warrants disciplinary action. An accusation lists the charges and/or the section(s) of law alleged to have been violated, and is served on the Physician.
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.
Physician	For the purposes of this policy, a licensed Doctor of Medicine (MD), Doctor of Osteopathy (DO), or Doctor of Podiatric Medicine (DPM).

## III. POLICY

A. Effective July 1, 2016, CalOptima requires that all new Physicians (as defined above) who wish to provide services to CalOptima Members, whether through CalOptima Direct or a CalOptima Health Network meet the Minimum Physician Standards as defined in this policy and be credentialed in accordance with CalOptima GG.1609Δ: Credentialing and Recredentialing. The Minimum Physician Standards include:

1. Current valid California license to practice;
2. Current valid Drug Enforcement Agency (DEA) certificate;

3. Current professional liability (malpractice) insurance or self-insurance (e.g. trust, escrow accounts, etc.) coverage in the minimum amounts of \$1 million per occurrence and \$3 million aggregate per year;
  4. Not currently excluded, suspended, or otherwise ineligible to participate in any State or Federal health care programs;
  5. Not currently on probation or have an Accusation pending, with their licensing board.
  6. Never been excluded from participation in Federal or State health care programs based on conduct that supports a mandatory exclusion under the Medicare program set forth in Title 42, United States Code, Section 1320a-7(a) as follows:
    - a. A conviction of a criminal offense related to the delivery of an item or service under Federal or State health care programs;
    - b. A felony conviction related to the neglect or abuse of patients in connection with the delivery of a health care item or service;
    - c. A felony conviction related to health care fraud; or
    - d. A felony conviction related to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.
  7. No felony conviction in the ten (10) year period prior to the date of execution of the attestation containing these Minimum Physician Standards.
  8. Board certified in their specialty in accordance with CalOptima Policy GG.1633Δ: Board Certification Requirements for Physicians, unless exempt from the certification requirements as set forth under that policy.
- B. Health Networks that are delegated to perform credentialing and recredentialing shall incorporate the Minimum Physician Standards into their credentialing processes.
- C. A Health Network shall establish policies and procedures to evaluate and select Physicians to participate in CalOptima that, at minimum, meet the requirements as outlined in this policy.
- D. The Minimum Physician Standards will apply to all new, first-time Physician applicants to CalOptima who wish to provide covered services to CalOptima members, without exception.
- E. All new Physicians must meet the Minimum Physician Standards to contract with CalOptima or its Health Networks to furnish services to CalOptima Members and bill and receive reimbursement for such services (subject to compliance with all other applicable CalOptima Policies).

#### IV. PROCEDURE

- A. For Physicians who wish to provide services to CalOptima Members through CalOptima Direct, CalOptima's Provider Relations staff will distribute the Minimum Physician Standards attestation to Physicians as part of a pre-application process. Physicians must satisfy all of the Minimum

Physician Standards to be eligible to be credentialed in CalOptima. Any incomplete attestations shall be returned to the Physician by Provider Relations staff.

1. If the Physician does not fully complete the attestation within one hundred eighty (180) days after receipt of the attestation, the Physician's attestation shall be considered expired.
  2. CalOptima's Quality Improvement Department shall review the attestation and documentation and communicate results to Provider Relations. A Physician shall ensure that all information included in the attestation is no more than six (6) months old.
  3. A Physician whose completed attestation reflects that he or she meets all of the Minimum Physician Standards is eligible to receive a credentialing application, and if the credentialing application is approved, a contract to participate in the CalOptima Program.
  4. A Physician whose attestation reflects that he or she does not meet one (1) or more of the Minimum Physician Standards shall not be eligible to participate in the CalOptima Program.
  5. CalOptima's Quality Improvement (QI) department shall verify all answers and notify the Physician by certified mail that the Physician did not meet the Minimum Physician Standards within three (3) business days of receipt of a signed and completed attestation.
  6. If CalOptima is unable to render a decision within one hundred eighty (180) calendar days after receipt of the attestation for any Physician, the Physician's attestation shall be considered expired.
- B. Health Networks that are delegated to perform credentialing and recredentialing shall adopt a procedure to ensure that new Physicians seeking to contract with that Health Network to provide services to CalOptima Members satisfy all Minimum Physician Standards.
- C. CalOptima or a Health Network shall verify the information provided through primary or secondary source verification using industry-recognized verification sources or a credentials verification organization according to CalOptima Policy GG.1609Δ: Credentialing and Recredentialing.

## **V. ATTACHMENTS**

- A. CalOptima Minimum Physician Standards Attestation

## **VI. REFERENCES**

- A. CalOptima Compliance Plan
- B. CalOptima Contract With Department of Health Care Services (DHCS)
- C. CalOptima Policy GG.1609Δ: Credentialing and Recredentialing
- D. CalOptima Policy GG.1633Δ: Board Certification Requirements for Physicians
- E. Contract For Health Care Services
- F. Title 42, United States Code, § 1320a-7(a)
- G. Welfare and Institutions Code § 14043.36

## **VII. REGULATORY APPROVALS**

None to Date

**VIII. BOARD ACTIONS**

None to Date

**IX. REVIEW/REVISION HISTORY**

Version	Date	Policy Number	Policy Title
Original	07/01/2016	GG.1643	Minimum Physician Standards

### CalOptima Minimum Physician Standards Attestation

CalOptima's Board of Directors approved "minimum physician standards" for medical doctors, doctors of osteopathic medicine, and doctors of podiatric medicine, who wish to contract with CalOptima to provide services to CalOptima Members. All physicians in these categories who wish to participate in the CalOptima program must meet all minimum physician standards in order to submit an application for credentialing, the successful approval of which is a pre-requisite to contracting with CalOptima or its contracted Health Networks. All potential providers who have not contracted with CalOptima prior to \_\_\_\_\_ must submit this Attestation in order to be considered for issuance of a credentialing application.

**Please answer the following questions either Yes (Y) or No (N).**

<b>A.</b> Do you have a current valid California license to practice the profession for which you are seeking participation in CalOptima?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>
<b>B.</b> Do you possess a current valid DEA certificate?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>
<b>C.</b> (1) were you certified in your specialty within five years of the completion of your residency training, and do you continue to be so certified, by a CalOptima-approved specialty Board, or (2) has it been less than five years since completion of your residency training, and you have been making adequate progress towards being so certified before the expiration of five years from the completion of my residency training, or (3) were you first licensed to practice medicine in a United States jurisdiction before January 1, 2008?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>
<b>D.</b> Do you have current professional liability (malpractice) insurance or self-insurance (e.g. trust, escrow accounts, etc.) coverage in the minimum amounts of \$1 million per occurrence and \$3 million aggregate per year that covers all aspects of your practice?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>
<b>E.</b> Are you currently excluded, suspended, or otherwise ineligible to participate in any State or Federal health care programs?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>
<b>F.</b> Are you currently on probation with the board that issued your license to practice?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>
<b>G.</b> Do you currently have an accusation or other disciplinary proceeding pending against you with the board that issued your license to practice?	<b>Y</b> <input type="checkbox"/>	<b>N</b> <input type="checkbox"/>

(over)

**H.** Have you ever been excluded from participation in Federal and/or State health care programs based on conduct that supports a mandatory exclusion under the Medicare program set forth in 42 U.S.C. § 1396a-7(a) as follows: (1) a conviction of a criminal offense related to the delivery of an item or service under Federal and/or State health care programs; (2) a felony conviction related to the neglect or abuse of patients in connection with the delivery of a health care item or service; (3) a felony conviction related to health care fraud and/or (4) a felony conviction related to the unlawful manufacture, distribution, prescription or dispensing of a controlled substance?

Y ☐ N ☐

**I.** Do you have any felony convictions in the ten (10)-year period prior to the date of execution of this questionnaire set forth below?

Y ☐ N ☐

By signing this attestation, I hereby: (1) give CalOptima permission to investigate and verify the accuracy of any and all statements and representations in this Attestation; and (2) authorize any relevant person or entity to provide information requested by CalOptima that may be related to any and all statements and representations made in this Attestation.

I declare, under penalty of perjury, under the laws of the State of California, that all statements contained in this Attestation are true and correct. I understand that any and all statements made in this Attestation are subject to verification and that any false or dishonest statement may be grounds for limiting or terminating my participation in CalOptima programs.

**Print Name Here:** \_\_\_\_\_ **License #:** \_\_\_\_\_

**Physician Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Stamped Signature is NOT acceptable)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

10. Consider Adoption of the Proposed CalOptima Board of Directors Meeting Schedule for Fiscal Year (FY) 2016-17

#### **Contact**

Michael Schrader, Chief Executive Officer, (714) 246-8400

#### **Recommended Action**

Adopt the proposed meeting schedule of the CalOptima Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee for the period July 1, 2016 through June 30, 2017.

#### **Background**

Section 5.2.(b) (1) of the CalOptima Bylaws specifies that the Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. The annual organizational meeting is scheduled for the June Board meeting each year. At the annual organizational meeting, the Board shall adopt a schedule stating the dates, times, and places of the Board's regular meetings for the following year.

#### **Discussion**

The proposed schedule of meetings for the period July 1, 2015 through June 30, 2016 is as follows:

1. The Board of Directors will meet at 2 p.m. on the first Thursday of each month, with the following exceptions:
  - Due to the Independence Day holiday, staff recommends that the Board consider not meeting in July. Should unanticipated items arise during July 2016 that requires Board review/approval, the Chief Executive Officer (CEO) will confer with the Board Chair or Vice Chair, and items will be presented for ratification at the following regularly scheduled Board meeting
  - Due to the New Year's holiday, staff recommends that the Board consider not meeting in January. Should unanticipated items arise during January requiring Board review/approval, the CEO will confer with the Board Chair or Vice Chair, and items will be presented for ratification at the following regularly scheduled Board meeting.
2. The Finance and Audit Committee will meet quarterly at 2:00 p.m. on the third Thursday in the months of September, November, February and May.
3. The Quality Assurance Committee will meet quarterly at 5:30 p.m. on the third Wednesday in the months of September, November, February and May.

The meetings of the Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee are held at the CalOptima offices located at 505 City Parkway West, 1<sup>st</sup> Floor, Orange, California, unless notice of an alternate location is provided. The proposed FY 2015-16 Board of Directors Meeting Schedule is attached.



**Fiscal Impact**

The fiscal impact for FY 2016-17 Board of Directors Meetings is up to \$23,000 in per diem costs, and up to \$5,000 in mileage reimbursement for certain Board members. Funding is included as part of the Executive Office budget under the CalOptima FY 2016-17 Operating Budget pending Board approval on June 2, 2016.

**Rationale for Recommendation**

The recommended action will confirm the Board's meeting schedule for the next fiscal year as required in Section 5.2 of the Bylaws.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

Proposed Schedule of Meetings of the CalOptima Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee – July 1, 2016 through June 30, 2017

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**



## ***Proposed***

### **Board of Directors Meeting Schedule July 1, 2016 – June 30, 2017**

*All meetings are held at the following location, unless notice of an alternate location is provided:*

505 City Parkway West  
Orange, California 92868

<b>Board of Directors</b> Monthly – First Thursday Meeting Time: 2:00 p.m.	<b>Finance and Audit Committee</b> Quarterly – Third Thursday Meeting Time: 2:00 p.m.	<b>Quality Assurance Committee</b> Quarterly – Third Wednesday Meeting Time: 5:30 p.m.
<i>July 2016<sup>^</sup></i>		
August 4, 2016		
September 1, 2016	September 15, 2016	September 21, 2016
October 6, 2016		
November 3, 2016	November 17, 2016	November 16, 2016
December 1, 2016		
<i>January 2017<sup>^</sup></i>		
February 2, 2017	February 16, 2017	February 15, 2017
March 2, 2017		
April 6, 2017		
May 4, 2017	May 18, 2017	May 17, 2017
June 1, 2017 <sup>1</sup>		

<sup>^</sup>No Regular meeting scheduled

<sup>1</sup>Organizational Meeting

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016** **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

11. Authorize and Direct the Chairman of the Board of Directors to Execute Amendments to the Primary and Secondary Agreements with the California Department of Health Care Services (DHCS)

#### **Contact**

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

#### **Recommended Actions**

Authorize and direct the Chairman of the Board of Directors (Board) to execute amendments to the Primary and Secondary Agreements (Agreements) between DHCS and CalOptima related to:

1. An extension of the termination date of the Agreements to December 31, 2017; and
2. Language revisions that allow DHCS to continue to provide CalOptima with extensions to the existing Agreements.

#### **Background**

As a County Organized Health System (COHS), CalOptima contracts with DHCS to provide health care services to Medi-Cal beneficiaries in Orange County. In January 2009, CalOptima entered into new five (5) year Agreements with DHCS. Amendments to these agreements are summarized in the attached appendix, including Amendment 25 to the Primary Agreement and Amendment 6 to the Secondary Agreement, which extend the Agreements through December 31, 2016. The Agreements contain, among other terms and conditions, the payment rates CalOptima receives from DHCS to provide health care services.

#### **Discussion**

##### **Extension of the Primary and Secondary Agreements**

The Primary Agreement with DHCS includes language that permits DHCS to invoke up to three separate extensions of up to twelve months, with DHCS providing notice to CalOptima at least nine months prior of its intent to extend the agreement. On March 1, 2016, CalOptima received notice from DHCS of its intent to extend the term of the Primary agreement to December 31, 2017. In accordance with CalOptima's responsibilities as outlined in its Primary Agreement with DHCS, CalOptima responded to DHCS that it does indeed intend to proceed with the extension of the agreement. The amendment may also contain language to allow DHCS to provide CalOptima with more than three separate extensions of up to twelve months each, as DHCS has previously informed CalOptima staff verbally that it intends to continue to provide one-year extensions to the Agreements.

The extension is necessary as the Centers for Medicare & Medicaid Services (CMS) requires that Dual Eligible Special Needs Plans (D-SNP) have contracts with their State Medicaid agency in place for the years in which the plans operate. The contract with the State Medicaid agency must be compliant with the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). CalOptima's Primary

Agreement with DHCS is MIPPA compliant. The contracts for the 2017 Benefit Year must be submitted to CMS by July 1, 2016. Staff understands that DHCS intends to provide an amendment which will extend the Primary Agreement through December 31, 2017.

DHCS has historically extended the Secondary Agreement with CalOptima as a subsequent action to its extension of the Primary Agreement. DHCS has not stated its explicit intent to extend the term of the Secondary Agreement. It is understood that the extension of the Primary Agreement is a precursor to and signal that the Secondary Agreement will be extended. In order to be prepared to execute extension to the Secondary Agreement, staff recommends that the Board of Directors authorize and direct the Chairman, or the Vice Chairman, in the Chairman's absence, to sign an extension of the term of the Secondary Agreement to December 31, 2017 at such a time as DHCS chooses to proceed.

DHCS stated that it will provide the amendment(s) to CalOptima in advance of the CMS filing deadline of July 1, 2016, for prompt signature and return. If the amendment(s) are not consistent with the Plan's understanding as presented in this document, or include significant language changes, other than expected rates or requirements, staff will return to the Board of Directors for consideration.

#### **Fiscal Impact**

The recommended action to extend the terms of the Primary and Secondary Agreements is budget neutral to CalOptima.

#### **Rationale for Recommendation**

The extension of the Agreements with DHCS for Medi-Cal is necessary for the continued operation of CalOptima's Medi-Cal, OneCare, and OneCare Connect programs.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

Appendix summary of amendments to Primary and Secondary Agreements with DHCS

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

## APPENDIX TO AGENDA ITEM 11.

The following is a summary of amendments to the Primary Agreement approved by the CalOptima Board of Directors (Board) to date:

<b>Amendments to Primary Agreement</b>	<b>Board Approval</b>
<b>A-01</b> provided language changes related to Indian Health Services, home and community-based services, and addition of aid codes effective January 1, 2009.	October 26, 2009
<b>A-02</b> provided rate changes that reflected implementation of the gross premiums tax authorized by AB 1422 (2009) for the period January 1, 2009, through June 30, 2009.	October 26, 2009
<b>A-03</b> provided revised capitation rates for the period July 1, 2009, through June 30, 2010; and rate increases to reflect the gross premiums tax authorized by AB 1422 (2009) for the period July 1, 2009, through June 30, 2010.	January 7, 2010
<b>A-04</b> included the necessary contract language to conform to AB X3 (2009), to eliminate nine (9) Medi-Cal optional benefits.	July 8, 2010
<b>A-05</b> provided revised capitation rates for the period July 1, 2010, through June 30, 2011, including rate increases to reflect the gross premium tax authorized by AB 1422 (2009), the hospital quality assurance fee (QAF) authorized by AB 1653 (2010), and adjustments for maximum allowable cost pharmacy pricing.	December 9, 2010
<b>A-06</b> provided revised capitation rates for the period July 1, 2010, through June 30, 2011, for funding for legislatively mandated rate adjustments to Long Term Care facilities effective August 1, 2010; and rate increases to reflect the gross premiums tax on the adjusted revenues for the period July 1, 2010, through June 30, 2011.	September 1, 2011
<b>A-07</b> included a rate adjustment that reflected the extension of the supplemental funding to hospitals authorized in AB 1653 (2010), as well as an Intergovernmental Transfer (IGT) program for Non-Designated Public Hospitals (NDPHs) and Designated Public Hospitals (DPHs).	November 3, 2011
<b>A-08</b> provided revised capitation rates for the period July 1, 2010, through June 30, 2011, for funding related to the Intergovernmental Transfer (IGT) Agreement between CalOptima and the University of California, Irvine.	March 3, 2011
<b>A-09</b> included contract language and supplemental capitation rates related to the addition of the Community Based Adult Services (CBAS) benefit in managed care plans.	June 7, 2012

<b>A-10</b> included contract language and capitation rates related to the transition of Healthy Families Program (HFP) subscribers into CalOptima's Medi-Cal program	December 6, 2012
<b>A-11</b> provided capitation rates related to the transition of HFP subscribers into CalOptima's Medi-Cal program.	April 4, 2013
<b>A-12</b> provided capitation rates for the period July 1, 2011 to June 30, 2012.	April 4, 2013
<b>A-13</b> provided capitation rates for the period July 1, 2012 to June 30, 2013	June 6, 2013
<b>A-14</b> extended the Primary Agreement until December 31, 2014	June 6, 2013
<b>A-15</b> included contract language related to the mandatory enrollment of seniors and persons with disabilities, requirements related to the Balanced Budget Amendment of 1997 (BBA) and Health Insurance Portability and Accountability Act (HIPAA) Omnibus Rule	October 3, 2013
<b>A-16</b> provided revised capitation rates for the period July 1, 2012, through June 30, 2013 and revised capitation rates for the period January 1, 2013, through June 30, 2014 for Phases 1, 2 and 3 transition of Healthy Families Program (HFP) children to the Medi-Cal program	November 7, 2013
<b>A-17</b> included contract language related to implementation of the Affordable Care Act, expansion of Medi-Cal, the integration of the managed care mental health and substance use benefits and revised capitation rates for the period July 1, 2013 through June 30, 2014.	December 5, 2013
<b>A-18</b> provided revised capitation rates for the period July 1, 2013, through June 30, 2014.	June 5, 2014
<b>A-19</b> extended the Primary Agreement until December 31, 2015 and included language that incorporates provisions related to Medicare Improvements for Patients and Providers Act (MIPPA)-compliant contracts and eligibility criteria for Dual Eligible Special Needs Plans (D-SNPs)	August 7, 2014
<b>A-20</b> provided revised capitation rates for the period July 1, 2012, through June 30, 2013, for funding related to the Intergovernmental Transfer (IGT) Agreement between CalOptima and the University of California, Irvine and Optional Targeted Low-Income Child Members	September 4, 2014
<b>A-21</b> provided revised 2013-2014 capitation rates.	November 7, 2013
<b>A-22</b> revised capitation rates for Fiscal Year (FY) 2013-14 and added an aid code to implement Express Lane/CalFresh Eligibility	November 6, 2014
<b>A-23</b> revised ACA 1202 rates for January – June 2014, established base capitation rates for FY 2014-2015, added an aid code related to the OTLIC and AIM programs, and contained language revisions related to supplemental payments for coverage of Hepatitis C medications.	December 4, 2014
<b>A-24</b> revises capitation rates to include SB 239 Hospital Quality Assurance Fees for the period January 1, 2014 to June 30, 2014.	May 7, 2015

<b>A-25</b> extends the contract term to December 31, 2016. DHCS is obtaining a continuation of the services identified in the original agreement.	May 7, 2015
<b>A-26</b> . adjusts the 2013-2014 Intergovernmental Transfer (IGT) rates.	May 7, 2015
<b>A-27</b> incorporates the Hospital Quality Assurance Fee (QAF) into CalOptima's Optional Expansion rates for the period January 1, 2014 to June 30, 2014.	May 7, 2015



<b>Amendments to Secondary Agreement</b>	<b>Board Approval</b>
<b>A-01</b> implemented rate amendments to conform to rate amendments contained in the Primary Agreement with DHCS (08-85214).	July 8, 2010
<b>A-02</b> implemented rate adjustments to reflect a decrease in the statewide average cost for Sensitive Services for the rate period July 1, 2010 through June 30, 2011.	August 4, 2011
<b>A-03</b> extended the term of the Secondary Agreement to December 31, 2014.	June 6, 2013
<b>A-04</b> incorporates rates for the periods July 1, 2011 through June 30, 2012, and July 1, 2012 through June 30, 2013 as well as extends the current term of the Secondary Agreement to December 31, 2015	January 5, 2012 (FY 11-12 and FY 12-13 rates)  May 1, 2014 (term extension)
<b>A-05</b> incorporates rates for the periods July 1, 2013 through June 30, 2014, and July 1, 2014 through June 30, 2015. For the period July 1, 2014 through June 30, 2015, Amendment A-05 also adds funding for the Medi-Cal expansion population for services provided through the Secondary Agreement.	December 4, 2014
<b>A-06</b> incorporates rates for the period July 1, 2015 onward. A-06 also extends the term of the Secondary Agreement to December 31, 2016.	May 7, 2015 (term extension)  April 7, 2016 (Ratification)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016** **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

12. Adopt a Resolution Authorizing and Directing the Chairman of the Board of Directors to Execute Contract MS-16-17-41 with the California Department of Aging for the Multipurpose Senior Services Program for Fiscal Year 2016-17

#### **Contact**

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

#### **Recommended Action**

Adopt Board Resolution No. 16-0602-02, authorizing and directing the Chairman of the Board to execute Contract MS-16-17-41 with the California Department of Aging for the Multipurpose Senior Services Program.

#### **Background**

The Multipurpose Senior Services Program (MSSP) is a home and community-based services program, operated pursuant to a waiver in the State's Medi-Cal program. MSSP provides case management of social and health care services as a cost-effective alternative to institutionalization of the frail elderly.

The California Department of Health Care Services (DHCS), through an Interagency Agreement, delegates the administration of the MSSP to the California Department of Aging (CDA). The CDA contracts with local government entities and private non-profit organizations for local administration of MSSP in various areas of the State.

As the operator of the MSSP site for Orange County, CalOptima improves the quality of care for our aging population by linking frail, elderly members to home and community-based services as an alternative to institutionalization, and helps to contain long-term care costs by reducing unnecessary or inappropriate nursing facility placements. CalOptima has successfully implemented the MSSP program over the past fifteen (15) years for up to a maximum of 568 members at any given point in time.

The Fiscal Year (FY) 2008-09 state budget reduced payments to MSSP sites by ten percent (10%) from FY 2007-08 rates. In addition, the FY 2011-12 State Budget reduced payments by an additional eleven percent (11%) from FY 2010-11 rates. As a result, CalOptima served only 475 to 490 clients during FY 2014-15.

At the August 6, 2015, meeting, the CalOptima Board of Directors (Board) approved the CalOptima FY 2015-16 Operating Budget. The FY 2015-16 MSSP Operating Budget included an average client enrollment of 479; \$1,949,675 in revenue, \$1,595,090 in medical costs and \$734,657 in administrative costs, resulting in a projected operating loss of \$380,072.

#### **Discussion**

CalOptima has received CDA Contract MS-16-17-41 for execution by the Chairman of the CalOptima Board, which upon the adoption of a Board resolution and execution of the contract will extend the MSSP program through June 30, 2017. The scope of work and other obligations are consistent with

existing contract obligations, and there are no material changes to the contract. The maximum amount of the contract is \$1,949,675.

With the advent of the Coordinated Care Initiative (CCI) on July 1, 2015, the MSSP program is now under CalOptima's Long Term Services and Supports (LTSS) department. While CDA programmatic requirements remain the same, CalOptima is required to pay MSSP per enrolled member per month based upon a monthly reconciliation. CalOptima is required to continue funding MSSP at the same rate as would have applied had CalOptima not participated in CCI. MSSP enrollment is part of DHCS's CalOptima Medi-Cal and OneCare Connect capitation rate setting process.

### **Fiscal Impact**

The anticipated MSSP revenue for FY 2016-17 is projected to be sufficient to cover program costs. Revenue and expenses for the extended contract are included in the proposed CalOptima FY 2016-17 Operating Budget pending Board approval.

### **Rationale for Recommendation**

Adoption of Board Resolution No. 16-0602-02, authorizing and directing the Chairman of the Board of Directors to execute the FY 2016-17 contract with the CDA for the MSSP program will allow CalOptima to continue to address the long-term community care needs of some of the frailest older adult CalOptima members by helping them to remain in their homes.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachment**

Resolution No.16-0602-02, Execute Contract No. MS-16-17-41 with the State of California Department of Aging for the Multipurpose Senior Services Program

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

**RESOLUTION NO. 16-0602-02**

**RESOLUTION OF THE BOARD OF DIRECTORS  
ORANGE COUNTY HEALTH AUTHORITY  
Orange Prevention and Treatment Integrated Medical Assistance  
d.b.a. CalOptima**

**EXECUTE CONTRACT NO. MS-16-17-41  
WITH THE STATE OF CALIFORNIA  
DEPARTMENT OF AGING FOR THE  
MULTIPURPOSE SENIOR SERVICES PROGRAM (MSSP)**

**WHEREAS**, The Orange County Health Authority, d.b.a. CalOptima (“CalOptima”) continues to provide services as a Multipurpose Senior Service Program Site under contract with the California Department of Aging; and,

**WHEREAS**, the California Department of Aging notified CalOptima of its intent to contract for the assignment of up to 568 MSSP participant slots to CalOptima for the FY2016-17 fiscal year; and,

**WHEREAS**, the California Department of Aging has requested the execution of Contract MS-16-17-41; and,

**WHEREAS**, the Board of Directors has determined that it is in the best interest of the ongoing development of CalOptima home and community based services to the Medi-Cal beneficiaries residing in Orange County to approve CalOptima executing the Contract.

**NOW, THEREFORE, BE IT RESOLVED:**

- I. That CalOptima is hereby authorized to enter into contract MS-16-17-41 with the State of California Department of Aging on the terms and conditions set forth in the form provided to this Board of Directors; and,
- II. That the Chair of this Board of Directors is hereby authorized and directed to execute and deliver the Contract by and on behalf of CalOptima on the terms and conditions set forth in the form provided to this Board of Directors.

**APPROVED AND ADOPTED** by the Board of Directors of the Orange County Health Authority, d.b.a. CalOptima, this 2<sup>nd</sup> day of June, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ \_\_\_\_\_

Title: Chair, Board of Directors

Printed Name and Title: Mark A. Refowitz, Chair, Board of Directors

Attest:

/s/ \_\_\_\_\_

Suzanne Turf, Clerk of the Board

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action to Be Taken June 2, 2016**

#### **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

13. Authorize Extension of Contract with Imagenet

#### **Contact**

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

#### **Recommended Actions**

Authorize the Chief Executive Officer (CEO), with the assistance of legal counsel, to negotiate an amendment to extend the existing contract with Imagenet through December 31, 2017.

#### **Background**

CalOptima contracted with Imagenet in July 2007 to perform electronic scanning of paper claims documents in order to create an electronic claim submission and store these documents as electronic images. Imagenet's scanning and web-based document management functions reduce manual work across the organization to improve efficiencies, facilitate document archival and retrieval, and reduce document storage costs.

On June 3, 2010, the Board authorized an amendment to the Imagenet contract to expand the scope of services to include development of an electronic document repository for all paper documents for the organization as a whole and extended the terms of the contract to June 30, 2015. Subsequently, on May 2, 2013, the Board authorized the extension of the Imagenet contract through December 31, 2016.

CalOptima's electronic documentation process requires a high degree of accuracy, accountability, and on-time delivery from initial receipt at the mail room, document preparation, tracking reports, quality analytics, adjudication, storage, and retrieval. In anticipation of conducting a formal bid process for continued services, in March 2016, CalOptima staff initiated a Request for Information (RFI) process to learn of recent advancements, best practices, and identify additional vendors who provide electronic documentation services.

#### **Discussion**

During the RFI process, recent advancements and best practices were identified that could improve current operations and increase efficiencies throughout the organization. In order to consider expanded electronic documentation services, additional time is needed to conduct an operational needs assessment, consider options, and develop an expanded scope of service for a Request for Proposal (RFP).

In order to allow sufficient time for this RFP process, as well as implementation involving all affected departments, CalOptima staff seeks authority to extend the existing contract with Imagenet through December 31, 2017. This extension is critical to allow CalOptima to maintain the continuity of current business processes, while reviewing detailed information gained through the RFI process, and determine potential operational and fiscal impact. Procurement and replacement efforts require

significant investment in cost, resources, time and effort that require thoughtful planning and due diligence for a successful implementation.

### **Fiscal Impact**

The fiscal impact of extending the Imagenet contract through December 31, 2017, is estimated at \$600,000. Of this amount, \$316,069 is included in the proposed CalOptima FY 2016-17 Operating Budget pending Board approval for the period of July 1, 2016, through June 30, 2017. Management will include expenses related to the second half of the proposed contract extension in the FY 2017-18 operating budget when it is presented for Board consideration.

### **Rationale for Recommendation**

Staff seeks authority to extend the contract with Imagenet for imaging services through December 31, 2017. Extending this contract will allow for continuation of current processes while a competitive bid process is completed in accordance with CalOptima's Board-approved Purchasing Policy.

### **Concurrence**

Gary Crockett, Chief Counsel  
Chet Uma, Chief Financial Officer

### **Attachments**

1. June 3, 2010 CalOptima Board Action Agenda Referral, Report Item VI.C. Ratify Contract with Imagenet and Authorize Expansion of the Scope of Services for Electronic Document Management
2. May 2, 2013 CalOptima Board Action Agenda Referral, Report Item VII.A. Authorize the Chief Executive Officer (CEO) to Negotiate and Execute Amendments or New Contracts to Extend the Term of Services Contracts Related to CalOptima's Core Systems through December 31, 2016; Authorize Staff to Engage in a Competitive Bidding Process if Contracting Negotiations are Unsatisfactory to CalOptima

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 3, 2010**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

VI. C. Ratify Contract with Imagenet and Authorize Expansion of the Scope of Services for Electronic Document Management

#### **Contact**

Ruth Watson, Executive Director of Operations, (714) 246-8400

#### **Recommended Action**

Ratify contract with Imagenet, and authorize expansion of the scope of services for electronic document management.

#### **Background**

Since its inception in 1994, CalOptima has grown from a start-up into an organization with 420 employees serving over 400,000 members across multiple programs. As the organization has matured, the volume of documents CalOptima must manage as well as the level of regulatory requirements relating to the retention, access and security of this documentation have increased significantly.

Following an RFP process, CalOptima contracted with vendor Imagenet in July 2007 to perform electronic scanning of paper claim documents in order to create and store these documents as electronic images. Inadvertently, the contract was not specifically approved by the Board but the costs were included in the FY 2007-08 and FY 2008-09 budgets. Imagenet scans and data lifts pre-determined data elements into a file that is then provided to CalOptima for claims adjudication. Imagenet's data accuracy rate is 99% and their turn-around rate is 36 hours, exceeding the 48-hour contracted performance requirement. Outsourcing this function to Imagenet has improved the efficiency of the Claims Department, created a paperless environment, resulted in administrative savings and freed up a significant amount of office space.

Across the organization, CalOptima faces two challenges in managing the volume of documents received daily: 1) growing space requirements to store paper documents; and, 2) lack of a common process to electronically scan, store and retrieve business-related document images.

As a result of these challenges, the amount of onsite document storage (paper) and offsite storage has increased each year. Currently, CalOptima dedicates approximately 3,600 square feet of onsite office space for ancillary filing. Paper files are kept in three to five-drawer locking file cabinets, and the process for archiving documents in off-site storage is inconsistent. The large volume of file cabinets contributes to an increasing reduction of



CalOptima Board Action Agenda Referral  
Ratify Contract with Imagenet and Authorize Expansion of the  
Scope of Services for Electronic Document Management  
Page 2

usable real estate for workstations, private offices and meeting space. Congestion in the main aisles and corridors has dramatically increased and circulation is reduced.

An issue arose in October 2009 regarding the mishandling of a box Imagenet mailed to CalOptima. The box contained unencrypted DVDs which contained information on approximately 68,000 CalOptima members. While the box was subsequently located by the U.S. Postal Service in its facilities and retrieved by CalOptima staff, the incident led to a review of applicable security controls, privacy processes, and vendor requirements in order to mitigate the risk of future potential privacy incidents. Staff is confident that the proposed expansion of CalOptima's relationship with Imagenet will not result in increased risks to protected member information.

### **Discussion**

Using a scanning and document management vendor will further CalOptima's strategic goal of operational efficiency by streamlining document management processes and optimizing staff's use of the available office space.

As indicated above, Imagenet has proven to be an effective resource, providing electronic scanning, data lift and storage of documents for the Claims Department. CalOptima management believes Imagenet can adapt and apply the processes in other departments to similarly reduce the need for document storage and manual data entry. The web-based electronic scanning and online storage and retrieval of document images, as well as the storage and scheduled destruction of original documents, provides a more efficient, secure and cost effective means of warehousing and retrieval, and of reducing CalOptima's offsite storage needs. It is anticipated that efficiencies in this area will also have a positive impact on staffing levels as CalOptima continues to grow.

Staff recommends broadening the scope of CalOptima's relationship with the current vendor, Imagenet, to increase CalOptima's capabilities, utilizing a proven technology for the development of an electronic document repository. Once this system process is implemented, the vast majority of internal and external documents stored can be electronically scanned and filed. Implementing an organization-wide electronic document control capability will provide CalOptima with many benefits, including:

1. Access: easy archival and retrieval, resulting in lower maintenance costs;
2. Employee efficiency: scanned documents can easily be accessed at a computer in seconds;
3. Disaster recovery: scanned documents are easily backed up and protected on other computers; and,
4. Security: paper filing systems are susceptible to misplaced, stolen and lost documents; this system will reduce CalOptima's exposure to loss of ePHI data.

CalOptima Board Action Agenda Referral  
Ratify Contract with Imagenet and Authorize Expansion of the  
Scope of Services for Electronic Document Management  
Page 3

**Fiscal Impact**

The anticipated cost for the proposed expansion of Imagenet's scope of services is approximately \$200,000 for FY 2010-11. These dollars are included in the FY 2010-11 strategic budget. The FY 2010-11 operating budget includes \$312,000 for Imagenet's claims scanning services. The total FY 2010-11 budget for Imagenet is approximately \$512,000.

Based on CalOptima's experience with Imagenet in reducing administrative costs and claims processing, it is anticipated that the proposed additional expenditures for imaging and electronic archival functionality across the organization should be offset by the resulting efficiency gains and administrative cost savings.

**Rationale for Recommendation**

Imagenet's web-based document management functions can be adapted to reduce manual data entry in Customer Service and deployed across the organization to improve efficiencies, facilitate document archival and retrieval, and reduce document storage costs.

**Storage Space**

Utilizing this vendor will reduce the volume of on and offsite document storage and improve efficiency in document retrieval.

**Security**

Document scanning solutions can provide additional layers of security through:

- Multiple levels of password-protected access for groups and individuals
- Encryption of document contents
- Audit trails showing who has accessed or updated documents.

**Concurrence**

Procopio, Cory, Hargreaves & Savitch LLP

**Attachments**

None

/s/ Richard Chambers  
**Authorized Signature**

05/26/2010  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action to Be Taken May 2, 2013** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

VII. A. Authorize the Chief Executive Officer (CEO) to Negotiate and Execute Amendments or New Contracts to Extend the Term of Services Contracts Related to CalOptima's Core Systems through December 31, 2016; Authorize Staff to Engage in a Competitive Bidding Process if Contracting Negotiations are Unsatisfactory to CalOptima

#### **Contact**

Ruth Watson, Executive Director, Operations, (714) 246-8400

#### **Recommended Actions**

1. Authorize the CEO to negotiate and execute amendments or new contracts, with the assistance of legal counsel, to extend the term through December 31, 2016 of the following services contracts that interface with CalOptima's core systems, Facets or CCMS: AIM Healthcare, Burgess, Edifecs, Health Management Systems (HMS), Hewlett Packard (HP), HumanArc, Imagenet, Inovalon, Office Ally, Socrates, and Verisk/The Assist Group (TAG).
2. Authorize the CEO to undertake a competitive bidding process for any of the services contracts identified in Recommended Action No. 1 if the negotiations to extend the term/enter new contract(s) are not satisfactory to CalOptima.

#### **Background**

CalOptima uses several software solutions to support current business processes and contracts with a number of vendors who provide software and/or services which augment or provide additional functionality not available in its two core systems, Trizetto's Facets and McKesson's Coordinated Care Management System (CCMS). A brief description of each vendor/service is summarized in the following table.

<b>Vendor</b>	<b>Description of Service</b>	<b>Current Contract Expires</b>	<b>Annual Value of Contract (based on FY 12-13 budget)</b>
AIM Healthcare*	Credit balance recovery	11/30/14	\$0 (\$25,800 recovered YTD)
Burgess	Medicare fee schedules and MS-DRG pricing tool APR-DRG pricing tool**	6/30/13	\$235,000
Edifecs	Code mapping tool	6/30/14	\$60,000
Emdeon	Electronic claim submission	Evergreen	\$55,000
HMS*	Coordination of Benefits recovery	5/14/14	\$690,000 (\$1.9M recovered YTD)
HP	Crossover claims processing	6/30/14	\$985,386
HumanArc	Revenue augmentation through aid code conversion to SSI/disabled aid codes	9/20/13	\$403,450

CalOptima Board Action Agenda Referral  
Authorize the CEO to Negotiate and Execute Amendments or  
New Contracts to Extend the Term of Services Contracts Related to  
CalOptima's Core Systems through December 31, 2016; Authorize  
Staff to Engage in a Competitive Bidding Process if Contracting  
Negotiations are Unsatisfactory to CalOptima  
Page 2

<b>Vendor</b>	<b>Description of Service</b>	<b>Current Contract Expires</b>	<b>Annual Value of Contract (based on FY 12-13 budget)</b>
Imagenet	Scanning/imaging of claims, customer service documents, grievance documents	6/30/15	\$260,000
Inovalon	HEDIS software	12/31/15	\$160,000
Office Ally	Electronic claim submission	6/30/13	\$147,000
Socrates*	Third Party Liability recovery for OneCare	2/18/13	\$0 (\$31,450 recovered YTD)
Verisk/TAG*	Pre-payment claims code review	9/30/13	\$1,500,000 (\$5M cost avoidance YTD)

\*Contingency contract

\*\*Contract must be amended to add APR-DRG functionality

On April, 4, 2013, the CalOptima Board of Directors authorized the extension of contracts for both Facets and CCMS through December 31, 2016. Extension of contracts for these core administration systems will provide a stable platform and minimize disruption across the agency as staff prepares for ICD-10 compliance and the implementation of new programs such as the Duals Demonstration and Medi-Cal Expansion. Staff has committed to conducting a systems review, and if appropriate, a comprehensive RFP process for both of these core systems in 2014.

The vendors listed above either provide inbound data utilized by Facets or rely on outbound data from Facets or CCMS on a daily, monthly or annual basis. Much of this data contains diagnosis information, intricately tying each of these vendor services to CalOptima's current ICD-10 compliance and remediation efforts which are well underway.

CalOptima's contracts with Imagenet and Inovalon both currently extend through 2015. The complexity and breadth of the systems covered by these contracts would require CalOptima staff to begin the RFP process now in order to insure that a new system would be in place before the existing contracts expire.

Inovalon, which is used for HEDIS, requires a two-year "look back" period for HEDIS data review. In order to define, build and capture the data elements required to build a new system for HEDIS reporting, staff would need to begin the project in 2013. Imagenet is used by CalOptima to image claims, correspondence, enrollment and grievance documents which are then converted to electronic images accessible for processing and review. Approval to negotiate and extend Imagenet and Inovalon past the 2015 contract renewal date would insure that staff does not engage in a lengthy RFP and implementation process before a decision is made regarding possible replacement of CalOptima's core systems, Facets and CCMS.

### **Discussion**

CalOptima staff seeks authority to extend each of these contracts for up to three years, to be consistent with the extensions for Facets and CCMS. These extensions are critical to allow CalOptima to maintain the continuity of current business processes. Procurement and

CalOptima Board Action Agenda Referral

Authorize the CEO to Negotiate and Execute Amendments or New Contracts to Extend the Term of Services Contracts Related to CalOptima's Core Systems through December 31, 2016; Authorize Staff to Engage in a Competitive Bidding Process if Contracting Negotiations are Unsatisfactory to CalOptima  
Page 3

replacement efforts require significant investment in cost, resources, time and effort while the organization is preparing for the implementation of Medi-Cal Expansion, Coordinated Care Initiative (CCI) and ICD-10 as well as conducting an RFP process for the agency's Managed Care and Care Management systems, which will be a significant undertaking.

As part of the renewal of each contract, staff will enter into negotiations with the existing vendors in order to secure an extension of the term on financial terms favorable to CalOptima. CalOptima may also update the terms of such contracts to address any changes necessitated by regulatory requirements. As part of the negotiation process competitor pricing will be benchmarked. Should negotiations prove to be unsatisfactory with any vendor, staff seeks authority to conduct a competitive bid process in accordance with CalOptima's Board-approved Purchasing Policy.

**Fiscal Impact**

<b>Vendor</b>	<b>Current Contract Expires</b>	<b>Annual Value of Contract (based on FY 12-13 budget)</b>	<b>Estimated Impact Through 12/31/16</b>
AIM Healthcare*	11/30/14	\$0 (\$25,800 recovered YTD)	\$0
Burgess	6/30/13	\$235,000	\$1,596,000 (includes pricing for MS-DRG and APR-DRG)
Edifecs	6/30/14	\$60,000	\$150,000
Emdeon	Evergreen	\$55,000	\$150,000
HMS*	5/14/14	\$690,000 (\$1.9M recovered YTD)	\$1,740,000
HP	6/30/14	\$985,386	\$2,463,465
HumanArc	9/20/13	\$403,450	\$1,311,212
Imagenet	6/30/15	\$260,000	\$390,000
Inovalon	12/31/15	\$160,000	\$160,000
Office Ally	6/30/13	\$147,000	\$514,500
Socrates*	2/18/13	\$0 (\$31,450 recovered YTD)	\$0
Verisk/TAG*	9/30/13	\$1,500,000 (\$5M cost avoidance YTD)	\$4,225,000

\*Contingency contract

**Rationale for Recommendation**

For vendors whose products and services interface with CalOptima's core Facets and CCMS systems, staff seeks authority to extend contractual relationships with these vendors so that their

CalOptima Board Action Agenda Referral  
Authorize the CEO to Negotiate and Execute Amendments or  
New Contracts to Extend the Term of Services Contracts Related to  
CalOptima's Core Systems through December 31, 2016; Authorize  
Staff to Engage in a Competitive Bidding Process if Contracting  
Negotiations are Unsatisfactory to CalOptima  
Page 4

contract expiration dates are concurrent with those for Facets and CCMS. Each of the proposed vendor contract extensions will be negotiated individually. While it is preferable to coordinate transitions/new systems implementations with such vendors when new core systems are implemented, if negotiations are unsuccessful in leading to favorable terms for CalOptima in any of these negotiations, staff will conduct a competitive bid process.

**Concurrence**

Michael H. Ewing, Chief Financial Officer  
Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

4/26/2013  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 2, 2016**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

14. Authorize Proposed Budget Allocation Changes in the CalOptima Fiscal Year (FY) 2015-2016 Operating Budget

#### **Contact**

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

#### **Recommended Actions**

1. Authorize reallocation of budgeted but unused funds of \$250,000 from Claims Administration - Professional Fees to Claims Administration – Claims Code Review to fund the Healthcare Insight, a division of Verisk Health, Inc. (Verisk) annual contingency fees through June 30, 2016.
2. Authorize reallocation of budgeted but unused funds of \$125,000 from Claims Administration - Professional Fees, and \$700,000 from Claims Administration Purchased Services - General to Claims Administration Purchased Services – HMS, to fund the Health Management Systems, Inc. (HMS) annual contingency fees through June 30, 2016.

#### **Background**

On March 1, 2012, the CalOptima Board of Directors adopted CalOptima Resolution No. 12-0301-01, which includes provisions that delegate authority to the Chief Executive Officer to make budget allocation changes within certain parameters. Pursuant to this resolution, budget allocation changes (i.e., movement of unexpended budgeted dollars from one Board-approved program, item, or activity to another within the same expense category) of \$100,000 or more require Board approval.

CalOptima contracts with two vendors to conduct claims accuracy reviews. Verisk provides automated correct coding and charge reviews prior to claims payment and certain forensic analysis related to identified disallowances. Applying the National Correct Coding Initiative (NCCI) standards for Medicare and Medi-Cal and other pre-payment claims edits, Verisk identifies irregular claims billing practices in addition to those identified by the edits currently embedded in CalOptima's core operating system, Facets.

The other contracted vendor, HMS, provides coordination of benefit services to ensure that claims are paid only for members who do not have other health insurance. Because other health insurance information is updated frequently, HMS monitors changes and recovers payments when insurance, other than CalOptima, should have paid the claim.

Reimbursements to both Verisk and HMS are contingency-based on claims recovery and savings achieved. Based on historical savings and membership projections, the CalOptima FY 2015-16 Operating Budget included a budget of \$396,000 for HMS and nearly \$1,300,000 for Verisk.



### **Discussion**

Savings achieved by Verisk and HMS are reconciled quarterly. During the past few quarters, CalOptima experienced greater than expected total savings, and associated contingency fees to these two vendors. The higher than expected pre-payment disallowance identified by Verisk was a result of increased volume of high dollar claims. The increased post-payment recovery by HMS was a result of more timely and accurate information about other health coverage, most notably related to pharmacy services. As such, costs for Verisk and HMS are now projected to exceed budget. Staff projects a shortfall of nearly \$250,000 for Verisk and \$825,000 for HMS by June 30, 2016.

To address this shortfall, Management proposes to make a reallocation of budgeted but unused funds of \$1,075,000 from two professional fees cost categories to HMS and Verisk, resulting in a revised total budget of nearly \$2,771,000 for FY 2015-16 for these two service agreements. Specific details on the recommended reallocations are provided below:

1. Reallocation of \$375,000 from Claims Administration - Professional Fees: The Professional Fees line item was budgeted at \$375,000 to cover professional fees associated with the implementation of software solutions placed into service during FY 2015-16. Due to timing of implementation, management does not anticipate that the dollars associated with this budgeted line item will be utilized. Specifically,
  - a. \$250,000 will be reallocated to Claims Administration – Claims Code Review to fund Verisk annual contingency fees; and
  - b. \$125,000 will be reallocated to Claims Administration Purchased Services – HMS to fund HMS annual contingency fees.
2. Reallocation of \$700,000 from Claims Administration Purchased Services – General to Claims Administration Purchased Services – HMS. The Purchased Services – General line item was budgeted at \$798,000 to cover costs associated with the development and deployment of Trizetto Robot technology. The current forecasted expenses in this category are below budget, thereby making these funds available for reallocation.

### **Fiscal Impact**

The fiscal impact for this recommended action is budget neutral. Unspent budgeted funds from Claims Administration - Professional Fees and Claims Administration Purchased Services - General approved in the CalOptima FY 2015-16 Operating Budget on June 4, 2015, will fund the total cost of \$1,075,000 for the recommended actions.

### **Rationale for Recommendation**

Staff recommends approval of the recommended actions to pay contingency fees in accordance with existing contracts which are expected to be incurred during the current fiscal year.

### **Concurrence**

Gary Crockett, Chief Counsel  
Chet Uma, Chief Financial Officer

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 2, 2016**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

15. Consider Adoption of Resolution Approving Updated CalOptima Policy GA.8055, Retiree Health Benefits

#### **Contact**

Ron Santos, Executive Director, Human Resources, (714) 246-8400

#### **Recommended Action**

Adopt Resolution No. 16-0602-03, approving updated CalOptima Policy GA.8055, Retiree Health Benefits.

#### **Background/Discussion**

On November 1, 1994, the Board of Directors delegated authority to the Chief Executive Officer to promulgate employee policies and procedures, and to amend these policies from time to time, subject to annual presentation of the policies and procedures, with specific emphasis on any changes thereto, to the Board of Directors or a committee appointed by the Board of Directors for that purpose. On December 6, 1994, the Board adopted CalOptima's Bylaws, which requires, pursuant to section 13.1, that the Board of Directors adopt by resolution, and from time to time amend, procedures, practices and policies for, among other things, hiring employees and managing personnel.

As part of a review of existing processes and current policies and procedures, language was identified in a Human Resources Policy that needed to be updated to align with a prior Board of Director's action. The update involves revisions to Human Resources Policy GA. 8055: Retiree Health Benefits to reflect the Board action from October 5, 2005, to provide Medicare Supplemental Coverage for Retirees who are Medicare eligible. In addition, because supplemental insurance coverage is different than CalOptima's basic health insurance coverage offered to active employees, the language governing premium costs for Medicare-eligible retirees needed to be updated to reflect this difference. Implementation of this change will be reflected during CalOptima's next open enrollment period for coverage to begin on January 1, 2017.

The following table lists the existing Human Resources policy that has been updated and is presented for review and approval:

	<b>Policy No./Name</b>	<b>Summary of Changes</b>	<b>Reason for Change</b>
1.	GA. 8055: Retiree Health Benefits	<ul style="list-style-type: none"><li>• To reflect Medicare Supplemental Coverage for Retirees who are Medicare eligible.</li><li>• To clarify the language applicable to premiums for Medicare-eligible retirees.</li></ul>	- To align the policy with the Board of Director's action from October 4, 2005, to provide Medicare Supplemental Coverage for Retirees who are Medicare eligible.

	Policy No./Name	Summary of Changes	Reason for Change
		<ul style="list-style-type: none"><li>Moved definitions to the beginning of the Policy.</li></ul>	

**Fiscal Impact**

The recommended action to revise CalOptima Policy GA.8055: Retiree Health Benefits is budget neutral.

**Rationale for Recommendation**

Approval is recommended of the updated Human Resources Policy to ensure that CalOptima meets its ongoing obligation to provide structure and clarity on employment matters, consistent with applicable federal, state, and local laws and regulations and to align the policy with the prior Board of Director's action.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Resolution No. 16-0602-03, A Resolution Approving CalOptima's Updated Human Resources Policy
2. Revised CalOptima Policy:
  - a. GA.8055: Retiree Health Benefit (redlined and clean copies)

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

**RESOLUTION NO. 16-0602-03**

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

**APPROVE UPDATED HUMAN RESOURCES POLICY**

**WHEREAS**, section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, among other things, hiring employees, and managing personnel; and,

**WHEREAS**, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose.

**NOW, THEREFORE, BE IT RESOLVED:**

Section 1. That the Board of Directors hereby approves and adopts the attached updated Human Resources Policy GA.8055, Retiree Health Benefits.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2<sup>nd</sup> day of June, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ \_\_\_\_\_

Title: Chair, Board of Directors

Printed Name and Title: Mark A. Refowitz, Chair, CalOptima Board of Directors

Attest:

/s/ \_\_\_\_\_

Suzanne Turf, Clerk of the Board

Policy #: GA.8055  
Title: **Retiree Health Benefit Policy**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/14  
Last Review Date: 08/7/14  
Last Revision Date: N/A 6/02/16  
6  
06/02/16

## I. PURPOSE

To provide detailed guidelines on how to administer retiree health benefits for CalOptima's Current Retirees and Eligible Employees who qualify for retiree health benefits under this policy.

## II. DEFINITIONS

~~A. Current Retiree: Former employee of CalOptima who:~~

~~1. Was hired before January 1, 2004;~~

~~2. Completed at least five years of pensionable service (with CalOptima and/or combined with other service with a public agency that participates in CalPERS); and~~

~~3. Was already receiving retiree health benefits from CalOptima on January 1, 2014.~~

~~B. Eligible Dependent: The current spouse, registered domestic partner, dependent child up to age 26, and/or certified disabled dependent child over age 26, of a Current Retiree, Retired Eligible Employee, or Reinstated Eligible Retiree, who:~~

~~1. Meets the definition of a dependent who is eligible for coverage under the employee health plan then maintained by CalOptima for its active employees; and~~

~~2. Has been timely enrolled for coverage under this retiree health policy by the Eligible Retiree.~~

~~C. Eligible Employee: A current active employee of CalOptima meeting the following criteria:~~

~~1. The most recent date of hire was before January 1, 2004, or whose initial date of hire was before January 1, 2004, and whose most recent rehire date was on or before December 31, 2013;~~

~~2. Completes at least five years of pensionable service (with CalOptima and/or combined with other service with a public agency that participates in CalPERS).~~

~~D. Eligible Retiree: Current Retiree, Retired Eligible Employee, Reinstated Eligible Retiree or Eligible Survivor Dependent.~~

~~E. Eligible Survivor Dependent: A Survivor Dependent who timely enrolls for Survivor Dependent health coverage within sixty (60) days of the death of the Eligible Retiree.~~

~~F. Reinstated Eligible Retiree: A Current Retiree or Retired Eligible Employee whose CalPERS retirement annuity and benefits under this Policy ended due to a reinstatement from retirement as defined in Government Code §§ 22838 and 21190 et.seq., or successor sections, and who (i) subsequently terminates employment from another state employer who does not provide retiree health benefits with a retiree share premium that is less than or equal to that being charged by CalOptima under this Policy; (ii) once again begins collecting retirement annuity payments from CalPERS within 120 days of such subsequent separation from employment; and (iii) timely enrolls for resumption of coverage under this Policy.~~

~~G. Retired Eligible Employee: Eligible Employee who:~~

- ~~1. Retires within 120 days of such Eligible Employee's separation from employment with CalOptima and receives a monthly retirement allowance from CalPERS; and~~
- ~~2. Timely applies for retiree health benefits in accordance with this policy on and after January 1, 2014.~~

~~H. Retirement Date: Date Eligible Employee becomes an annuitant with CalPERS within 120 days of such Eligible Employee's separation from employment with CalOptima.~~

~~I. Subsequent Retirement Date: Date Reinstated Eligible Retiree again begins collecting retirement annuity payments from CalPERS within 120 days of separating from employment with the subsequent state employer described in that definition.~~

~~J. Survivor Dependent: Eligible Dependent who:~~

- ~~1. Survives an Eligible Retiree; and~~

~~Is collecting monthly survivor benefits from CalPERS that is attributable to a deceased Current Retiree, Retired Eligible Employee, or Reinstated Eligible Employee.~~

<u>Term</u>	<u>Definition</u>
<u>Current Retiree</u> :	<u>Former employee of CalOptima who:</u> <ol style="list-style-type: none"><li><u>1. Was hired before January 1, 2004;</u></li><li><u>2. Completed at least five years of pensionable service (with CalOptima and/or combined with other service with a public agency that participates in CalPERS); and</u></li><li><u>—Was already receiving retiree health benefits from CalOptima on January 1, 2014.</u></li><li><u>3. </u></li></ol>
<u>Eligible Dependent</u> :	<u>The current spouse, registered domestic partner, dependent child up to age 26, and/or certified disabled dependent child over age 26, of a Current Retiree, Retired Eligible Employee, or Reinstated Eligible Retiree, who:</u>



<u><b>Term</b></u>	<u><b>Definition</b></u>
	<ol style="list-style-type: none"> <li>1. <u>Meets the definition of a dependent who is eligible for coverage under the employee health plan then maintained by CalOptima for its active employees; and</u></li> <li>2. <u>Has been timely enrolled for coverage under this retiree health policy by the Eligible Retiree.</u></li> </ol>
<u>Eligible Employee:</u>	<p><u>A current active employee of CalOptima meeting the following criteria:</u></p> <ol style="list-style-type: none"> <li>1. <u>The most recent date of hire was before January 1, 2004, or whose initial date of hire was before January 1, 2004, and whose most recent rehired date was on or before December 31, 2013;</u></li> <li>2. <u>Completes at least five years of pensionable service (with CalOptima and/or combined with other service with a public agency that participates in CalPERS).</u></li> </ol>
<u>Eligible Retiree:</u>	<u>Current Retiree, Retired Eligible Employee, Reinstated Eligible Retiree or Eligible Survivor Dependent.</u>
<u>Eligible Survivor Dependent:</u>	<u>A Survivor Dependent who timely enrolls for Survivor Dependent health coverage within sixty (60) days of the death of the Eligible Retiree.</u>
<u>Reinstated Eligible Retiree:</u>	<u>A Current Retiree or Retired Eligible Employee whose CalPERS retirement annuity and benefits under this Policy ended due to a reinstatement from retirement as defined in Government Code §§ 22838 and 21190 et.seq., or successor sections, and who (i) subsequently terminates employment from another state employer who does not provide retiree health benefits with a retiree share premium that is less than or equal to that being charged by CalOptima under this Policy; (ii) once again begins collecting retirement annuity payments from CalPERS within 120 days of such subsequent separation from employment; and (iii) timely enrolls for resumption of coverage under this Policy.</u>
<u>Retired Eligible Employee:</u>	<p><u>Eligible Employee who:</u></p> <ol style="list-style-type: none"> <li>1. <u>Retires within 120 days of such Eligible Employee's separation from employment with CalOptima and receives a monthly retirement allowance from CalPERS; and</u></li> <li>—<u>Timely applies for retiree health benefits in accordance with this policy on and after January 1, 2014.</u></li> <li>2. <u></u></li> </ol>
<u>Retirement Date:</u>	<u>Date Eligible Employee becomes an annuitant with CalPERS within 120 days of such Eligible Employee's separation from employment with CalOptima.</u>
<u>Subsequent Retirement Date:</u>	<u>Date Reinstated Eligible Retiree again begins collecting retirement annuity payments from CalPERS within 120 days of separating from employment with the subsequent state employer described in that definition.</u>

<u>Term</u>	<u>Definition</u>
<u>Survivor Dependent:</u>	<u>Eligible Dependent who:</u>  1. <u>Survives an Eligible Retiree; and</u>  — <u>Is collecting monthly survivor benefits from CalPERS that is attributable to a deceased Current Retiree, Retired Eligible Employee, or Reinstated Eligible Employee.</u>  2. _____

### III. POLICY

- A. Retiree health benefits are not available to employees who were initially hired on or after January 1, 2004, or who were originally hired before January 1, 2004, separated from employment and was rehired on or after December 1, 2013.
- B. Eligible Retirees and, if elected and paid for by the Eligible Retirees, the Eligible Dependents of Current Retirees, Retired Eligible Employees, or Reinstated Eligible Retirees, will, until the CalOptima Board of Directors (“Board”) decides that CalOptima will no longer continue the program or otherwise modifies it, be eligible to receive retiree health benefits as follows:
1. ***Not Medicare Eligible:*** If the Eligible Retiree and/or the Eligible Dependent(s) is/are not yet eligible for Medicare, then the Eligible Retiree and/or the Eligible Dependent(s) will receive the same health insurance coverage as active employees and their dependents. The Eligible Retiree’s share of premiums will be the same as those paid by active employees for similar coverage.
  2. ***Medicare Eligible:*** If the Eligible Retiree and/or the Eligible Dependent(s) is/are Medicare eligible, then the Eligible Retiree and/or the Eligible Dependent(s) will be required to enroll, at the Eligible Retiree’s expense, in Medicare Part A and/or Part B as a condition of receiving retiree health benefits under this policy. The Eligible Retiree may select one of the Medicare supplemental coverage options offered by CalOptima for the Medicare Eligible Retiree and/or the Eligible Dependent(s). The Eligible Retiree’s share of the Medicare supplemental coverage

Policy #: GA.8055

Title: Retiree Health Benefit **Policy**

~~Effective~~Revised 05/14/16  
Date: 02/16

premium will be calculated based on the same proportional amount ~~as~~ active employees ~~are required to~~ pay for the most closely analogous active employee health insurance coverage for the active employee and their dependents.

- C. This retiree health benefit policy is completely voluntary on the part of CalOptima and may be amended or terminated by the CalOptima Board at any time in its sole discretion. This policy shall not create any vested benefits for any person or categories of persons.
- D. The Chief Executive Officer of CalOptima is charged with administering and interpreting this policy. When addressing any issue that is not dealt with in the Policy, the Chief Executive Officer shall consider and give weight to what the result would have been if CalOptima were still providing its employee health insurance through CalPERS.
- E. This policy shall supersede any and all prior Board actions or policies concerning retiree health benefits.

#### IV. PROCEDURE

- A. The following provisions set forth the enrollment requirements for an Eligible Retiree to receive Retiree Health Benefits:
  - 1. A Retired Eligible Employee must enroll him/herself and his/her Eligible Dependents within 60 days of the Retired Eligible Employee's Retirement Date or must wait to enroll during the annual open enrollment period applicable to active employees.
  - 2. An Eligible Retiree must elect the Medicare coverage option he or she wants within 60 days of the Eligible Retiree and/or the Eligible Dependent becoming Medicare eligible.
  - 3. A Reinstated Eligible Employee must enroll within sixty (60) days of his or her Subsequent Retirement Date.
  - 4. A Survivor Dependent may continue coverage without interruption or enroll for Survivor Dependent coverage by submitting all necessary documentation within sixty (60) days of the death of the Eligible Retiree.
  - 5. Health insurance coverage options may be changed by an Eligible Retiree during the annual open enrollment period and for defined qualifying events applicable for active employees who are covered under CalOptima's employee health plan
- B. Retiree health benefits coverage will begin upon one of the following:
  - 1. If an Eligible Employee enrolls within sixty (60) days of separation from CalOptima and his or her Retirement Date, then the retiree health benefits coverage for the Retired Eligible Employee and the Eligible Dependent(s) will begin on the first day of the month following the date CalOptima timely receives the completed health enrollment forms from the Eligible Employee.
  - 2. If the Retired Eligible Employee fails to enroll within sixty (60) days of his or her Retirement Date, but subsequently enrolls during any future open enrollment period applicable for active employees, retiree health benefits coverage will begin on the following January 1.

Policy #: GA.8055

Title: Retiree Health Benefit **Policy**

~~Effective~~ Revised 05/14/16  
Date: 02/16

3. Retiree health benefits coverage for an Eligible Survivor Dependent will continue uninterrupted upon submission of all required documentation or begin on the first day of the month following timely enrollment for coverage as a Survivor Dependent.
  4. If a Reinstated Eligible Employee timely enrolls within sixty (60) days of his or her Subsequent Retirement Date, then the retiree health benefits coverage for the Reinstated Eligible Employee and the Eligible Dependent(s) will begin on the first day of the month following the date CalOptima timely receives the completed health enrollment forms from the Reinstated Eligible Employee.
- C. If an Eligible Employee separates from CalOptima before CalOptima receives notice from CalPERS that the Eligible Employee has/will become an annuitant, the Eligible Employee will be offered termination of health coverage information and a COBRA health plan continuation packet. After CalOptima receives notice from CALPERS of the Eligible Employee's retirement effective date, CalOptima will forward a packet to the Retired Eligible Employee concerning retiree health benefits. The Retired Eligible Employee must enroll him/herself and his/her Eligible Dependents within sixty (60) days of the Retired Eligible Employee's Retirement Date or must wait to enroll during the next annual open enrollment period applicable to active employees. (NOTE: If the retirement effective date indicated by CalPERS is postdated to the date of separation or other earlier date, and CalOptima does not receive notice from CalPERS until more than sixty (60) days after such date, the Retired Eligible Employee must wait to enroll during the next annual open enrollment period.) If the Retired Eligible Employee needs access to health coverage before the retiree health benefits coverage will begin, the Retired Eligible Employee will need to elect and pay for COBRA health plan continuation or pay for an alternative health plan until then.
- D. Retiree health benefit coverage will terminate upon the following:
1. For Eligible Retirees, upon death of the Eligible Retiree.
  2. For Eligible Dependents, upon death of the Eligible Retiree, unless the Eligible Dependent is an Eligible Survivor Dependent, or upon the failure of an Eligible Retiree to timely pay any required premiums.
  3. For Current Retirees and Retired Eligible Employees who are reinstated from retirement:
    - a. During the period of reinstatement that ends CalPERS retirement annuity payments; and
    - b. During and after the Subsequent Retirement Date if the Current Retiree and/or Retired Eligible Employee subsequently terminates employment from another state employer who provides retiree health benefits with a retiree share premium that is less than or equal to that being charged by CalOptima under this Policy.
  4. Upon the failure of an Eligible Retiree to timely pay any required premiums.
  5. When the CalOptima Board elects to terminate retiree health benefits in part or in its entirety.
  6. Upon the failure of an Eligible Retiree to timely obtain and certify Medicare coverage upon his/her or the Eligible Dependent(s) becoming Medicare eligible.

Policy #: GA.8055

Title: Retiree Health Benefit ~~Policy~~

~~Effective~~ Revised 05/1/14 06/02/16

Date:

**V. ATTACHMENTS**

Not Applicable

**VI. REFERENCES**

Not Applicable

**VII. REGULATORY APPROVALS ~~OR~~**

None to Date

**~~VII.~~ VIII. BOARD ACTIONS**

A. 06/02/16: Regular Meeting of the CalOptima Board of Directors

~~A.B. 08/07/14: Regular Meeting of the CalOptima Board of Directors~~ ~~Standard Meeting~~

**~~VIII.~~ IX. REVIEW/REVISION HISTORY**

Not Applicable

<u>Version</u>	<u>Date</u>	<u>Policy Number</u>	<u>Policy Title</u>
<u>Original</u>	<u>05/01/2014</u>	<u>GA.8055</u>	<u>Retiree Health Benefit Policy</u>
<u>Revised</u>	<u>08/07/2014</u>	<u>GA.8055</u>	<u>Retiree Health Benefit Policy</u>
<u>Revised</u>	<u>06/02/2016</u>	<u>GA. 8055</u>	<u>Retiree Health Benefit</u>

Policy #: GA.8055  
Title: **Retiree Health Benefit**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/14  
Last Review Date: 06/02/16  
Last Revision Date: 06/02/16

## I. PURPOSE

To provide detailed guidelines on how to administer retiree health benefits for CalOptima's Current Retirees and Eligible Employees who qualify for retiree health benefits under this policy.

## II. DEFINITIONS

Term	Definition
Current Retiree	Former employee of CalOptima who: <ol style="list-style-type: none"> <li>1. Was hired before January 1, 2004;</li> <li>2. Completed at least five years of pensionable service (with CalOptima and/or combined with other service with a public agency that participates in CalPERS); and</li> <li>3. Was already receiving retiree health benefits from CalOptima on January 1, 2014.</li> </ol>
Eligible Dependent	The current spouse, registered domestic partner, dependent child up to age 26, and/or certified disabled dependent child over age 26, of a Current Retiree, Retired Eligible Employee, or Reinstated Eligible Retiree, who: <ol style="list-style-type: none"> <li>1. Meets the definition of a dependent who is eligible for coverage under the employee health plan then maintained by CalOptima for its active employees; and</li> <li>2. Has been timely enrolled for coverage under this retiree health policy by the Eligible Retiree.</li> </ol>
Eligible Employee	A current active employee of CalOptima meeting the following criteria: <ol style="list-style-type: none"> <li>1. The most recent date of hire was before January 1, 2004, or whose initial date of hire was before January 1, 2004, and whose most recent rehire date was on or before December 31, 2013;</li> <li>2. Completes at least five years of pensionable service (with CalOptima and/or combined with other service with a public agency that</li> </ol>

Term	Definition
	participates in CalPERS).
Eligible Retiree	Current Retiree, Retired Eligible Employee, Reinstated Eligible Retiree or Eligible Survivor Dependent.
Eligible Survivor Dependent	A Survivor Dependent who timely enrolls for Survivor Dependent health coverage within sixty (60) days of the death of the Eligible Retiree.
Reinstated Eligible Retiree	A Current Retiree or Retired Eligible Employee whose CalPERS retirement annuity and benefits under this Policy ended due to a reinstatement from retirement as defined in Government Code §§ 22838 and 21190 et.seq., or successor sections, and who (i) subsequently terminates employment from another state employer who does not provide retiree health benefits with a retiree share premium that is less than or equal to that being charged by CalOptima under this Policy; (ii) once again begins collecting retirement annuity payments from CalPERS within 120 days of such subsequent separation from employment; and (iii) timely enrolls for resumption of coverage under this Policy.
Retired Eligible Employee	Eligible Employee who:  <ol style="list-style-type: none"><li>1. Retires within 120 days of such Eligible Employee's separation from employment with CalOptima and receives a monthly retirement allowance from CalPERS; and</li><li>2. Timely applies for retiree health benefits in accordance with this policy on and after January 1, 2014.</li></ol>
Retirement Date	Date Eligible Employee becomes an annuitant with CalPERS within 120 days of such Eligible Employee's separation from employment with CalOptima.
Subsequent Retirement Date	Date Reinstated Eligible Retiree again begins collecting retirement annuity payments from CalPERS within 120 days of separating from employment with the subsequent state employer described in that definition.
Survivor Dependent	Eligible Dependent who:  <ol style="list-style-type: none"><li>1. Survives an Eligible Retiree; and</li><li>2. Is collecting monthly survivor benefits from CalPERS that is attributable to a deceased Current Retiree, Retired Eligible Employee, or Reinstated Eligible Employee.</li></ol>

### III. POLICY

- A. Retiree health benefits are not available to employees who were initially hired on or after January 1, 2004, or who were originally hired before January 1, 2004, separated from employment and was rehired on or after December 1, 2013.
- B. Eligible Retirees and, if elected and paid for by the Eligible Retirees, the Eligible Dependents of Current Retirees, Retired Eligible Employees, or Reinstated Eligible Retirees, will, until the CalOptima Board of Directors ("Board") decides that CalOptima will no longer continue the program or otherwise modifies it, be eligible to receive retiree health benefits as follows:



1. **Not Medicare Eligible:** If the Eligible Retiree and/or the Eligible Dependent(s) is/are not yet eligible for Medicare, then the Eligible Retiree and/or the Eligible Dependent(s) will receive the same health insurance coverage as active employees and their dependents. The Eligible Retiree's share of premiums will be the same as those paid by active employees for similar coverage.
2. **Medicare Eligible:** If the Eligible Retiree and/or the Eligible Dependent(s) is/are Medicare eligible, then the Eligible Retiree and/or the Eligible Dependent(s) will be required to enroll, at the Eligible Retiree's expense, in Medicare Part A and/or Part B as a condition of receiving retiree health benefits under this policy. The Eligible Retiree may select one of the Medicare supplemental coverage options offered by CalOptima for the Medicare Eligible Retiree and/or the Eligible Dependent(s). The Eligible Retiree's share of the Medicare supplemental coverage premium will be calculated based on the same proportional amount active employees pay for the most closely analogous active employee health insurance coverage for the active employee and their dependents.
- C. This retiree health benefit policy is completely voluntary on the part of CalOptima and may be amended or terminated by the CalOptima Board at any time in its sole discretion. This policy shall not create any vested benefits for any person or categories of persons.
- D. The Chief Executive Officer of CalOptima is charged with administering and interpreting this policy. When addressing any issue that is not dealt with in the Policy, the Chief Executive Officer shall consider and give weight to what the result would have been if CalOptima were still providing its employee health insurance through CalPERS.
- E. This policy shall supersede any and all prior Board actions or policies concerning retiree health benefits.

#### IV. PROCEDURE

- A. The following provisions set forth the enrollment requirements for an Eligible Retiree to receive Retiree Health Benefits:
  1. A Retired Eligible Employee must enroll him/herself and his/her Eligible Dependents within 60 days of the Retired Eligible Employee's Retirement Date or must wait to enroll during the annual open enrollment period applicable to active employees.
  2. An Eligible Retiree must elect the Medicare coverage option he or she wants within 60 days of the Eligible Retiree and/or the Eligible Dependent becoming Medicare eligible.
  3. A Reinstated Eligible Employee must enroll within sixty (60) days of his or her Subsequent Retirement Date.
  4. A Survivor Dependent may continue coverage without interruption or enroll for Survivor Dependent coverage by submitting all necessary documentation within sixty (60) days of the death of the Eligible Retiree.
  5. Health insurance coverage options may be changed by an Eligible Retiree during the annual open enrollment period and for defined qualifying events applicable for active employees who are covered under CalOptima's employee health plan

B. Retiree health benefits coverage will begin upon one of the following:

1. If an Eligible Employee enrolls within sixty (60) days of separation from CalOptima and his or her Retirement Date, then the retiree health benefits coverage for the Retired Eligible Employee and the Eligible Dependent(s) will begin on the first day of the month following the date CalOptima timely receives the completed health enrollment forms from the Eligible Employee.
2. If the Retired Eligible Employee fails to enroll within sixty (60) days of his or her Retirement Date, but subsequently enrolls during any future open enrollment period applicable for active employees, retiree health benefits coverage will begin on the following January 1.
3. Retiree health benefits coverage for an Eligible Survivor Dependent will continue uninterrupted upon submission of all required documentation or begin on the first day of the month following timely enrollment for coverage as a Survivor Dependent.
4. If a Reinstated Eligible Employee timely enrolls within sixty (60) days of his or her Subsequent Retirement Date, then the retiree health benefits coverage for the Reinstated Eligible Employee and the Eligible Dependent(s) will begin on the first day of the month following the date CalOptima timely receives the completed health enrollment forms from the Reinstated Eligible Employee.

C. If an Eligible Employee separates from CalOptima before CalOptima receives notice from CalPERS that the Eligible Employee has/will become an annuitant, the Eligible Employee will be offered termination of health coverage information and a COBRA health plan continuation packet. After CalOptima receives notice from CALPERS of the Eligible Employee's retirement effective date, CalOptima will forward a packet to the Retired Eligible Employee concerning retiree health benefits. The Retired Eligible Employee must enroll him/herself and his/her Eligible Dependents within sixty (60) days of the Retired Eligible Employee's Retirement Date or must wait to enroll during the next annual open enrollment period applicable to active employees. (NOTE: If the retirement effective date indicated by CalPERS is postdated to the date of separation or other earlier date, and CalOptima does not receive notice from CalPERS until more than sixty (60) days after such date, the Retired Eligible Employee must wait to enroll during the next annual open enrollment period.) If the Retired Eligible Employee needs access to health coverage before the retiree health benefits coverage will begin, the Retired Eligible Employee will need to elect and pay for COBRA health plan continuation or pay for an alternative health plan until then.

D. Retiree health benefit coverage will terminate upon the following:

1. For Eligible Retirees, upon death of the Eligible Retiree.
2. For Eligible Dependents, upon death of the Eligible Retiree, unless the Eligible Dependent is an Eligible Survivor Dependent, or upon the failure of an Eligible Retiree to timely pay any required premiums.
3. For Current Retirees and Retired Eligible Employees who are reinstated from retirement:
  - a. During the period of reinstatement that ends CalPERS retirement annuity payments; and

b. During and after the Subsequent Retirement Date if the Current Retiree and/or Retired Eligible Employee subsequently terminates employment from another state employer who provides retiree health benefits with a retiree share premium that is less than or equal to that being charged by CalOptima under this Policy.

4. Upon the failure of an Eligible Retiree to timely pay any required premiums.

5. When the CalOptima Board elects to terminate retiree health benefits in part or in its entirety.

6. Upon the failure of an Eligible Retiree to timely obtain and certify Medicare coverage upon his/her or the Eligible Dependent(s) becoming Medicare eligible.

#### **V. ATTACHMENTS**

Not Applicable

#### **VI. REFERENCES**

Not Applicable

#### **VII. REGULATORY APPROVALS**

None to Date

#### **VIII. BOARD ACTIONS**

A. 06/02/16: Regular Meeting of the CalOptima Board of Directors

B. 08/07/14: Regular Meeting of the CalOptima Board of Directors

#### **IX. REVIEW/REVISION HISTORY**

Version	Date	Policy Number	Policy Title
Original	05/01/2014	GA.8055	Retiree Health Benefit Policy
Revised	08/07/2014	GA.8055	Retiree Health Benefit Policy
Revised	06/02/2016	GA. 8055	Retiree Health Benefit

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

16. Approve the CalOptima Fiscal Year 2016-17 Operating Budget

#### **Contact**

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

#### **Recommended Actions**

1. Approve the CalOptima Fiscal Year (FY) 2016-17 Operating Budget;
2. Authorize the expenditure and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy; and
3. Authorize:
  - a. Medi-Cal medical expenditures based on current provider payment rates until the Board approves a final FY 2016-17 Medi-Cal medical budget; and
  - b. Upward or downward adjustments to provider payment rates included in the Board's final FY 2016-17 Medi-Cal budget based on State rate amendments retroactive to the effective date(s) of such rates.

#### **Background**

The CalOptima FY 2016-17 Operating Budget provides revenues and appropriations for the period of July 1, 2016, through June 30, 2017, and includes the following budget categories:

- Medi-Cal;
- OneCare;
- OneCare Connect;
- Program for All-Inclusive Care for the Elderly (PACE);
- Facilities; and
- Investment income.

Staff is submitting the complete budget for all lines of business for approval with assumptions based on available information to date. Pursuant to CalOptima Policies GA. 3202: CalOptima Signature Authority and GA.5003: Budget and Operations Forecasting, the Board's approval of the budget appropriates the funds requested and authorizes the expenditure of the item without further Board action.

The primary revenue source is the State of California. As of this writing, the Legislature continues to meet in hearings to discuss the Governor's budget proposal released in January. The January Budget included budget adjustments for expansion of full-scope Medi-Cal coverage for undocumented children under Senate Bill (SB) 75, continued funding for mandatory and optional Medi-Cal expansion, a tax reform package to extend a federally allowable managed care organization tax, continued implementation of the Coordinated Care Initiative (CCI), and implementation of the Medi-Cal 1115 Waiver Renewal (i.e., Medi-Cal 2020).

The Governor will update the budget with revisions to revenue projections and additional budget

[Back to Agenda](#)

proposals in May 2016. Once the May Revision to the Budget is released, the Legislature will consider any additional proposals, take final actions on pending items, and pass a final budget by June 15, 2016.

Until the final budget is enacted, CalOptima's budget will have a level of uncertainty.

- FY 2016-17 rates for Medi-Cal, including rates for both the Classic and Expansion populations, were made available in draft form on April 29, 2016. However, draft rates are subject to change, and are not finalized until the California Department of Health Care Services (DHCS) receives federal approval and CalOptima executes a signed contract amendment with DHCS; and
- FY 2016-17 rates for Medi-Cal supplemental benefits, such as Hepatitis C drugs, Behavioral Health Treatment (BHT), and Managed Long Term Services and Supports (MLTSS) have not yet been released.

### **CalOptima Budget Overview**

#### **I. Consolidated Operating Budget**

The FY 2016-17 consolidated operating budget is a combined income and spending plan for all CalOptima programs and activities.

	<b>FY 2016-17 Budget</b>
Average Monthly Enrollment	804,667
Revenue	\$3,385,703,075
Medical Costs	\$3,239,970,360
Administrative Costs	\$139,233,640
Operating Income/Loss	\$6,499,075
Investments, Net	\$2,500,000
Change in Net Assets	\$8,999,075
Medical Loss Ratio (MLR)	95.70%
Administrative Loss Ratio (ALR)	4.11%

#### **Budget Assumptions**

Medical Cost: Several methods were utilized in the development of the medical expense forecasts. Predominantly, projections were based on trends calculated from historical experience. In addition, adjustments were applied to account for any known changes to operations, program structure, benefits, and regulatory policies. For new programs, Staff used proxy data and industry benchmarks, and source data, assumptions, and results were checked for reasonability and credibility.

Administrative Cost: Staff originally developed the budget on a “zero-based” methodology. Finance staff then used a “run-rate” approach to adjust the administrative budget to meet targeted ALR. Staff considered:

- Salaries, Wages & Benefits for current staff, open budgeted positions and new budgeted positions;
- Professional Fees, Purchased Services, Printing & Postage and Other Operating Costs based on the needs and priorities of providing care to members;
- Depreciation & Amortization on current assets and projected assets according to Generally Accepted Accounting Principles (GAAP); and
- Indirect Cost Allocation based on revenue and refined, where appropriate.

Of note, CalOptima has several contracts for claims administration, credit balance recovery, and Social Security Income conversion that are paid on a contingency basis.

The following table provides a comparison of consolidated general and administrative expenses from the previous fiscal year.

	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>FY 2017 Budget vs. FY 2016 Annualized</b>
Revenues	\$3,030,680,586	\$3,225,403,389	\$3,385,703,075	\$355,022,489
Salaries & Wages	\$65,649,624	\$86,831,477	\$94,492,737	\$28,843,113
Non-Salaries & Wages	\$39,583,865	\$66,853,877	\$44,740,903	\$5,157,038
<b>Total G&amp;A</b>	<b>\$105,233,489</b>	<b>\$153,685,354</b>	<b>\$139,233,640</b>	<b>\$34,000,151</b>
<b>ALR</b>	<b>3.47%</b>	<b>4.76%</b>	<b>4.11%</b>	<b>0.64%</b>
Detail on ALR				
Salaries & Wages	2.17%	2.69%	2.79%	<b>0.62%</b>
Non-Salaries & Wages	1.31%	2.07%	1.32%	<b>0.02%</b>

\*Annualized as of March 2016. Excludes ASO.

The FY 2016-17 Operating Budget ALR is 4.11%. The increase in general and administrative expenses is due to FY 2016-17 expenses that were not included in the previous year, including:

- Salaries & Wages:
  - \$12 million in open positions;
  - \$10 million increase in new positions;
  - \$3.8 million increase to salaries and wages; and
  - \$3 million in benefits.
- Non-salaries & Wages:
  - \$612,000 in lease expenses;
  - \$2 million in depreciation expense due to new capital; and
  - \$2.5 million for contractual obligations.

Attachment B: Administrative Budget Details provide additional information regarding all general and administrative expenses included in the FY 2016-17 Operating Budget.

## II. Enrollment by Line of Business

The following table provides a comparison of total average enrollment for the past two (2) fiscal years.

<b>Total Average Enrollment by Program</b>						
<b>Program</b>	<b>April 2016</b>	<b>FY 2014-15 Actual*</b>	<b>FY 2015-16 Annualized*</b>	<b>% Change 15 v. 16</b>	<b>FY 2016-17 Budget*</b>	<b>% Change 16 v. 17</b>
Medi-Cal	762,018	737,461	774,456	5.0%	788,490	1.8%
OneCare	1,290	12,933	1,265	-90.2%	1,121	-11.4%
OneCare Connect	19,006	NA	21,193	NA	21,454	1.2%
PACE	150	93	160	72.0%	220	37.5%
<b>Total</b>	<b>782,465</b>	<b>750,487</b>	<b>797,074</b>	<b>6.2%</b>	<b>811,286</b>	<b>1.8%</b>

\*Enrollment as of June of every fiscal year

### III. Operating Budget by Line of Business

#### A. Medi-Cal Program

Through a contract with DHCS, CalOptima has administered the Medi-Cal program for Orange County since October 1995. CalOptima's current contract expires on December 31, 2016. On March 1, 2016, DHCS notified CalOptima of their intent to extend the contract to December 31, 2017. Management assumes the Medi-Cal program will continue to operate through FY 2016-17. Of note, the FY 2016-17 Operating Budget reflects the transition of Multipurpose Senior Services Program (MSSP) services to a Medi-Cal managed care benefit.

The table below illustrates the Consolidated Medi-Cal Operating Budget.

**FY 2016-17 Medi-Cal Consolidated Operating Budget – Includes MSSP**

	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
Average Monthly Enrollment	763,687	766,497	781,461
Revenue	\$2,772,965,419	\$2,775,665,280	\$2,821,016,503
Medical Costs	\$2,664,989,071	\$2,673,465,362	\$2,705,388,211
Administrative Costs	\$84,413,501	\$118,554,016	\$108,450,044
Operating Income/Loss	\$23,562,847	(\$16,354,098)	\$7,178,249
MLR	96.11%	96.32%	95.90%
ALR	3.04%	4.27%	3.84%

\* Annualized as of March 2016

The Medi-Cal membership is defined into two primary categories: Medi-Cal Classic and Medi-Cal Expansion. The following table illustrates the Medi-Cal Operating Budget by each of these categories.

**FY 2016-17 Medi-Cal Operating Budget by Group**

	<b>Medi-Cal Classic</b>	<b>Medi-Cal Expansion</b>	<b>Total</b>
Average Monthly Enrollment	557,608	223,853	781,461
Revenue	\$1,599,051,456	\$1,221,965,048	2,821,016,503
Medical Costs	\$1,534,816,508	\$1,170,571,703	2,705,388,211
Administrative Costs			108,450,044
Operating Income/Loss			\$7,178,249
MLR	95.98%	95.79%	95.90%
ALR			3.84%

DHCS uses Category of Aid (COA) to classify Medi-Cal enrollment into cohorts of similar acuity. DHCS develops CalOptima's capitation rates based on these cohorts. The following table shows the projected enrollment distribution by COA.

**FY 2016-17 Medi-Cal Enrollment Projection**

	<b>FY 2015-16 Annualized*</b>	<b>FY 2016-17 Budget*</b>	<b>Variance</b>	
			<b>Diff</b>	<b>%</b>
BCCTP	678	681	3	0.4%
Disabled	47,957	47,207	(750)	-1.6%
Long Term Care	2,873	2,759	(114)	-4.0%



	FY 2015-16 Annualized*	FY 2016-17 Budget*	Variance	
			Diff	%
Aged	55,133	56,497	1,364	2.5%
TANF <= 18	337,135	346,311	9,176	2.7%
TANF > 18	109,697	108,204	(1,493)	-1.4%
<b>Subtotal - Medi-Cal Classic</b>	<b>553,473</b>	<b>561,660</b>	<b>8,187</b>	<b>1.5%</b>
Medi-Cal Expansion	220,983	226,831	5,848	2.6%
<b>Total</b>	<b>774,456</b>	<b>788,490</b>	<b>14,034</b>	<b>1.8%</b>

\*Enrollment as of June of every fiscal year

Primary variances between the FY 2016-17 budget and FY 2015-16 annualized include:

- Lower FY 2015-16 ALR due to higher than expected Medi-Cal Expansion enrollment and revenue, and lag in filling open positions;
- FY 2016-17 ALR includes operational expenses for the CalOptima Community Network and Model of Care. The CalOptima Community Network expenses are counted as administrative expenses; and
- FY 2016-17 Medi-Cal benefits include MLTSS, mental health, BHT and Hepatitis C drugs.

### General Budget Assumptions – Medi-Cal

Consolidated Enrollment: Enrollment projections are based on actual data through March 2016 and trended through July 2017. The budget assumes a maturation of Medi-Cal Expansion enrollment, a flattened growth trend due to improved economic conditions, an increase from expanded eligibility for undocumented children under SB 75, and the transition of dual eligible members into OneCare Connect.

Classic Revenue: The FY 2016-17 Operating Budget applies preliminary FY 2016-17 capitation rates released by DHCS in draft form on April 29, 2016. In addition, the following program changes have been incorporated into the revenue assumptions:

- Hepatitis C revenue is based on historical utilization trends applied to current weekly reimbursement rates;
- MLTSS rates are unknown. Staff has based rates on OneCare Connect rate assumptions; and
- Capitation rates for BHT for autism services are based on FY 2015-16 rates, as DHCS has not released the FY 2016-17 rates to date.

Classic Medical Cost: Provider capitation payments were based on capitation rates and enrollment distribution as of February 2016. Payments assume a 4% trend increase. Fee-for-service (FFS) costs were based on historical claims trended to July 2017, and were developed by network type, aid code, and category of service. Staff applied a 4% trend increase to hospital and professional medical costs. An inpatient unit cost increase was also applied due to the continued shift of contracts from per diems to All Patient Refined Diagnostic Related Groups (APR-DRGs). Expenses related to MLTSS services and Hepatitis C drugs were projected at 100% of revenue.

Expansion Revenue: The FY 2016-17 Operating Budget applies preliminary FY 2016-17 capitation rates released by DHCS in draft form on April 29, 2016. These draft rates are projected to be sufficient to cover program costs.

**Expansion Medical Cost:** Provider capitation payments (Hospital and Professional) were based on current capitation rates applied to projected enrollment and include a reduction of 15%. FFS costs trends were developed by network type, aid code, and category of service. Staff assumed a reduction of 15% to current FFS hospital inpatient and specialist contract rates. Expenses related to Hepatitis C drugs and MLTSS services were projected at 100% of revenue.

### Medi-Cal Consolidated Administrative Budget Assumptions

Medi-Cal administrative costs reflect both Medi-Cal Classic and Medi-Cal Expansion. The following table illustrates changes by major administrative expense categories showing changes from FY 2015-16 to FY 2016-17.

**Medi-Cal Administrative Cost by Category**

Medi-Cal (000's)	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget	% Change 16 v. 17
Administrative Expenses				
Salaries, Wages & Benefits	\$54,280	\$70,809	\$81,713	15.40%
Professional Fees	\$3,000	\$6,789	\$3,363	-50.47%
Purchased services	\$8,913	\$12,701	\$8,514	-32.97%
Printing & Postage	\$3,657	\$7,948	\$3,701	-53.44%
Depreciation & Amortization	\$3,027	\$5,501	\$4,597	-16.45%
Other Operating Expenses	\$12,658	\$19,683	\$13,041	-33.74%
Indirect Cost Allocation, Occupancy Expense	-\$1,120	-\$4,878	-\$6,478	32.80%
Total	\$84,414	\$118,554	\$108,450	-8.52%
ALR	3.04%	4.27%	3.84%	-0.43%

\* Annualized as of March 2016

Primary variances between the FY 2016-17 budget and FY 2015-16 budget include:

- Salaries, Wages & Benefits: Increase due to program changes, open positions, annual merit, cost of living adjustments and increase in benefit costs; and
- Professional Fees, Purchased Services, Printing & Postage, Depreciation & Amortization; and Other Operating Expense: Adjustments due to changes in methodologies.

### B. OneCare

Through a contract with the Center for Medicare & Medicaid Services (CMS) and the Department of Managed Health Care (DMHC), CalOptima has administered a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) since October 2005. The FY 2016-17 Operating Budget enrollment reflects the passive enrollment of OneCare members into the OneCare Connect program on January 1, 2016. OneCare will continue to provide services for beneficiaries not eligible for the OneCare Connect program.

The table below illustrates the OneCare Operating Budget.

**FY 2016-17 OneCare Operating Budget**

	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Average Monthly Enrollment	8,768	7,128	1,186
Revenue	109,724,432	97,086,739	\$16,771,979
Medical Costs	99,576,503	86,908,907	\$15,178,598

	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
Administrative Costs	8,136,726	7,251,903	\$1,197,820
Operating Income/Loss	\$2,011,203	\$2,925,929	\$395,561
MLR	90.75%	89.52%	90.50%
ALR	7.42%	7.47%	7.14%

\* Annualized as of March 2016

The variance between the FY 2016-17 budget and FY 2015-16 annualized is primarily due to 90% of OneCare enrollment transitioning to OneCare Connect in January 2016.

### **General Budget Assumptions – OneCare**

Enrollment: The FY 2016-17 Operating Budget assumes OneCare enrollment will decrease slightly due to a 1.0% monthly disenrollment rate and no new enrollment.

Revenue: Staff based Medicare Parts C and D rates on Calendar Year (CY) 2016 Monthly Membership Report (MMR) actuals. The FY 2016-17 budgeted revenue PMPM is 6.4% lower than the previous year due to the lower acuity of remaining OneCare members. The budget includes \$340,000 of sweep risk adjustment.

Medical Cost: Provider capitation payments were based on 38.5 Percent of Premium (POP) due to the inclusion of Quality Incentive payments. FFS medical expenses were based on historical claims incurred through December 2015. Costs for supplemental benefits, including transportation, gym, vision, and acupuncture, were consistent with those provided in FY 2015-16.

Administrative Cost: The majority of administrative expenses has shifted to the OneCare Connect program as of January 2016.

#### **OneCare Administrative Cost by Category**

<b>OneCare (000's)</b>	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>% Change 16 v. 17</b>
Administrative Expenses				
Salaries, Wages & Benefits	\$4,398	\$3,976	\$258	-93.51%
Professional Fees	\$259	\$451	\$160	-64.52%
Purchased services	\$547	\$793	\$293	-63.13%
Printing & Postage	\$137	\$509	\$132	-74.02%
Depreciation & Amortization	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$441	\$505	\$1	-99.79%
Indirect Cost Allocation, Occupancy Expense	\$2,354	\$1,017	\$354	-65.21%
Total	\$8,137	\$7,252	\$1,198	-83.48%
ALR	7.42%	7.47%	7.14%	-0.33%

\* Annualized as of March 2016

### **C. OneCare Connect**

Through a three-way contract with CMS, DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect (CMC) program is a three-year Medicare and Medicaid demonstration program that promotes coordinated health care delivery to seniors and persons

with disabilities who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period began October 2013, and ends on December 31, 2016. On September 3, 2015, DHCS submitted a letter of intent to CMS to extend the scheduled end date of the demonstration. The FY 2016-17 Operating Budget assumes that the CMC program will continue through the duration of the demonstration period.

The table below illustrates the OneCare Connect Operating Budget.

**FY 2016-17 OneCare Connect Operating Budget**

	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
Average Monthly Enrollment	6,258	15,229	21,828
Revenue	\$138,424,585	\$343,234,927	\$533,118,659
Medical Costs	\$130,176,485	\$319,521,434	\$503,835,783
Administrative Costs	\$10,908,453	\$25,800,003	\$27,187,360
Operating Income/Loss	(\$2,660,353)	(\$2,086,511)	\$2,095,516
MLR	94.04%	93.09%	94.51%
ALR	7.88%	7.52%	5.10%

\* Annualized as of March 2016

### **General Budget Assumptions – OneCare Connect**

Enrollment: The OneCare Connect opt-out rate and population mix through the remainder of the passive enrollment period was projected to reflect actual enrollment through March 2016. 90% of OneCare members transitioned into the OneCare Connect program in January 2016.

Revenue: Staff applied CY 2016 Medicare Parts C and D rates released February 2016, and forecasted the Risk Adjustment Factor (RAF) from actual experience. Staff applied Medi-Cal rates released in December 2013, and adjusted for actual enrollment in the specified population cohorts. The final Medi-Cal revenue will be adjusted to reflect the actual population mix. The budget does not include projections for sweep risk adjustment. In addition, the budget assumes Year 2 and Year 3 savings targets of 3.5% and 5.5% and quality withholds of 2% and 3% respectively.

Medical Cost: Provider capitation payments were based on POP rates for Medicare and fixed PMPM rates for Medi-Cal revenue. FFS expenses were projected based on a blend of actual OneCare Connect and OneCare experience, trended through June 2017. Staff applied the projected enrollment mix for Physician Hospital Consortia, Shared Risk Groups, Health Maintenance Organization, and the CalOptima Community Network. In addition, the budget includes expenses related to supplemental benefits, including dental.

MLTSS costs were based on guidance from DHCS, and skilled nursing facility expenses were projected at 100% of Medicare Resource Utilization Groups (RUG) rates. The budget also includes projected expenses for quality improvement programs.

#### Administrative Cost:

The OneCare Connect program will incur a high level of implementation and operational costs, consistent with a new program launch. ALR has reduced from 10.42% to 5.10% due to projected increases in enrollment.

**OneCare Connect Administrative Cost by Category**

<b>OneCare Connect (000's)</b>	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>% Change 16 v. 17</b>
Administrative Expenses				
Salaries, Wages & Benefits	\$5,971	\$10,997	\$11,407	3.72%
Professional Fees	\$0	\$99	\$502	404.17%
Purchased services	\$916	\$3,247	\$1,876	-42.21%
Printing & Postage	\$1,474	\$2,449	\$1,581	-35.47%
Depreciation & Amortization	-\$2	\$0	\$0	0.00%
Other Operating Expenses	\$22	\$349	\$572	63.67%
Indirect Cost Allocation, Occupancy Expense	\$2,527	\$8,657	\$11,250	29.95%
Total	\$10,908	\$25,800	\$27,187	5.38%
ALR	7.88%	10.42%	5.10%	-5.32%

\* Annualized as of March 2016

**D. PACE**

Through a contract with CMS, CalOptima began Orange County's first PACE program on October 1, 2013. The PACE program provides coordinated care for persons age 55 and older who need a higher level of care to remain in their homes.

The table below illustrates the PACE Operating Budget.

**FY 2016-17 PACE Operating Budget**

	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
Average Monthly Enrollment	125	127	193
Revenue	\$9,161,378	\$9,170,764	\$14,540,515
Medical Costs	\$10,340,749	\$10,130,855	\$15,567,769
Administrative Costs	\$1,230,199	\$1,500,626	\$1,361,996
Operating Income/Loss	(\$2,409,571)	(\$2,460,718)	(\$2,389,250)
MLR	112.87%	110.47%	107.06%
ALR	13.43%	16.36%	9.37%

\* Annualized as of March 2016

Using current enrollment, revenue and expense assumptions, Staff projects that CalOptima will reach the breakeven point at 295 PACE enrollees in September 2018. Management notes several areas of opportunities to improve the PACE program, including:

- Collaboration with DHCS to increase PACE rates to reflect actual experience and costs;
- More acute management of medical utilization, mix, and expense; and
- Implementation of initiatives to gain greater administrative efficiencies and operational economies of scale.

**General Budget Assumptions – PACE**

Revenue: The FY 2016-17 Operating Budget applies rates from CY 2016 actuals for Medicare Parts C and D. Staff applied a projected RAF score of 2.20 to Part C revenue. Medi-Cal PMPM rates are based

on CY 2015 rates provided by DHCS on January 27, 2016. Rates were then trended by 4.6% based on DHCS' November 2015 Medi-Cal Local Estimates.

Medical Cost: Medical expenses were projected using a combination of actual experience and industry benchmarks. The budget includes material depreciation costs associated with start-up capital expenses. Staff reclassified some administrative expenses to medical at 96%. The projected aggregate MLR is 107.1%, and will decrease to 102.6% by June 30, 2017.

Administrative Cost: Administrative expenses reflect a high level of operational costs consistent with the early years of a new program. The projected aggregate ALR is 9.4%, and will decrease to 8.3% by June 30, 2017.

**PACE Administrative Cost by Category**

<b>PACE (000's)</b>	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>	<b>% Change 16 v. 17</b>
Administrative Expenses				
Salaries, Wages & Benefits	\$1,000	\$1,049	\$1,115	6.28%
Professional Fees	\$37	\$132	\$40	-69.70%
Purchased services	\$10	\$114	\$12	-89.51%
Printing & Postage	\$45	\$50	\$21	-58.52%
Depreciation & Amortization	\$29	\$27	\$25	-8.86%
Other Operating Expenses	\$81	\$105	\$137	30.96%
Indirect Cost Allocation, Occupancy Expense	\$27	\$23	\$12	-47.07%
Total	\$1,230	\$1,501	\$1,362	-9.24%
ALR	13.43%	16.36%	9.37%	-6.99%

\* Annualized as of March 2016

**E. Facilities**

CalOptima purchased the 505 City Parkway West Building in 2011 as the headquarters for all operations. Currently, CalOptima leases one-half (1/2) floor to a tenant, with the remainder of the building housing CalOptima operations.

The table below illustrates the Facilities Operating Budget.

	<b>FY 2015-16 Annualized*</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
Rental Income	\$404,772	\$245,679	\$255,419
Operating Costs	\$544,610	\$578,805	\$1,036,419
Operating Income/Loss	(\$139,838)	(\$333,126)	(\$781,000)

\* Annualized as of March 2016

**Budget Assumptions – Facilities**

Revenue: Revenues of \$255,419 is in accordance with the tenant lease.

Operating Cost: Building costs include common area maintenance, building and tenant improvement depreciation, repair and maintenance, leased building, as well as building management fees.



**F. Investment Income**

The table below illustrates projected net investment income.

	<b>FY 2015-16 YTD March 2016</b>	<b>FY 2015-16 Budget</b>	<b>FY 2016-17 Budget</b>
Investment Income	\$7,784,671	\$2,500,000	\$2,500,000

**Budget Assumptions – Investment Income**

The projected \$2,500,000 net investment income for the FY2016-17 budget is lower than FY 2015-16 annualized due to forecasted cash outflows from CalOptima's portfolio in FY 2016-17. This includes Medi-Cal Expansion rate adjustment from DHCS' recoupment of overpayment, contingency payable to DHCS due to the 85% MLR reconciliation, and the FY 2015-16 and FY 2016-17 shared risk pool payout.

**Fiscal Impact**

As outlined above and more detailed information contained in Attachment A: FY 2016-17 Budget for all Lines of Business, the FY 2016-17 Operating Income totals \$6.5 million. In addition, the budget includes investment income of \$2.5 million, resulting in a total of \$9.0 million in changes to net assets.

**Rationale for Recommendation**

Management submits the FY 2016-17 Operating Budget for all program areas using the best available assumptions in order to provide health care services to CalOptima's forecasted enrollment. The expected surplus allows some flexibility for unknown events, including pending budget policy decisions, and any subsequent capitation rate adjustments.

**Concurrence**

Gary Crockett, Chief Counsel  
Board of Directors' Finance and Audit Committee

**Attachments**

- Attachment A: FY 2016-17 Budget for all Lines of Business
- Attachment A.1: FY 2016-17 Budget for Medi-Cal (Consolidated)
- Attachment A.2: FY 2016-17 Budget for Medi-Cal (Classic)
- Attachment A.3: FY 2016-17 Budget for Medi-Cal (Expansion)
- Attachment A.4: FY 2016-17 Budget for OneCare
- Attachment A.5: FY 2016-17 Budget for OneCare Connect
- Attachment A.6: FY 2016-17 Budget for PACE
- Attachment A.7: FY 2016-17 Budget for 505 City Parkway West Building
- Attachment B: Administrative Budget Details
- PowerPoint Presentation: Fiscal Year 2016-17 Proposed Operating and Capital Budget

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**



**CalOptima Fiscal Year 2016-17 Budget**  
**Budgeted Statement of Revenue & Expenses**  
**By Line of Business**

	Medi-Cal (Classic)	Medical (Expansion)	Total	OneCare	OCC	PACE	Facilities	Other	Consolidated
Member Months	6,691,301	2,686,236	9,377,537	14,227	261,930	2,310	-		<b>9,656,004</b>
Avg Members	557,608	223,853	781,461	1,186	21,828	193	-		<b>804,667</b>
Revenues									
Capitation revenue	\$ 1,599,051,456	\$ 1,221,965,048	\$ 2,821,016,503	\$ 16,771,979	\$ 533,118,659	\$ 14,540,515	\$ 255,419		<b>\$ 3,385,703,075</b>
Total	<u>\$ 1,599,051,456</u>	<u>\$ 1,221,965,048</u>	<u>\$ 2,821,016,503</u>	<u>\$ 16,771,979</u>	<u>\$ 533,118,659</u>	<u>\$ 14,540,515</u>	<u>\$ 255,419</u>		<b>\$ 3,385,703,075</b>
Medical Costs									
1 Provider capitation	\$ 408,068,316	\$ 491,225,981	\$ 899,294,297	\$ 4,660,772	\$ 118,185,631	\$ -	\$ -		<b>\$ 1,022,140,700</b>
2 Claims Payments	\$ 453,082,246	\$ 437,591,284	\$ 890,673,530	\$ 4,577,281	\$ 143,270,454	\$ -	\$ -		<b>\$ 1,038,521,266</b>
3 LTC/Skilled Nursing Facilities	\$ 425,107,202	\$ 19,931,662	\$ 445,038,864	\$ -	\$ 123,723,434	\$ -	\$ -		<b>\$ 568,762,298</b>
4 Prescription Drugs	\$ 221,228,415	\$ 191,351,662	\$ 412,580,077	\$ 5,436,158	\$ 96,469,980	\$ 1,598,041	\$ -		<b>\$ 516,084,256</b>
5 Case Mgmt & Oth Medical	\$ 27,330,329	\$ 30,471,113	\$ 57,801,442	\$ 504,386	\$ 22,186,283	\$ 13,969,728	\$ -		<b>\$ 94,461,840</b>
Total	<u>\$ 1,534,816,508</u>	<u>\$ 1,170,571,703</u>	<u>\$ 2,705,388,211</u>	<u>\$ 15,178,598</u>	<u>\$ 503,835,783</u>	<u>\$ 15,567,769</u>	<u>\$ -</u>		<b>\$ 3,239,970,360</b>
MLR	<b>95.98%</b>	<b>95.79%</b>	<b>95.90%</b>	<b>90.50%</b>	<b>94.51%</b>	<b>107.06%</b>	<b>0.00%</b>	*	<b>95.70%</b>
Gross Margin	\$ 64,234,948	\$ 51,393,345	\$ 115,628,293	\$ 1,593,381	\$ 29,282,876	\$ (1,027,254)	\$ 255,419		<b>\$ 145,732,715</b>
Administrative Expenses									
Salaries, Wages, & Employee Benefits			\$ 81,712,721	\$ 257,951	\$ 11,406,860	\$ 1,115,205	\$ -		<b>\$ 94,492,737</b>
Professional Fees			\$ 3,362,843	\$ 160,000	\$ 501,646	\$ 40,000	\$ 25,020		<b>\$ 4,089,509</b>
Purchased services			\$ 8,513,572	\$ 292,580	\$ 1,876,447	\$ 12,000	\$ 268,857		<b>\$ 10,963,456</b>
Printing & Postage			\$ 3,700,993	\$ 132,303	\$ 1,580,679	\$ 20,738	\$ 0		<b>\$ 5,434,713</b>
Depreciation & Amortization			\$ 4,596,733	\$ 0	\$ 0	\$ 24,674	\$ 2,521,689		<b>\$ 7,143,096</b>
Other Operating Expenses			\$ 13,041,230	\$ 1,063	\$ 571,840	\$ 137,106	\$ 2,446,051		<b>\$ 16,197,290</b>
Indirect Cost Allocation, Occupancy Expense			\$ (6,478,047)	\$ 353,923	\$ 11,249,888	\$ 12,273	\$ (4,225,198)		<b>\$ 912,839</b>
Total			<u>\$ 108,450,044</u>	<u>\$ 1,197,820</u>	<u>\$ 27,187,360</u>	<u>\$ 1,361,996</u>	<u>\$ 1,036,419</u>		<b>\$ 139,233,640</b>
ALR			<b>3.84%</b>	<b>7.14%</b>	<b>5.10%</b>	<b>9.37%</b>		*	<b>4.11%</b>
Operating Income/(Loss)			<u>\$ 7,178,249</u>	<u>\$ 395,561</u>	<u>\$ 2,095,516</u>	<u>\$ (2,389,250)</u>	<u>\$ (781,000)</u>	\$ -	<b>\$ 6,499,075</b>
Investment Income								\$ 2,500,000	\$ 2,500,000
MCO Tax Revenue			\$ 106,277,305						\$ 106,277,305
MCO Tax Expense			\$ (106,277,305)						\$ (106,277,305)
<b>CHANGE IN NET ASSETS</b>			<u><b>\$ 7,178,249</b></u>	<u><b>\$ 395,561</b></u>	<u><b>\$ 2,095,516</b></u>	<u><b>\$ (2,389,250)</b></u>	<u><b>\$ (781,000)</b></u>	<u><b>\$ 2,500,000</b></u>	<u><b>\$ 8,999,075</b></u>

CalOptima Fiscal Year 2016-17 Budget  
Medi-Cal Program (Consolidated)  
**Statement of Revenues and Expenses**

Attachment A.1	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months													
Medi-Cal	774,792	776,181	777,558	778,761	779,683	780,675	781,771	782,957	784,177	785,533	786,959	788,490	9,377,537
Total	774,792	776,181	777,558	778,761	779,683	780,675	781,771	782,957	784,177	785,533	786,959	788,490	9,377,537
Operating Revenues													
Medi-Cal	\$ 210,113,655	\$ 210,456,077	\$ 210,797,883	\$ 211,092,544	\$ 211,261,147	\$ 211,464,095	\$ 211,708,824	\$ 211,992,240	\$ 212,301,316	\$ 212,658,362	\$ 213,049,752	\$ 213,482,924	\$ 2,540,378,819
Mental Health	\$ 4,414,426	\$ 4,422,630	\$ 4,430,797	\$ 4,438,011	\$ 4,443,292	\$ 4,449,055	\$ 4,455,541	\$ 4,462,639	\$ 4,469,958	\$ 4,478,221	\$ 4,486,966	\$ 4,496,434	\$ 53,447,968
BHT (Autism)	\$ 2,443,619	\$ 2,604,636	\$ 2,765,652	\$ 2,926,669	\$ 3,087,685	\$ 3,248,702	\$ 3,409,718	\$ 3,478,620	\$ 3,547,522	\$ 3,616,424	\$ 3,685,325	\$ 3,754,227	\$ 38,568,799
Hep C Rx	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 51,873,716
MLTSS													
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 11,323,761	\$ 11,336,839	\$ 11,349,916	\$ 11,362,977	\$ 11,376,011	\$ 11,389,052	\$ 11,402,103	\$ 11,415,163	\$ 11,428,225	\$ 11,441,300	\$ 11,454,382	\$ 11,467,473	\$ 136,747,201
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitation	\$ 232,618,271	\$ 233,142,991	\$ 233,667,057	\$ 234,143,010	\$ 234,490,945	\$ 234,873,714	\$ 235,298,996	\$ 235,671,471	\$ 236,069,830	\$ 236,517,116	\$ 236,999,235	\$ 237,523,868	\$ 2,821,016,503
Operating Medical Costs													
Total Provider Capitation	\$ 74,479,835	\$ 74,519,765	\$ 74,575,703	\$ 74,641,211	\$ 74,722,112	\$ 74,813,219	\$ 74,919,846	\$ 75,040,403	\$ 75,165,062	\$ 75,310,795	\$ 75,466,792	\$ 75,639,554	\$ 899,294,297
Claims payments													
Professional	\$ 8,593,902	\$ 8,684,924	\$ 8,484,620	\$ 8,826,007	\$ 8,572,360	\$ 8,889,513	\$ 8,922,140	\$ 8,088,419	\$ 8,985,319	\$ 8,727,799	\$ 9,051,441	\$ 8,792,299	\$ 104,618,742
Facility	\$ 53,368,613	\$ 53,545,442	\$ 52,659,556	\$ 53,876,214	\$ 52,916,378	\$ 54,118,567	\$ 54,267,095	\$ 51,170,537	\$ 54,606,147	\$ 53,708,649	\$ 55,018,834	\$ 54,145,917	\$ 643,401,949
Total Claims	\$ 61,962,515	\$ 62,230,367	\$ 61,144,176	\$ 62,702,221	\$ 61,488,738	\$ 63,008,080	\$ 63,189,235	\$ 59,258,955	\$ 63,591,466	\$ 62,436,448	\$ 64,070,275	\$ 62,938,216	\$ 748,020,691
Rx Drugs	\$ 34,361,134	\$ 34,501,873	\$ 33,532,210	\$ 34,766,998	\$ 33,746,937	\$ 34,964,893	\$ 35,075,550	\$ 31,814,728	\$ 35,316,888	\$ 34,315,254	\$ 35,589,656	\$ 34,593,958	\$ 412,580,077
LTC	\$ 24,088,254	\$ 24,128,399	\$ 23,389,037	\$ 24,210,283	\$ 23,467,129	\$ 24,290,420	\$ 24,330,405	\$ 22,012,379	\$ 24,416,284	\$ 23,668,645	\$ 24,500,886	\$ 23,751,390	\$ 286,253,512
CHDP	\$ 1,832,336	\$ 1,839,749	\$ 1,787,593	\$ 1,854,571	\$ 1,801,937	\$ 1,869,423	\$ 1,876,905	\$ 1,702,051	\$ 1,891,842	\$ 1,838,131	\$ 1,906,952	\$ 1,852,805	\$ 22,054,293
Crossovers	\$ 3,819,464	\$ 3,866,785	\$ 3,787,965	\$ 3,961,801	\$ 3,880,158	\$ 4,057,318	\$ 4,105,264	\$ 3,751,399	\$ 4,201,530	\$ 4,112,759	\$ 4,298,297	\$ 4,206,646	\$ 48,049,386
Mental Health	\$ 1,906,284	\$ 1,906,722	\$ 1,907,331	\$ 1,907,820	\$ 1,908,534	\$ 1,909,495	\$ 1,910,685	\$ 1,912,113	\$ 1,913,787	\$ 1,915,679	\$ 1,917,811	\$ 1,920,160	\$ 22,936,422
MLTSS													\$ -
CBAS	\$ 1,836,896	\$ 1,843,241	\$ 1,789,934	\$ 1,855,902	\$ 1,802,177	\$ 1,868,588	\$ 1,874,980	\$ 1,699,324	\$ 1,887,737	\$ 1,833,094	\$ 1,900,647	\$ 1,845,631	\$ 22,038,152
IHSS & MSSP	\$ 11,323,761	\$ 11,336,839	\$ 11,349,916	\$ 11,362,977	\$ 11,376,011	\$ 11,389,052	\$ 11,402,103	\$ 11,415,163	\$ 11,428,225	\$ 11,441,300	\$ 11,454,382	\$ 11,467,473	\$ 136,747,201
PCC	\$ 366,462	\$ 365,693	\$ 365,130	\$ 364,756	\$ 364,579	\$ 364,590	\$ 365,205	\$ 365,776	\$ 366,555	\$ 367,519	\$ 366,555	\$ 367,519	\$ 4,389,748
VSP	\$ 510,412	\$ 511,251	\$ 512,079	\$ 512,791	\$ 513,301	\$ 513,864	\$ 514,498	\$ 515,192	\$ 515,923	\$ 516,738	\$ 517,606	\$ 518,541	\$ 6,172,198
BHT (Autism)	\$ 2,752,280	\$ 2,933,635	\$ 3,114,990	\$ 3,296,345	\$ 3,477,700	\$ 3,659,055	\$ 3,840,410	\$ 3,918,015	\$ 3,995,620	\$ 4,073,225	\$ 4,150,830	\$ 4,228,435	\$ 43,440,540
Other Medical Costs	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 4,601,286	\$ 4,320,455	\$ 4,409,170	\$ 4,404,377	\$ 4,332,441	\$ 4,496,228	\$ 4,477,755	\$ 4,384,601	\$ 4,549,691	\$ 4,353,057	\$ 4,441,968	\$ 4,440,665	\$ 53,211,694
Total	\$ 223,857,585	\$ 224,321,439	\$ 221,681,901	\$ 225,858,719	\$ 222,898,421	\$ 227,220,892	\$ 227,899,101	\$ 217,806,195	\$ 229,256,499	\$ 226,198,346	\$ 230,600,289	\$ 227,788,825	\$ 2,705,388,211
Gross Margin	\$ 8,760,685	\$ 8,821,551	\$ 11,985,156	\$ 8,284,292	\$ 11,592,525	\$ 7,652,822	\$ 7,399,895	\$ 17,865,276	\$ 6,813,331	\$ 10,318,770	\$ 6,398,946	\$ 9,735,043	\$ 115,628,293
	3.8%	3.8%	5.1%	3.5%	4.9%	3.3%	3.1%	7.6%	2.9%	4.4%	2.7%	4.1%	4.1%
Operating Administrative Expenses													
Salaries	\$ 7,151,679	\$ 6,566,027	\$ 6,751,983	\$ 6,744,342	\$ 6,597,253	\$ 6,940,001	\$ 6,909,372	\$ 6,709,327	\$ 7,053,612	\$ 6,639,854	\$ 6,825,908	\$ 6,823,362	\$ 81,712,721
Professional fees	\$ 280,237	\$ 280,237	\$ 280,237	\$ 280,237	\$ 280,237	\$ 280,237	\$ 280,236	\$ 280,236	\$ 280,236	\$ 280,237	\$ 280,237	\$ 280,237	\$ 3,362,843
Purchased services	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 709,429	\$ 8,513,572
Occupancy	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 49,587	\$ 595,040
Printing & postage	\$ 314,325	\$ 306,257	\$ 306,807	\$ 308,763	\$ 313,636	\$ 307,235	\$ 307,331	\$ 307,908	\$ 306,257	\$ 307,331	\$ 307,908	\$ 307,235	\$ 3,700,993
Maintenance HW/SW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating expenses	\$ 1,177,554	\$ 1,077,790	\$ 1,079,419	\$ 1,077,001	\$ 1,076,001	\$ 1,079,501	\$ 1,083,460	\$ 1,079,043	\$ 1,078,501	\$ 1,077,460	\$ 1,076,001	\$ 1,079,501	\$ 13,041,230
Depreciation & amortization	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 383,061	\$ 4,596,733
Indirect cost allocation	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (589,424)	\$ (7,073,087)
Total	\$ 9,476,448	\$ 8,782,964	\$ 8,971,099	\$ 8,962,996	\$ 8,819,780	\$ 9,159,628	\$ 9,133,053	\$ 8,929,168	\$ 9,271,260	\$ 8,857,535	\$ 9,042,707	\$ 9,043,408	\$ 108,450,044
Operating Surplus (Deficit)	\$ (715,762)	\$ 38,587	\$ 3,014,057	\$ (678,704)	\$ 2,772,744	\$ (1,506,805)	\$ (1,733,157)	\$ 8,936,108	\$ (2,457,929)	\$ 1,461,235	\$ (2,643,761)	\$ 691,634	\$ 7,178,249
Medical Loss Ratio	96.2%	96.2%	94.9%	96.5%	95.1%	96.7%	96.9%	92.4%	97.1%	95.6%	97.3%	95.9%	95.9%
Admin Loss Ratio	4.1%	3.8%	3.8%	3.8%	3.8%	3.9%	3.9%	3.8%	3.9%	3.7%	3.8%	3.8%	3.8%

[Back to Agenda](#)

CalOptima Fiscal Year 2016-17 Budget  
Medi-Cal Program (Consolidated)  
**Statement of Revenues and Expenses**

Attachment A.1	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months													
Medi-Cal	774,792	776,181	777,558	778,761	779,683	780,675	781,771	782,957	784,177	785,533	786,959	788,490	9,377,537
Total	774,792	776,181	777,558	778,761	779,683	780,675	781,771	782,957	784,177	785,533	786,959	788,490	9,377,537
Operating Revenues PMPM													
Medi-Cal	\$ 271.19	\$ 271.14	\$ 271.10	\$ 271.06	\$ 270.96	\$ 270.87	\$ 270.81	\$ 270.76	\$ 270.73	\$ 270.72	\$ 270.73	\$ 270.75	\$ 270.90
Mental Health	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.70
BHT (Autism)	\$ 3.15	\$ 3.36	\$ 3.56	\$ 3.76	\$ 3.96	\$ 4.16	\$ 4.36	\$ 4.44	\$ 4.52	\$ 4.60	\$ 4.68	\$ 4.76	\$ 4.11
Hep C Rx	\$ 5.58	\$ 5.57	\$ 5.56	\$ 5.55	\$ 5.54	\$ 5.54	\$ 5.53	\$ 5.52	\$ 5.51	\$ 5.50	\$ 5.49	\$ 5.48	\$ 5.53
MLTSS													
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 14.62	\$ 14.61	\$ 14.60	\$ 14.59	\$ 14.59	\$ 14.59	\$ 14.58	\$ 14.58	\$ 14.57	\$ 14.57	\$ 14.56	\$ 14.54	\$ 14.58
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitation	\$ 300.23	\$ 300.37	\$ 300.51	\$ 300.66	\$ 300.75	\$ 300.86	\$ 300.98	\$ 301.00	\$ 301.04	\$ 301.09	\$ 301.16	\$ 301.24	\$ 300.83
Operating Medical Costs PMPM													
Total Provider Capitation	\$ 96.13	\$ 96.01	\$ 95.91	\$ 95.85	\$ 95.84	\$ 95.83	\$ 95.83	\$ 95.84	\$ 95.85	\$ 95.87	\$ 95.90	\$ 95.93	\$ 95.90
Claims payments													
Professional	\$ 11.09	\$ 11.19	\$ 10.91	\$ 11.33	\$ 10.99	\$ 11.39	\$ 11.41	\$ 10.33	\$ 11.46	\$ 11.11	\$ 11.50	\$ 11.15	\$ 11.16
Facility	\$ 68.88	\$ 68.99	\$ 67.72	\$ 69.18	\$ 67.87	\$ 69.32	\$ 69.42	\$ 65.36	\$ 69.63	\$ 68.37	\$ 69.91	\$ 68.67	\$ 68.61
Total Claims	\$ 79.97	\$ 80.18	\$ 78.64	\$ 80.52	\$ 78.86	\$ 80.71	\$ 80.83	\$ 75.69	\$ 81.09	\$ 79.48	\$ 81.41	\$ 79.82	\$ 79.77
Rx Drugs	\$ 44.35	\$ 44.45	\$ 43.13	\$ 44.64	\$ 43.28	\$ 44.79	\$ 44.87	\$ 40.63	\$ 45.04	\$ 43.68	\$ 45.22	\$ 43.87	\$ 44.00
LTC	\$ 31.09	\$ 31.09	\$ 30.08	\$ 31.09	\$ 30.10	\$ 31.11	\$ 31.12	\$ 28.11	\$ 31.14	\$ 30.13	\$ 31.13	\$ 30.12	\$ 30.53
CHDP	\$ 2.36	\$ 2.37	\$ 2.30	\$ 2.38	\$ 2.31	\$ 2.39	\$ 2.40	\$ 2.17	\$ 2.41	\$ 2.34	\$ 2.42	\$ 2.35	\$ 2.35
Crossovers	\$ 4.93	\$ 4.98	\$ 4.87	\$ 5.09	\$ 4.98	\$ 5.20	\$ 5.25	\$ 4.79	\$ 5.36	\$ 5.24	\$ 5.46	\$ 5.34	\$ 5.12
Mental Health	\$ 2.46	\$ 2.46	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.45
MLTSS													
CBAS	\$ 2.37	\$ 2.37	\$ 2.30	\$ 2.38	\$ 2.31	\$ 2.39	\$ 2.40	\$ 2.17	\$ 2.41	\$ 2.33	\$ 2.42	\$ 2.34	\$ 2.35
IHSS & MSSP	\$ 14.62	\$ 14.61	\$ 14.60	\$ 14.59	\$ 14.59	\$ 14.59	\$ 14.58	\$ 14.58	\$ 14.57	\$ 14.57	\$ 14.56	\$ 14.54	\$ 14.58
PCC	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47
VSP	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
BHT (Autism)	\$ 3.55	\$ 3.78	\$ 4.01	\$ 4.23	\$ 4.46	\$ 4.69	\$ 4.91	\$ 5.00	\$ 5.10	\$ 5.19	\$ 5.27	\$ 5.36	\$ 4.63
Other Medical Costs	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 5.94	\$ 5.57	\$ 5.67	\$ 5.66	\$ 5.56	\$ 5.76	\$ 5.73	\$ 5.60	\$ 5.80	\$ 5.54	\$ 5.64	\$ 5.63	\$ 5.67
Total	\$ 288.93	\$ 289.01	\$ 285.10	\$ 290.02	\$ 285.88	\$ 291.06	\$ 291.52	\$ 278.18	\$ 292.35	\$ 287.96	\$ 293.03	\$ 288.89	\$ 288.50
Gross Margin PMPM	\$ 11.31	\$ 11.37	\$ 15.41	\$ 10.64	\$ 14.87	\$ 9.80	\$ 9.47	\$ 22.82	\$ 8.69	\$ 13.14	\$ 8.13	\$ 12.35	\$ 12.33
Operating Administrative Expenses PMPM													
Salaries	\$ 9.23	\$ 8.46	\$ 8.68	\$ 8.66	\$ 8.46	\$ 8.89	\$ 8.84	\$ 8.57	\$ 8.99	\$ 8.45	\$ 8.67	\$ 8.65	\$ 8.71
Professional fees	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
Purchased services	\$ 0.92	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.91
Occupancy	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Printing & postage	\$ 0.41	\$ 0.39	\$ 0.39	\$ 0.40	\$ 0.40	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39
Maintenance HW/SW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating expenses	\$ 1.52	\$ 1.39	\$ 1.39	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.39	\$ 1.38	\$ 1.38	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.39
Depreciation & amortization	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.49
Indirect cost allocation	\$ (0.76)	\$ (0.76)	\$ (0.76)	\$ (0.76)	\$ (0.76)	\$ (0.76)	\$ (0.75)	\$ (0.75)	\$ (0.75)	\$ (0.75)	\$ (0.75)	\$ (0.75)	\$ (0.75)
Total	\$ 12.23	\$ 11.32	\$ 11.54	\$ 11.51	\$ 11.31	\$ 11.73	\$ 11.68	\$ 11.40	\$ 11.82	\$ 11.28	\$ 11.49	\$ 11.47	\$ 11.56
Operating Surplus (Deficit)	\$ (0.92)	\$ 0.05	\$ 3.88	\$ (0.87)	\$ 3.56	\$ (1.93)	\$ (2.22)	\$ 11.41	\$ (3.13)	\$ 1.86	\$ (3.36)	\$ 0.88	\$ 0.77

[Back to Agenda](#)

CalOptima Fiscal Year 2016-17 Budget  
Medi-Cal Program (Classic Program)  
**Statement of Revenues and Expenses**

Attachment A.2

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months													
Medi-Cal	553,266	554,203	555,107	555,833	556,565	557,291	558,022	558,754	559,471	560,202	560,928	561,660	6,691,301
Total	553,266	554,203	555,107	555,833	556,565	557,291	558,022	558,754	559,471	560,202	560,928	561,660	6,691,301
Operating Revenues													
Medi-Cal	\$ 113,987,310	\$ 114,133,481	\$ 114,270,001	\$ 114,357,681	\$ 114,443,831	\$ 114,531,510	\$ 114,617,660	\$ 114,703,810	\$ 114,794,548	\$ 114,880,698	\$ 114,968,377	\$ 115,054,527	\$ 1,374,743,432
Mental Health	\$ 2,915,087	\$ 2,920,164	\$ 2,925,061	\$ 2,928,979	\$ 2,932,934	\$ 2,936,852	\$ 2,940,808	\$ 2,944,763	\$ 2,948,605	\$ 2,952,561	\$ 2,956,479	\$ 2,960,434	\$ 35,262,727
BHT (Autism)	\$ 2,440,576	\$ 2,601,392	\$ 2,762,208	\$ 2,923,024	\$ 3,083,840	\$ 3,244,656	\$ 3,405,472	\$ 3,474,288	\$ 3,543,104	\$ 3,611,920	\$ 3,680,736	\$ 3,749,552	\$ 38,520,768
Hep C Rx	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 1,679,830	\$ 20,157,964
MLTSS													
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 10,789,516	\$ 10,803,051	\$ 10,816,582	\$ 10,830,097	\$ 10,843,612	\$ 10,857,127	\$ 10,870,643	\$ 10,884,158	\$ 10,897,672	\$ 10,911,187	\$ 10,924,702	\$ 10,938,218	\$ 130,366,565
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitation	\$ 131,812,319	\$ 132,137,918	\$ 132,453,683	\$ 132,719,611	\$ 132,984,048	\$ 133,249,976	\$ 133,514,412	\$ 133,686,849	\$ 133,863,759	\$ 134,036,196	\$ 134,210,124	\$ 134,382,561	\$ 1,599,051,456
Operating Medical Costs													
Total Provider Capitation	\$ 33,975,509	\$ 33,980,538	\$ 33,986,038	\$ 33,991,621	\$ 33,996,853	\$ 34,002,657	\$ 34,007,480	\$ 34,012,933	\$ 34,020,129	\$ 34,025,477	\$ 34,031,434	\$ 34,037,646	\$ 408,068,316
Claims payments													
Professional	\$ 5,774,773	\$ 5,822,189	\$ 5,676,904	\$ 5,891,219	\$ 5,726,170	\$ 5,942,129	\$ 5,967,953	\$ 5,413,735	\$ 6,017,395	\$ 5,848,279	\$ 6,068,313	\$ 5,897,556	\$ 70,046,614
Facility	\$ 20,957,713	\$ 21,032,464	\$ 20,421,955	\$ 21,142,521	\$ 20,501,216	\$ 21,224,337	\$ 21,265,423	\$ 19,247,140	\$ 21,346,002	\$ 20,697,917	\$ 21,427,378	\$ 20,776,579	\$ 250,040,646
Total Claims	\$ 26,732,486	\$ 26,854,654	\$ 26,098,859	\$ 27,033,740	\$ 26,227,386	\$ 27,166,466	\$ 27,233,376	\$ 24,660,875	\$ 27,363,397	\$ 26,546,196	\$ 27,495,690	\$ 26,674,135	\$ 320,087,260
Rx Drugs	\$ 18,465,673	\$ 18,533,800	\$ 18,006,086	\$ 18,653,421	\$ 18,110,421	\$ 18,761,605	\$ 18,816,310	\$ 17,063,940	\$ 18,925,258	\$ 18,374,592	\$ 19,035,665	\$ 18,481,644	\$ 221,228,415
LTC	\$ 22,968,598	\$ 23,006,119	\$ 22,300,248	\$ 23,082,328	\$ 22,373,681	\$ 23,158,240	\$ 23,195,411	\$ 20,984,282	\$ 23,274,642	\$ 22,559,864	\$ 23,350,706	\$ 22,633,505	\$ 272,887,623
CHDP	\$ 1,817,744	\$ 1,825,090	\$ 1,773,341	\$ 1,839,776	\$ 1,787,569	\$ 1,854,521	\$ 1,861,945	\$ 1,688,481	\$ 1,876,753	\$ 1,823,460	\$ 1,891,719	\$ 1,837,987	\$ 21,878,386
Crossovers	\$ 3,687,933	\$ 3,734,718	\$ 3,659,641	\$ 3,828,667	\$ 3,750,804	\$ 3,923,121	\$ 3,970,538	\$ 3,629,234	\$ 4,065,750	\$ 3,980,850	\$ 4,161,467	\$ 4,073,724	\$ 46,466,446
Mental Health	\$ 1,452,274	\$ 1,453,665	\$ 1,454,971	\$ 1,455,924	\$ 1,456,857	\$ 1,457,804	\$ 1,458,735	\$ 1,459,661	\$ 1,460,627	\$ 1,461,553	\$ 1,462,492	\$ 1,463,398	\$ 17,497,962
MLTSS													
CBAS	\$ 1,821,707	\$ 1,827,962	\$ 1,775,058	\$ 1,840,435	\$ 1,787,119	\$ 1,852,934	\$ 1,859,224	\$ 1,684,997	\$ 1,871,770	\$ 1,817,530	\$ 1,884,446	\$ 1,829,832	\$ 21,853,013
IHSS & MSSP	\$ 10,789,516	\$ 10,803,051	\$ 10,816,582	\$ 10,830,097	\$ 10,843,612	\$ 10,857,127	\$ 10,870,643	\$ 10,884,158	\$ 10,897,672	\$ 10,911,187	\$ 10,924,702	\$ 10,938,218	\$ 130,366,565
PCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VSP	\$ 363,596	\$ 364,246	\$ 364,872	\$ 365,373	\$ 365,876	\$ 366,376	\$ 366,879	\$ 367,380	\$ 367,871	\$ 368,372	\$ 368,869	\$ 369,366	\$ 4,399,076
BHT (Autism)	\$ 2,696,414	\$ 2,877,475	\$ 3,058,532	\$ 3,239,585	\$ 3,420,712	\$ 3,601,818	\$ 3,782,900	\$ 3,860,340	\$ 3,937,762	\$ 4,015,158	\$ 4,092,534	\$ 4,169,886	\$ 42,753,117
Other Medical Costs	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 11,892	\$ 142,709
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 2,362,812	\$ 2,199,159	\$ 2,250,908	\$ 2,248,121	\$ 2,206,163	\$ 2,301,803	\$ 2,291,058	\$ 2,236,724	\$ 2,333,016	\$ 2,218,263	\$ 2,270,123	\$ 2,269,470	\$ 27,187,619
Total	\$ 127,146,153	\$ 127,472,369	\$ 125,557,029	\$ 128,420,981	\$ 126,338,946	\$ 129,316,363	\$ 129,726,392	\$ 122,544,900	\$ 130,406,538	\$ 128,114,394	\$ 130,981,739	\$ 128,790,703	\$ 1,534,816,508
Gross Margin	\$ 4,666,166	\$ 4,665,549	\$ 6,896,654	\$ 4,298,630	\$ 6,645,102	\$ 3,933,612	\$ 3,788,020	\$ 11,141,949	\$ 3,457,221	\$ 5,921,802	\$ 3,228,385	\$ 5,591,858	\$ 64,234,948
Medical Loss Ratio	96.5%	96.5%	94.8%	96.8%	95.0%	97.0%	97.2%	91.7%	97.4%	95.6%	97.6%	95.8%	96.0%

[Back to Agenda](#)

CalOptima Fiscal Year 2016-17 Budget  
Medi-Cal Program (Classic Program)  
**Statement of Revenues and Expenses**

Attachment A.2

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months													
Medi-Cal	553,266	554,203	555,107	555,833	556,565	557,291	558,022	558,754	559,471	560,202	560,928	561,660	6,691,301
Total	553,266	554,203	555,107	555,833	556,565	557,291	558,022	558,754	559,471	560,202	560,928	561,660	6,691,301
Operating Revenues PMPM													
Medi-Cal	\$ 206.03	\$ 205.94	\$ 205.85	\$ 205.74	\$ 205.63	\$ 205.51	\$ 205.40	\$ 205.29	\$ 205.18	\$ 205.07	\$ 204.96	\$ 204.85	\$ 205.45
Mental Health	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27
BHT (Autism)	\$ 4.41	\$ 4.69	\$ 4.98	\$ 5.26	\$ 5.54	\$ 5.82	\$ 6.10	\$ 6.22	\$ 6.33	\$ 6.45	\$ 6.56	\$ 6.68	\$ 5.76
Hep C Rx	\$ 3.04	\$ 3.03	\$ 3.03	\$ 3.02	\$ 3.02	\$ 3.01	\$ 3.01	\$ 3.01	\$ 3.00	\$ 3.00	\$ 2.99	\$ 2.99	\$ 3.01
MLTSS													
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 19.50	\$ 19.49	\$ 19.49	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.47	\$ 19.48
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitation	\$ 238.24	\$ 238.43	\$ 238.61	\$ 238.78	\$ 238.94	\$ 239.10	\$ 239.26	\$ 239.26	\$ 239.27	\$ 239.26	\$ 239.26	\$ 239.26	\$ 238.97
Operating Medical Costs PMPM													
Total Provider Capitation	\$ 61.41	\$ 61.31	\$ 61.22	\$ 61.15	\$ 61.08	\$ 61.01	\$ 60.94	\$ 60.87	\$ 60.81	\$ 60.74	\$ 60.67	\$ 60.60	\$ 60.98
Claims payments													
Professional	\$ 10.44	\$ 10.51	\$ 10.23	\$ 10.60	\$ 10.29	\$ 10.66	\$ 10.69	\$ 9.69	\$ 10.76	\$ 10.44	\$ 10.82	\$ 10.50	\$ 10.47
Facility	\$ 37.88	\$ 37.95	\$ 36.79	\$ 38.04	\$ 36.84	\$ 38.08	\$ 38.11	\$ 34.45	\$ 38.15	\$ 36.95	\$ 38.20	\$ 36.99	\$ 37.37
Total Claims	\$ 48.32	\$ 48.46	\$ 47.02	\$ 48.64	\$ 47.12	\$ 48.75	\$ 48.80	\$ 44.14	\$ 48.91	\$ 47.39	\$ 49.02	\$ 47.49	\$ 47.84
Rx Drugs	\$ 33.38	\$ 33.44	\$ 32.44	\$ 33.56	\$ 32.54	\$ 33.67	\$ 33.72	\$ 30.54	\$ 33.83	\$ 32.80	\$ 33.94	\$ 32.91	\$ 33.06
LTC	\$ 41.51	\$ 41.51	\$ 40.17	\$ 41.53	\$ 40.20	\$ 41.56	\$ 41.57	\$ 37.56	\$ 41.60	\$ 40.27	\$ 41.63	\$ 40.30	\$ 40.78
CHDP	\$ 3.29	\$ 3.29	\$ 3.19	\$ 3.31	\$ 3.21	\$ 3.33	\$ 3.34	\$ 3.02	\$ 3.35	\$ 3.26	\$ 3.37	\$ 3.27	\$ 3.27
Crossovers	\$ 6.67	\$ 6.74	\$ 6.59	\$ 6.89	\$ 6.74	\$ 7.04	\$ 7.12	\$ 6.50	\$ 7.27	\$ 7.11	\$ 7.42	\$ 7.25	\$ 6.94
Mental Health	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.61	\$ 2.61	\$ 2.61	\$ 2.61	\$ 2.61	\$ 2.61	\$ 2.62
MLTSS													
CBAS	\$ 3.29	\$ 3.30	\$ 3.20	\$ 3.31	\$ 3.21	\$ 3.32	\$ 3.33	\$ 3.02	\$ 3.35	\$ 3.24	\$ 3.36	\$ 3.26	\$ 3.27
IHSS & MSSP	\$ 19.50	\$ 19.49	\$ 19.49	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.48	\$ 19.47	\$ 19.48
PCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VSP	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
BHT (Autism)	\$ 4.87	\$ 5.19	\$ 5.51	\$ 5.83	\$ 6.15	\$ 6.46	\$ 6.78	\$ 6.91	\$ 7.04	\$ 7.17	\$ 7.30	\$ 7.42	\$ 6.39
Other Medical Costs	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 4.27	\$ 3.97	\$ 4.05	\$ 4.04	\$ 3.96	\$ 4.13	\$ 4.11	\$ 4.00	\$ 4.17	\$ 3.96	\$ 4.05	\$ 4.04	\$ 4.06
Total	\$ 229.81	\$ 230.01	\$ 226.19	\$ 231.04	\$ 227.00	\$ 232.04	\$ 232.48	\$ 219.32	\$ 233.09	\$ 228.69	\$ 233.51	\$ 229.30	\$ 229.37
Gross Margin PMPM	\$ 8.43	\$ 8.42	\$ 12.42	\$ 7.73	\$ 11.94	\$ 7.06	\$ 6.79	\$ 19.94	\$ 6.18	\$ 10.57	\$ 5.76	\$ 9.96	\$ 9.60

[Back to Agenda](#)

CalOptima Fiscal Year 2016-17 Budget  
Medi-Cal Program (Expansion)  
**Statement of Revenues and Expenses**

Attachment A.3

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months													
Medi-Cal	221,526	221,978	222,451	222,928	223,118	223,384	223,749	224,204	224,707	225,331	226,031	226,831	2,686,236
Total	221,526	221,978	222,451	222,928	223,118	223,384	223,749	224,204	224,707	225,331	226,031	226,831	2,686,236
Operating Revenues													
Medi-Cal	\$ 96,126,346	\$ 96,322,596	\$ 96,527,882	\$ 96,734,864	\$ 96,817,317	\$ 96,932,585	\$ 97,091,164	\$ 97,288,430	\$ 97,506,768	\$ 97,777,664	\$ 98,081,375	\$ 98,428,397	\$ 1,165,635,387
Mental Health	\$ 1,499,339	\$ 1,502,466	\$ 1,505,735	\$ 1,509,032	\$ 1,510,358	\$ 1,512,203	\$ 1,514,733	\$ 1,517,876	\$ 1,521,352	\$ 1,525,660	\$ 1,530,487	\$ 1,536,000	\$ 18,185,241
BHT (Autism)	\$ 3,043	\$ 3,244	\$ 3,444	\$ 3,645	\$ 3,845	\$ 4,046	\$ 4,246	\$ 4,332	\$ 4,418	\$ 4,504	\$ 4,589	\$ 4,675	\$ 48,031
Hep C Rx	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 2,642,979	\$ 31,715,753
MLTSS													
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 534,244	\$ 533,788	\$ 533,334	\$ 532,880	\$ 532,399	\$ 531,925	\$ 531,461	\$ 531,005	\$ 530,553	\$ 530,113	\$ 529,679	\$ 529,256	\$ 6,380,636
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitation	\$ 100,805,951	\$ 101,005,073	\$ 101,213,374	\$ 101,423,399	\$ 101,506,898	\$ 101,623,738	\$ 101,784,584	\$ 101,984,622	\$ 102,206,071	\$ 102,480,920	\$ 102,789,111	\$ 103,141,307	\$ 1,221,965,048
Operating Medical Costs													
Total Provider Capitation	\$ 40,504,326	\$ 40,539,227	\$ 40,589,664	\$ 40,649,590	\$ 40,725,259	\$ 40,810,562	\$ 40,912,366	\$ 41,027,470	\$ 41,144,932	\$ 41,285,318	\$ 41,435,358	\$ 41,601,908	\$ 491,225,981
Claims payments													
Professional	\$ 2,819,129	\$ 2,862,735	\$ 2,807,716	\$ 2,934,788	\$ 2,846,191	\$ 2,947,384	\$ 2,954,187	\$ 2,674,684	\$ 2,967,924	\$ 2,879,520	\$ 2,983,128	\$ 2,894,743	\$ 34,572,128
Facility	\$ 32,410,900	\$ 32,512,978	\$ 32,237,601	\$ 32,733,693	\$ 32,415,162	\$ 32,894,230	\$ 33,001,672	\$ 31,923,396	\$ 33,260,145	\$ 33,010,732	\$ 33,591,457	\$ 33,369,338	\$ 393,361,303
Total Claims	\$ 35,230,029	\$ 35,375,713	\$ 35,045,316	\$ 35,668,481	\$ 35,261,353	\$ 35,841,614	\$ 35,955,858	\$ 34,598,080	\$ 36,228,070	\$ 35,890,252	\$ 36,574,585	\$ 36,264,081	\$ 427,933,431
Rx Drugs	\$ 15,895,460	\$ 15,968,073	\$ 15,526,123	\$ 16,113,576	\$ 15,636,516	\$ 16,203,289	\$ 16,259,239	\$ 14,750,788	\$ 16,391,630	\$ 15,940,662	\$ 16,553,991	\$ 16,112,314	\$ 191,351,662
LTC	\$ 1,119,656	\$ 1,122,280	\$ 1,088,789	\$ 1,127,954	\$ 1,093,449	\$ 1,132,180	\$ 1,134,994	\$ 1,028,097	\$ 1,141,642	\$ 1,108,781	\$ 1,150,180	\$ 1,117,886	\$ 13,365,888
CHDP	\$ 14,592	\$ 14,659	\$ 14,252	\$ 14,795	\$ 14,368	\$ 14,901	\$ 14,960	\$ 13,569	\$ 15,089	\$ 14,670	\$ 15,233	\$ 14,818	\$ 175,907
Crossovers	\$ 131,531	\$ 132,067	\$ 128,324	\$ 133,134	\$ 129,354	\$ 134,197	\$ 134,726	\$ 122,165	\$ 135,781	\$ 131,909	\$ 136,830	\$ 132,922	\$ 1,582,940
Mental Health	\$ 454,010	\$ 453,057	\$ 452,360	\$ 451,896	\$ 451,677	\$ 451,691	\$ 451,950	\$ 452,452	\$ 453,160	\$ 454,125	\$ 455,320	\$ 456,763	\$ 5,438,460
MLTSS													
CBAS	\$ 15,189	\$ 15,279	\$ 14,877	\$ 15,467	\$ 15,057	\$ 15,654	\$ 15,755	\$ 14,327	\$ 15,967	\$ 15,564	\$ 16,201	\$ 15,800	\$ 185,138
IHSS & MSSP	\$ 534,244	\$ 533,788	\$ 533,334	\$ 532,880	\$ 532,399	\$ 531,925	\$ 531,461	\$ 531,005	\$ 530,553	\$ 530,113	\$ 529,679	\$ 529,256	\$ 6,380,636
PCC	\$ 366,462	\$ 365,693	\$ 365,130	\$ 364,756	\$ 364,579	\$ 364,590	\$ 364,799	\$ 365,205	\$ 365,776	\$ 366,555	\$ 367,519	\$ 368,684	\$ 4,389,748
VSP	\$ 146,817	\$ 147,005	\$ 147,207	\$ 147,418	\$ 147,424	\$ 147,489	\$ 147,619	\$ 147,812	\$ 148,053	\$ 148,366	\$ 148,737	\$ 149,175	\$ 1,773,122
BHT (Autism)	\$ 55,866	\$ 56,160	\$ 56,458	\$ 56,760	\$ 56,988	\$ 57,237	\$ 57,510	\$ 57,675	\$ 57,858	\$ 58,067	\$ 58,296	\$ 58,549	\$ 687,423
Other Medical Costs	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 4,774	\$ 57,291
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 2,238,474	\$ 2,121,296	\$ 2,158,262	\$ 2,156,256	\$ 2,126,278	\$ 2,194,425	\$ 2,186,697	\$ 2,147,877	\$ 2,216,675	\$ 2,134,794	\$ 2,171,845	\$ 2,171,195	\$ 26,024,075
Total	\$ 96,711,432	\$ 96,849,070	\$ 96,124,872	\$ 97,437,737	\$ 96,559,475	\$ 97,904,528	\$ 98,172,708	\$ 95,261,295	\$ 98,849,961	\$ 98,083,951	\$ 99,618,550	\$ 98,998,123	\$ 1,170,571,703
Gross Margin	\$ 4,094,519	\$ 4,156,003	\$ 5,088,502	\$ 3,985,662	\$ 4,947,423	\$ 3,719,210	\$ 3,611,875	\$ 6,723,327	\$ 3,356,109	\$ 4,396,968	\$ 3,170,561	\$ 4,143,184	\$ 51,393,345
Medical Loss Ratio	95.9%	95.9%	95.0%	96.1%	95.1%	96.3%	96.5%	93.4%	96.7%	95.7%	96.9%	96.0%	95.8%

[Back to Agenda](#)

CalOptima Fiscal Year 2016-17 Budget  
Medi-Cal Program (Expansion)  
**Statement of Revenues and Expenses**

Attachment A.3

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months													
Medi-Cal	221,526	221,978	222,451	222,928	223,118	223,384	223,749	224,204	224,707	225,331	226,031	226,831	2,686,236
Total	221,526	221,978	222,451	222,928	223,118	223,384	223,749	224,204	224,707	225,331	226,031	226,831	2,686,236
Operating Revenues PMPM													
Medi-Cal	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93	\$ 433.93
Mental Health	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77	\$ 6.77
BHT (Autism)	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Hep C Rx	\$ 11.93	\$ 11.91	\$ 11.88	\$ 11.86	\$ 11.85	\$ 11.83	\$ 11.81	\$ 11.79	\$ 11.76	\$ 11.73	\$ 11.69	\$ 11.65	\$ 11.81
MLTSS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 2.41	\$ 2.40	\$ 2.40	\$ 2.39	\$ 2.39	\$ 2.38	\$ 2.38	\$ 2.37	\$ 2.36	\$ 2.35	\$ 2.34	\$ 2.33	\$ 2.38
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capitation	\$ 455.05	\$ 455.02	\$ 454.99	\$ 454.96	\$ 454.95	\$ 454.93	\$ 454.91	\$ 454.87	\$ 454.84	\$ 454.80	\$ 454.76	\$ 454.71	\$ 454.90
Operating Medical Costs PMPM													
Total Provider Capitation	\$ 182.84	\$ 182.63	\$ 182.47	\$ 182.34	\$ 182.53	\$ 182.69	\$ 182.85	\$ 182.99	\$ 183.10	\$ 183.22	\$ 183.32	\$ 183.41	\$ 182.87
Claims payments													
Professional	\$ 12.73	\$ 12.90	\$ 12.62	\$ 13.16	\$ 12.76	\$ 13.19	\$ 13.20	\$ 11.93	\$ 13.21	\$ 12.78	\$ 13.20	\$ 12.76	\$ 12.87
Facility	\$ 146.31	\$ 146.47	\$ 144.92	\$ 146.84	\$ 145.28	\$ 147.25	\$ 147.49	\$ 142.39	\$ 148.02	\$ 146.50	\$ 148.61	\$ 147.11	\$ 146.44
Total Claims	\$ 159.03	\$ 159.37	\$ 157.54	\$ 160.00	\$ 158.04	\$ 160.45	\$ 160.70	\$ 154.32	\$ 161.22	\$ 159.28	\$ 161.81	\$ 159.87	\$ 159.31
Rx Drugs	\$ 71.75	\$ 71.94	\$ 69.80	\$ 72.28	\$ 70.08	\$ 72.54	\$ 72.67	\$ 65.79	\$ 72.95	\$ 70.74	\$ 73.24	\$ 71.03	\$ 71.23
LTC	\$ 5.05	\$ 5.06	\$ 4.89	\$ 5.06	\$ 4.90	\$ 5.07	\$ 5.07	\$ 4.59	\$ 5.08	\$ 4.92	\$ 5.09	\$ 4.93	\$ 4.98
CHDP	\$ 0.07	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Crossovers	\$ 0.59	\$ 0.59	\$ 0.58	\$ 0.60	\$ 0.58	\$ 0.60	\$ 0.60	\$ 0.54	\$ 0.60	\$ 0.59	\$ 0.61	\$ 0.59	\$ 0.59
Mental Health	\$ 2.05	\$ 2.04	\$ 2.03	\$ 2.03	\$ 2.02	\$ 2.02	\$ 2.02	\$ 2.02	\$ 2.02	\$ 2.02	\$ 2.01	\$ 2.01	\$ 2.02
MLTSS													
CBAS	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
IHSS & MSSP	\$ 2.41	\$ 2.40	\$ 2.40	\$ 2.39	\$ 2.39	\$ 2.38	\$ 2.38	\$ 2.37	\$ 2.36	\$ 2.35	\$ 2.34	\$ 2.33	\$ 2.38
PCC	\$ 1.65	\$ 1.65	\$ 1.64	\$ 1.64	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63
VSP	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
BHT (Autism)	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Other Medical Costs	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 10.10	\$ 9.56	\$ 9.70	\$ 9.67	\$ 9.53	\$ 9.82	\$ 9.77	\$ 9.58	\$ 9.86	\$ 9.47	\$ 9.61	\$ 9.57	\$ 9.69
Total	\$ 436.57	\$ 436.30	\$ 432.12	\$ 437.08	\$ 432.77	\$ 438.28	\$ 438.76	\$ 424.89	\$ 439.91	\$ 435.29	\$ 440.73	\$ 436.44	\$ 435.77
Gross Margin PMPM	\$ 18.48	\$ 18.72	\$ 22.87	\$ 17.88	\$ 22.17	\$ 16.65	\$ 16.14	\$ 29.99	\$ 14.94	\$ 19.51	\$ 14.03	\$ 18.27	\$ 19.13

[Back to Agenda](#)



CalOptima Fiscal Year 2016-17 Budget  
OneCare Program  
**Statement of Revenues and Expenses**

Attachment A.4	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	1,252	1,240	1,227	1,215	1,203	1,191	1,179	1,167	1,155	1,144	1,132	1,121	14,227
Average Members													1,186
Revenues													
Part C, Medi-Cal, HCC	\$ 964,780	\$ 954,295	\$ 936,025	\$ 925,863	\$ 915,829	\$ 905,894	\$ 923,982	\$ 913,993	\$ 904,114	\$ 894,359	\$ 884,676	\$ 1,212,010	\$ 11,335,820
Part D	\$ 478,471	\$ 473,687	\$ 468,950	\$ 464,260	\$ 459,618	\$ 455,021	\$ 450,471	\$ 445,967	\$ 441,507	\$ 437,092	\$ 432,721	\$ 428,394	\$ 5,436,158
Total	\$ 1,443,252	\$ 1,427,981	\$ 1,404,974	\$ 1,390,124	\$ 1,375,447	\$ 1,360,915	\$ 1,374,454	\$ 1,359,959	\$ 1,345,621	\$ 1,331,451	\$ 1,317,397	\$ 1,640,404	\$ 16,771,979
Medical Costs													
Provider capitation	\$ 397,536	\$ 393,238	\$ 385,945	\$ 381,778	\$ 377,661	\$ 373,585	\$ 380,301	\$ 376,210	\$ 372,163	\$ 368,167	\$ 364,200	\$ 489,988	\$ 4,660,772
Claims payments	\$ 391,644	\$ 387,536	\$ 376,339	\$ 377,657	\$ 368,490	\$ 369,787	\$ 372,320	\$ 353,252	\$ 364,571	\$ 355,804	\$ 356,984	\$ 502,898	\$ 4,577,281
Prescription drugs	\$ 478,471	\$ 473,687	\$ 468,950	\$ 464,260	\$ 459,618	\$ 455,021	\$ 450,471	\$ 445,967	\$ 441,507	\$ 437,092	\$ 432,721	\$ 428,394	\$ 5,436,158
Other medical costs	\$ 4,622	\$ 4,465	\$ 4,312	\$ 4,165	\$ 4,023	\$ 3,886	\$ 5,046	\$ 4,874	\$ 4,707	\$ 4,547	\$ 4,392	\$ 4,242	\$ 53,281
Medical mgmt activities	\$ 45,593	\$ 35,592	\$ 35,592	\$ 49,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 451,105
Total	\$ 1,317,867	\$ 1,294,517	\$ 1,271,139	\$ 1,277,452	\$ 1,245,384	\$ 1,237,872	\$ 1,243,730	\$ 1,215,894	\$ 1,218,540	\$ 1,201,202	\$ 1,193,888	\$ 1,461,113	\$ 15,178,598
Gross Margin	\$ 125,385	\$ 133,465	\$ 133,835	\$ 112,671	\$ 130,062	\$ 123,043	\$ 130,724	\$ 144,066	\$ 127,081	\$ 130,250	\$ 123,508	\$ 179,290	\$ 1,593,381
Administrative Expenses													
Salaries	\$ 22,671	\$ 20,534	\$ 21,197	\$ 21,167	\$ 20,625	\$ 22,010	\$ 21,913	\$ 21,219	\$ 22,454	\$ 20,894	\$ 21,557	\$ 21,707	\$ 257,951
Professional fees	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000
Purchased services	\$ 19,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 39,382	\$ 39,382	\$ 39,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 292,580
Occupancy	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Printing & postage	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 132,303
Other operating expenses	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 1,063
Depreciation & amortization	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Indirect cost allocation	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 353,923
Total	\$ 95,994	\$ 93,857	\$ 94,520	\$ 94,489	\$ 93,948	\$ 95,332	\$ 115,235	\$ 114,542	\$ 115,777	\$ 94,217	\$ 94,880	\$ 95,029	\$ 1,197,820
Operating Surplus (Deficit)	\$ 29,391	\$ 39,608	\$ 39,316	\$ 18,182	\$ 36,115	\$ 27,711	\$ 15,489	\$ 29,524	\$ 11,304	\$ 36,033	\$ 28,628	\$ 84,261	\$ 395,561
Medical Loss Ratio	91.3%	90.7%	90.5%	91.9%	90.5%	91.0%	90.5%	89.4%	90.6%	90.2%	90.6%	89.1%	90.5%
Admin Loss Ratio	6.7%	6.6%	6.7%	6.8%	6.8%	7.0%	8.4%	8.4%	8.6%	7.1%	7.2%	5.8%	7.1%

CalOptima Fiscal Year 2016-17 Budget  
OneCare Program  
**Statement of Revenues and Expenses**

<b>Attachment A.4</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>YTD</b>
Member Months	1,252	1,240	1,227	1,215	1,203	1,191	1,179	1,167	1,155	1,144	1,132	1,121	<b>14,227</b>
Average Members													<b>1,186</b>
Revenues PMPM													
Part C, Medi-Cal, HCC	\$ 770.49	\$ 769.81	\$ 762.70	\$ 762.04	\$ 761.40	\$ 760.74	\$ 783.77	\$ 783.13	\$ 782.49	\$ 781.87	\$ 781.21	\$ 1,081.08	<b>\$ 796.81</b>
Part D	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	<b>\$ 382.11</b>
Total	\$ 1,152.60	\$ 1,151.93	\$ 1,144.81	\$ 1,144.16	\$ 1,143.51	\$ 1,142.86	\$ 1,165.89	\$ 1,165.24	\$ 1,164.60	\$ 1,163.98	\$ 1,163.33	\$ 1,463.19	<b>\$ 1,178.92</b>
Medical Costs PMPM													
Provider capitation	\$ 317.48	\$ 317.22	\$ 314.48	\$ 314.23	\$ 313.98	\$ 313.73	\$ 322.59	\$ 322.34	\$ 322.10	\$ 321.86	\$ 321.61	\$ 437.05	<b>\$ 327.61</b>
Claims payments	\$ 312.77	\$ 312.62	\$ 306.65	\$ 310.83	\$ 306.35	\$ 310.54	\$ 315.82	\$ 302.67	\$ 315.53	\$ 311.05	\$ 315.23	\$ 448.57	<b>\$ 321.74</b>
Prescription drugs	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	\$ 382.11	<b>\$ 382.11</b>
Other medical costs	\$ 3.69	\$ 3.60	\$ 3.51	\$ 3.43	\$ 3.34	\$ 3.26	\$ 4.28	\$ 4.18	\$ 4.07	\$ 3.97	\$ 3.88	\$ 3.78	<b>\$ 3.75</b>
Medical mgmt activities	\$ 36.41	\$ 28.71	\$ 29.00	\$ 40.82	\$ 29.59	\$ 29.89	\$ 30.19	\$ 30.50	\$ 30.80	\$ 31.12	\$ 31.43	\$ 31.75	<b>\$ 31.71</b>
Total	\$ 1,052.47	\$ 1,044.26	\$ 1,035.76	\$ 1,051.42	\$ 1,035.38	\$ 1,039.53	\$ 1,055.00	\$ 1,041.80	\$ 1,054.62	\$ 1,050.11	\$ 1,054.26	\$ 1,303.27	<b>\$ 1,066.92</b>
Gross Margin PMPM	\$ 100.13	\$ 107.66	\$ 109.05	\$ 92.74	\$ 108.13	\$ 103.33	\$ 110.89	\$ 123.44	\$ 109.99	\$ 113.87	\$ 109.06	\$ 159.92	<b>\$ 112.00</b>
Administrative Expenses PMPM													
Salaries	\$ 18.11	\$ 16.56	\$ 17.27	\$ 17.42	\$ 17.15	\$ 18.48	\$ 18.59	\$ 18.18	\$ 19.43	\$ 18.27	\$ 19.04	\$ 19.36	<b>\$ 18.13</b>
Professional fees	\$ 10.65	\$ 10.76	\$ 10.86	\$ 10.97	\$ 11.08	\$ 11.20	\$ 11.31	\$ 11.42	\$ 11.54	\$ 11.66	\$ 11.77	\$ 11.89	<b>\$ 11.25</b>
Purchased services	\$ 15.48	\$ 15.63	\$ 15.79	\$ 15.95	\$ 16.11	\$ 16.28	\$ 33.41	\$ 33.74	\$ 34.08	\$ 16.94	\$ 17.11	\$ 17.29	<b>\$ 20.57</b>
Occupancy	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 0.00</b>
Printing & postage	\$ 8.80	\$ 8.89	\$ 8.98	\$ 9.07	\$ 9.17	\$ 9.26	\$ 9.35	\$ 9.45	\$ 9.54	\$ 9.64	\$ 9.74	\$ 9.83	<b>\$ 9.30</b>
Other operating expenses	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	<b>\$ 0.07</b>
Depreciation & amortization	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 0.00</b>
Indirect cost allocation	\$ 23.55	\$ 23.79	\$ 24.03	\$ 24.27	\$ 24.52	\$ 24.77	\$ 25.02	\$ 25.27	\$ 25.53	\$ 25.78	\$ 26.04	\$ 26.31	<b>\$ 24.88</b>
Total	\$ 76.66	\$ 75.71	\$ 77.02	\$ 77.77	\$ 78.11	\$ 80.06	\$ 97.75	\$ 98.14	\$ 100.20	\$ 82.37	\$ 83.78	\$ 84.76	<b>\$ 84.20</b>
Operating Surplus (Deficit) PMPM	\$ 23.47	\$ 31.95	\$ 32.04	\$ 14.96	\$ 30.02	\$ 23.27	\$ 13.14	\$ 25.30	\$ 9.78	\$ 31.50	\$ 25.28	\$ 75.16	<b>\$ 27.80</b>

CalOptima Fiscal Year 2016-17 Budget  
OneCare Connect Program  
**Statement of Revenues and Expenses**

Attachment A.5	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	22,286	22,187	22,092	22,003	21,918	21,838	21,763	21,692	21,626	21,564	21,507	21,454	261,930 21,828
Revenues													
Medicare Part C	\$ 25,545,285	\$ 25,431,608	\$ 25,323,524	\$ 25,220,964	\$ 25,123,863	\$ 25,032,161	\$ 24,197,426	\$ 24,118,784	\$ 24,045,222	\$ 23,976,693	\$ 23,913,155	\$ 23,854,567	\$ 295,783,251
Medicare Part D	\$ 8,207,940	\$ 8,171,415	\$ 8,136,686	\$ 8,103,733	\$ 8,072,534	\$ 8,043,069	\$ 7,979,816	\$ 7,953,882	\$ 7,929,622	\$ 7,907,023	\$ 7,886,069	\$ 7,866,748	\$ 96,258,537
Medi-Cal	\$ 12,188,482	\$ 12,134,244	\$ 12,082,673	\$ 12,033,738	\$ 11,987,408	\$ 11,943,654	\$ 11,536,829	\$ 11,499,335	\$ 11,464,262	\$ 11,431,589	\$ 11,401,295	\$ 11,373,362	\$ 141,076,871
Total	\$ 45,941,707	\$ 45,737,267	\$ 45,542,883	\$ 45,358,435	\$ 45,183,805	\$ 45,018,884	\$ 43,714,071	\$ 43,572,000	\$ 43,439,106	\$ 43,315,304	\$ 43,200,519	\$ 43,094,678	\$ 533,118,659
Medical Costs													
Provider capitation													
Professional	\$ 9,087,781	\$ 9,047,340	\$ 9,008,889	\$ 8,972,403	\$ 8,937,859	\$ 8,905,236	\$ 8,653,307	\$ 8,625,184	\$ 8,598,877	\$ 8,574,370	\$ 8,551,648	\$ 8,530,697	\$ 105,493,592
Facility	\$ 1,095,263	\$ 1,090,389	\$ 1,085,754	\$ 1,081,357	\$ 1,077,194	\$ 1,073,262	\$ 1,039,191	\$ 1,035,814	\$ 1,032,655	\$ 1,029,711	\$ 1,026,983	\$ 1,024,467	\$ 12,692,039
Total	\$ 10,183,043	\$ 10,137,729	\$ 10,094,644	\$ 10,053,760	\$ 10,015,053	\$ 9,978,498	\$ 9,692,498	\$ 9,660,998	\$ 9,631,532	\$ 9,604,082	\$ 9,578,631	\$ 9,555,163	\$ 118,185,631
Claims payments													
Professional	\$ 630,460	\$ 627,654	\$ 624,987	\$ 622,455	\$ 620,059	\$ 617,796	\$ 615,664	\$ 613,663	\$ 611,792	\$ 610,048	\$ 608,431	\$ 606,941	\$ 7,409,950
Facility	\$ 11,648,615	\$ 11,607,014	\$ 11,450,962	\$ 11,530,849	\$ 11,379,933	\$ 11,464,354	\$ 11,286,544	\$ 10,910,702	\$ 11,234,538	\$ 11,096,154	\$ 11,192,357	\$ 11,058,483	\$ 135,860,504
Total	\$ 12,279,075	\$ 12,234,668	\$ 12,075,948	\$ 12,153,304	\$ 11,999,992	\$ 12,082,150	\$ 11,902,208	\$ 11,524,366	\$ 11,846,330	\$ 11,706,202	\$ 11,800,788	\$ 11,665,424	\$ 143,270,454
Prescription drugs	\$ 8,217,756	\$ 8,232,950	\$ 7,925,697	\$ 8,199,763	\$ 7,913,884	\$ 8,196,206	\$ 8,183,227	\$ 7,362,071	\$ 8,192,064	\$ 7,907,925	\$ 8,215,856	\$ 7,922,580	\$ 96,469,980
LTC	\$ 7,961,289	\$ 7,925,861	\$ 7,892,176	\$ 7,860,213	\$ 7,829,951	\$ 7,801,372	\$ 7,774,457	\$ 7,749,190	\$ 7,725,555	\$ 7,703,537	\$ 7,683,123	\$ 7,664,299	\$ 93,571,025
HCBS	\$ 2,565,453	\$ 2,554,036	\$ 2,543,182	\$ 2,532,882	\$ 2,523,130	\$ 2,513,921	\$ 2,505,248	\$ 2,497,106	\$ 2,489,490	\$ 2,482,395	\$ 2,475,816	\$ 2,469,751	\$ 30,152,409
Other medical costs	\$ 641,806	\$ 638,950	\$ 636,234	\$ 633,658	\$ 631,218	\$ 628,914	\$ 626,744	\$ 624,707	\$ 622,802	\$ 621,027	\$ 619,381	\$ 617,864	\$ 7,543,305
Medical mgmt activities	\$ 1,293,879	\$ 1,160,902	\$ 1,195,402	\$ 1,202,381	\$ 1,174,535	\$ 1,239,379	\$ 1,244,236	\$ 1,207,237	\$ 1,272,549	\$ 1,193,855	\$ 1,228,920	\$ 1,229,703	\$ 14,642,978
Total	\$ 43,142,301	\$ 42,885,096	\$ 42,363,284	\$ 42,635,961	\$ 42,087,764	\$ 42,440,440	\$ 41,928,619	\$ 40,625,675	\$ 41,780,321	\$ 41,219,023	\$ 41,602,516	\$ 41,124,783	\$ 503,835,783
Gross Margin	\$ 2,799,406	\$ 2,852,171	\$ 3,179,600	\$ 2,722,474	\$ 3,096,041	\$ 2,578,444	\$ 1,785,452	\$ 2,946,325	\$ 1,658,785	\$ 2,096,282	\$ 1,598,003	\$ 1,969,894	\$ 29,282,876
Administrative Expenses													
Salaries	\$ 997,138	\$ 912,573	\$ 939,943	\$ 938,579	\$ 916,271	\$ 969,043	\$ 968,204	\$ 939,077	\$ 990,512	\$ 926,220	\$ 953,983	\$ 955,319	\$ 11,406,860
Professional fees	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 501,646
Purchased services	\$ 229,333	\$ 149,235	\$ 149,235	\$ 149,695	\$ 149,695	\$ 150,140	\$ 150,215	\$ 149,771	\$ 149,771	\$ 149,771	\$ 149,771	\$ 149,816	\$ 1,876,447
Occupancy	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Printing & postage	\$ 131,444	\$ 131,444	\$ 132,375	\$ 131,444	\$ 131,444	\$ 132,375	\$ 131,444	\$ 131,444	\$ 132,375	\$ 131,444	\$ 131,444	\$ 132,003	\$ 1,580,679
Other operating expenses	\$ 492,187	\$ 6,887	\$ 7,637	\$ 6,887	\$ 6,887	\$ 8,537	\$ 6,887	\$ 6,887	\$ 7,637	\$ 6,887	\$ 7,637	\$ 6,887	\$ 571,840
Depreciation & amortization	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Indirect cost allocation	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 11,249,888
Total	\$ 2,829,396	\$ 2,179,433	\$ 2,208,484	\$ 2,205,900	\$ 2,183,591	\$ 2,239,388	\$ 2,236,044	\$ 2,206,472	\$ 2,259,589	\$ 2,193,615	\$ 2,222,129	\$ 2,223,319	\$ 27,187,360
Operating Surplus (Deficit)	\$ (29,990)	\$ 672,738	\$ 971,116	\$ 516,574	\$ 912,450	\$ 339,056	\$ (450,591)	\$ 739,853	\$ (600,805)	\$ (97,334)	\$ (624,126)	\$ (253,425)	\$ 2,095,516
Medical Loss Ratio	93.9%	93.8%	93.0%	94.0%	93.1%	94.3%	95.9%	93.2%	96.2%	95.2%	96.3%	95.4%	94.5%
Admin Loss Ratio	6.2%	4.8%	4.8%	4.9%	4.8%	5.0%	5.1%	5.1%	5.2%	5.1%	5.1%	5.2%	5.1%

CalOptima Fiscal Year 2016-17 Budget  
OneCare Connect Program  
**Statement of Revenues and Expenses**

<b>Attachment A.5</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>YTD</b>
Member Months	22,286	22,187	22,092	22,003	21,918	21,838	21,763	21,692	21,626	21,564	21,507	21,454	<b>261,930</b>
Revenues PMPM													
Medicare Part C	\$ 1,146.26	\$ 1,146.26	\$ 1,146.26	\$ 1,146.26	\$ 1,146.26	\$ 1,146.26	\$ 1,111.87	\$ 1,111.87	\$ 1,111.87	\$ 1,111.87	\$ 1,111.87	\$ 1,111.87	<b>\$ 1,129.24</b>
Medicare Part D	\$ 368.30	\$ 368.30	\$ 368.30	\$ 368.30	\$ 368.30	\$ 368.30	\$ 366.67	\$ 366.67	\$ 366.67	\$ 366.67	\$ 366.67	\$ 366.67	<b>\$ 367.50</b>
Medi-Cal	<u>\$ 546.92</u>	<u>\$ 546.92</u>	<u>\$ 546.92</u>	<u>\$ 546.92</u>	<u>\$ 546.92</u>	<u>\$ 546.92</u>	<u>\$ 530.12</u>	<u>\$ 530.12</u>	<u>\$ 530.12</u>	<u>\$ 530.12</u>	<u>\$ 530.12</u>	<u>\$ 530.12</u>	<b><u>\$ 538.60</u></b>
Total	<u>\$ 2,061.48</u>	<u>\$ 2,061.48</u>	<u>\$ 2,061.48</u>	<u>\$ 2,061.48</u>	<u>\$ 2,061.48</u>	<u>\$ 2,061.48</u>	<u>\$ 2,008.66</u>	<u>\$ 2,008.66</u>	<u>\$ 2,008.66</u>	<u>\$ 2,008.66</u>	<u>\$ 2,008.66</u>	<u>\$ 2,008.66</u>	<b><u>\$ 2,035.34</u></b>
Medical Costs PMPM													
Provider capitation													
Professional	\$ 407.78	\$ 407.78	\$ 407.78	\$ 407.78	\$ 407.78	\$ 407.78	\$ 397.62	\$ 397.62	\$ 397.62	\$ 397.62	\$ 397.62	\$ 397.62	<b>\$ 402.75</b>
Facility	<u>\$ 49.15</u>	<u>\$ 49.15</u>	<u>\$ 49.15</u>	<u>\$ 49.15</u>	<u>\$ 49.15</u>	<u>\$ 49.15</u>	<u>\$ 47.75</u>	<u>\$ 47.75</u>	<u>\$ 47.75</u>	<u>\$ 47.75</u>	<u>\$ 47.75</u>	<u>\$ 47.75</u>	<b><u>\$ 48.46</u></b>
Total	<u>\$ 456.93</u>	<u>\$ 456.93</u>	<u>\$ 456.93</u>	<u>\$ 456.93</u>	<u>\$ 456.93</u>	<u>\$ 456.93</u>	<u>\$ 445.37</u>	<u>\$ 445.37</u>	<u>\$ 445.37</u>	<u>\$ 445.37</u>	<u>\$ 445.37</u>	<u>\$ 445.37</u>	<b><u>\$ 451.21</u></b>
Claims payments													
Professional	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	\$ 28.29	<b>\$ 28.29</b>
Facility	<u>\$ 522.69</u>	<u>\$ 523.15</u>	<u>\$ 518.32</u>	<u>\$ 524.06</u>	<u>\$ 519.20</u>	<u>\$ 524.97</u>	<u>\$ 518.62</u>	<u>\$ 502.98</u>	<u>\$ 519.49</u>	<u>\$ 514.56</u>	<u>\$ 520.40</u>	<u>\$ 515.44</u>	<b><u>\$ 518.69</u></b>
Total	<u>\$ 550.98</u>	<u>\$ 551.44</u>	<u>\$ 546.61</u>	<u>\$ 552.35</u>	<u>\$ 547.49</u>	<u>\$ 553.26</u>	<u>\$ 546.91</u>	<u>\$ 531.27</u>	<u>\$ 547.78</u>	<u>\$ 542.85</u>	<u>\$ 548.69</u>	<u>\$ 543.73</u>	<b><u>\$ 546.98</u></b>
Prescription drugs	\$ 368.74	\$ 371.08	\$ 358.75	\$ 372.67	\$ 361.07	\$ 375.32	\$ 376.02	\$ 339.39	\$ 378.81	\$ 366.71	\$ 382.01	\$ 369.27	<b>\$ 368.30</b>
LTC	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	\$ 357.24	<b>\$ 357.24</b>
HCBS	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	\$ 115.12	<b>\$ 115.12</b>
Other medical costs	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	\$ 28.80	<b>\$ 28.80</b>
Medical mgmt activities	<u>\$ 58.06</u>	<u>\$ 52.32</u>	<u>\$ 54.11</u>	<u>\$ 54.65</u>	<u>\$ 53.59</u>	<u>\$ 56.75</u>	<u>\$ 57.17</u>	<u>\$ 55.65</u>	<u>\$ 58.84</u>	<u>\$ 55.36</u>	<u>\$ 57.14</u>	<u>\$ 57.32</u>	<b><u>\$ 55.90</u></b>
Total	<u>\$ 1,935.87</u>	<u>\$ 1,932.93</u>	<u>\$ 1,917.56</u>	<u>\$ 1,937.75</u>	<u>\$ 1,920.23</u>	<u>\$ 1,943.41</u>	<u>\$ 1,926.62</u>	<u>\$ 1,872.84</u>	<u>\$ 1,931.96</u>	<u>\$ 1,911.45</u>	<u>\$ 1,934.36</u>	<u>\$ 1,916.84</u>	<b><u>\$ 1,923.55</u></b>
Gross Margin PMPM	<u>\$ 125.61</u>	<u>\$ 128.55</u>	<u>\$ 143.92</u>	<u>\$ 123.73</u>	<u>\$ 141.25</u>	<u>\$ 118.07</u>	<u>\$ 82.04</u>	<u>\$ 135.83</u>	<u>\$ 76.70</u>	<u>\$ 97.21</u>	<u>\$ 74.30</u>	<u>\$ 91.82</u>	<b><u>\$ 111.80</u></b>
Administrative Expenses PMPM													
Salaries	\$ 44.74	\$ 41.13	\$ 42.55	\$ 42.66	\$ 41.80	\$ 44.37	\$ 44.49	\$ 43.29	\$ 45.80	\$ 42.95	\$ 44.36	\$ 44.53	<b>\$ 43.55</b>
Professional fees	\$ 1.88	\$ 1.88	\$ 1.89	\$ 1.90	\$ 1.91	\$ 1.91	\$ 1.92	\$ 1.93	\$ 1.93	\$ 1.94	\$ 1.94	\$ 1.95	<b>\$ 1.92</b>
Purchased services	\$ 10.29	\$ 6.73	\$ 6.76	\$ 6.80	\$ 6.83	\$ 6.88	\$ 6.90	\$ 6.90	\$ 6.93	\$ 6.95	\$ 6.96	\$ 6.98	<b>\$ 7.16</b>
Occupancy	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 0.00</b>
Printing & postage	\$ 5.90	\$ 5.92	\$ 5.99	\$ 5.97	\$ 6.00	\$ 6.06	\$ 6.04	\$ 6.06	\$ 6.12	\$ 6.10	\$ 6.11	\$ 6.15	<b>\$ 6.03</b>
Other operating expenses	\$ 22.09	\$ 0.31	\$ 0.35	\$ 0.31	\$ 0.31	\$ 0.39	\$ 0.32	\$ 0.32	\$ 0.35	\$ 0.32	\$ 0.36	\$ 0.32	<b>\$ 2.18</b>
Depreciation & amortization	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 0.00</b>
Indirect cost allocation	<u>\$ 42.07</u>	<u>\$ 42.25</u>	<u>\$ 42.44</u>	<u>\$ 42.61</u>	<u>\$ 42.77</u>	<u>\$ 42.93</u>	<u>\$ 43.08</u>	<u>\$ 43.22</u>	<u>\$ 43.35</u>	<u>\$ 43.47</u>	<u>\$ 43.59</u>	<u>\$ 43.70</u>	<b><u>\$ 42.95</u></b>
Total	<u>\$ 126.96</u>	<u>\$ 98.23</u>	<u>\$ 99.97</u>	<u>\$ 100.26</u>	<u>\$ 99.62</u>	<u>\$ 102.54</u>	<u>\$ 102.75</u>	<u>\$ 101.72</u>	<u>\$ 104.49</u>	<u>\$ 101.72</u>	<u>\$ 103.32</u>	<u>\$ 103.63</u>	<b><u>\$ 103.80</u></b>
Operating Surplus (Deficit) PMPM	<u>\$ (1.35)</u>	<u>\$ 30.32</u>	<u>\$ 43.96</u>	<u>\$ 23.48</u>	<u>\$ 41.63</u>	<u>\$ 15.53</u>	<u>\$ (20.70)</u>	<u>\$ 34.11</u>	<u>\$ (27.78)</u>	<u>\$ (4.51)</u>	<u>\$ (29.02)</u>	<u>\$ (11.81)</u>	<b><u>\$ 8.00</u></b>

CalOptima Fiscal Year 2016-17 Budget  
PACE Program  
**Statement of Revenues and Expenses**

Attachment A.6

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	165	170	175	180	185	190	195	200	205	210	215	220	2,310
Average Members													193
Revenues													
Part C	\$ 226,745	\$ 232,706	\$ 238,666	\$ 244,627	\$ 250,587	\$ 261,972	\$ 271,713	\$ 277,763	\$ 282,599	\$ 288,649	\$ 294,699	\$ 300,749	\$ 3,171,475
Part D	\$ 79,625	\$ 81,989	\$ 84,352	\$ 86,716	\$ 89,079	\$ 91,443	\$ 80,673	\$ 82,706	\$ 84,739	\$ 86,771	\$ 88,804	\$ 90,837	\$ 1,027,733
Medi-Cal	\$ 737,856	\$ 760,387	\$ 782,918	\$ 805,448	\$ 827,979	\$ 850,510	\$ 873,041	\$ 895,572	\$ 918,103	\$ 940,634	\$ 963,165	\$ 985,695	\$ 10,341,308
Total	\$ 1,044,226	\$ 1,075,081	\$ 1,105,936	\$ 1,136,791	\$ 1,167,646	\$ 1,203,925	\$ 1,225,427	\$ 1,256,040	\$ 1,285,441	\$ 1,316,054	\$ 1,346,668	\$ 1,377,281	\$ 14,540,515
Medical Expense													
Inpatient Services	\$ 113,511	\$ 116,951	\$ 116,507	\$ 123,830	\$ 123,164	\$ 130,710	\$ 134,149	\$ 124,274	\$ 141,029	\$ 139,808	\$ 147,908	\$ 146,466	\$ 1,558,307
Outpatient Services	\$ 22,828	\$ 23,519	\$ 23,430	\$ 24,903	\$ 24,769	\$ 26,286	\$ 26,978	\$ 24,992	\$ 28,362	\$ 28,116	\$ 29,745	\$ 29,455	\$ 313,385
Emergency Room	\$ 3,301	\$ 3,401	\$ 3,388	\$ 3,601	\$ 3,582	\$ 3,801	\$ 3,901	\$ 3,614	\$ 4,101	\$ 4,066	\$ 4,301	\$ 4,259	\$ 45,318
Rehab Post Acute SNF	\$ 46,273	\$ 47,676	\$ 47,495	\$ 50,480	\$ 50,209	\$ 53,284	\$ 54,687	\$ 50,661	\$ 57,491	\$ 56,994	\$ 60,296	\$ 59,708	\$ 635,252
Long Term Care LTC	\$ 22,000	\$ 22,667	\$ 22,581	\$ 24,000	\$ 23,871	\$ 25,333	\$ 26,000	\$ 24,086	\$ 27,333	\$ 27,097	\$ 28,667	\$ 28,387	\$ 302,022
Primary Care Services	\$ 48,487	\$ 50,364	\$ 50,579	\$ 54,175	\$ 54,313	\$ 58,081	\$ 60,077	\$ 56,087	\$ 64,093	\$ 64,025	\$ 68,233	\$ 68,078	\$ 696,593
HomeCare	\$ 39,541	\$ 40,739	\$ 40,585	\$ 43,136	\$ 42,904	\$ 45,532	\$ 46,730	\$ 43,290	\$ 49,127	\$ 48,702	\$ 51,523	\$ 51,021	\$ 542,829
Transportation	\$ 72,940	\$ 75,205	\$ 74,975	\$ 79,744	\$ 79,373	\$ 84,295	\$ 86,577	\$ 80,262	\$ 91,143	\$ 90,420	\$ 95,726	\$ 94,861	\$ 1,005,521
Staffing	\$ 3,651	\$ 3,762	\$ 3,747	\$ 3,983	\$ 3,962	\$ 4,204	\$ 4,315	\$ 3,997	\$ 4,536	\$ 4,497	\$ 4,757	\$ 4,711	\$ 50,122
Pharmacy	\$ 122,748	\$ 126,468	\$ 125,988	\$ 133,907	\$ 133,187	\$ 141,346	\$ 131,053	\$ 121,406	\$ 137,774	\$ 136,582	\$ 144,495	\$ 143,086	\$ 1,598,041
Other	\$ 168,540	\$ 173,506	\$ 173,060	\$ 183,463	\$ 182,715	\$ 193,459	\$ 198,476	\$ 184,814	\$ 208,519	\$ 207,012	\$ 218,616	\$ 216,802	\$ 2,308,983
Total	\$ 663,821	\$ 684,258	\$ 682,334	\$ 725,222	\$ 722,048	\$ 766,334	\$ 772,944	\$ 717,484	\$ 813,508	\$ 807,318	\$ 854,267	\$ 846,834	\$ 9,056,371
Admin Split to Medical Expense													
G&A Administrative Exp	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 24,900
G&A Benefits Expense	\$ 8,516	\$ (4,691)	\$ 7,136	\$ (4,691)	\$ 30,791	\$ 8,516	\$ 19,377	\$ 7,336	\$ (4,706)	\$ (4,706)	\$ 7,749	\$ (3,089)	\$ 67,538
G&A Depreciation Exp	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 592,188
G&A Other Exp	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 584,172
G&A Print & Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Purchased Svcs	\$ 274	\$ 282	\$ 281	\$ 297	\$ 295	\$ 312	\$ 320	\$ 298	\$ 335	\$ 332	\$ 350	\$ 347	\$ 3,723
G&A Rent and Lease	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 446,568
G&A Salaries Expense	\$ 409,514	\$ 387,104	\$ 387,296	\$ 398,460	\$ 352,483	\$ 397,522	\$ 394,004	\$ 392,947	\$ 427,419	\$ 399,692	\$ 413,759	\$ 432,109	\$ 4,792,309
Total	\$ 555,623	\$ 520,014	\$ 532,032	\$ 531,385	\$ 520,888	\$ 543,669	\$ 551,020	\$ 537,900	\$ 560,367	\$ 532,637	\$ 559,177	\$ 566,686	\$ 6,511,398
Gross Margin	\$ (175,218)	\$ (129,191)	\$ (108,430)	\$ (119,816)	\$ (75,291)	\$ (106,078)	\$ (98,536)	\$ 657	\$ (88,434)	\$ (23,900)	\$ (66,777)	\$ (36,239)	\$ (1,027,254)
Administrative Expenses													
G&A Administrative Exp	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 103,943
G&A Benefits Expense	\$ (2,920)	\$ (6,001)	\$ (2,852)	\$ (6,122)	\$ 3,809	\$ (2,794)	\$ 182	\$ (2,949)	\$ (6,462)	\$ (6,121)	\$ (2,972)	\$ (8,362)	\$ (43,552)
G&A Depreciation Exp	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 24,674
G&A Other Exp	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 42,792
G&A Print & Postage	\$ 1,721	\$ 1,722	\$ 1,722	\$ 1,726	\$ 1,725	\$ 1,729	\$ 1,731	\$ 1,726	\$ 1,734	\$ 1,733	\$ 1,737	\$ 1,736	\$ 20,742
G&A Professional Fees	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
G&A Purchased Svcs	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 14,640
G&A Rent and Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Salaries Expense	\$ 101,281	\$ 94,895	\$ 94,895	\$ 98,011	\$ 85,545	\$ 98,011	\$ 94,349	\$ 94,179	\$ 103,529	\$ 96,215	\$ 96,215	\$ 101,632	\$ 1,158,757
Total	\$ 118,922	\$ 109,456	\$ 112,605	\$ 112,455	\$ 109,919	\$ 115,786	\$ 115,102	\$ 111,796	\$ 117,641	\$ 110,667	\$ 113,820	\$ 113,846	\$ 1,361,996
Operating Surplus (Deficit)	\$ (294,140)	\$ (238,647)	\$ (221,035)	\$ (232,271)	\$ (185,210)	\$ (221,864)	\$ (213,638)	\$ (111,139)	\$ (206,075)	\$ (134,567)	\$ (180,597)	\$ (150,085)	\$ (2,389,250)
Medical Loss Ratio	116.8%	112.0%	109.8%	110.5%	106.4%	108.8%	108.0%	99.9%	106.9%	101.8%	105.0%	102.6%	107.1%
Admin Loss Ratio	11.4%	10.2%	10.2%	9.9%	9.4%	9.6%	9.4%	8.9%	9.2%	8.4%	8.5%	8.3%	9.4%

[Back to Agenda](#)

CalOptima Fiscal Year 2016-17 Budget  
PACE Program  
**Statement of Revenues and Expenses**

Attachment A.6

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	165	170	175	180	185	190	195	200	205	210	215	220	2,310
Average Members													193
Revenues PMPM													
Part C	\$ 1,374.21	\$ 1,368.86	\$ 1,363.81	\$ 1,359.04	\$ 1,354.52	\$ 1,378.80	\$ 1,393.40	\$ 1,388.81	\$ 1,378.53	\$ 1,374.52	\$ 1,370.69	\$ 1,367.04	\$ 1,372.93
Part D	\$ 482.58	\$ 482.29	\$ 482.01	\$ 481.75	\$ 481.51	\$ 481.28	\$ 413.71	\$ 413.53	\$ 413.36	\$ 413.20	\$ 413.04	\$ 412.89	\$ 444.91
Medi-Cal	\$ 4,471.85	\$ 4,472.86	\$ 4,473.81	\$ 4,474.71	\$ 4,475.56	\$ 4,476.37	\$ 4,477.13	\$ 4,477.86	\$ 4,478.55	\$ 4,479.21	\$ 4,479.84	\$ 4,480.43	\$ 4,476.76
Total	\$ 6,328.64	\$ 6,324.01	\$ 6,319.63	\$ 6,315.50	\$ 6,311.60	\$ 6,336.45	\$ 6,284.24	\$ 6,280.20	\$ 6,270.44	\$ 6,266.92	\$ 6,263.57	\$ 6,260.37	\$ 6,294.60
Medical Expense PMPM													
Inpatient Services	\$ 687.95	\$ 687.95	\$ 665.75	\$ 687.95	\$ 665.75	\$ 687.95	\$ 687.95	\$ 621.37	\$ 687.95	\$ 665.75	\$ 687.95	\$ 665.75	\$ 674.59
Outpatient Services	\$ 138.35	\$ 138.35	\$ 133.89	\$ 138.35	\$ 133.89	\$ 138.35	\$ 138.35	\$ 124.96	\$ 138.35	\$ 133.89	\$ 138.35	\$ 133.89	\$ 135.66
Emergency Room	\$ 20.01	\$ 20.01	\$ 19.36	\$ 20.01	\$ 19.36	\$ 20.01	\$ 20.01	\$ 18.07	\$ 20.01	\$ 19.36	\$ 20.01	\$ 19.36	\$ 19.62
Rehab Post Acute SNF	\$ 280.44	\$ 280.44	\$ 271.40	\$ 280.44	\$ 271.40	\$ 280.44	\$ 280.44	\$ 253.30	\$ 280.44	\$ 271.40	\$ 280.44	\$ 271.40	\$ 275.00
Long Term Care LTC	\$ 133.33	\$ 133.33	\$ 129.03	\$ 133.33	\$ 129.03	\$ 133.33	\$ 133.33	\$ 120.43	\$ 133.33	\$ 129.03	\$ 133.33	\$ 129.03	\$ 130.75
Primary Care Services	\$ 293.86	\$ 296.26	\$ 289.02	\$ 300.97	\$ 293.58	\$ 305.69	\$ 308.09	\$ 280.44	\$ 312.65	\$ 304.88	\$ 317.36	\$ 309.45	\$ 301.56
HomeCare	\$ 239.64	\$ 239.64	\$ 231.91	\$ 239.64	\$ 231.91	\$ 239.64	\$ 239.64	\$ 216.45	\$ 239.64	\$ 231.91	\$ 239.64	\$ 231.91	\$ 234.99
Transportation	\$ 442.06	\$ 442.38	\$ 428.43	\$ 443.02	\$ 429.04	\$ 443.66	\$ 443.98	\$ 401.31	\$ 444.60	\$ 430.57	\$ 445.24	\$ 431.19	\$ 435.29
Staffing	\$ 22.13	\$ 22.13	\$ 21.41	\$ 22.13	\$ 21.41	\$ 22.13	\$ 22.13	\$ 19.99	\$ 22.13	\$ 21.41	\$ 22.13	\$ 21.41	\$ 21.70
Pharmacy	\$ 743.93	\$ 743.93	\$ 719.93	\$ 743.93	\$ 719.93	\$ 743.93	\$ 672.07	\$ 607.03	\$ 672.07	\$ 650.39	\$ 672.07	\$ 650.39	\$ 691.79
Other	\$ 1,021.46	\$ 1,020.63	\$ 988.91	\$ 1,019.24	\$ 987.65	\$ 1,018.21	\$ 1,017.83	\$ 924.07	\$ 1,017.17	\$ 985.77	\$ 1,016.82	\$ 985.46	\$ 999.56
Total	\$ 4,023.16	\$ 4,025.05	\$ 3,899.05	\$ 4,029.01	\$ 3,902.96	\$ 4,033.33	\$ 3,963.81	\$ 3,587.42	\$ 3,968.33	\$ 3,844.37	\$ 3,973.34	\$ 3,849.24	\$ 3,920.51
Admin Split to Medical Expense PMPM													
G&A Administrative Exp	\$ 12.58	\$ 12.21	\$ 11.86	\$ 11.53	\$ 11.22	\$ 10.92	\$ 10.64	\$ 10.38	\$ 10.12	\$ 9.88	\$ 9.65	\$ 9.43	\$ 10.78
G&A Benefits Expense	\$ 51.61	\$ (27.59)	\$ 40.78	\$ (26.06)	\$ 166.44	\$ 44.82	\$ 99.37	\$ 36.68	\$ (22.96)	\$ (22.41)	\$ 36.04	\$ (14.04)	\$ 29.24
G&A Depreciation Exp	\$ 299.08	\$ 290.29	\$ 281.99	\$ 274.16	\$ 266.75	\$ 259.73	\$ 253.07	\$ 246.75	\$ 240.73	\$ 235.00	\$ 229.53	\$ 224.31	\$ 256.36
G&A Other Exp	\$ 295.04	\$ 286.36	\$ 278.18	\$ 270.45	\$ 263.14	\$ 256.22	\$ 249.65	\$ 243.41	\$ 237.47	\$ 231.81	\$ 226.42	\$ 221.28	\$ 252.89
G&A Print & Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Purchased Svcs	\$ 1.66	\$ 1.66	\$ 1.61	\$ 1.65	\$ 1.59	\$ 1.64	\$ 1.64	\$ 1.49	\$ 1.63	\$ 1.58	\$ 1.63	\$ 1.58	\$ 1.61
G&A Rent and Lease	\$ 225.54	\$ 218.91	\$ 212.65	\$ 206.74	\$ 201.16	\$ 195.86	\$ 190.84	\$ 186.07	\$ 181.53	\$ 177.21	\$ 173.09	\$ 169.15	\$ 193.32
G&A Salaries Expense	\$ 2,481.90	\$ 2,277.08	\$ 2,213.12	\$ 2,213.67	\$ 1,905.31	\$ 2,092.22	\$ 2,020.53	\$ 1,964.74	\$ 2,084.97	\$ 1,903.30	\$ 1,924.46	\$ 1,964.13	\$ 2,074.59
Total	\$ 3,367.41	\$ 3,058.91	\$ 3,040.18	\$ 2,952.14	\$ 2,815.61	\$ 2,861.42	\$ 2,825.74	\$ 2,689.50	\$ 2,733.50	\$ 2,536.37	\$ 2,600.82	\$ 2,575.85	\$ 2,818.79
Gross Margin PMPM	\$ (1,061.93)	\$ (759.95)	\$ (619.60)	\$ (665.65)	\$ (406.98)	\$ (558.30)	\$ (505.32)	\$ 3.28	\$ (431.39)	\$ (113.81)	\$ (310.59)	\$ (164.72)	\$ (444.70)
Administrative Expenses PMPM													
G&A Administrative Exp	\$ 52.52	\$ 50.97	\$ 49.51	\$ 48.14	\$ 46.84	\$ 45.61	\$ 44.44	\$ 43.33	\$ 42.27	\$ 41.26	\$ 40.30	\$ 39.39	\$ 45.00
G&A Benefits Expense	\$ (17.70)	\$ (35.30)	\$ (16.30)	\$ (34.01)	\$ 20.59	\$ (14.71)	\$ 0.93	\$ (14.75)	\$ (31.52)	\$ (29.15)	\$ (13.82)	\$ (38.01)	\$ (18.85)
G&A Depreciation Exp	\$ 12.46	\$ 12.09	\$ 11.75	\$ 11.42	\$ 11.11	\$ 10.82	\$ 10.54	\$ 10.28	\$ 10.03	\$ 9.79	\$ 9.56	\$ 9.35	\$ 10.68
G&A Other Exp	\$ 21.61	\$ 20.98	\$ 20.38	\$ 19.81	\$ 19.28	\$ 18.77	\$ 18.29	\$ 17.83	\$ 17.40	\$ 16.98	\$ 16.59	\$ 16.21	\$ 18.52
G&A Print & Postage	\$ 10.43	\$ 10.13	\$ 9.84	\$ 9.59	\$ 9.32	\$ 9.10	\$ 8.88	\$ 8.63	\$ 8.46	\$ 8.25	\$ 8.08	\$ 7.89	\$ 8.98
G&A Professional Fees	\$ 20.20	\$ 19.61	\$ 19.05	\$ 18.52	\$ 18.02	\$ 17.54	\$ 17.09	\$ 16.67	\$ 16.26	\$ 15.87	\$ 15.50	\$ 15.15	\$ 17.32
G&A Purchased Svcs	\$ 7.39	\$ 7.18	\$ 6.97	\$ 6.78	\$ 6.59	\$ 6.42	\$ 6.26	\$ 6.10	\$ 5.95	\$ 5.81	\$ 5.67	\$ 5.55	\$ 6.34
G&A Rent and Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Salaries Expense	\$ 613.82	\$ 558.21	\$ 542.26	\$ 544.51	\$ 462.41	\$ 515.85	\$ 483.84	\$ 470.90	\$ 505.02	\$ 458.17	\$ 447.51	\$ 461.96	\$ 501.63
Total	\$ 720.74	\$ 643.86	\$ 643.46	\$ 624.75	\$ 594.16	\$ 609.40	\$ 590.27	\$ 558.98	\$ 573.86	\$ 526.99	\$ 529.40	\$ 517.48	\$ 589.61
Operating Surplus (Deficit) PMPM	\$ (1,782.67)	\$ (1,403.81)	\$ (1,263.06)	\$ (1,290.40)	\$ (1,001.13)	\$ (1,167.70)	\$ (1,095.58)	\$ (555.70)	\$ (1,005.25)	\$ (640.80)	\$ (839.98)	\$ (682.20)	\$ (1,034.31)

CalOptima Fiscal Year 2016-17 Budget  
Facilities  
**Statement of Revenues and Expenses**

Attachment A.7	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD
Member Months	-	-	-	-	-	-	-	-	-	-	-	-	
Revenues													
Rental Income	\$ 20,775	\$ 20,775	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 255,419
Total	\$ 20,775	\$ 20,775	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 255,419
Gross Margin	\$ 20,775	\$ 20,775	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 21,387	\$ 255,419
Administrative Expenses													
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional fees	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 2,085	\$ 25,020
Purchased services	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	\$ 268,857
Occupancy	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 51,030	\$ 612,360
Printing & postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating expenses	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 203,837	\$ 2,446,048
Depreciation & amortization	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 210,141	\$ 2,521,689
Indirect cost allocation	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (403,130)	\$ (4,837,558)
Total	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 86,368	\$ 1,036,416
Operating Surplus (Deficit)	\$ (65,596)	\$ (65,593)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (64,981)	\$ (781,000)



## Attachment B

Facilities: Professional Fees				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Legal	Property Management Legal Fees For Unforeseen Incidents	25,020	X	X
<b>Total Professional Fees</b>		<b>25,020</b>		

Facilities: Purchase Services				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Building Administration	Property Management Company Fee	161,604	X	X
Building Administration	Management Fee	91,200	X	X
Building Administration	Telephone	5,880	X	X
Building Administration	Office Supplies	4,800	X	X
Building Administration	Permits, Licenses And Fees	2,833	X	X
Building Administration	Furniture And Equipment Lease	1,380	X	X
Building Administration	Postage And Courier	860	X	X
Management	Tenant Relation	300	X	X
<b>Total Purchase Services</b>		<b>268,857</b>		

Facilities: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Utilities	Electricity	600,000	X	X
Janitorial	Janitorial Night Contract	288,000	X	X
Insurance	Property, Liability, And Earthquake Insurance	171,603	X	X
Fire/Life Safety Security	Security Contract	141,555	X	X
Janitorial	Janitorial Day Contract	95,352	X	X
Landscape	Landscape Extras	80,150	X	X
Janitorial	Janitorial Supplies	67,200	X	X
Fire/Life Safety Security	Fire/Life Safety	60,230	X	X
Fire/Life Safety Security	Security Equipment & Maintenance	30,376	X	X
Landscape	Exterior Landscape Contract	30,044	X	X
Utilities	Water-Building	21,750	X	X
Property Tax	Property Tax Assessments	18,708	X	X
Utilities	Gas	10,365	X	X
Utilities	Trash	5,964	X	X
Fire/Life Safety Security	Fire/Life Safety Phone	5,580	X	X

[Back to Agenda](#)

Facilities: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Utilities	Water-Irrigation	3,360	X	X
Fire/Life Safety Security	Emergency Generator	2,865	X	X
Landscape	Interior Plants	1,180	X	X
<b>Total Other Operating Expense</b>		<b>1,634,282</b>		

Facilities: Repair & Maintenance				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Other Repairs & Maintenance	Engineering Contract	248,560	X	X
Repairs & Maintenance	HVAC Miscellaneous	147,140	X	X
Other Repairs & Maintenance	Plumbing	56,140	X	X
Repairs & Maintenance	Water Treatment	42,143	X	X
Repairs & Maintenance	Other Maintenance	37,532	X	X
Parking Lot Maintenance	Common Area Maintenance Parking Lot	36,750	X	X
Other Repairs & Maintenance	Painting	31,200	X	X
Other Repairs & Maintenance	Door Maintenance & Repair	26,000	X	X
Other Repairs & Maintenance	Windows	24,850	X	X
Repairs & Maintenance	Elevator Maintenance Contract	23,280	X	X
Repairs & Maintenance	HVAC Maintenance Contract	21,684	X	X
Other Repairs & Maintenance	Lighting/Electrical Supplies	16,600	X	X
Other Repairs & Maintenance	Common Area Maintenance & Repairs	16,400	X	X
Other Repairs & Maintenance	Electrical Repairs	14,550	X	X
Other Repairs & Maintenance	Common Area Maintenance Miscellaneous	10,800	X	X
Other Repairs & Maintenance	Walls/Ceilings/Floors	9,700	X	X
Other Repairs & Maintenance	Sidewalks/Railings	9,600	X	X
Other Repairs & Maintenance	Project Common Area Maintenance Expenses	8,800	X	X
Other Repairs & Maintenance	Signage	6,000	X	X
Other Repairs & Maintenance	Steam Cleaning	5,100	X	X
Other Repairs & Maintenance	Lobby Maintenance	4,500	X	X
Other Repairs & Maintenance	Roof	4,200	X	X
Other Repairs & Maintenance	Locksmith	2,800	X	X
Parking Lot Maintenance	Sweeping	2,700	X	X
Other Repairs & Maintenance	Carpet	2,400	X	X
Other Repairs & Maintenance	Pest Control Contract	2,340	X	X
<b>Total Repair &amp; Maintenance</b>		<b>811,769</b>		

## Attachment B

Medi-Cal: Professional Fees				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Authorization	Appropriation
Legal	Programmatic And General Legal Fees	578,650	x	x
Legal	Adversarial Legal Fees	361,656	x	x
Consulting	Executive Office Consulting Services	246,666	x	x
Professional Fees	Professional Services Required For Corporate Applications And Systems	216,592	x	x
Consulting	Government Affairs Contract And Management Of State And Federal Lobbyists	185,000	x	x
Audit Fees	Financial Audit Annual Contract	150,000	x	x
Training	Professional Services For An Enterprise Identity Access Management	143,585	x	x
Consulting	Marketing And Advertising Consulting Fees To Support CalOptima's Public Affairs Division With Outreach And Marketing Efforts, And To Acquire Data To Help Inform Strategic Direction For All Lines Of Business	94,660	x	x
Consulting	Communications Consulting Fees To Support CalOptima's Public Affairs Division	94,660	x	x
Consulting	Rebasing And Network Support	91,919	x	x
Consulting	Compliance - Health Insurance Portability And Accountability Act (HIPAA) Security	86,151	x	x
Consulting	Investment Advisory Annual Contract	80,000	x	x
Professional Fees	Executive Coaching	75,000	x	x
Consulting	Consultant For Medi-Cal Mock Audit	75,000	x	x
Consulting	Consultant For Mock Audit For Department of Managed Health Care (DMHC) Audit	75,000	x	x
Professional Fees	Project Management Consulting Services To Implement The Data Warehousing And Analytics Maturity Model	74,935	x	x
Legal	Peer Review - Credentialing	72,331	x	x
Consulting	Semi-Annual Chronic Illness and Disability Payment System (CDPS) Risk Adjustment	61,279	x	x
Consulting	Virtualization Architecture Assessment	57,434	x	x
Consulting	Professional Services For Network Access Control Health Check And Remediation	57,434	x	x
Consulting	Public Relations And Strategic Development Consulting Fees To Support CalOptima's Public Affairs Division With Outreach And Marketing Efforts, And To Acquire Data To Help Inform Strategic Direction For All Lines Of Business	56,796	x	x
Consulting	Research And Evaluation Consulting For New CalOptima 3-Year Strategic Development	55,000	x	x
Consulting	Chronic Illness And Disability Payment System	45,959	x	x
Professional Fees	Salary And Compensation Research	40,000	x	x
Professional Fees	Reporting Software Review And Data Transfer	35,651	x	x
Audit Fees	Fair Labor Standards Act Audit	35,000	x	x
Consulting	New Programs: Health Homes, California Children's Services (CCS) Integration, Whole Person Care Model; Transplant Network Management	35,000	x	x
Consulting	457B Plan Review	20,000	x	x
Actuary	Full Actuarial Review	19,099	x	x
Professional Fees	Professional Services To Support The Accounting Application and Finance Systems	15,736	x	x
Consulting	Annual IBNR Certification Review	15,320	x	x
Professional Fees	Miscellaneous Consulting/Professional Services At The CalOptima Data Center	14,358	x	x
Consulting	General Consulting Services	12,330	x	x

Medi-Cal: Professional Fees				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Authorization	Appropriation
Consulting	Services For Core Application To Support Configurations And Interface Analytics	11,597	x	x
Consulting	New Learning Management System; Host Implementation And Consulting Services	10,000	x	x
Consulting	Required Annual A-133 Audit	10,000	X	X
Consulting	Core System (Facets) Upgrade Consultation Support	8,181	x	x
Training	Consultant For Accounting Reporting Software Training	7,799	x	x
Consulting	Real Estate Consultant	7,398	x	x
Consulting	Accounting System New Version Features Review	6,685	x	x
Professional Fees	Professional Fees To Enhance The Use Of The HR Application	6,161	x	x
Consulting	Software Application Configurations	3,245	x	x
Professional Fees	Professional Services For Ad-Hoc Updates Request By Customer Service For Phone Surveys	2,872	x	x
Professional Fees	Consulting Resources To Ensure Implementation Of New Programs And Program Readiness And Validations	2,171	x	x
Professional Fees	Community Relations Professional Fees	1,350	x	x
Professional Fees	Vendor Management Purchasing Professional Fees	1,200	x	x
Professional Fees	Budgeting Software Professional Fees	1,200	x	x
Professional Fees	Contract Management Professional Fees	1,200	x	x
Professional Fees	Miscellaneous Accounting Projects Professional Fees	955	x	x
Consulting	Software Updates And Changes To Support Changes Required By The Department Of Health Care Services	818	x	x
Consulting	Provider And Physician Credentialing	655	x	x
Consulting	Analytic Services And Support For Financial And Historical Claims Analysis	655	x	x
Consulting	Behavioral Health Professional Fees	500	x	x
<b>Total Professional Fees</b>		<b>3,362,843</b>		

## Attachment B

Medi-Cal: Purchased Services				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Authorization	Appropriation
Purchase Services	Pharmacy Benefits Management (PBM) Fees (70% Administrative)	2,900,000	X	X
Purchase Services	Integration Of Claim Editing Software To Enhance Claims Reporting Capabilities And Inventory Management Forecasting	680,223	X	X
Claims Review	Claims Editing Software Services	631,190	X	X
EDI Claims Clearinghouse	Electronic Data Interchange Institutional Claims	569,495	X	X
Claims Review	Claims Web Based Fraud, Waste, And Abuse Services	545,766	X	X
Claims Review	Coordination Of Benefits (COB) Project	398,646	X	X
Purchase Services	Conversion Of Temporary Assistance To Needy Families (TANF) To Supplemental Security Income (SSI)	350,000	X	X
Claims Review	Forensic And Diagnosis Related Groupings (DRG) Validation Review Services	284,747	X	X
Imaging Services	Claims Imaging And Indexing Vendor	284,747	X	X
Purchase Services	Disaster Recovery Technology Services	195,154	X	X
Interpretive Services	Language Interpreter Services (Telephonic And In-Person)	172,011	X	X
Advertising	Online Career Site For Recruitment Advertisement And Sourcing	141,400	X	X
Purchase Services	Third Party Check Printing And Mailing Fees	132,000	X	X
Purchase Services	Retiree Benefit Administration	107,000	X	X
Advertising	Support And Help Elevate The CalOptima Brand In The Community	83,329	X	X
Broker Services	Insurance Broker Services	79,000	X	X
Purchase Services	Retained Search, Conversion Fees And Recruitment Expenses	75,000	X	X
Purchase Services	Website Compliance For Provider Directories, 2017 Plan Year Materials And Other Documents	64,855	X	X
Bank Fees	Business Bank Fees	63,007	X	X
Bank Fees	Custodial Bank Fees	60,000	X	X
Purchase Services	Talent Network/Recruitment Fees Including Market Monitoring And Employee Network And Contacts	56,508	X	X
Advertising	Radio, Television, Print, Outdoor and Digital Advertising to Promote And Support Enrollment And Participation	55,814	X	X
Purchase Services	Offsite Backup Tape Storage And Services	50,740	X	X
Purchase Services	Restacking Services	50,000	X	X
Purchase Services	Healthcare Productivity Automation Services	36,674	X	X
Purchase Services	Temporary Outsource Service	35,000	X	X
Imaging Services	Correspondence Imaging Services	31,322	X	X
Employee Benefits	Flexible Spending Accounts (FSA)/ Consolidated Omnibus Budget Reconciliation Act (COBRA)	31,000	X	X
Advertising	Recruitment For New Departments And Initiatives	30,000	X	X
Imaging Services	Imaging Of Provider Cases	29,231	X	X
Purchase Services	Employee Assistance Program (EAP)	25,000	X	X

<b>Medi-Cal: Purchased Services</b>				
<b>Specific Type</b>	<b>Objective - of the Item Proposed</b>	<b>Budget FY2017 Input</b>	<b>Authorization</b>	<b>Appropriation</b>
Employee Engagement	Leave Of Absence Administration	25,000	X	X
Purchase Services	Application Security Testing To Reduce Chance Of Loss Of Restricted Data	23,419	X	X
Purchase Services	Website Redesign Services	19,653	X	X
Purchase Services	Internal Member Survey, Reporting Fees, Benefits Guides, Video Interpreting, Publications And Other General Purchased Services	18,082	X	X
License fees	Compensation System Subscription Fee	18,000	X	X
Purchase Services	Flu Shots	16,000	X	X
Purchase Services	Photography Services And Stock Photograph Purchases For Use In Member, Provider, Marketing, Outreach And Other Community Oriented Materials	15,722	X	X
Wellness Program	Background Screening	15,600	X	X
Translation Services	Language Translation Services Of Written Materials	14,197	X	X
Purchase Services	Recruitment Job Posting System	10,200	X	X
Purchase Services	Salary Survey	10,000	X	X
Purchase Services	Drug Screens And Video Interview	8,750	X	X
Purchase Services	Graphic Design To Support CalOptima Programs	7,861	X	X
Purchase Services	Destruction Of Electronic Media	7,806	X	X
Purchase Services	Imaging Services	7,798	X	X
Purchase Services	OCSD (Orange County Sheriff Department) Armed Security Services For Board And Other Meetings	6,082	X	X
Purchase Services	Tax Form Processing Fees	5,834	X	X
Purchase Services	Tuberculosis (TB) Tests	5,655	X	X
Purchase Services	Marketing Services And Material	5,000	X	X
Purchased Services	Waived Services Including Home Care, Meal Deliveries And Taxi Services	5,000	X	X
Purchase Services	Claims Pricing Automation Enhancements	4,763	X	X
Purchase Services	Emission Credits/Fees In Which CalOptima Is Required To Pay By The State Of California For Not Meeting Our Average Vehicle Rider (AVR) Target / Ride Sharing Program	4,161	X	X
Purchase Services	Advertising Services For Provider Relations And Customer Services	4,020	X	X
Purchase Services	Initial Programming To Support The Set Up To Bring On Additional Image Archives For Quality Improvement Dept, Regulatory Affairs Dept, And Quality Analytics Dept	3,970	X	X
Purchase Services	Employee Recognition And Retention For Gars And Customer Service Departments	2,140	X	X
<b>Total Purchased Services</b>		<b>8,513,572</b>		

## Attachment B

Medi-Cal: Printing & Postage				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Authorization	Appropriation
Printing	Print Fulfillment And Postage For All Regular Monthly Mailings	2,132,083	x	x
Postage	General Postage For Outgoing Mail	436,759	x	x
Printing	Print Fulfillment And Postage For New Member/Enrollment Packages	331,696	x	x
Printing	Print Fulfillment And Postage For Quarterly Newsletters	254,853	x	x
Printing	Printing And Postage For Qualified Medicare Beneficiary (QMB) Outreach & Healthy You (HY) Monthly Mailings	208,987	x	x
Printing	Print Fulfillment And Postage For All Communication Of Health Network Changes To Members And Reprogramming Cost Changes	155,223	x	x
Printing	Printing And Postage For Programming Changes	45,427	x	x
Courier	Mail Services Charges	39,308	x	x
Printing	Printing Services For Facilities Projects/Events Such As Business Continuity Plan (BCP), Safety & Security, And Other CalOptima Departments Printing Needs	27,297	x	x
Printing	Printing Of The Annual Report To The Community, Holiday Cards, CalOptima Brochures, Pace Marketing Materials, Ad Hoc Materials, And Provider Press Mailings	26,849	x	x
Printing	Environment Health & Safety (EHS) Printing For Ergonomics, Business Emergency Response, Business Continuity, Workplace Violence, And Other Related Functions	13,649	x	x
Member Communication	Printing Of Miscellaneous Member Materials	8,528	x	x
Postage	Postage Expenses For Provider Relations, Contracting, Behavioral Health Integration	4,833	x	x
Printing	Printing Expenses And Supplies For Claims, Accounting, And Office Of Compliance	4,050	x	x
Printing	Client Brochures In Multiple Languages	4,000	X	X
Courier	Courier/Delivery Of Materials	3,951	x	x
Printing & Postage	Member Materials	3,500	x	x
<b>Total Printing and postage</b>		<b>3,700,993</b>		

## Attachment B

Medi-Cal: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Equipment	Telecommunications And Network Connectivity Expenses	1,583,291	X	X
Maintenance	Facets Core System (Enrollment, Claims, Authorizations, And Other Modules) License Renewal And Maintenance	1,483,521	X	X
Maintenance	Network Connectivity Maintenance And Support For CalOptima Sites Including Network Monitoring Tools, Web Filters, All Main Distribution Frame & Intermediate Distribution Frame Batteries, Internet Optimizers, Routers, Wireless Application Protocol Devices, And Other Tools	1,122,712	X	X
Maintenance	Corporate Software Maintenance (Provider Sanctioning And Analytics, Member Population Health And Wellness, Data Warehouse Cleansing, Analytics, Business Application Workflow, Website Content Management, And Compliance Applications)	1,024,255	X	X
Maintenance	CalOptima Link Software Licenses. An Online System For Provider Networks To Submit And View Authorizations, Check Claim Status And Remittance Payment Advice, And To Verify Member Eligibility For Point Of Service And Care	989,786	X	X
Maintenance	Server Connectivity Maintenance And Support For Server Equipments Such As Servers, Storage, Virtual Machine Licenses, Backup Software	518,528	X	X
Maintenance	Additional Software Licensing/True-Up Costs For Operating Systems And Office Software Suite	474,987	X	X
Maintenance	Maintenance And Support Annual Renewal For The Telecommunications Network Systems	459,946	X	X
Maintenance	Operating Systems And Office Software Suite License Costs And Upgrades To Support Entire Organization	411,656	X	X
Professional Dues	Association Membership Dues (Provide Advocacy, Program Support, Technical Support Regarding State And Federal Regulatory Issues)	407,122	X	X
Office Supplies	Office Supplies Such As Paper, Toner, Batteries, Mouse Pads, Keyboards, And Others	274,942	X	X
Training & Seminar	Miscellaneous Items For Company-Wide Usage	257,800	X	X
Maintenance	Various Training, Seminars, And Conferences For Professional Development And Education	234,060	X	X
Repair & Maintenance	License And Maintenance Support For Purchases Associated With Capital Projects Completed In FY2017	231,523	X	X
Equipment	Minor Office Construction, Maintenance For Carpet Cleaning, Refreshment, Doors, Moveable Partitions, Cable And Electrical Work	212,861	X	X
Equipment	Purchases And Installation Of Office Furniture For Adds, Moves, Furniture, Fixture And Equipment, And Various Other Articles Of Minor Equipment	199,550	X	X
Equipment	Encrypted Security Tokens And Desktop Hardware Replacement	197,911	X	X
Maintenance	Business Telephones And Accessories Such As Desk Phones, Headsets, And Tablets Accessories	160,229	X	X
Maintenance	Maintenance And Support For The Production/Development Citrix Operating System/Software Environments	158,329	X	X
Maintenance	24/7 Support To Assist Cal optima's Operating Systems And Office Software Suite Related Questions And Issues	158,241	X	X
Maintenance	Software Maintenance True-Up For Facets Projects			



Medi-Cal: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Maintenance	Human Resources Corporate Application Software Maintenance (Training, Recruitment, Performance Evaluation, HR Benefits, Employee Time And Attendance And Payroll)	157,504	X	X
Subscriptions	Healthcare Information Research And Analysis Subscription Renewal	140,963	X	X
Maintenance	Maintenance And License Renewal For Auto Pricing All Patient Refined/Diagnosis Related Group And Associated Royalty Fees	136,393	X	X
Equipment	Laptops, Desktops, Flat Panel Monitors, Printers For New Employees And Other Minor/Miscellaneous Equipments	114,921	X	X
Maintenance	Finance Corporate Applications Software Maintenance (Accounting And Finance, Procurement, Bids, Accounting, Administrative Contract Management, And Budget Systems)	96,197	X	X
Assessments	California Department Of Aging - OneCare Membership Assessment, California Department Of Managed Health Care Assessments	85,000	X	X
Maintenance	Database Administrator License Renewals, Maintenance, And Support	82,252	X	X
Maintenance	Operations Software License Tools Maintenance And Support	80,748	X	X
Travel	Travel Allowance For Various Departments As Required By Their Job Function	69,743	X	X
Public Activities	Promotional/Marketing And Outreach Activities To Help Elevate The CalOptima Brand In The Community To Support Enrollment And Participation In PACE	68,969	X	X
Maintenance	Application Software Maintenance - IT Development Tools (Data Modeling, Architecture, Technical Libraries, Documentation, Technical Frameworks, Electronic Data Interchange, And Software Development Testing)	66,235	X	X
Maintenance	Provider And Physician Credentialing System Maintenance & License Renewal	63,668	X	X
Training	Board Training And Development	63,146	X	X
Public Activities	Cost For Rental And Reservations, Sponsorship And Registration Fees For New And Anticipated Community And Health Fairs	62,117	X	X
Office Supplies	Office Supplies For Various Departments Needed For Everyday Operations	58,384	X	X
Maintenance	Security Maintenance And Support For CalOptima Security Systems	55,415	X	X
Maintenance	Project Management Fees From Capital Projects Completed In FY2017	52,843	X	X
Maintenance	Subscription Renewal For Standard Medical Coding Schedules And Multiple User Licenses	42,718	X	X
Software	Desktop Software	39,582	X	X
Maintenance	Maintenance And Support For Printers	39,582	X	X
Maintenance	Maintenance And Support For Batch Scheduler System	39,582	X	X
Software License	Annual Maintenance For MSSP Software License	35,000	X	X
Education	Tuition Reimbursement For Staff Development	34,680	X	X
Equipment	Laptops, Desktops, Flat Panel Monitors, Printers, Software And Other Miscellaneous Equipments	32,657	X	X
Food Services/Supplies	Food Services Allowances As Needed For Sponsoring Member & Provider Meetings And Conferences	31,154	X	X
Travel	Travel Expenses For Association Meetings And Meetings With State And Federal Legislators And Regulators	30,000	X	X
Maintenance	Software Maintenance And Renewal For Budgeting Software	27,588	X	X
Travel	Mileage Reimbursement For Staff Travel Expenses	25,200	X	X
Telephone Expense	Field Staff Cell Phone Service	25,000	X	X
Travel	Travel For Board Meetings, Legal And Regulatory, And State Program Meetings	24,760	X	X

Medi-Cal: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Training & Seminar	Outsource Health Insurance Portability And Accountability Act, Sexual Harassment, Safety And Skill Building And Online Content Library For Training	24,634	X	X
Maintenance	Information Security Data Loss Prevention Solution Annual Maintenance	23,749	X	X
Maintenance	Information Services Corporate Software Maintenance - Enterprise Help Desk Management Application	23,415	X	X
Education	Organizational Development Programs Such As CalOptima Special Speakers, Trainers, Computer Classes, And Other Training Events	21,342	X	X
Travel	Travel Expenses For Federal And State Regulatory Meetings	20,801	X	X
Incentives	Promotional Items Provided During Meetings With Physicians	20,003	X	X
Public Activities	Public Activities For Various Outreach, Community Events, Sponsorships And Health Fairs	19,667	X	X
Maintenance	Software Maintenance And Renewal For Procurement Software	19,311	X	X
Professional Dues	Professional Membership Fees	16,511	X	X
Maintenance	Maintenance And Support For Fax Application That Sends Faxes Via Email	15,833	X	X
Subscriptions	Subscriptions Fees For Various Databases And Licenses	15,244	X	X
Public Activities	Physician Forums For California Children's Services (CCS) Transition	15,000	X	X
Travel	Staff Mileage To And From Clients' Homes. Airfare, Hotel Reimbursement For Sacramento Legislation Policy And Procedure Meetings Three Times Per Year	15,000	X	X
Food Services/Supplies	Food Services For Quarterly Legislative Luncheon Events	14,000	X	X
Training & Seminar	Training & Seminar For Certified Fraud Examiner Certifications And Compliance Related Conferences	14,000	X	X
Office Supplies	Environmental Health And Safety Supplies For Employee Health & Safety, Disaster Recovery, Earthquake Preparedness, And Security & Safety Week Promotion	13,304	X	X
Training & Seminar	Training, Seminars And Conferences For Staff Development And New Initiatives/Programs	12,944	X	X
Training & Seminar	Seminar & Conferences And Professional Development For Staff	12,418	X	X
Equipment	Performance Management Software Subscriptions And User Licenses	12,298	X	X
Travel	Travel Expenses For State Mandated Initiatives Including Health Homes, California Children's Services Carve In, Whole Person Care, Palliative Care	11,326	X	X
Subscriptions	Subscription Fees For Both Clinical And Programmatic Support As Well As Normal Maintenance Of Certification Licensure	11,326	X	X
Travel	Travel Expenses (Transportation, Mileage, And Food) For Annual Audits And Conferences	10,957	X	X
Travel	Mileage Reimbursement For Travel To Community Presentations, Provider Offices, And Member Enrollment	10,737	X	X
Food Services/Supplies	Floor Warden Meetings, Earthquake Response Team, Triage Team Training	10,643	X	X
Training & Seminar	Environmental Health And Safety Training For Ergonomics, Business Emergency Response, Business Continuity, Workplace Violence, Cardio-Pulmonary Resuscitation (CPR)	10,643	X	X
Subscriptions	Subscriptions For Annual User Group, Publishing Software, Cloud-Based Software	10,366	X	X
Training & Seminar	Human Resources Conferences And Training Supplies For Staff	9,603	X	X
Food Services/Supplies	Stakeholder Community Meetings, International Forums, Department Training, Refreshments For Other Public Activities	9,535	X	X
Equipment	Replacement For Laptops & Or Desktops	9,000	X	X
Training & Seminar	Accounting & Reporting Software Upgrade And Miscellaneous Training	8,776	X	X
Maintenance	Accounting Software Annual Maintenance	8,310	X	X

Medi-Cal: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Food Services/Supplies	Food Services And Miscellaneous Supplies/Items For Board Meetings	8,168	X	X
Travel	Travel For State Meetings, Conferences/Seminars, And Association Meetings	8,125	X	X
Education	Supplemental Training For Human Resources Payroll Software	8,003	X	X
Subscriptions	Professional Education Subscription Fees For Various Organizations And Institutes	7,814	X	X
Food Services/Supplies	Food Services For Department/Organization Community Health Initiatives, Community And Health Fairs, Committee And Coalition Meetings	7,537	X	X
Training & Seminar	Training, Seminars And Various Conferences Including University Of California, Irvine Health Care Forecast Conference, Annual California Association Of Health Plans Conference And Other Conferences	7,429	X	X
Allowances	Board Stipends	7,429	X	X
Training & Seminar	Professional Development And Education Related To Department Functions Such As Staff Training, Conferences, Professional Certifications, And Additional Development Opportunities	7,328	X	X
Food Services/Supplies	Food Services For Provider Advisory Committee And CalOptima Community Network Lunch & Learn Events	7,200	X	X
Training & Seminar	Rapid Process Improvement Training & Personnel Development	6,657	X	X
Maintenance	Software Subscription Fees For Related Graphic Design Software	6,568	X	X
Professional Dues	Medical Licenses And Required Certifications	6,472	X	X
Travel	Travel And Mileage For Leadership And Staff For Meetings Related To Regulatory Issues, Legislative Issues, Marketing, Outreach And Strategic Development	6,182	X	X
Subscriptions	Subscription Fees For Various Organizations And Associations	6,155	X	X
Training & Seminar	Conference & Seminar And Professional Development For Staff	6,002	X	X
Training & Seminar	Training For Facilities Staff In Ergonomics, International Facilities Management (IFM) Classes, Real Estate Management Classes Provided By The Institute Of Real Estate Management (IREM) And Other Training Courses	5,322	X	X
Training & Seminar	Seminars, Ongoing Training, And Continuing Legal Education For Staff Development	5,173	X	X
Food Services/Supplies	Food Services For Meetings And Other Events Such As CalOptima Informational Series	5,023	X	X
Training & Seminar	Training And Conferences And Professional Certifications For Professional Development And Education	5,000	X	X
Training & Seminar	Training & Seminars For Professional Development And Education	4,500	X	X
Other Expenses	Miscellaneous Telephone, Certification/Continued Education, Maintenance Expenses	4,214	X	X
Office Supplies	Office Supplies Needed For Everyday Operations	4,026	X	X
Professional Dues	Professional Dues For Various Professional Associations	3,976	X	X
Other Expenses	Other Expenses For Minor Equipment, Subscriptions And Maintenance.	2,500	X	X
Telephone Expense	Web Cards	480	X	X
<b>Total Other Operating Expenses</b>		<b>13,041,230</b>		

## Attachment B

OneCare: Professional Fees				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Consulting	Annual Contract Bid For Calendar Year 2017	150,000	X	X
Consulting	Healthcare Coding Consulting	10,000	X	X
<b>Total Professional Fees</b>		<b>160,000</b>		

OneCare: Purchased Services				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Purchased Services	IT Infrastructure, Enterprise Application And Business Process Outsourcing Services	180,000	X	X
Purchased Services	Pharmacy Benefits Management	67,000	X	X
Advertising	Advertising And Media Buys Including Newspaper, Magazine, Radio, Bus Shelter And Other Media	30,000	X	X
Interpreter services	Telephonic Language Interpretation And Translation Of Member Materials	13,800	X	X
Purchased Services	Document Imaging Services	1,400	X	X
Purchased Services	Reminder Communications, Patient Surveys And Marketing Solutions	380	X	X
<b>Total Purchased Services</b>		<b>292,580</b>		

OneCare: Printing & Postage				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Printing & Postage	Maintenance Of Membership Packets: Print, Fulfillment And Postage	80,494	X	X
Printing & Postage	Required Member Routine Annual & Quarterly Mailings	37,814	X	X
Printing	Health Risk Assessment Mailings	11,290	X	X
Imaging	Imaging Of Records Fees	1,769	X	X
Printing & Postage	New Member Enrollment Packets	936	X	X
<b>Total Printing and postage</b>		<b>132,303</b>		

OneCare: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Travel	Travel Allowance For Various Departments As Required By Their Job Functions	375	X	X
Computer/Minor Equipment	Computer Supply/Minor Equipment	261	X	X
Office Supplies	Office Supplies For Various Departments Needed For Everyday Operations	209	X	X
Training & Seminars	Training, Conferences And Professional Certifications For Professional Development And Education	131	X	X
Food Services	Food Services Allowances As Needed For Sponsoring Member & Provider Meetings And Conferences	87	X	X
<b>Total Other Operating Expenses</b>		<b>1,063</b>		

## Attachment B

OneCare Connect: Professional Fees				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Consulting	Internal And Health Network Financial Planning	175,000	X	X
Consulting	Annual Mock Audit Using Centers for Medicare and Medicaid Services (CMS) Audit Protocols	143,015	X	X
Consulting	Review And Recalculation Of The Health Network Capitation Rates	60,000	X	X
Consulting	Annual Compliance Program Effectiveness (CPE) Audit	53,631	X	X
Consulting	New Or Revised Risk Adjustment Data Validation (RADV) Regulatory Requirements	50,000	X	X
Actuary	Chronic Illness And Disability Payment System (CDPS)	20,000	X	X
<b>Total Professional Fees</b>		<b>501,646</b>		

OneCare Connect: Purchased Services				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Purchased Services	Pharmacy Benefits Management Services	1,200,000	X	X
Advertising	Advertising And Media Buys Including Newspapers, Magazines, Radio, Bus Shelter And Other Media	333,803	X	X
Data Transmission	Data Submission To And From Centers For Medicare And Medicaid Services (CMS) For Enrollment And Regulatory Reporting. Hierarchical Condition Category (HCC) Scores Analytics	180,911	X	X
Translation Services	Translator For Written Materials	87,454	X	X
Data Transmission	Claims Processing Through Automation Data Flow	36,988	X	X
Interpreter Services	Telephonic Language Interpretation As Well As Written Member Materials	33,353	X	X
Advertising	Advertising For Community Outreach Events/Activities And Member Awards	2,498	X	X
Purchased Services	General Purchase Services For Customer Services	1,440	X	X
<b>Total Purchased Services</b>		<b>1,876,447</b>		

## Attachment B

OneCare Connect: Printing & Postage				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Member Communications	Post Enrollment Member Materials For Maintenance Of Enrolled Members	1,039,943	X	X
Member Communications	Annual Mailings	263,640	X	X
Member Communications	Printing Programming Service And Ad Hoc Mailings	151,820	X	X
Member Communications	New Member Packets	64,811	X	X
Printing & Postage	Marketing Materials Including Sales Brochures, Posters, Handouts And Other Member And Provider Oriented Materials And Postage	29,221	X	X
Member Communications	Imaging Of Materials With Member Information For Record Retention Purpose	27,734	X	X
Printing	Printing Of Onsite Materials	2,235	X	X
Printing	Provider Mailing Materials	1,117	X	X
Courier/Delivery	Courier/Delivery Of Materials	158	X	X
<b>Total Printing and Postage</b>		<b>1,580,679</b>		

OneCare Connect: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Maintenance	User Licenses For Claims Medicare Pricing Automation	484,300	X	X
Marketing	Marketing And Outreach Activities	38,250	X	X
Travel	Mileage For Visits To Provider Offices, Presentations, Health Fairs And Community Events	11,000	X	X
Public Activities	Promotional Items Provided During Meetings With Physicians	10,000	X	X
Travel	Travel Allowance For Staff As Required By Their Job Functions	6,490	X	X
Equipment	Printers, Monitors, Desktops, Laptops And Other Minor Equipment	5,800	X	X
Office Supplies	Office Supplies Needed For Everyday Department Operations	5,620	X	X
Training & Seminars	Training & Seminars For Professional Development And Education	4,750	X	X
Public Activities	Public Activities For Various Outreach, Community Events, Sponsorships And Health Fairs	4,500	X	X
Subscriptions	Subscriptions & Professional Dues	650	X	X
Food Services	Food Services Allowances As Needed For Sponsoring Member & Provider Meetings And Conferences And Other Events	480	X	X
<b>Total Other operating expenses</b>		<b>571,840</b>		

## Attachment B

PACE: Professional Fees				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Professional Fees	Part D Actuarial Services	40,000	X	X
<b>Total Professional Fees</b>		<b>40,000</b>		

PACE: Purchased Services				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Purchased Services	Medicare Health Outcome Surveys	12,000	X	X
<b>Total Purchased Services</b>		<b>12,000</b>		

PACE: Printing & Postage				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Printing	Communication Mass Mailers And Brochures In Multiple Languages	20,738	X	X
<b>Total Printing and Postage</b>		<b>20,738</b>		



PACE: Other				
Specific Type	Objective - of the Item Proposed	Budget FY2017 Input	Appropriation	Authorization
Repair & Maintenance	Repair & Maintenance Of Minor Equipment, Building And Unforeseen Incidentals	39,564	X	X
Insurance	Professional And General Liability	36,153	X	X
Training	Staff Development Training Including Registration Fees, Travel, Accommodations And Incidentals	15,000	X	X
Public Activities	Outreach Events And Promotional Marketing Items	12,000	X	X
Supplies	Office Supplies For 50-60 Staff	12,000	X	X
Travel	Staff Travel & Mileage For Marketing And Enrollment	9,000	X	X
Minor Equipment & Supplies	Minor Equipment & Supplies	6,431	X	X
Incentives	Member Incentives	2,636	X	X
Food Services	Food Services Allowances As Needed For Sponsoring Member & Provider Meetings And Conferences	2,180	X	X
Telephone	Business Telephone Accessories	1,110	X	X
Utilities	Utilities Expense Incurred During Operations	1,032	X	X
<b>Total Other Operating Expenses</b>		<b>137,106</b>		



**CalOptima**  
Better. Together.

# **Fiscal Year 2016-17 Proposed Operating and Capital Budget**

**Board of Directors Meeting  
June 2, 2016**

**Chet Uma, Chief Financial Officer**

# Background

---





- Budget Period: July 1 – June 30 (Fiscal Year)
- General Assumptions
  - Enrollment drives the budget
  - Budget is built using a PMPM methodology
    - Revenues
    - Medical expenses
  - General and administrative expenses
    - Based on current run rate
    - Direct & indirect allocation to LOBs
      - Labor
      - Non-Labor
  - Capital Budget
    - Information systems
    - 505 Building Improvements
    - PACE

# Overview

---

- Consolidated Operating Budget
- Operating Budgets by Line of Business
  - Medi-Cal
    - Medi-Cal Classic
    - Medi-Cal Expansion
  - OneCare
  - OneCare Connect
  - PACE
  - Facilities
- Capital Budget

# Lines of Business

	Start Date	Program Type	Contractor/ Regulator
 <p>Medi-Cal CalOptima A Public Agency Better. Together.</p>	October 1995	California's Medicaid program	California Department of Health Care Services (DHCS)
 <p>OneCare (HMO SNP) CalOptima A Public Agency Better. Together.</p>	October 2005	Medicare Advantage Special Needs Plan (SNP)	Centers for Medicare & Medicaid Services (CMS)
 <p>PACE CalOptima A Public Agency Better. Together.</p>	October 2013	Medicare and Medicaid Program	Three-way contract: CMS, DHCS and CalOptima
 <p>OneCare Connect CalOptima A Public Agency Better. Together.</p>	July 2015	Medicare and Medicaid Duals Demonstration	Three-way contract: CMS, DHCS and CalOptima

- Medi-Cal program includes: (1) Classic, (2) Medi-Cal Expansion and (3) MSSP

# Comparative Budget - Consolidated

	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Average Monthly Enrollment	778,838	788,980	804,667
Revenue	\$3,030,680,586	\$3,225,403,389	\$3,385,703,075
Medical Costs	\$2,905,082,808	\$3,090,026,559	\$3,239,970,360
Administrative Costs	\$105,233,489	\$153,685,354	\$139,233,640
<b>Operating Income/Loss</b>	<b>\$20,364,288</b>	<b>(\$18,308,524)</b>	<b>\$6,499,075</b>
Investments, Net	\$7,784,671	\$2,500,000	\$2,500,000
<b>Change in Net Assets</b>	<b>\$28,148,959</b>	<b>(\$15,808,524)</b>	<b>\$8,999,075</b>
Medical Loss Ratio	95.86%	95.80%	95.70%
Administrative Loss Ratio	3.47%	4.76%	4.11%

\* Annualized as of March 2016. Excludes ASO.

# FY 2016-17 Consolidated Enrollment

Program	Apr-16	FY 2014-15 Actual*	FY 2015-16 Forecast*	% Change 15 v. 16	FY 2016-17 Budget*	% Change 16 v. 17
Medi-Cal	762,018	737,461	774,456	5.0%	788,490	1.8%
OneCare	1,290	12,933	1,265	-90.2%	1,121	-11.4%
OneCareConnect	19,006	NA	21,193	NA	21,454	1.2%
PACE	150	93	160	72.0%	220	37.5%
<b>Total</b>	<b>782,465</b>	<b>750,487</b>	<b>797,074</b>	<b>6.2%</b>	<b>811,286</b>	<b>1.8%</b>

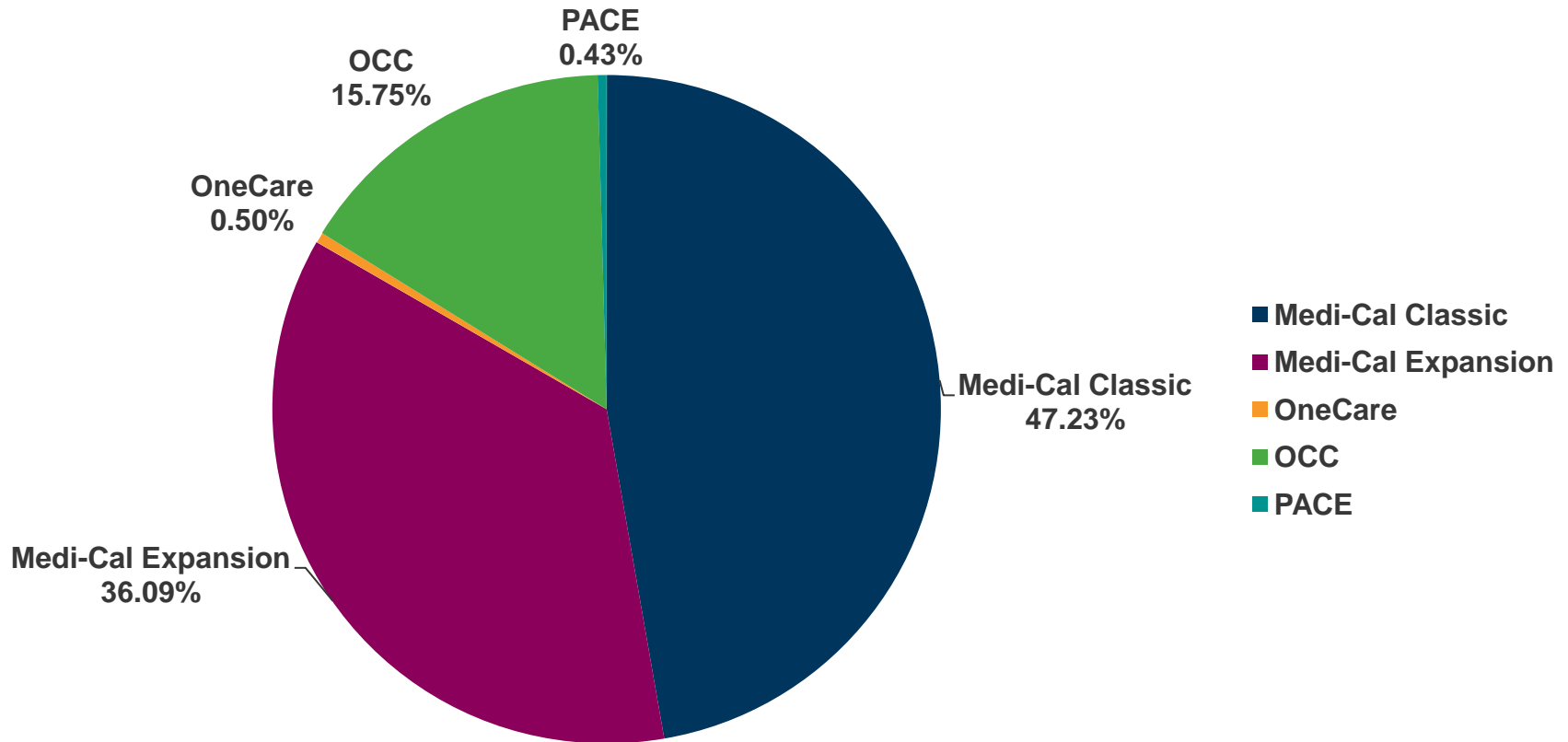
\* Enrollment as of June of every fiscal year

## Enrollment Assumptions

- Medi-Cal: Maturation of Medi-Cal Expansion enrollment, flattened growth trend due to better economic conditions, increase of children due to SB 75 effective May 1, 2016, and continued transition of dual eligible members into OneCare Connect through July 2016
- OneCare: Transition of approximately 89% of members into OneCare Connect in January 2016, 1.0% monthly disenrollment rate, and no new enrollment
- OneCare Connect: Passive enrollment based on actual enrollment trend through February 2016, assumes disenrollment rate exceeds new enrollment for a net monthly loss of 0.3% through June 2017
- PACE: Population currently consists of approximately 61% duals and 39% Medi-Cal only; Net monthly enrollment is projected to increase by 5 members

# FY 2016-17 Consolidated Revenues

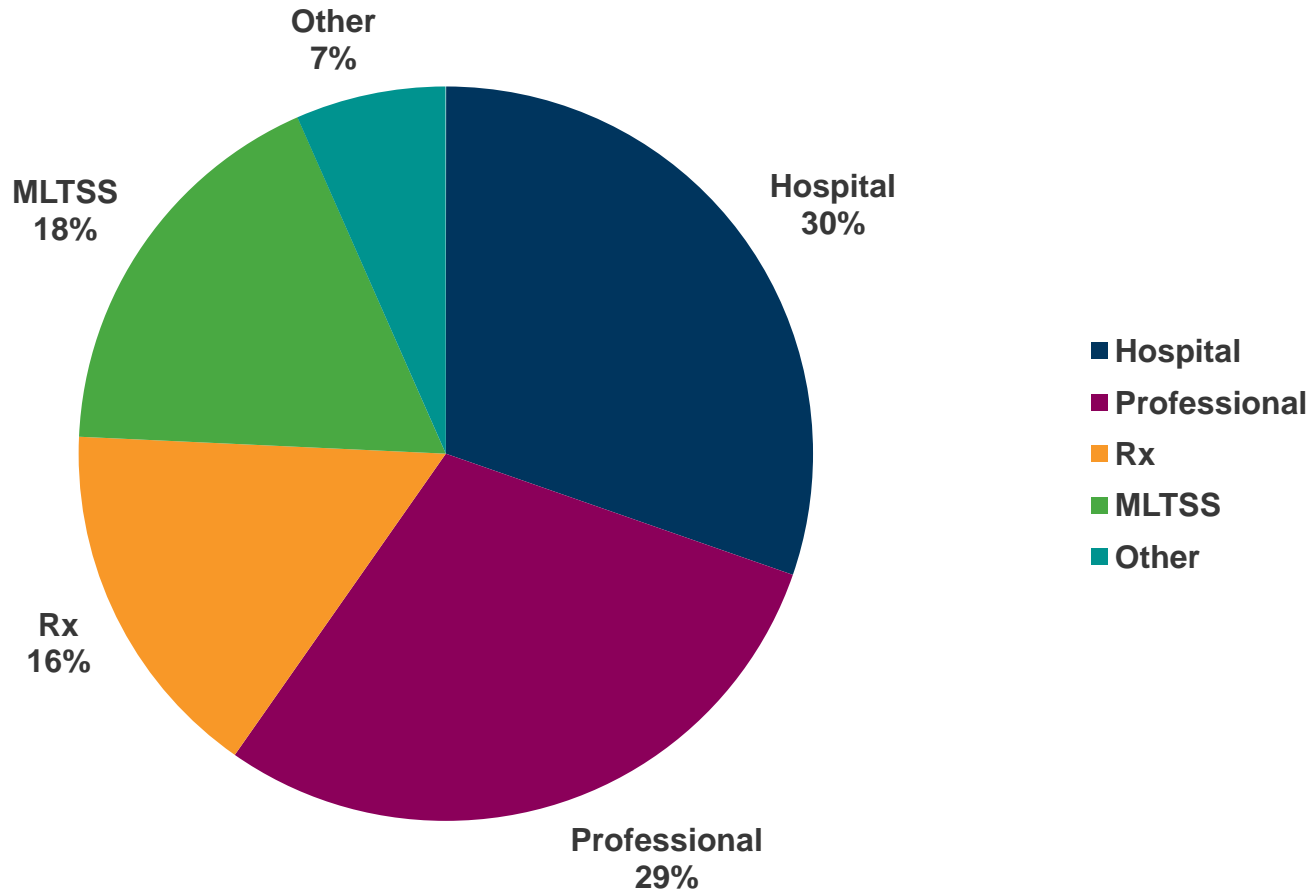
FY 2016-17 Consolidated Revenue by Line of Business





# FY 2016-17 Medical Expenses

FY 2016-17 Consolidated Budget - Medical Expenses by Service Type



# Consolidated General and Administrative Expenses

	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget	FY 2017 Budget vs. FY 2016 Annualized
Revenues	\$3,030,680,586	\$3,225,403,389	\$3,385,703,075	\$355,022,489
Salaries & Wages	\$65,649,624	\$86,831,477	\$94,492,737	\$28,843,113
Non-Salaries & Wages	\$39,583,865	\$66,853,877	\$44,740,903	\$5,157,038
<b>Total G&amp;A</b>	<b>\$105,233,489</b>	<b>\$153,685,354</b>	<b>\$139,233,640</b>	<b>\$34,000,151</b>
<b>Admin Loss Ratio (ALR)</b>	<b>3.47%</b>	<b>4.76%</b>	<b>4.11%</b>	<b>0.64%</b>
Salaries & Wages	2.17%	2.69%	2.79%	<b>0.62%</b>
Non-Salaries & Wages	1.31%	2.07%	1.32%	<b>0.02%</b>

\* Annualized as of March 2016. Excludes ASO.

# Consolidated General and Administrative Expenses

- Justification for increase in FY 2016-17 G&A

Salaries & Wages: 0.62% ↑	<ul style="list-style-type: none"><li>• Open FTEs: 70 = \$12 million</li><li>• New FTEs: 91 = \$10 million</li><li>• Merit Increases : \$3.8 million</li><li>• Benefits: \$3 million</li></ul>
Non-Salaries & Wages: 0.02% ↑	<ul style="list-style-type: none"><li>• Occupancy – New lease: \$612,000</li><li>• Depreciation and Amortization – New capital: \$2 million</li><li>• Contractual obligations: \$2.5 million</li></ul>

- FY 2015-16 Annualized figures do not include unfilled open positions
- Attachment B included with the COBAR provides a detailed listing of all G&A expenses

# CalOptima Consolidated Income Statement

Attachment A

**CalOptima Fiscal Year 2016-17 Budget**  
**Budgeted Statement of Revenue & Expenses**  
**By Line of Business**

	Medi-Cal (Classic)	Medical (Expansion)	Total	OneCare	OCC	PACE	Facilities	Other	Consolidated
Member Months	6,691,301	2,686,236	9,377,537	14,227	261,930	2,310	-		9,656,004
Avg Members	557,608	223,853	781,461	1,186	21,828	193	-		804,667
<b>Revenues</b>									
Capitation revenue	\$ 1,599,051,456	\$ 1,221,965,048	\$ 2,821,016,503	\$ 16,771,979	\$ 533,118,659	\$ 14,540,515	\$ 255,419		\$ 3,385,703,075
Total	\$ 1,599,051,456	\$ 1,221,965,048	\$ 2,821,016,503	\$ 16,771,979	\$ 533,118,659	\$ 14,540,515	\$ 255,419		\$ 3,385,703,075
<b>Medical Costs</b>									
1 Provider capitation	\$ 408,068,316	\$ 491,225,981	\$ 899,294,297	\$ 4,660,772	\$ 118,185,631	\$ -	\$ -		\$ 1,022,140,700
2 Claims Payments	\$ 453,082,246	\$ 437,591,284	\$ 890,673,530	\$ 4,577,281	\$ 143,270,454	\$ -	\$ -		\$ 1,038,521,266
3 LTC/Skilled Nursing Facilities	\$ 425,107,202	\$ 19,931,662	\$ 445,038,864	\$ -	\$ 123,723,434	\$ -	\$ -		\$ 568,762,298
4 Prescription Drugs	\$ 221,228,415	\$ 191,351,662	\$ 412,580,077	\$ 5,436,158	\$ 96,469,980	\$ 1,598,041	\$ -		\$ 516,084,256
5 Case Mgmt & Oth Medical	\$ 27,330,329	\$ 30,471,113	\$ 57,801,442	\$ 504,386	\$ 22,186,283	\$ 13,969,728	\$ -		\$ 94,461,840
Total	\$ 1,534,816,508	\$ 1,170,571,703	\$ 2,705,388,211	\$ 15,178,598	\$ 503,835,783	\$ 15,567,769	\$ -		\$ 3,239,970,360
MLR	95.98%	95.79%	95.90%	90.50%	94.51%	107.06%	0.00%	*	95.70%
<b>Gross Margin</b>	\$ 64,234,948	\$ 51,393,345	\$ 115,628,293	\$ 1,593,381	\$ 29,282,876	\$ (1,027,254)	\$ 255,419		\$ 145,732,715
<b>Administrative Expenses</b>									
Salaries, Wages, & Employee Benefits			\$ 81,712,721	\$ 257,951	\$ 11,406,860	\$ 1,115,205	\$ -		\$ 94,492,737
Professional Fees			\$ 3,362,843	\$ 160,000	\$ 501,646	\$ 40,000	\$ 25,020		\$ 4,089,509
Purchased services			\$ 8,513,572	\$ 292,580	\$ 1,876,447	\$ 12,000	\$ 268,857		\$ 10,963,456
Printing & Postage			\$ 3,700,993	\$ 132,303	\$ 1,580,679	\$ 20,738	\$ 0		\$ 5,434,713
Depreciation & Amortization			\$ 4,596,733	\$ 0	\$ 0	\$ 24,674	\$ 2,521,689		\$ 7,143,096
Other Operating Expenses			\$ 13,041,230	\$ 1,063	\$ 571,840	\$ 137,106	\$ 2,446,051		\$ 16,197,290
Indirect Cost Allocation, Occupancy Expense			\$ (6,478,047)	\$ 353,923	\$ 11,249,888	\$ 12,273	\$ (4,225,198)		\$ 912,839
Total			\$ 108,450,044	\$ 1,197,820	\$ 27,187,360	\$ 1,361,996	\$ 1,036,419		\$ 139,233,640
ALR			3.84%	7.14%	5.10%	9.37%		*	4.11%
<b>Operating Income/(Loss)</b>			\$ 7,178,249	\$ 395,561	\$ 2,095,516	\$ (2,389,250)	\$ (781,000)	\$ -	\$ 6,499,075
Investment Income								\$ 2,500,000	\$ 2,500,000
MCO Tax Revenue			\$ 106,277,305						\$ 106,277,305
MCO Tax Expense			\$ (106,277,305)						\$ (106,277,305)
<b>CHANGE IN NET ASSETS</b>			\$ 7,178,249	\$ 395,561	\$ 2,095,516	\$ (2,389,250)	\$ (781,000)	\$ 2,500,000	\$ 8,999,075

[Back to Agenda](#)

# FY 2016-17 Operating Budget

---

## Budgets by Line of Business

# Medi-Cal Program

<b>Start Date</b>	October 1995
<b>Program Type</b>	California's Medicaid Program
<b>Contractor/ Regulator</b>	California Department of Health Care Services (DHCS)
<b>Eligibility</b>	<ul style="list-style-type: none"><li>• Child and family</li><li>• Senior</li><li>• Persons with disabilities</li><li>• Low-income</li></ul>
<b>Services</b>	<ul style="list-style-type: none"><li>• Comprehensive health</li><li>• Prescriptions</li><li>• Vision</li><li>• Mental Health</li><li>• MLTSS</li><li>• (Dental provided by DHCS)</li></ul>

# Medi-Cal Budget\*\*

	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Average Monthly Enrollment	763,687	766,497	781,461
Revenue	\$2,772,965,419	\$2,775,665,280	\$2,821,016,503
Medical Costs	\$2,664,989,071	\$2,673,465,362	\$2,705,388,211
Administrative Costs	\$84,413,501	\$118,554,016	\$108,450,044
<b>Operating Income/Loss</b>	<b>\$23,562,847</b>	<b>(\$16,354,098)</b>	<b>\$7,178,249</b>
Medical Loss Ratio	96.11%	96.32%	95.90%
Administrative Loss Ratio	3.04%	4.27%	3.84%

\* Annualized as of March 2016

\*\* Includes MSSP

# Medi-Cal Budget

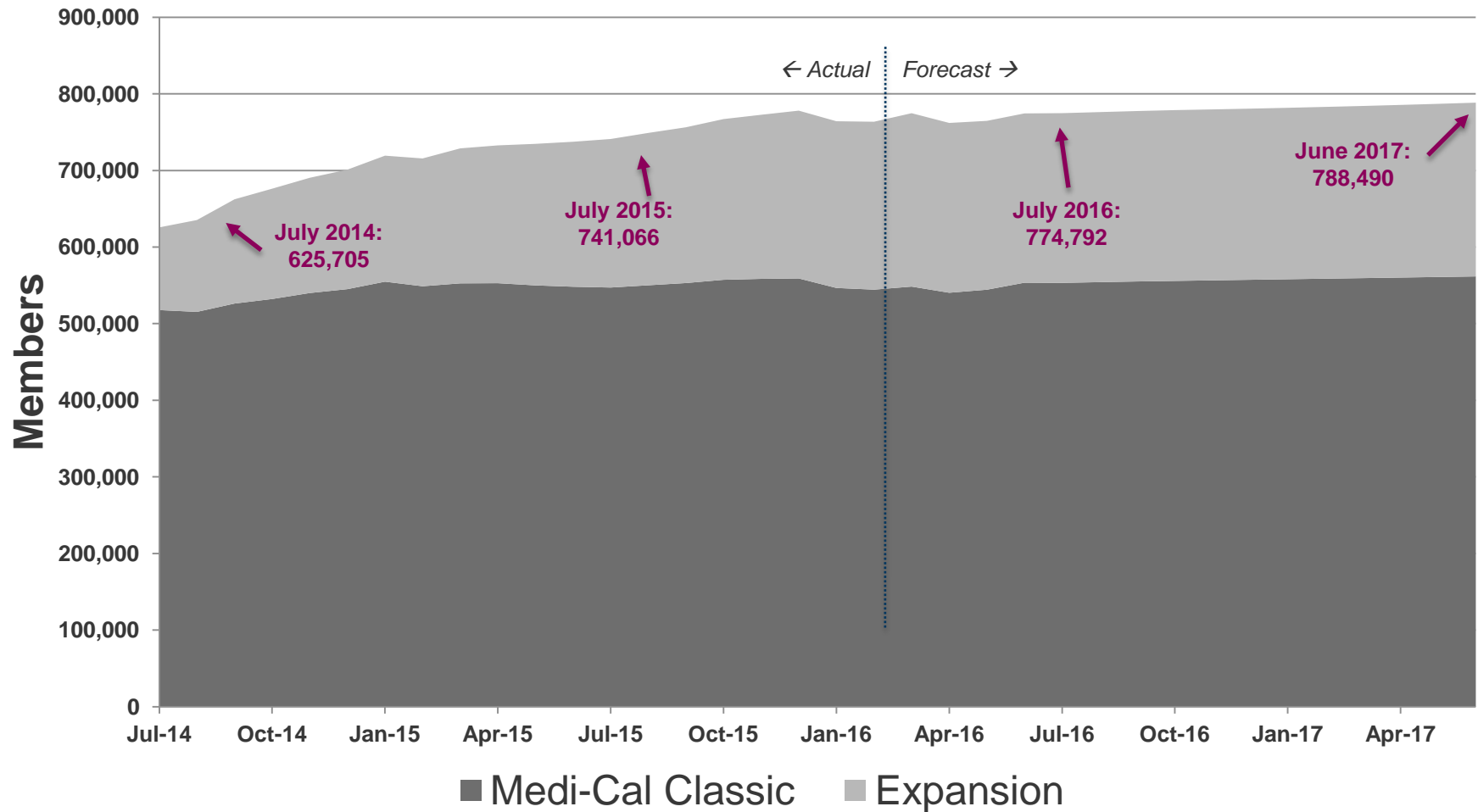
---

## Key points related to ALR

- FY 2015-16 ALR is low due to:
  - Higher than expected Medi-Cal Expansion enrollment and revenue
  - Lag time in filling open positions
  - Savings in other non-salary categories
- FY 2016-17 includes operational expenses for the CalOptima Community Network (CCN) and Model of Care
  - Expenses for CCN are counted as administrative expenses and not part of capitation



# Enrollment: Medi-Cal Classic & Expansion



# Medi-Cal Assumptions - Classic

---

- Revenue

- Based on draft FY 2016-17 capitation rates released on April 29, 2016
- Hepatitis C revenue based on historical utilization
- MLTSS rates are unknown and based on OCC rate assumptions
- Behavioral Health Treatment rates based on FY 2015-16 rates

- Medical Costs

- Assumes a 4% increase in Hospital and Professional medical costs effective July 1, 2016
- Capitation payments based on rates and enrollment distribution as of February 2016
- FFS costs trends developed by network type, aid code, and service type
- MLTSS and Hepatitis C drug expenses budgeted at 100% of projected revenue
- Includes projected expenses for Quality Improvement programs

# Medi-Cal Assumptions - Expansion

---

- Revenue

- Based on draft FY 2016-17 rates released on April 29, 2016; rates are projected to be sufficient to cover program costs

- Medical Costs

- Assumes a 15% decrease in Hospital (Cap and FFS) and Professional (Cap and FFS Specialist) medical costs
- FFS costs trends developed by network type, aid code, and service type
- Applied Inpatient unit cost increase resulting from per diems to APR-DRGs
- Hepatitis C drug and MLTSS expenses budgeted at 100% of projected revenue
- Includes projected expenses for Quality Improvement programs

# Medi-Cal Income Statement - Consolidated

## CalOptima Fiscal Year 2016-17 Budget Medi-Cal Program (Consolidated) Statement of Revenues and Expenses

Attachment A.1

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
<b>Member Months</b>													
Medi-Cal	774,792	776,181	777,558	778,761	779,683	780,675	781,771	782,957	784,177	785,533	786,959	788,490	9,377,537
<b>Total</b>	<b>774,792</b>	<b>776,181</b>	<b>777,558</b>	<b>778,761</b>	<b>779,683</b>	<b>780,675</b>	<b>781,771</b>	<b>782,957</b>	<b>784,177</b>	<b>785,533</b>	<b>786,959</b>	<b>788,490</b>	<b>9,377,537</b>
<b>Operating Revenues</b>													
Medi-Cal	\$ 210,113,655	\$ 210,456,077	\$ 210,797,883	\$ 211,092,544	\$ 211,261,147	\$ 211,464,095	\$ 211,708,824	\$ 211,992,240	\$ 212,301,316	\$ 212,658,362	\$ 213,049,752	\$ 213,482,924	\$ 2,540,378,819
Mental Health	\$ 4,414,426	\$ 4,422,630	\$ 4,430,797	\$ 4,438,011	\$ 4,443,292	\$ 4,449,055	\$ 4,455,541	\$ 4,462,639	\$ 4,469,958	\$ 4,478,221	\$ 4,486,966	\$ 4,496,434	\$ 53,447,968
BHT (Autism)	\$ 2,443,619	\$ 2,604,636	\$ 2,765,652	\$ 2,926,669	\$ 3,087,685	\$ 3,248,702	\$ 3,409,718	\$ 3,478,620	\$ 3,547,522	\$ 3,616,424	\$ 3,685,325	\$ 3,754,227	\$ 38,568,799
Hep C Rx	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 4,322,810	\$ 51,873,716
MLTSS													
CBAS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IHSS & MSSP	\$ 11,323,761	\$ 11,336,839	\$ 11,349,916	\$ 11,362,977	\$ 11,376,011	\$ 11,389,052	\$ 11,402,103	\$ 11,415,163	\$ 11,428,225	\$ 11,441,300	\$ 11,454,382	\$ 11,467,473	\$ 136,747,201
Risk Corridor Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capitation</b>	<b>\$ 232,618,271</b>	<b>\$ 233,142,991</b>	<b>\$ 233,667,057</b>	<b>\$ 234,143,010</b>	<b>\$ 234,490,945</b>	<b>\$ 234,873,714</b>	<b>\$ 235,298,996</b>	<b>\$ 235,671,471</b>	<b>\$ 236,069,830</b>	<b>\$ 236,517,116</b>	<b>\$ 236,999,235</b>	<b>\$ 237,523,868</b>	<b>\$ 2,821,016,503</b>
<b>Operating Medical Costs</b>													
Total Provider Capitation	\$ 74,479,835	\$ 74,519,765	\$ 74,575,703	\$ 74,641,211	\$ 74,722,112	\$ 74,813,219	\$ 74,919,846	\$ 75,040,403	\$ 75,165,062	\$ 75,310,795	\$ 75,466,792	\$ 75,639,554	\$ 899,294,297
Claims payments													
Professional	\$ 8,593,902	\$ 8,684,924	\$ 8,484,620	\$ 8,826,007	\$ 8,572,360	\$ 8,889,513	\$ 8,922,140	\$ 8,088,419	\$ 8,985,319	\$ 8,727,799	\$ 9,051,441	\$ 8,792,299	\$ 104,618,742
Facility	\$ 53,368,613	\$ 53,545,442	\$ 52,659,556	\$ 53,876,214	\$ 52,916,378	\$ 54,118,567	\$ 54,267,095	\$ 51,170,537	\$ 54,606,147	\$ 53,708,649	\$ 55,018,834	\$ 54,145,917	\$ 643,401,949
<b>Total Claims</b>	<b>\$ 61,962,515</b>	<b>\$ 62,230,367</b>	<b>\$ 61,144,176</b>	<b>\$ 62,702,221</b>	<b>\$ 61,488,738</b>	<b>\$ 63,008,080</b>	<b>\$ 63,189,235</b>	<b>\$ 59,258,955</b>	<b>\$ 63,591,466</b>	<b>\$ 62,436,448</b>	<b>\$ 64,070,275</b>	<b>\$ 62,938,216</b>	<b>\$ 748,020,691</b>
Rx Drugs	\$ 34,361,134	\$ 34,501,873	\$ 33,532,210	\$ 34,766,998	\$ 33,746,937	\$ 34,964,893	\$ 35,075,550	\$ 31,814,728	\$ 35,316,888	\$ 34,315,254	\$ 35,589,656	\$ 34,593,958	\$ 412,580,077
LTC	\$ 24,088,254	\$ 24,128,399	\$ 23,389,037	\$ 24,210,283	\$ 23,467,129	\$ 24,290,420	\$ 24,330,405	\$ 22,012,379	\$ 24,416,284	\$ 23,668,645	\$ 24,500,886	\$ 23,751,390	\$ 286,253,512
CHDP	\$ 1,832,336	\$ 1,839,749	\$ 1,787,593	\$ 1,854,571	\$ 1,801,937	\$ 1,869,423	\$ 1,876,905	\$ 1,702,051	\$ 1,891,842	\$ 1,838,131	\$ 1,906,952	\$ 1,852,805	\$ 22,054,293
Crossovers	\$ 3,819,464	\$ 3,866,785	\$ 3,787,965	\$ 3,961,801	\$ 3,880,158	\$ 4,057,318	\$ 4,105,264	\$ 3,751,399	\$ 4,201,530	\$ 4,112,759	\$ 4,298,297	\$ 4,206,646	\$ 48,049,386
Mental Health	\$ 1,906,284	\$ 1,906,722	\$ 1,907,331	\$ 1,907,820	\$ 1,908,534	\$ 1,909,495	\$ 1,910,685	\$ 1,912,113	\$ 1,913,787	\$ 1,915,679	\$ 1,917,811	\$ 1,920,160	\$ 22,936,422
MLTSS													\$ -
CBAS	\$ 1,836,896	\$ 1,843,241	\$ 1,789,934	\$ 1,855,902	\$ 1,802,177	\$ 1,868,588	\$ 1,874,980	\$ 1,699,324	\$ 1,887,737	\$ 1,833,094	\$ 1,900,647	\$ 1,845,631	\$ 22,038,152
IHSS & MSSP	\$ 11,323,761	\$ 11,336,839	\$ 11,349,916	\$ 11,362,977	\$ 11,376,011	\$ 11,389,052	\$ 11,402,103	\$ 11,415,163	\$ 11,428,225	\$ 11,441,300	\$ 11,454,382	\$ 11,467,473	\$ 136,747,201
PCC	\$ 366,462	\$ 365,693	\$ 365,130	\$ 364,756	\$ 364,579	\$ 364,590	\$ 364,799	\$ 365,205	\$ 365,776	\$ 366,555	\$ 367,519	\$ 368,684	\$ 4,389,748
VSP	\$ 510,412	\$ 511,251	\$ 512,079	\$ 512,791	\$ 513,301	\$ 513,864	\$ 514,498	\$ 515,192	\$ 515,923	\$ 516,738	\$ 517,606	\$ 518,541	\$ 6,172,198
BHT (Autism)	\$ 2,752,280	\$ 2,933,635	\$ 3,114,990	\$ 3,296,345	\$ 3,477,700	\$ 3,659,055	\$ 3,840,410	\$ 3,918,015	\$ 3,995,620	\$ 4,073,225	\$ 4,150,830	\$ 4,228,435	\$ 43,440,540
Other Medical Costs	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 16,667	\$ 200,000
Contingency Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Mgmt Activities	\$ 4,601,286	\$ 4,320,455	\$ 4,409,170	\$ 4,404,377	\$ 4,332,441	\$ 4,496,228	\$ 4,477,755	\$ 4,384,601	\$ 4,549,691	\$ 4,353,057	\$ 4,441,968	\$ 4,440,665	\$ 53,211,694
<b>Total</b>	<b>\$ 223,857,585</b>	<b>\$ 224,321,439</b>	<b>\$ 221,681,901</b>	<b>\$ 225,858,719</b>	<b>\$ 222,898,421</b>	<b>\$ 227,220,892</b>	<b>\$ 227,899,101</b>	<b>\$ 217,806,195</b>	<b>\$ 229,256,499</b>	<b>\$ 226,198,346</b>	<b>\$ 230,600,289</b>	<b>\$ 227,788,825</b>	<b>\$ 2,705,388,211</b>
<b>Gross Margin</b>	<b>\$ 8,760,685</b>	<b>\$ 8,821,551</b>	<b>\$ 11,985,156</b>	<b>\$ 8,284,292</b>	<b>\$ 11,592,525</b>	<b>\$ 7,652,822</b>	<b>\$ 7,399,895</b>	<b>\$ 17,865,276</b>	<b>\$ 6,813,331</b>	<b>\$ 10,318,770</b>	<b>\$ 6,398,946</b>	<b>\$ 9,735,043</b>	<b>\$ 115,628,293</b>
	3.8%	3.8%	5.1%	3.5%	4.9%	3.3%	3.1%	7.6%	2.9%	4.4%	2.7%	4.1%	4.1%
<b>Operating Administrative Expenses</b>													
<b>Total</b>	<b>\$ 9,476,448</b>	<b>\$ 8,782,964</b>	<b>\$ 8,971,099</b>	<b>\$ 8,962,996</b>	<b>\$ 8,819,780</b>	<b>\$ 9,159,628</b>	<b>\$ 9,133,053</b>	<b>\$ 8,929,168</b>	<b>\$ 9,271,260</b>	<b>\$ 8,857,535</b>	<b>\$ 9,042,707</b>	<b>\$ 9,043,408</b>	<b>\$ 108,450,044</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ (715,762)</b>	<b>\$ 38,587</b>	<b>\$ 3,014,057</b>	<b>\$ (678,704)</b>	<b>\$ 2,772,744</b>	<b>\$ (1,506,805)</b>	<b>\$ (1,733,157)</b>	<b>\$ 8,936,108</b>	<b>\$ (2,457,929)</b>	<b>\$ 1,461,235</b>	<b>\$ (2,643,761)</b>	<b>\$ 691,634</b>	<b>\$ 7,178,249</b>
<b>Medical Loss Ratio</b>	96.2%	96.2%	94.9%	96.5%	95.1%	96.7%	96.9%	92.4%	97.1%	95.6%	97.3%	95.9%	95.9%
<b>Admin Loss Ratio</b>	4.1%	3.8%	3.8%	3.8%	3.8%	3.9%	3.9%	3.8%	3.9%	3.7%	3.8%	3.8%	3.8%

[Back to Agenda](#)

# OneCare Program

---

<b>Start Date</b>	October 2005
<b>Program Type</b>	Medicare Advantage Special Needs Plan (SNP)
<b>Contractor/ Regulator</b>	Centers for Medicare & Medicaid Services (CMS)
<b>Eligibility</b>	Medi-Cal member who also has Medicare (i.e., dual eligible)
<b>Services</b>	<ul style="list-style-type: none"><li>• Comprehensive health</li><li>• Prescriptions</li><li>• Vision</li><li>• Mental Health</li><li>• Supplemental Benefits</li></ul>

# OneCare Budget

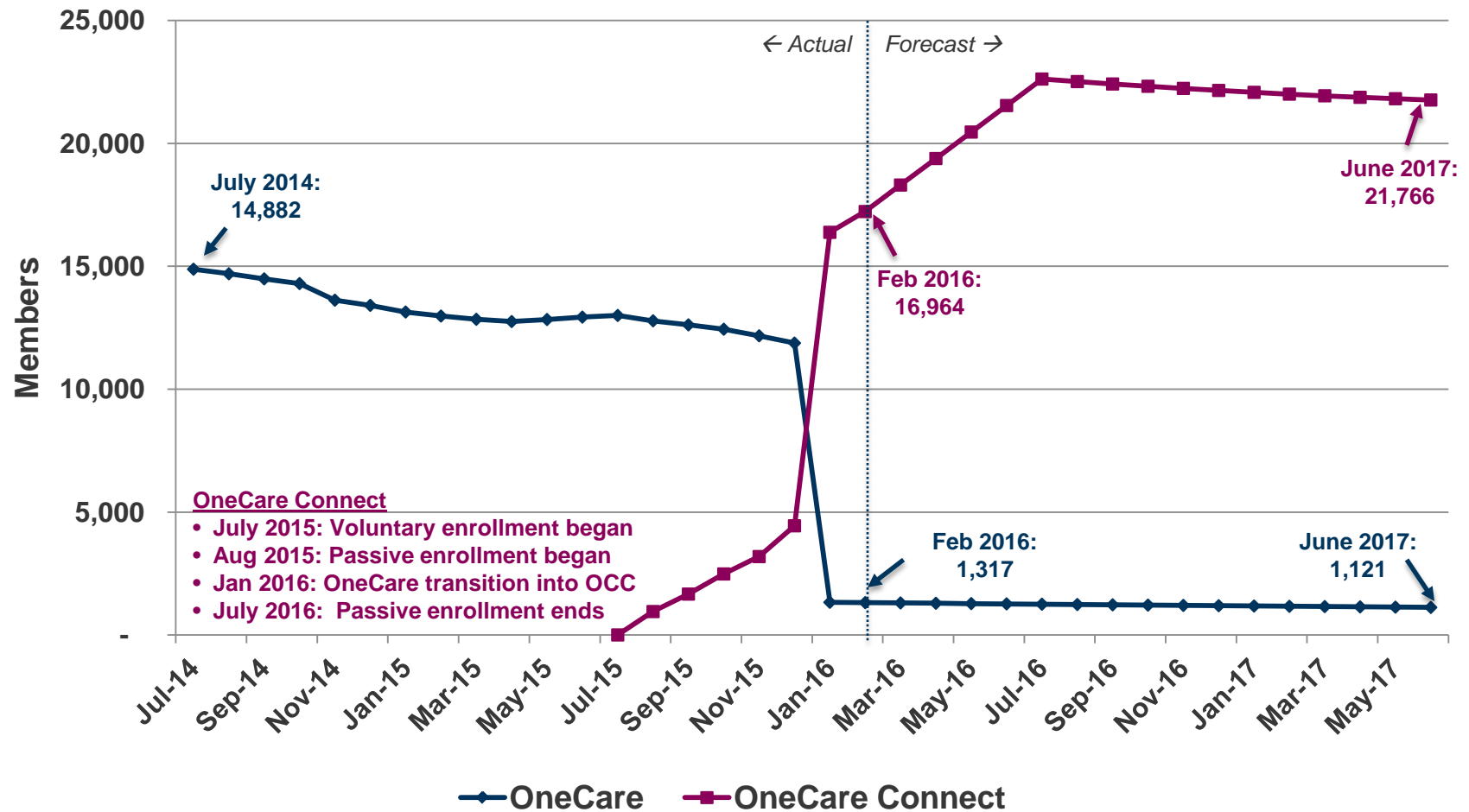
	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Average Monthly Enrollment	8,768	7,128	1,186
Revenue	\$109,724,432	\$97,086,739	\$16,771,979
Medical Costs	\$99,576,503	\$86,908,907	\$15,178,598
Administrative Costs	\$8,136,726	\$7,251,903	\$1,197,820
<b>Operating Income/Loss</b>	<b>\$2,011,203</b>	<b>\$2,925,929</b>	<b>\$395,561</b>
Medical Loss Ratio	90.75%	89.52%	90.50%
Administrative Loss Ratio	7.42%	7.47%	7.14%

\* Annualized as of March 2016

## Key points

- Enrollment projected to decline with a monthly disenrollment rate of 1.0%
- Remaining membership are ineligible for OneCare Connect enrollment

# Enrollment: OneCare & OneCare Connect



# OneCare Assumptions

---

- Revenue

- Medicare Part C and Part D rates based on Calendar Year (CY) 2016 Monthly Membership Report (MMR) actuals
- Budgeted revenue PMPM is projected 6.4% lower than FY 2015-16 budget primarily due to the lower acuity of remaining OneCare members
- Risk Adjustment: \$340,000 additional revenue related to sweeps

- Medical cost

- Provider capitation payments based on 38.5 percent of premium (POP)
  - Increased from 37.5% due to inclusion of Quality Incentive payments
- FFS medical costs based on historical claims through December 2015
- Supplemental benefit costs are consistent with FY15-16, including transportation, vision, acupuncture, and the addition of gym

- Administrative cost

- Contains both direct and indirect costs. Indirect costs are allocated based on percentage of revenue



# OneCare Income Statement

CalOptima Fiscal Year 2016-17 Budget  
OneCare Program  
*Statement of Revenues and Expenses*

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	1,252	1,240	1,227	1,215	1,203	1,191	1,179	1,167	1,155	1,144	1,132	1,121	14,227
Average Members													1,186
Revenues													
Part C, Medi-Cal, HCC	\$ 964,780	\$ 954,295	\$ 936,025	\$ 925,863	\$ 915,829	\$ 905,894	\$ 923,982	\$ 913,993	\$ 904,114	\$ 894,359	\$ 884,676	\$ 1,212,010	\$ 11,335,820
Part D	\$ 478,471	\$ 473,687	\$ 468,950	\$ 464,260	\$ 459,618	\$ 455,021	\$ 450,471	\$ 445,967	\$ 441,507	\$ 437,092	\$ 432,721	\$ 428,394	\$ 5,436,158
Total	\$ 1,443,252	\$ 1,427,981	\$ 1,404,974	\$ 1,390,124	\$ 1,375,447	\$ 1,360,915	\$ 1,374,454	\$ 1,359,959	\$ 1,345,621	\$ 1,331,451	\$ 1,317,397	\$ 1,640,404	\$ 16,771,979
Medical Costs													
Provider capitation	\$ 397,536	\$ 393,238	\$ 385,945	\$ 381,778	\$ 377,661	\$ 373,585	\$ 380,301	\$ 376,210	\$ 372,163	\$ 368,167	\$ 364,200	\$ 489,988	\$ 4,660,772
Claims payments	\$ 391,644	\$ 387,536	\$ 376,339	\$ 377,657	\$ 368,490	\$ 369,787	\$ 372,320	\$ 353,252	\$ 364,571	\$ 355,804	\$ 356,984	\$ 502,898	\$ 4,577,281
Prescription drugs	\$ 478,471	\$ 473,687	\$ 468,950	\$ 464,260	\$ 459,618	\$ 455,021	\$ 450,471	\$ 445,967	\$ 441,507	\$ 437,092	\$ 432,721	\$ 428,394	\$ 5,436,158
Other medical costs	\$ 4,622	\$ 4,465	\$ 4,312	\$ 4,165	\$ 4,023	\$ 3,886	\$ 5,046	\$ 4,874	\$ 4,707	\$ 4,547	\$ 4,392	\$ 4,242	\$ 53,281
Medical mgmt activities	\$ 45,593	\$ 35,592	\$ 35,592	\$ 49,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 35,592	\$ 451,105
Total	\$ 1,317,867	\$ 1,294,517	\$ 1,271,139	\$ 1,277,452	\$ 1,245,384	\$ 1,237,872	\$ 1,243,730	\$ 1,215,894	\$ 1,218,540	\$ 1,201,202	\$ 1,193,888	\$ 1,461,113	\$ 15,178,598
Gross Margin	\$ 125,385	\$ 133,465	\$ 133,835	\$ 112,671	\$ 130,062	\$ 123,043	\$ 130,724	\$ 144,066	\$ 127,081	\$ 130,250	\$ 123,508	\$ 179,290	\$ 1,593,381
Administrative Expenses													
Salaries	\$ 22,671	\$ 20,534	\$ 21,197	\$ 21,167	\$ 20,625	\$ 22,010	\$ 21,913	\$ 21,219	\$ 22,454	\$ 20,894	\$ 21,557	\$ 21,707	\$ 257,951
Professional fees	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 160,000
Purchased services	\$ 19,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 19,382	\$ 39,382	\$ 39,382	\$ 39,382	\$ 39,382	\$ 39,382	\$ 19,382	\$ 292,580
Occupancy	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Printing & postage	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 11,025	\$ 132,303
Other operating expenses	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89	\$ 1,063
Depreciation & amortization	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Indirect cost allocation	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 29,494	\$ 353,923
Total	\$ 95,994	\$ 93,857	\$ 94,520	\$ 94,489	\$ 93,948	\$ 95,332	\$ 115,235	\$ 114,542	\$ 115,777	\$ 94,217	\$ 94,880	\$ 95,029	\$ 1,197,820
Operating Surplus (Deficit)	\$ 29,391	\$ 39,608	\$ 39,316	\$ 18,182	\$ 36,115	\$ 27,711	\$ 15,489	\$ 29,524	\$ 11,304	\$ 36,033	\$ 28,628	\$ 84,261	\$ 395,561
Medical Loss Ratio	91.3%	90.7%	90.5%	91.9%	90.5%	91.0%	90.5%	89.4%	90.6%	90.2%	90.6%	89.1%	90.5%
Admin Loss Ratio	6.7%	6.6%	6.7%	6.8%	6.8%	7.0%	8.4%	8.4%	8.6%	7.1%	7.2%	5.8%	7.1%

[Back to Agenda](#)

# OneCare Connect Program

<b>Start Date</b>	July 2015
<b>Program Type</b>	Medicare and Medicaid Duals Demonstration
<b>Contractor/ Regulator</b>	CMS and DHCS
<b>Eligibility</b>	Medi-Cal member who also has Medicare (i.e., dual eligible)
<b>Services</b>	<ul style="list-style-type: none"><li>• Comprehensive health</li><li>• Prescriptions</li><li>• Vision</li><li>• MLTSS</li><li>• Assessment</li><li>• Care planning</li><li>• Care coordination</li><li>• Supplemental benefits</li></ul>

# OneCare Connect Budget

	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Average Monthly Enrollment	6,258	15,229	21,828
Revenue	\$138,424,585	\$343,234,927	\$533,118,659
Medical Costs	\$130,176,485	\$319,521,434	\$503,835,783
Administrative Costs	\$10,908,453	\$25,800,003	\$27,187,360
<b>Operating Income/Loss</b>	<b>(\$2,660,353)</b>	<b>(\$2,086,511)</b>	<b>\$2,095,516</b>
Medical Loss Ratio	94.04%	93.09%	94.51%
Administrative Loss Ratio	7.88%	7.52%	5.10%

\* Annualized as of March 2016

# OneCare Connect Assumptions

---

- Revenue

- Based on CY 2016 rate report provided by CMS and DHCS
  - Part C rates applies a 7.6% increase for Risk Adjustment Factor (RAF) methodology changes
  - Medi-Cal rates based on 2014 DHCS draft rates
- Applies Year 2 and Year 3 savings targets of 3.5% and 5.5%
- Applies Year 2 and Year 3 withholds of 2% and 3%
- Projected population mix by cohort based on actual enrollment, which drives final Medi-Cal revenue

- Medical cost

- Capitation rates were based on POP rates for Medicare revenue and fixed PMPM rates for Medi-Cal revenue
- Applied projected enrollment mix for PHC, SRG, HMO, and CCN networks
- FFS expenses are based on a blend of actual OneCare Connect and OneCare experience trended through June 2017

# OneCare Connect Assumptions

---

- Medical cost

- Includes expenses for approved supplemental benefits
- MLTSS costs are based on guidance from DHCS on rate report
- SNF expenses projected at 100% of Medicare Resource Utilization Groups (RUG) rates
- Includes projected expenses for Quality Improvement programs

- Administrative cost

- High level of implementation and operational cost consistent with new program launch
- Includes transition of OneCare administrative expense started in January 2016

# OneCare Connect Income Statement

CalOptima Fiscal Year 2016-17 Budget  
OneCare Connect Program  
*Statement of Revenues and Expenses (TOTAL)*

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	22,286	22,187	22,092	22,003	21,918	21,838	21,763	21,692	21,626	21,564	21,507	21,454	261,930 21,828
<b>Revenues</b>													
Medicare Part C	\$ 25,545,285	\$ 25,431,608	\$ 25,323,524	\$ 25,220,964	\$ 25,123,863	\$ 25,032,161	\$ 24,197,426	\$ 24,118,784	\$ 24,045,222	\$ 23,976,693	\$ 23,913,155	\$ 23,854,567	\$ 295,783,251
Medicare Part D	\$ 8,207,940	\$ 8,171,415	\$ 8,136,686	\$ 8,103,733	\$ 8,072,534	\$ 8,043,069	\$ 7,979,816	\$ 7,953,882	\$ 7,929,622	\$ 7,907,023	\$ 7,886,069	\$ 7,866,748	\$ 96,258,537
Medi-Cal	\$ 12,188,482	\$ 12,134,244	\$ 12,082,673	\$ 12,033,738	\$ 11,987,408	\$ 11,943,654	\$ 11,536,829	\$ 11,499,335	\$ 11,464,262	\$ 11,431,589	\$ 11,401,295	\$ 11,373,362	\$ 141,076,871
Total	\$ 45,941,707	\$ 45,737,267	\$ 45,542,883	\$ 45,358,435	\$ 45,183,805	\$ 45,018,884	\$ 43,714,071	\$ 43,572,000	\$ 43,439,106	\$ 43,315,304	\$ 43,200,519	\$ 43,094,678	\$ 533,118,659
<b>Medical Costs</b>													
Provider capitation													
Professional Facility	\$ 9,087,781	\$ 9,047,340	\$ 9,008,889	\$ 8,972,403	\$ 8,937,859	\$ 8,905,236	\$ 8,653,307	\$ 8,625,184	\$ 8,598,877	\$ 8,574,370	\$ 8,551,648	\$ 8,530,697	\$ 105,493,592
Facility	\$ 1,095,263	\$ 1,090,389	\$ 1,085,754	\$ 1,081,357	\$ 1,077,194	\$ 1,073,262	\$ 1,039,191	\$ 1,035,814	\$ 1,032,655	\$ 1,029,711	\$ 1,026,983	\$ 1,024,467	\$ 12,692,039
Total	\$ 10,183,043	\$ 10,137,729	\$ 10,094,644	\$ 10,053,760	\$ 10,015,053	\$ 9,978,498	\$ 9,692,498	\$ 9,660,998	\$ 9,631,532	\$ 9,604,082	\$ 9,578,631	\$ 9,555,163	\$ 118,185,631
Claims payments													
Professional Facility	\$ 630,460	\$ 627,654	\$ 624,987	\$ 622,455	\$ 620,059	\$ 617,796	\$ 615,664	\$ 613,663	\$ 611,792	\$ 610,048	\$ 608,431	\$ 606,941	\$ 7,409,950
Facility	\$ 11,648,615	\$ 11,607,014	\$ 11,450,962	\$ 11,530,849	\$ 11,379,933	\$ 11,464,354	\$ 11,286,544	\$ 10,910,702	\$ 11,234,538	\$ 11,096,154	\$ 11,192,357	\$ 11,058,483	\$ 135,860,504
Total	\$ 12,279,075	\$ 12,234,668	\$ 12,075,948	\$ 12,153,304	\$ 11,999,992	\$ 12,082,150	\$ 11,902,208	\$ 11,524,366	\$ 11,846,330	\$ 11,706,202	\$ 11,800,788	\$ 11,665,424	\$ 143,270,454
Prescription drugs	\$ 8,217,756	\$ 8,232,950	\$ 7,925,697	\$ 8,199,763	\$ 7,913,884	\$ 8,196,206	\$ 8,183,227	\$ 7,362,071	\$ 8,192,064	\$ 7,907,925	\$ 8,215,856	\$ 7,922,580	\$ 96,469,980
LTC	\$ 7,961,289	\$ 7,925,861	\$ 7,892,176	\$ 7,860,213	\$ 7,829,951	\$ 7,801,372	\$ 7,774,457	\$ 7,749,190	\$ 7,725,555	\$ 7,703,537	\$ 7,683,123	\$ 7,664,299	\$ 93,571,025
HCBS	\$ 2,565,453	\$ 2,554,036	\$ 2,543,182	\$ 2,532,882	\$ 2,523,130	\$ 2,513,921	\$ 2,505,248	\$ 2,497,106	\$ 2,489,490	\$ 2,482,395	\$ 2,475,816	\$ 2,469,751	\$ 30,152,409
Other medical costs	\$ 641,806	\$ 638,950	\$ 636,234	\$ 633,658	\$ 631,218	\$ 628,914	\$ 626,744	\$ 624,707	\$ 622,802	\$ 621,027	\$ 619,381	\$ 617,864	\$ 7,543,305
Medical mgmt activities	\$ 1,293,879	\$ 1,160,902	\$ 1,195,402	\$ 1,202,381	\$ 1,174,535	\$ 1,239,379	\$ 1,244,236	\$ 1,207,237	\$ 1,272,549	\$ 1,193,855	\$ 1,228,920	\$ 1,229,703	\$ 14,642,978
Total	\$ 43,142,301	\$ 42,885,096	\$ 42,363,284	\$ 42,635,961	\$ 42,087,764	\$ 42,440,440	\$ 41,928,619	\$ 40,625,675	\$ 41,780,321	\$ 41,219,023	\$ 41,602,516	\$ 41,124,783	\$ 503,835,783
Gross Margin	\$ 2,799,406	\$ 2,852,171	\$ 3,179,600	\$ 2,722,474	\$ 3,096,041	\$ 2,578,444	\$ 1,785,452	\$ 2,946,325	\$ 1,658,785	\$ 2,096,282	\$ 1,598,003	\$ 1,969,894	\$ 29,282,876
<b>Administrative Expenses</b>													
Salaries	\$ 997,138	\$ 912,573	\$ 939,943	\$ 938,579	\$ 916,271	\$ 969,043	\$ 968,204	\$ 939,077	\$ 990,512	\$ 926,220	\$ 953,983	\$ 955,319	\$ 11,406,860
Professional fees	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 41,804	\$ 501,646
Purchased services	\$ 229,333	\$ 149,235	\$ 149,235	\$ 149,695	\$ 149,695	\$ 150,140	\$ 150,215	\$ 149,771	\$ 149,771	\$ 149,771	\$ 149,771	\$ 149,816	\$ 1,876,447
Occupancy	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Printing & postage	\$ 131,444	\$ 131,444	\$ 132,375	\$ 131,444	\$ 131,444	\$ 132,375	\$ 131,444	\$ 131,444	\$ 132,375	\$ 131,444	\$ 131,444	\$ 132,003	\$ 1,580,679
Other operating expenses	\$ 492,187	\$ 6,887	\$ 7,637	\$ 6,887	\$ 6,887	\$ 8,537	\$ 6,887	\$ 6,887	\$ 7,637	\$ 6,887	\$ 7,637	\$ 6,887	\$ 571,840
Depreciation & amortization	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Indirect cost allocation	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 937,491	\$ 11,249,888
Total	\$ 2,829,396	\$ 2,179,433	\$ 2,208,484	\$ 2,205,900	\$ 2,183,591	\$ 2,239,388	\$ 2,236,044	\$ 2,206,472	\$ 2,259,589	\$ 2,193,615	\$ 2,222,129	\$ 2,223,319	\$ 27,187,360
Operating Surplus (Deficit)	\$ (29,990)	\$ 672,738	\$ 971,116	\$ 516,574	\$ 912,450	\$ 339,056	\$ (450,591)	\$ 739,853	\$ (600,805)	\$ (97,334)	\$ (624,126)	\$ (253,425)	\$ 2,095,516
<b>Medical Loss Ratio</b>	93.9%	93.8%	93.0%	94.0%	93.1%	94.3%	95.9%	93.2%	96.2%	95.2%	96.3%	95.4%	94.5%
<b>Admin Loss Ratio</b>	6.2%	4.8%	4.8%	4.9%	4.8%	5.0%	5.1%	5.1%	5.2%	5.1%	5.1%	5.2%	5.1%

[Back to Agenda](#)

# PACE Program

<b>Start Date</b>	October 2013
<b>Program Type</b>	Medicare and Medicaid Program
<b>Contractor/ Regulator</b>	CMS and DHCS
<b>Eligibility</b>	Member who is: <ul style="list-style-type: none"><li>• <math>\geq 55</math>;</li><li>• Meet nursing facility level of care; and</li><li>• Live in a PACE service area</li></ul>
<b>Services</b>	<ul style="list-style-type: none"><li>• All Medicare and Medicaid services</li><li>• 16 additional services, such as social services, nursing facility care, personal care, nutritional counseling and recreational therapy</li></ul>

# PACE Budget

Program	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Average Monthly Enrollment	125	127	193
Revenue	\$9,161,378	\$9,170,764	\$14,540,515
Medical Costs	\$10,340,749	\$10,130,855	\$15,567,769
Administrative Costs	\$1,230,199	\$1,500,626	\$1,361,996
<b>Operating Income/Loss</b>	<b>(\$2,409,571)</b>	<b>(\$2,460,718)</b>	<b>(\$2,389,250)</b>
Medical Loss Ratio	112.87%	110.47%	107.06%
Administrative Loss Ratio	13.43%	16.36%	9.37%

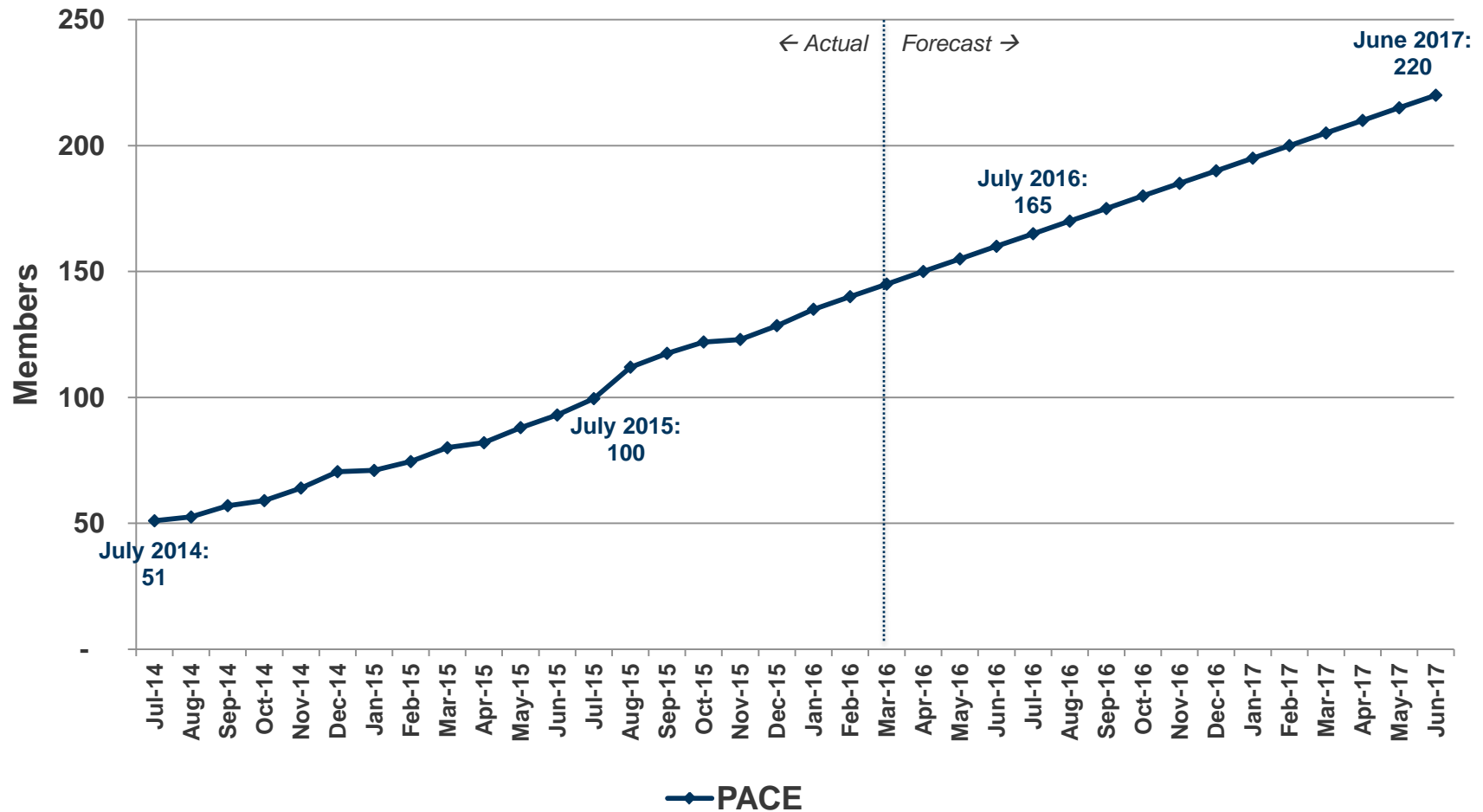
\* Annualized as of March 2016

## Key points

- Projected breakeven point at current enrollment, revenue, expense assumptions is 295 members reached in September 2018



# Enrollment: PACE



# PACE Assumptions

---

- Revenue
  - Based on current Medicare Parts C and D and Medi-Cal PMPM rates
    - Assumes 4.6% increase to Medi-Cal rates (UPL) based on DHCS' November 2015 Medi-Cal Local Estimates
    - Assumes 1.5% increase to Medicare Part C rate due to RAF method change
    - Medicare Part D rates decreased by 14% based on Milliman bid projection changes – Expenses do not support current revenue
  - Applies projected Part C Aged & Disabled RAF of 2.20 versus actual of 2.07
    - CMS updating RAF methodology for duals populations
    - Improved coding and submission of diagnostic data
- Medical cost
  - Based on mix of actual experience and industry benchmarks
  - Includes material depreciation costs associated with start-up capital expenses
  - Some administrative expenses are reclassified at 96% to medical

# PACE Income Statement

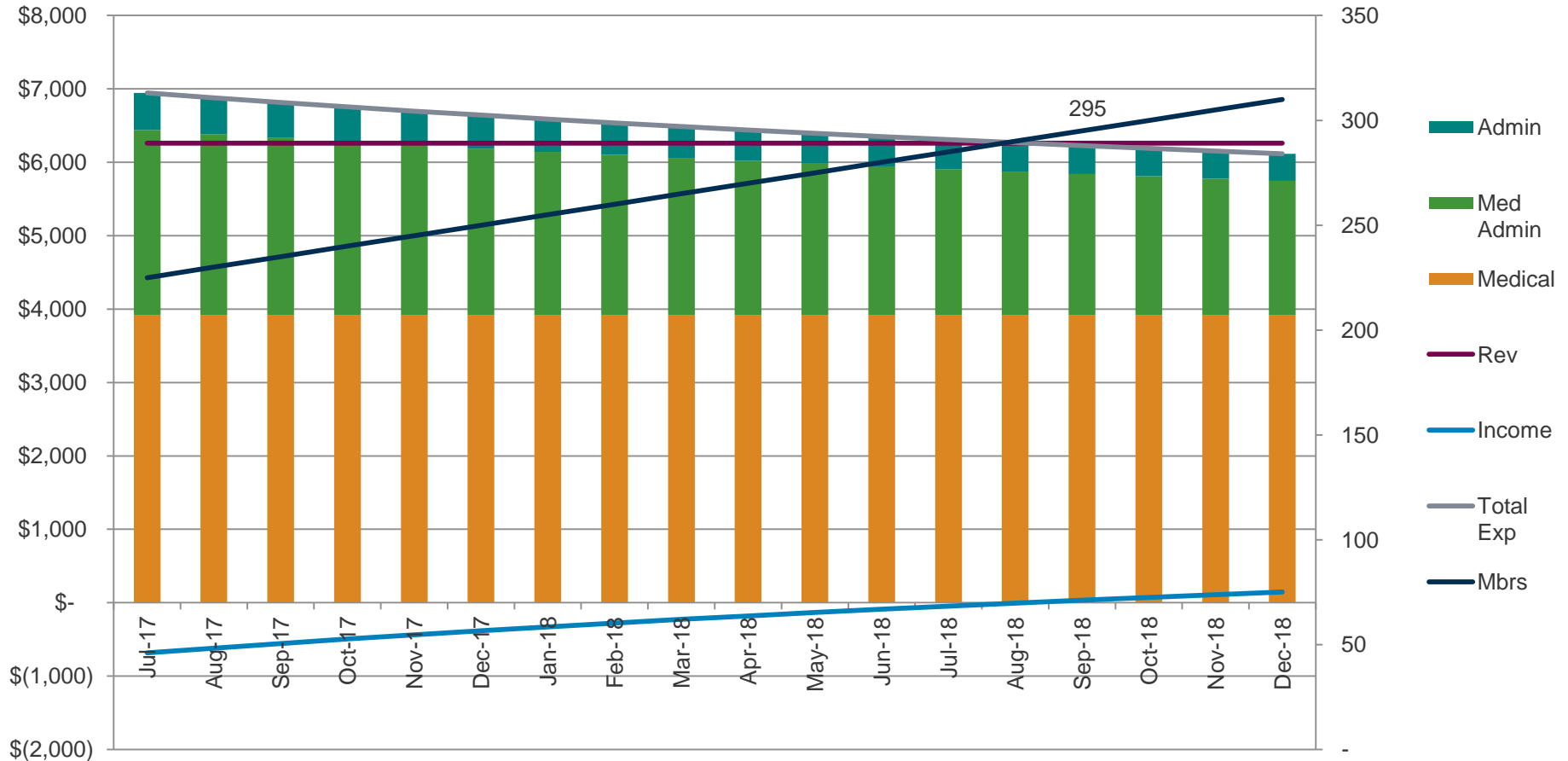
## CalOptima Fiscal Year 2016-17 Budget PACE Program Statement of Revenues and Expenses

Attachment A.6	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD
Member Months	165	170	175	180	185	190	195	200	205	210	215	220	2,310
Average Members													193
<b>Revenues</b>													
Part C	\$ 226,745	\$ 232,706	\$ 238,666	\$ 244,627	\$ 250,587	\$ 261,972	\$ 271,713	\$ 277,763	\$ 282,599	\$ 288,649	\$ 294,699	\$ 300,749	\$ 3,171,475
Part D	\$ 79,625	\$ 81,989	\$ 84,352	\$ 86,716	\$ 89,079	\$ 91,443	\$ 80,673	\$ 82,706	\$ 84,739	\$ 86,771	\$ 88,804	\$ 90,837	\$ 1,027,733
Medi-Cal	\$ 737,856	\$ 760,387	\$ 782,918	\$ 805,448	\$ 827,979	\$ 850,510	\$ 873,041	\$ 895,572	\$ 918,103	\$ 940,634	\$ 963,165	\$ 985,695	\$ 10,341,308
<b>Total</b>	\$ 1,044,226	\$ 1,075,081	\$ 1,105,936	\$ 1,136,791	\$ 1,167,646	\$ 1,203,925	\$ 1,225,427	\$ 1,256,040	\$ 1,285,441	\$ 1,316,054	\$ 1,346,668	\$ 1,377,281	\$ 14,540,515
<b>Medical Expense</b>													
Inpatient Services	\$ 113,511	\$ 116,951	\$ 116,507	\$ 123,830	\$ 123,164	\$ 130,710	\$ 134,149	\$ 124,274	\$ 141,029	\$ 139,808	\$ 147,908	\$ 146,466	\$ 1,558,307
Outpatient Services	\$ 22,828	\$ 23,519	\$ 23,430	\$ 24,903	\$ 24,769	\$ 26,286	\$ 26,978	\$ 24,992	\$ 28,362	\$ 28,116	\$ 29,745	\$ 29,455	\$ 313,385
Emergency Room	\$ 3,301	\$ 3,401	\$ 3,388	\$ 3,601	\$ 3,582	\$ 3,801	\$ 3,901	\$ 3,614	\$ 4,101	\$ 4,066	\$ 4,301	\$ 4,259	\$ 45,318
Rehab Post Acute SNF	\$ 46,273	\$ 47,676	\$ 47,495	\$ 50,480	\$ 50,209	\$ 53,284	\$ 54,687	\$ 50,661	\$ 57,491	\$ 56,994	\$ 60,296	\$ 59,708	\$ 635,252
Long Term Care LTC	\$ 22,000	\$ 22,667	\$ 22,581	\$ 24,000	\$ 23,871	\$ 25,333	\$ 26,000	\$ 24,086	\$ 27,333	\$ 27,097	\$ 28,667	\$ 28,387	\$ 302,022
Primary Care Services	\$ 48,487	\$ 50,364	\$ 50,579	\$ 54,175	\$ 54,313	\$ 58,081	\$ 60,077	\$ 56,087	\$ 64,093	\$ 64,025	\$ 68,233	\$ 68,078	\$ 696,593
HomeCare	\$ 39,541	\$ 40,739	\$ 40,585	\$ 43,136	\$ 42,904	\$ 45,532	\$ 46,730	\$ 43,290	\$ 49,127	\$ 48,702	\$ 51,523	\$ 51,021	\$ 542,829
Transportation	\$ 72,940	\$ 75,205	\$ 74,975	\$ 79,744	\$ 79,373	\$ 84,295	\$ 86,577	\$ 80,262	\$ 91,143	\$ 90,420	\$ 95,726	\$ 94,861	\$ 1,005,521
Staffing	\$ 3,651	\$ 3,762	\$ 3,747	\$ 3,983	\$ 3,962	\$ 4,204	\$ 4,315	\$ 3,997	\$ 4,536	\$ 4,497	\$ 4,757	\$ 4,711	\$ 50,122
Pharmacy	\$ 122,748	\$ 126,468	\$ 125,988	\$ 133,907	\$ 133,187	\$ 141,346	\$ 131,053	\$ 121,406	\$ 137,774	\$ 136,582	\$ 144,495	\$ 143,086	\$ 1,598,041
Other	\$ 168,540	\$ 173,506	\$ 173,060	\$ 183,463	\$ 182,715	\$ 193,459	\$ 198,476	\$ 184,814	\$ 208,519	\$ 207,012	\$ 218,616	\$ 216,802	\$ 2,308,983
<b>Total</b>	\$ 663,821	\$ 684,258	\$ 682,334	\$ 725,222	\$ 722,048	\$ 766,334	\$ 772,944	\$ 717,484	\$ 813,508	\$ 807,318	\$ 854,267	\$ 846,834	\$ 9,056,371
<b>Admin Split to Medical Expense</b>													
G&A Administrative Exp	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 24,900
G&A Benefits Expense	\$ 8,516	\$ (4,691)	\$ 7,136	\$ (4,691)	\$ 30,791	\$ 8,516	\$ 19,377	\$ 7,336	\$ (4,706)	\$ (4,706)	\$ 7,749	\$ (3,089)	\$ 67,538
G&A Depreciation Exp	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 49,349	\$ 592,188
G&A Other Exp	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 48,681	\$ 584,172
G&A Print & Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Purchased Svcs	\$ 274	\$ 282	\$ 281	\$ 297	\$ 295	\$ 312	\$ 320	\$ 298	\$ 335	\$ 332	\$ 350	\$ 347	\$ 3,723
G&A Rent and Lease	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 37,214	\$ 446,568
G&A Salaries Expense	\$ 409,514	\$ 387,104	\$ 387,296	\$ 398,460	\$ 352,483	\$ 397,522	\$ 394,004	\$ 392,947	\$ 427,419	\$ 399,692	\$ 413,759	\$ 432,109	\$ 4,792,309
<b>Total</b>	\$ 555,623	\$ 520,014	\$ 532,032	\$ 531,385	\$ 520,888	\$ 543,669	\$ 551,020	\$ 537,900	\$ 560,367	\$ 532,637	\$ 559,177	\$ 566,686	\$ 6,511,398
<b>Gross Margin</b>	\$ (175,218)	\$ (129,191)	\$ (108,430)	\$ (119,816)	\$ (75,291)	\$ (106,078)	\$ (98,536)	\$ 657	\$ (88,434)	\$ (23,900)	\$ (66,777)	\$ (36,239)	\$ (1,027,254)
<b>Administrative Expenses</b>													
G&A Administrative Exp	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 8,665	\$ 103,943
G&A Benefits Expense	\$ (2,920)	\$ (6,001)	\$ (2,852)	\$ (6,122)	\$ 3,809	\$ (2,794)	\$ 182	\$ (2,949)	\$ (6,462)	\$ (6,121)	\$ (2,972)	\$ (8,362)	\$ (43,552)
G&A Depreciation Exp	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 2,056	\$ 24,674
G&A Other Exp	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 3,566	\$ 42,792
G&A Print & Postage	\$ 1,721	\$ 1,722	\$ 1,722	\$ 1,726	\$ 1,725	\$ 1,729	\$ 1,731	\$ 1,726	\$ 1,734	\$ 1,733	\$ 1,737	\$ 1,736	\$ 20,742
G&A Professional Fees	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
G&A Purchased Svcs	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 1,220	\$ 14,640
G&A Rent and Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G&A Salaries Expense	\$ 101,281	\$ 94,895	\$ 94,895	\$ 98,011	\$ 85,545	\$ 98,011	\$ 94,349	\$ 94,179	\$ 103,529	\$ 96,215	\$ 96,215	\$ 101,632	\$ 1,158,757
<b>Total</b>	\$ 118,922	\$ 109,456	\$ 112,605	\$ 112,455	\$ 109,919	\$ 115,786	\$ 115,102	\$ 111,796	\$ 117,641	\$ 110,667	\$ 113,820	\$ 113,846	\$ 1,361,996
<b>Operating Surplus (Deficit)</b>	\$ (294,140)	\$ (238,647)	\$ (221,035)	\$ (232,271)	\$ (185,210)	\$ (221,864)	\$ (213,638)	\$ (111,139)	\$ (206,075)	\$ (134,567)	\$ (180,597)	\$ (150,085)	\$ (2,389,250)
<b>Medical Loss Ratio</b>	116.8%	112.0%	109.8%	110.5%	106.4%	108.8%	108.0%	99.9%	106.9%	101.8%	105.0%	102.6%	107.1%
<b>Admin Loss Ratio</b>	11.4%	10.2%	10.2%	9.9%	9.4%	9.6%	9.4%	8.9%	9.2%	8.4%	8.5%	8.3%	9.4%

[Back to Agenda](#)

# PACE Break-Even Analysis

PACE - Revenues vs Expenses vs Membership



# Facilities Budget

Program	FY 2015-16 Annualized*	FY 2015-16 Budget	FY 2016-17 Budget
Rental Income	\$404,772	\$245,679	\$255,419
Operating Costs	\$544,610	\$578,805	\$1,036,419
<b>Operating Income/Loss</b>	<b>(\$139,838)</b>	<b>(\$333,126)</b>	<b>(\$781,000)</b>

\* Annualized as of March 2016

## Key points

- Lower rental income due to tenant's exit
- Operating costs include:
  - Common area maintenance;
  - Building and tenant improvement depreciation;
  - Repair and maintenance;
  - Building management fees; and
  - New building lease.

# FY 2016-17 Capital Budget

---

## Capital Budget by Category

# Capital Budget

Category	FY 2016-17 Budget
<b>Information Systems</b>	
Hardware	\$4,142,000
Software	\$2,696,052
Professional Fees	\$2,648,000
<b>Subtotal</b>	<b>\$9,486,052</b>
<b>505 Building Improvements</b>	<b>\$552,300</b>
<b>PACE</b>	<b>\$61,177</b>
<b>Total</b>	<b>\$10,099,529</b>
<b>Carryover from FY 2016 Board Approved Action</b>	
City Plaza Lease – Furniture and Equipment	\$2,800,000

# Information Systems Budget

Project Type	FY 2016-17 Budget
<b>Projects Funded by FY 2016-17 Capital Budget</b>	
Infrastructure	\$3,837,000
Applications Management	\$3,594,000
Applications Development	\$2,035,052
COREC	\$20,000
<b>Total</b>	<b>\$9,486,052</b>

- Represents nearly 94% of total Capital Budget
- Addresses information technology infrastructure needs
- Supports internal operations
- Ensures compliance with state and federal statutory, regulatory and contractual requirements



# 505 Building Improvements

Project Type	FY 2016-17 Budget
Upgrade CalOptima Building Access System	\$105,000
Mail Room/Basement/Property Management Office	\$98,900
Relocate Trash Enclosure	\$85,000
Exterior Stairs Renovation	\$71,000
Condenser Pump	\$45,000
Convert Pneumatic T-Stats to Direct Digital Control	\$35,000
Kitchen/Commissary	\$35,000
Exterior Stairs and Patio Lighting	\$22,000
Retrofit Lobby Doors	\$20,000
Retro-Commission HVAC Controls	\$15,000
Parking Lot Cameras	\$12,000
Central Plant Controller	\$8,400
<b>Total</b>	<b>\$552,300</b>

# PACE Budget

Project Type	FY 2016-17 Budget
Furniture Upgrades	\$28,718
Convert Conf. Room 117 for 5 users	\$10,626
Dishwasher	\$10,000
NuStep – Recumbent Cross Trainer	\$5,000
Convert Conf. Room 137 for 2 users	\$4,833
PACE Mock Kitchen	\$2,000
<b>Total</b>	<b>\$61,177</b>

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

### Action To Be Taken June 2, 2016 Regular Meeting of the CalOptima Board of Directors

#### Report Item

17. Approve the CalOptima Fiscal Year 2016-17 Capital Budget

#### Contact

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

#### Recommended Action

Approve the CalOptima Fiscal Year (FY) 2016-17 Capital Budget.

#### Background

As of March 31, 2016, CalOptima has recorded gross capital assets of \$84.1 million in the 505 building, building improvements, furniture and equipment. To account for these fixed assets wearing out over time, staff has charged against the cost of these assets an accumulated depreciation totaling \$30.1 million. Staff will record capital assets acquired in FY 2016-17 at acquisition cost and will depreciate the value on a straight-line basis over their estimated useful lives as follows:

- 5 years for office furniture and fixtures;
- 3 years for computer equipment and software;
- The lesser of 15 years or remaining term of lease for leasehold improvements; and
- 10 to 20 years based on components for building improvements.

The resulting net book value of these fixed assets was \$53.5 million as of March 31, 2016. Prior board-approved capital budgets were \$7.8 million in FY 2015-16, and \$8.9 million in FY 2014-15 respectively.

#### Discussion

Management proposes a Capital Budget of \$10,099,529 for FY 2016-17 for the following asset types within three (3) asset categories:

Category	Amount	% of Total
Information Systems		
Hardware	\$4,142,000	
Software	\$2,696,052	
Professional Fees	<u>\$2,648,000</u>	
Subtotal	\$9,486,052	93.9%
505 Building Improvements	\$552,300	5.5%
PACE	\$61,177	0.6%
<b>Total</b>	<b>\$10,099,529</b>	<b>100%</b>
Carryover from FY 2016 Board Approved Action		
City Plaza Lease – Furniture and Equipment	\$2,800,000	

### 1. Information Systems

Information Systems represent the largest portion of the Capital Budget (93.9%). This asset category primarily addresses CalOptima's information technology infrastructure needs.

Project Type	Amount	% of Total
Infrastructure	\$3,837,000	40.4%
Applications Management	\$3,594,000	37.9%
Applications Development	\$2,035,052	21.5%
COREC	\$20,000	0.2%
<b>Total</b>	<b>\$9,486,052</b>	<b>100%</b>

The Capital Budget includes hardware, software, and professional fees to fund multiple systems upgrades. More detailed information is provided in Attachment A: FY 2016-17 Capital Budget by Project. These upgrades are necessary to support internal operations, and to continue to comply with state and federal contractual, regulatory and statutory requirements.

### 2. 505 Building Improvements

505 Building Improvements represents (5.5%) of the Capital Budget. The largest item (19.0%) within the 505 Building capital expenditures is for the upgrade of CalOptima's building access system.

Project Type	Amount	% of Total
Upgrade CalOptima Building Access System	\$105,000	19.0%
Mail Room/Basement/Property Management Office	\$98,900	17.9%
Relocate Trash Enclosure	\$85,000	15.4%
Exterior Stairs Renovation	\$71,000	12.9%
Condenser Pump	\$45,000	8.1%
Convert Pneumatic T-Stats to Direct Digital Control	\$35,000	6.3%
Kitchen/Commissary	\$35,000	6.3%
Exterior Stairs and Patio Lighting	\$22,000	4.0%
Retrofit Lobby Doors	\$20,000	3.6%
Retro-Commission HVAC Controls	\$15,000	2.7%
Parking Lot Cameras	\$12,000	2.2%
Central Plant Controller	\$8,400	1.5%
<b>Total</b>	<b>\$552,300</b>	<b>100%</b>

### 3. Program for All-Inclusive Care for the Elderly (PACE)

The remaining portion of the Capital Budget (0.6%) is for capital expenditures at the PACE center, including the purchase of a dishwasher, mock kitchen, recumbent cross trainer, upgrade of office furniture and the conversion of two conference rooms to accommodate multiple users.

Project Type	Amount	% of Total
Furniture upgrades	\$28,718	47.0%
Convert Conf. Room 117 for 5 users	\$10,626	17.4%
Dishwasher	\$10,000	16.3%
NuStep – Recumbent Cross Trainer	\$5,000	8.2%

<b>Project Type</b>	<b>Amount</b>	<b>% of Total</b>
Convert Conf. Room 137 for 2 users	\$4,833	7.9%
PACE Mock Kitchen	\$2,000	3.3%
<b>Total</b>	<b>\$61,177</b>	<b>100%</b>

**Fiscal Impact**

Investment in the Capital Budget will reduce CalOptima's investment principal by \$10,099,529. At a 1% return rate, this would reduce annual interest income by approximately \$100,995. Depreciation expense for Current Program Infrastructure and 505 Building Improvements is reflected in CalOptima's core program operating budgets.

**Rationale for Recommendation**

The FY 2016-17 Capital Budget will enable necessary system upgrades, enhance operational efficiencies, support strategic initiatives, comply with federal and state requirements, and provide expansion of building capacity to accommodate CalOptima's growth.

**Concurrence**

Gary Crockett, Chief Counsel  
Board of Directors' Finance and Audit Committee

**Attachments**

Attachment A: FY 2016-17 Capital Budget by Project

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**

**Attachment A**  
**Fiscal Year 2016-17 Capital Budget by Project**

	Hardware	Software	Professional Fees	Total Capital
<b>Infrastructure</b>				
Hardware	1,500,000	-	-	1,500,000
Network	709,000	-	-	709,000
Security	688,000	-	-	688,000
Disaster Recovery	560,000	-	-	560,000
Storage	380,000	-	-	380,000
<b>Total Infrastructure</b>	<b>\$ 3,837,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,837,000</b>
<b>Applications Management</b>				
Clinical Editor (CES / ACE) Optum	50,000	837,000	200,000	1,087,000
Burgess Claims Pricing Automation Phase II Medi-Cal	-	200,000	420,000	620,000
Altruista UM Module enhancement	-	-	600,000	600,000
Altruista Letter Server enhancement	50,000	200,000	250,000	500,000
Facets Upgrade 5.3	100,000	-	170,000	270,000
Facets CMU	-	150,000	50,000	200,000
Facets Letter Server conversion to TCS	-	-	150,000	150,000
Mediture Post Live - Add on Functionality	-	-	100,000	100,000
Cactus Upgrade	-	30,000	5,000	35,000
CORE CAQH implementation	-	-	32,000	32,000
<b>Total Applications Management</b>	<b>\$ 200,000</b>	<b>\$ 1,417,000</b>	<b>\$ 1,977,000</b>	<b>\$ 3,594,000</b>
<b>Applications Development</b>				
Provider Contract Management Application	-	459,120	68,000	527,120
Data Warehouse Enterprise Infrastructure Expansion	-	-	400,000	400,000
Fraud Waste & Abuse Software	-	300,000	100,000	400,000
Optimizing the Exchange of Data between IT Systems	-	262,732	-	262,732
EDI/Secure Data Exchange with Providers/Networks	90,000	50,000	60,000	200,000
Finance Reporting Software for Great Plains	-	120,000	20,000	140,000
Great Plains Software Upgrade	-	50,000	10,000	60,000
Health Network Data Consolidation XML Software	-	20,000	-	20,000
K2 Business Application Workflow Upgrade	15,000	-	3,000	18,000
PGP Encryption Automation Tool	-	7,200	-	7,200
<b>Total Applications Development</b>	<b>\$ 105,000</b>	<b>\$ 1,269,052</b>	<b>\$ 661,000</b>	<b>\$ 2,035,052</b>
<b>COREC</b>				
CRM Application Tool	-	10,000	10,000	20,000
<b>Total COREC</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 20,000</b>
<b>505 Building Improvements</b>				
Upgrade CalOptima and Building Access System	105,000	-	-	105,000
Mail Room/Basement/Prop Mgmt Office	98,900	-	-	98,900
Relocate Trash Enclosure	85,000	-	-	85,000
Exterior Stairs Renovation	71,000	-	-	71,000
New Condenser Pump	45,000	-	-	45,000
Convert Pneumatic T-Stats to Direct Digital Control	35,000	-	-	35,000
Kitchen/Commissary	35,000	-	-	35,000
Exterior Stair & Patio Lighting	22,000	-	-	22,000
Retrofit Lobby Doors	20,000	-	-	20,000
Retro-Commission HVAC Controls	15,000	-	-	15,000
Parking Lot Cameras	12,000	-	-	12,000
New Central Plant Controller	8,400	-	-	8,400
<b>Total 505 Building Improvements</b>	<b>\$ 552,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 552,300</b>
<b>PACE</b>				
Furniture Upgrades	24,293	-	4,425	28,718
Convert Conf. Room 117 for 5 users	8,026	-	2,600	10,626
Dishwasher	10,000	-	-	10,000
NuStep - Recumbent Cross Trainer	5,000	-	-	5,000
Convert Conf. Room 137 for 2 users	4,093	-	740	4,833
PACE Mock Kitchen	2,000	-	-	2,000
<b>Total PACE</b>	<b>68,169</b>	<b>-</b>	<b>10,190</b>	<b>61,177</b>
<b>Total FY17 New Capital Budget</b>	<b>\$ 4,762,469</b>	<b>\$ 2,696,052</b>	<b>\$ 2,658,190</b>	<b>\$ 10,099,529</b>

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2016**

#### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

18. Authorize Participation with the Orange County Health Care Agency in the Department of Health Care Services (DHCS) Whole Person Care (WPC) Pilot Program

#### **Contact**

Cheryl Meronk, Director, Strategic Development, (714) 246-8400

Arif Shaikh, Director, Public Policy and Government Affairs, (714) 246-8400

#### **Recommended Action**

Authorize participation with the Orange County Health Care Agency (HCA) in the DHCS WPC Pilot program, including providing the HCA with a letter of participation for the program.

#### **Background**

On December 30, 2015 California's Department of Health Care Services (DHCS) received approval from the Centers for Medicaid & Medicare Services (CMS) for the renewal of the state's Medi-Cal Section 1115 waiver program. The renewal waiver, known as Medi-Cal 2020, includes up to \$6.2 billion of federal funding and extends the waiver for five years, from December 30, 2015 to December 31, 2020. One of the provisions of Medi-Cal 2020 is the Whole Person Care Pilot, a county-run program that is intended to develop infrastructure and integrate systems of care to coordinate services for the most vulnerable Medi-Cal beneficiaries. On April 7, 2016, the Orange County Health Care Agency submitted a Letter of Intent (LOI) to DHCS to participate in the WPC Pilot.

#### **Discussion**

As per the LOI, the county aims to focus its WPC Pilot on developing infrastructure and integrating systems of care for high utilizing Medi-Cal beneficiaries who access county mental health services, substance use disorder services, and homeless services programs, and also have high instances of emergency room and inpatient utilization. One of the requirements of the DHCS WPC Pilot application is for the county to include a letter of participation from the Medi-Cal managed care plan. The WPC Pilot application must be submitted by July 1, 2016.

CalOptima's participation in the county's WPC Pilot, subject to full compliance with all applicable privacy laws applicable to CalOptima, will focus on the following areas:

- Entering into agreements with the county to share data about beneficiaries for better coordination of care
- Coordination with CalOptima's contracted health networks and providers to identify members who can benefit from WPC Pilot initiatives
- Working with the county and other entities associated with the WPC Pilot to analyze the effectiveness of the program as it relates to emergency department and inpatient utilization trends

**Fiscal Impact**

CalOptima does not anticipate incurring material operating expenses related to the recommended action to provide Orange County Health Care Agency with a letter of participation for the DHCS WPC pilot program. As program parameters are finalized, staff will keep the Board updated on the level of staffing resources committed.

**Rationale for Recommendation**

CalOptima has a long-standing relationship with the Orange County Health Care Agency. The two entities share common goals of improving access to care and health care outcomes for vulnerable residents of Orange County. The WPC Pilot provides an opportunity to integrate systems of care and reduce inappropriate emergency department and inpatient utilization for CalOptima's highest-risk members.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. CalOptima Letter of Participation to the Orange County Health Care Agency for WPC
2. Orange County Health Care Agency LOI to DHCS for WPC
3. Whole Person Care (WPC) Pilot Program (DHCS PowerPoint)

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**



June 2, 2016

Mark Refowitz  
Director  
Orange County Health Care Agency  
405 W. 5<sup>th</sup> Street, 7<sup>th</sup> Floor  
Santa Ana, CA, 92610

Dear Mr. Refowitz:

This letter is to confirm CalOptima's commitment and participation in the Whole Person Care (WPC) Pilot as the Medi-Cal managed care plan for Orange County, subject to full compliance with all applicable privacy laws applicable to CalOptima.

As specified in the WPC application being submitted by the County of Orange as the lead entity, CalOptima is committed to working in partnership with the County in implementing the WPC Pilot. The pilot will focus on developing infrastructure and integrating systems of care for our members who are homeless or at risk of homelessness, and will also specifically target those who are also seriously mentally ill. Additionally, we look forward to the impact of our collaboration with all the participating entities in improving health outcomes for these members.

We are particularly encouraged by the potential of the WPC Pilot to improve data sharing across the participating entities in order to better coordinate care. We believe that certain infrastructure components included in the WPC Application have broader relevance to helping serve all Medi-Cal beneficiaries served by CalOptima and we eagerly await the results of their implementation and evaluation in this pilot opportunity.

Thank you for your role as the lead entity and we look forward to working with you and the other collaborative partners on this program.

Sincerely,

Michael Schrader  
Chief Executive Officer



MARK A. REFOWITZ  
DIRECTOR  
(714) 834-6021  
[mrefowitz@ochca.com](mailto:mrefowitz@ochca.com)

RICHARD SANCHEZ  
ASSISTANT DIRECTOR  
(714) 834-2830  
[Richard.Sanchez@ochca.com](mailto:Richard.Sanchez@ochca.com)

## OFFICE OF THE DIRECTOR

405 W. 5<sup>th</sup> STREET, 7<sup>th</sup> FLOOR  
SANTA ANA, CA 92701  
FAX: (714) 834-5506

April 7, 2016

**TO:** Sarah Brooks, Deputy Director  
Health Care Delivery Systems, Department of Health Care Services

**SUBJECT:** Whole Person Care Pilot Letter of Intent

Pursuant to instructions dated March 18, 2016, this serves as the Letter of Intent, on behalf of Orange County, for our participation in the Whole Person Care (WPC) pilot. .

### **Lead Entity Contact Information:**

1. Lead Entity Name and Mailing Address is:  
Orange County Health Care Agency, 405 W 5th St, Santa Ana, CA 92701.
2. Point of Contact Name, E-mail Address, and Telephone Number is:  
Melissa Tober, Special Projects Manager, [mtober@ochca.com](mailto:mtober@ochca.com) , (714) 834-5891

### **Preliminary WPC Pilot Design:**

1. *Include a statement about your organization's interest in participating in a WPC pilot.*

The Orange County Health Care Agency (HCA) is keenly interested in WPC pilot participation based upon our successful collaboration with the DHCS on the Coverage Initiative Program and later the Low Income Health Program. In both of these instances, our collaboration enhanced our working relationship with DHCS, enhanced health care outcomes for vulnerable populations in Orange County, and led to a more efficient transition into Medi-Cal for those populations that are now covered pursuant to the Medi-Cal expansion (MCE) transition.

HCA believes that through our collaboration on WPC we will, similarly, be able improve outcomes for hard to serve populations, improve care coordination, and increase access to needed social and supportive services through the policies that the DHCS has articulated for WPC.

2. *Describe the geographic area in which the WPC pilot would operate and the target population(s) for the pilot.*
  - Geographic area: HCA is committed to a collaborative process with local stakeholders about all program parameters relating to WPC. Nonetheless, HCA assumes that the initial geographic focus will be on areas of high Medi-Cal enrollment and high utilization of county mental health, homeless services, and substance use disorder services, and also have high instances of emergency room and inpatient utilization. In Orange County, those areas include primarily Santa Ana, Garden Grove, and Anaheim (with a combined population of over one million people). It is expected, however, that this is an initial focus and during the five-year term of the WPC, other areas of Orange County will be included.

**Whole Person Care Pilot – Letter of Intent**

April 7, 2016

Page 2 of 3

- Population: Subject to a collaborative process with Orange County partners, HCA believes that WPC will be focused on high utilizing Medi-Cal beneficiaries who access county mental health services, substance use disorder services, and homeless services programs, and also have high instances of emergency room and inpatient utilization.

**3. *List the potential participating entities that would work in partnership with your organization as part of the WPC pilot. Indicate if the entity is a managed care plan, a health services and specialty mental health agency/department, a public agency/department, or a community partner.***

- Orange County Health Care Agency – Lead Entity and also includes:
  - County Behavioral Health (Mental Health and Substance Abuse).
  - County Public Health.
- Orange County Community Resources, which includes:
  - Homeless Prevention Program.
  - Orange County Housing Authority.
  - Veterans Service Office.
- Orange County Social Services Agency.
- CalOptima – the County Organized Health System (COHS) serving Orange County.
- Orange County 211 – A nonprofit offering a comprehensive information and referral system.
- Share Our Selves – A nonprofit FQHC that is also the only community health center in Orange County with a federal designation as a Healthcare for Homeless provider.
- Illumination Foundation – A nonprofit Orange County homeless community provider.
- Others as may be identified during the collaboration process.

**4. *Describe possible interventions and infrastructure that the WPC pilot may implement:***

With respect to infrastructure and data sharing, Orange County is evaluating, with plans to be more definitive in its application:

- Expanding the Homeless Management Information System currently managed by Orange County 211 to include a public health/health module.
- Re-tooling an electronic referral system, previously used for the Low Income Health Program, to link homeless beneficiaries to a care coordination team following an emergency room visit or inpatient admission. This process would happen in real time, allowing the necessary resources to reach the beneficiary when they are at their most vulnerable and have the highest need.
- Establishing/strengthening existing care coordination efforts among the participating entities, through data sharing/coordination.
- Other options as may be raised during the collaborative process, including the local 911 system.

With respect to care not currently reimbursed by Medicaid, Orange County is evaluating, with plans to be more definitive in its application:

- Expansion of recuperative care, a program that provides short- term medical care and care management to homeless persons who are recovering from an acute illness or injury, and whose conditions would be exacerbated by living on the street or in a shelter.
- Establishing medical bridge housing.
- Peer support services, including but not limited to transportation to medical appointments and in-home support services.

**Whole Person Care Pilot – Letter of Intent**

April 7, 2016

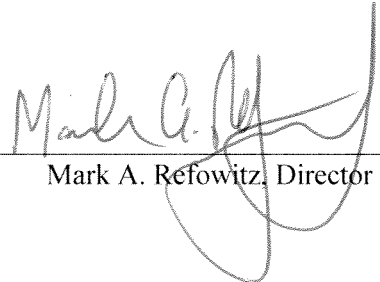
Page 3 of 3

- Additional wrap-around and supportive services that not only facilitate a beneficiary's ability to obtain permanent housing, but also allow them to maintain their housing.
- Other options as may be raised during the collaborative process.

**5. *Note whether or not the WPC pilot would provide housing and supportive services to the target population(s):***

Please see the response to question 4 with respect to supportive services which includes recuperative care and medical bridge housing, as well as wraparound and supportive services to the beneficiary. In addition to supporting the beneficiary to obtain and maintain housing, to the extent that the policies of the WPC Pilot allow, creative solutions to identifying housing options and opportunities will also be explored during the collaboration process. Orange County's rental vacancy rate is 1% to 2%, compared to 4% for California as a whole, placing available rental housing at a premium and causing rents to increase.

Thank you for this opportunity.



---

Mark A. Refowitz, Director

DG/RS/MAR:mh 16-034

cc: Frank Kim, County Executive Officer  
Mark Denny, Chief Operating Officer



# Whole Person Care (WPC) Pilot Program

**Sarah Brooks, Deputy Director**  
Health Care Delivery Systems  
Department of Health Care Services

May 16, 2016



# Presentation Overview

## 1. WPC Program Overview

## 2. Key Elements of the WPC Pilots

- Goals and Strategies
- Lead and Participating Entities
- Target Populations
- Activities/Services

## 3. Letters of Intent

## 4. STC Attachments

- Universal Metrics
- Variant Metrics

## 5. Implementation Activities

## 6. Application Elements and Timeline

## 7. Questions/Open Discussion



# WPC Program Overview

## Program Duration

- 5-year program authorized under the Medi-Cal 2020 waiver

## Goal

- To test locally-based initiatives that will coordinate physical health, behavioral health, and social services for beneficiaries who are high users of multiple health care systems and have poor outcomes

## Funding

- Up to \$1.5 billion in federal funds available to match local public funds over 5 years
- Up to \$300 million annually is available
- Based on semi-annual reporting of activities/interventions
- Non-federal share provided via Intergovernmental Transfers (IGT)



# Goals and Strategies

## Increase:

- Integration among county agencies, health plans, providers, and other entities within the participating county or counties that serve high-risk, high-utilizing beneficiaries
- Coordination and appropriate access to care for the most vulnerable Medi-Cal beneficiaries
- Access to housing and supportive services

## Reduce:

- Inappropriate emergency department and inpatient utilization





# Goals and Strategies

## Develop:

- An infrastructure that will ensure local collaboration among the entities participating in the WPC pilots over the long term

## Improve:

- Health outcomes for the WPC population
- Data collection and sharing among local entities

## Achieve:

- Targeted quality and administrative improvement benchmarks



# Lead Entities

## Lead Entities:

- County
- A city and county
- A health or hospital authority
- A designated public hospital
- A district/municipal public hospital
- A federally recognized tribe
- A tribal health program under a Public Law 93-638 contract with the federal Indian Health Services
- A consortium of any of the above entities

## Lead Entity Responsibilities:

- Submits Letter of Intent and application
- Serves as the contact point for DHCS
- Coordinates WPC pilot
- Collaborates with participating entities



# Participating Entities

## Participating Entities must include at least:

- One (1) Medi-Cal managed care health plan
- One (1) health services agency/department
- One (1) specialty mental health agency/department
- One (1) public agency/department
- Two (2) community partners

## Participating Entity Responsibilities:

- Collaborates with the lead entity to design and implement the WPC pilot
- Provides letters of participation
- Contributes to data sharing/reporting



# Lead and Participating Entities

- Lead entities indicate in the application who the participating entities will be.
  - DHCS encourages a collaborative approach.
- Only one Medi-Cal managed care plan is required to participate, but DHCS encourages including multiple plans.
  - Medi-Cal managed care plan participation must include the plan's entire network (i.e., where delegation of risk has occurred to an entity in the plan's network).
  - Specific exclusions and exceptions may be considered on a case-by-case basis.
- Lead entities cannot also be one of the two required community partners.



# Target Populations

WPC pilots identify high-risk, high-utilizing Medi-Cal beneficiaries in their geographic area.

- Work with participating entities to determine the best target population(s) and areas of need.

Target population(s) may include, but are not limited to, individuals:

- with repeated incidents of avoidable emergency use, hospital admissions, or nursing facility placement;
- with two or more chronic conditions;
- with mental health and/or substance use disorders;
- who are currently experiencing homelessness; and/or
- who are at risk of homelessness, including individuals who will experience homelessness upon release from institutions (e.g., hospital, skilled nursing facility, rehabilitation facility, jail/prison, etc.).



# Letters of Intent

- DHCS released instructions for a Letter of Intent (LOI) in March 2016.
- The purpose of the LOI was to gauge the level of interest, obtain preliminary program design, and provide an opportunity for entities to submit questions
  - Submission of an LOI was voluntary and will not preclude lead entities from applying when the WPC application is released.
- 29 LOIs were received from 28 counties.



# Letters of Intent

	Lead Entity	Geographic Area
1	Alameda County Health Care Services Agency	Alameda County, with concentration in the “880 corridor” stretching from Oakland to Hayward
2	Arrowhead Regional Medical Center	San Bernardino County
3	Calaveras County Health and Human Services Agency	Calaveras County
4	California Rural Indian Health Board (CRIHB)	Statewide
5	Contra Costa Health Services	Contra Costa County (Urban areas)
6	County of Imperial Public Health Department	Imperial County (geographic area TBD)
7	County of San Mateo Health System	San Mateo County
8	Humboldt County Department of Health and Human Services	Humboldt County
9	Kern Medical Center	Kern County (Individuals residing within a 15 mile radius of KMC and/or their assigned medical home)
10	Kings County Department of Public Health	Kings County
11	Los Angeles County	Los Angeles County in all 8 county service planning areas
12	Mathiesen Memorial Health Clinic	Calaveras, Tuolumne, and Mariposa Counties
13	Mendocino County Health & Human Services Agency	Mendocino County
14	Monterey County Health Department	Monterey County
15	Orange County Health Care Agency	Orange County with focus on areas of high Medi-Cal enrollment and high utilization of county resources (primarily Santa Ana, Garden Grove, and Anaheim)



# Letters of Intent

	Lead Entity	Geographic Area
16	Placer County Health and Human Services	Placer County
17	Riverside University Health System Department of Population Health	Riverside County
18	San Benito County Health and Human Services Agency	San Benito County
19	San Diego County Health and Human Services Agency	San Diego County
20	San Francisco Department of Public Health	City of San Francisco
21	San Joaquin County Health Care Services Agency	San Joaquin County – (initial targets Stockton and Lathrop areas with entire county by demo end)
22	Santa Clara Valley Health and Hospital System	Santa Clara County
23	Shasta County Health and Human Services Agency	Shasta County
24	Solano County Health and Social Services	Solano County
25	Southern Indian Health Council	San Diego County (rural southeast)
26	Tulare County Health and Human Services Agency	Tulare County
27	Ventura County Health Care Agency	Ventura County
28	WellSpace Health	Sacramento
29	Yolo County Health and Human Services Agency	Yolo County

- The list of the lead entities that voluntarily submitted LOIs can also be found at the following link:

<http://www.dhcs.ca.gov/services/Documents/WPCLOISubmissions.pdf>.





# Activities/Services

Generally, WPC pilot payments may support activities that:

- **Build infrastructure** to integrate services among local entities that serve the target population.
- **Provide services not otherwise covered or directly reimbursed by Medi-Cal** to improve care for the target population, such as housing components.\*
- **Implement strategies** to improve integration, reduce unnecessary utilization of health care services, and improve health outcomes.

\*Federal WPC payments are not available for services provided to non-Medi-Cal beneficiaries.



# Activities/Services Examples

- Care coordination
- Recuperative care/medical respite
- Sobering centers
- Transportation
- Field-based care, such as case managers, therapists, or nurses delivering services on the street or in the home
- New IT infrastructure



# Activities/Services: Housing Supports & Services

## WPC pilots for Housing Supports/Services:

- May target individuals who are experiencing, or are at risk of, homelessness who have a demonstrated medical need for housing or supportive services.
- Must have participating entities that include local housing authorities, local continuum of care program, and community-based organizations serving homeless individuals.



# Activities/Services: Housing Supports & Services

Federal Medicaid funds may not be used to cover the cost of:

- Room and board
- Monthly rental or mortgage expense
- Food
- Regular utility charges
- Household appliances or items that are intended for purely diversional/recreational purposes

However, state or local government and community entity contributions that are not used to match WPC pilot federal financial participation (FFP) may be allocated to fund support for long-term housing, including rental housing subsidies.



# Activities/Services: Housing Supports & Services

## Eligible Housing Supports & Services include:

- Individual Housing Transition Services: housing transition services to assist beneficiaries with obtaining housing, such as individual outreach and assessments.
- Individual Housing & Tenancy Sustaining Services: services to support individuals in maintaining tenancy once housing is secured, such as tenant and landlord education and tenant coaching.
- Additional transition services, such as searching for housing, communicating with landlords, and coordinating moves.



# Activities/Services: Housing Supports & Services

## Additional transition services:

- Transportation
- Environmental accommodations for accessibility
- Housing transition services beyond case management services that do not constitute room and board, such as:
  - Security deposits
  - Utility set-up fees
  - First month coverage of utilities
  - One-time cleaning prior to occupancy, etc.



# Activities/Services: Flexible Housing Pool

## The flexible housing pool:

- May include funding created from savings generated by reductions in health, behavioral, and acute care costs, which result from WPC pilot housing-related strategies.
- Can be used to fund additional supports and services that are not available for (FFP), such as rental subsidies, home setup, deposits, and utilities.



# STC Attachments

- There are three Special Terms and Conditions (STC) protocols related to Whole Person Care:
  - Attachment GG – Reporting and Evaluation
  - Attachment HH – WPC Pilot Requirements and Application Process
  - Attachment MM – WPC Pilot Requirements and Metrics
- Attachment MM describes the universal and variant metrics that WPC pilots are required to report on.





# Universal Metrics

All WPC are required to report on the same set of universal metrics.

- These include four (4) health outcomes measures and three (3) administrative measures.
- **Health Outcomes Measures:**
  - 1. Ambulatory Care
  - 2. Inpatient Utilization
  - 3. Follow-up After Mental Health Illness Hospitalization
  - 4. Initiation and Engagement of Alcohol and Other Drug Dependence Treatment
- **Administrative Measures:**
  - 1. Comprehensive Care Plan
  - 2. Care Coordination, Case Management, and Referral Infrastructure
  - 3. Data and Information Sharing Infrastructure



# Variant Metrics

Variant metrics are specific to the WPC target population(s), strategies, and interventions.

- Each WPC Pilot must report on a minimum of four (4) variant metrics, including:
  - 1. One administrative metric in addition to the Universal care coordination and data sharing metrics
  - 2. One standard health outcomes metrics (e.g., HEDIS) applicable to the WPC Pilot population across all five program years for each target population
  - 3. WPC Pilots utilizing the PHQ-9 shall report the Depression Remission at Twelve Months (NQF 0710) metric; all other Pilots shall report one alternative health outcomes metric.
  - 4. WPC Pilots including a severely mentally ill (SMI) target population must report on the Adult Major Depression Disorder (MDD): Suicide Risk Assessment (NQF 0104) WPC Pilots; all other Pilots shall report one alternative health outcomes metric.
- WPC Pilots implementing a housing component must report a metric specific to the housing [intervention](#).



# Implementation Activities To Date

## Completed

- Issued frequently asked questions (FAQs); continually updated as clarifications must be made
- Conducted FAQ webinar
- Released Letter of Intent to gauge level of interest; collected responses
- Released draft application and selection criteria
- Public comment on draft application and selection criteria
- Submitted selection criteria to CMS for approval

## Next Steps

- Finalize Attachment MM (metrics protocol) with CMS
- Issue all three protocols (Attachment GG, Attachment HH, and Attachment MM) as final
- Submit valuation outline prior to releasing application
- Release final application and selection criteria
- Conduct application webinar
- Review applications which are due July 1
- Convene a Learning Collaborative



# WPC Application Elements

The WPC application must provide information on:

- The target population of the WPC pilot
- Services, interventions, and strategies that will be used for each target population
- How data sharing will occur between the participating entities
- The performance measures the WPC pilot will use to track progress
- The plan for collecting, reporting, and analyzing data
- How monitoring of the participating entities' performance will occur



# WPC Application Elements

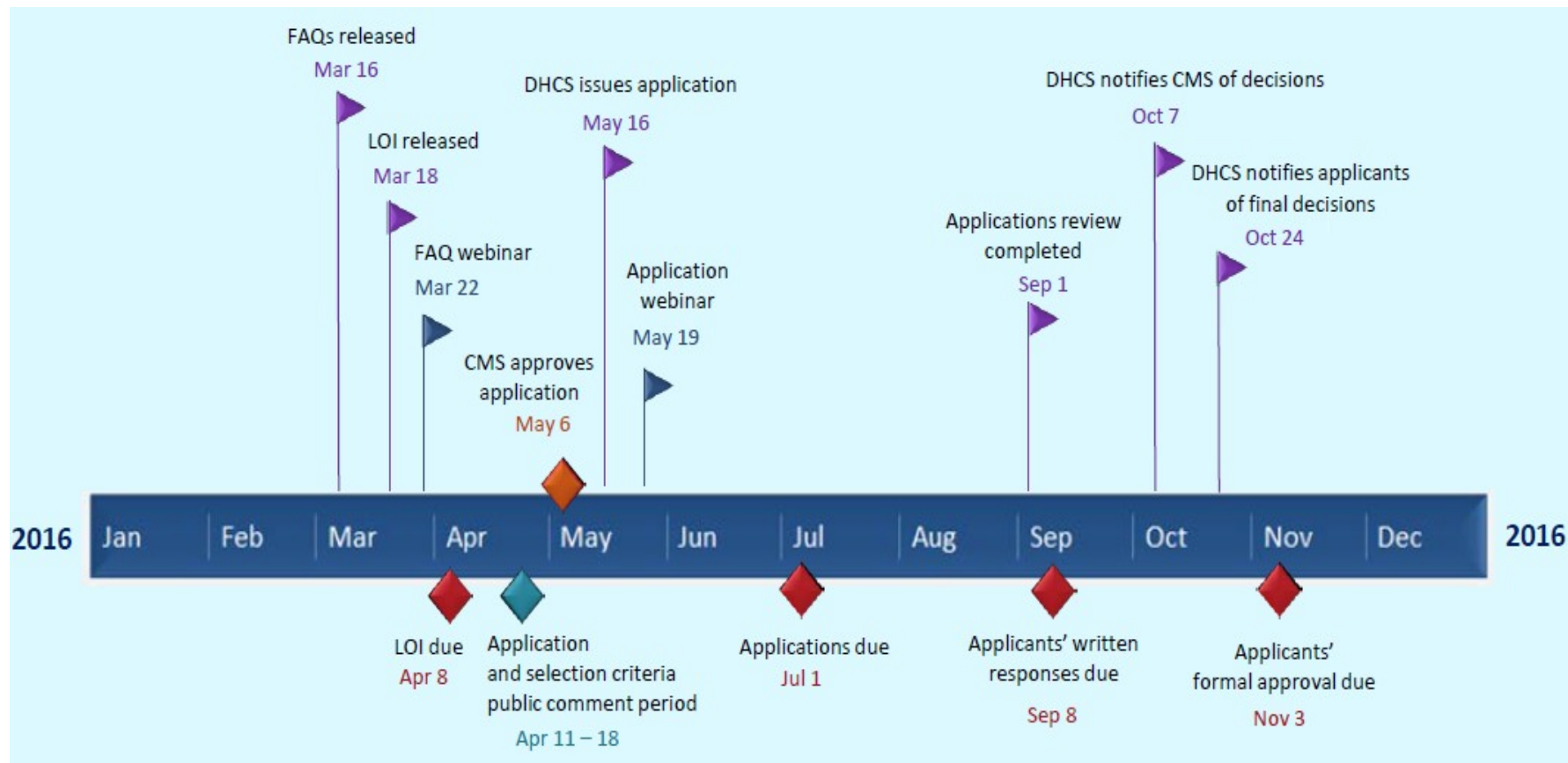
## (cont'd)

The WPC application must provide information on:

- The universal and variant metrics that the WPC pilots will report on
- The WPC pilot financing structure, including the funding flow to the lead entity and participating entities
- The total requested funding amount to operate the WPC pilot
- An attestation for the WPC pilot lead entity to participate in learning collaboratives to share best practices among pilot entities



# Application Timeline





# Resources

Visit our webpage:

- <http://www.dhcs.ca.gov/services/Pages/WholePersonCarePilots.aspx>

Submit questions/sign up for the listserv:

- [115WholePersonCare@dhcs.ca.gov](mailto:115WholePersonCare@dhcs.ca.gov)



# Questions and Discussion





## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 2, 2016**

**Regular Meeting of the CalOptima Board of Directors**

### **Report Item**

19. Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Events

### **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 community events:
  - a. Up to \$1,500 and staff participation in the 28th Annual Senior Saturday Community Festival on September 10, 2016 at the Pier Plaza in downtown Huntington Beach;
2. Make a finding that such expenditures are for a public purpose and in furtherance of CalOptima's mission and statutory purpose; and
3. 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 current and potential CalOptima members and others the activity/event will reach, the marketing benefits accrued to CalOptima, the strength of the partnership or level of involvement with the requesting entity in serving CalOptima members, past participation, staff availability, and available budget.

### **Discussion**

Staff recommends the authorization of expenditures for participation in the community events due in part to highlight the OneCare Connect program in the community, potentially increasing enrollment for the program and increasing access to health care services in the community.

- a. For the 28th Annual Senior Saturday Community Festival in Huntington Beach, a \$1,500 financial commitment includes a half page ad in the event program, CalOptima logo display on the Gold Sponsor Banner, food tent and program cover, announcement of sponsorship during the event, CalOptima's website link on the Huntington Beach Council on Aging (HBCOA) website for six (6) months, one exhibit space, and one (1) preferred parking space. Employee time will be used to participate in the event. Employees will have the opportunity to interact with current and potential CalOptima members and highlight the

OneCare Connect program with senior members in the community, potentially increasing enrollment. More than 10,000 guests are expected to attend the event. The event provides information and resources for seniors and the general public and will include entertainment, food and special attractions. Participation in the event will create positive visibility for CalOptima in the community and provide continued support to our existing relationship with the Huntington Beach Council on Aging. CalOptima has provided sponsorship and staff participation for the event for the past five years.

CalOptima staff has reviewed each request and determined that they each meet the considerations for participation including the following:

1. The number of current and potential CalOptima members and others 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 in serving CalOptima members;
4. Past participation;
5. Staff availability; and
6. Available budget.

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 \$1,500 is included as part of the Public Activities budget under the CalOptima Fiscal Year 2015-16 Operating Budget approved by the CalOptima Board of Directors on June 4, 2015.

#### **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 event will provide an opportunity to highlight the OneCare Connect program in the community, potentially increasing enrollment for the program and increase access to health care services in the community.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

Huntington Beach Council on Aging 28<sup>th</sup> Annual Senior Saturday Community Festival Registration Materials

/s/ Michael Schrader  
**Authorized Signature**

5/26/2016  
**Date**



## 28<sup>th</sup> Annual Senior Saturday Community Festival!

April 25, 2016

Dear Community Leader,

The Huntington Beach Council on Aging (HBCOA) is proud to announce its 28<sup>th</sup> Annual "Senior Saturday Community Festival" to be held at beautiful Pier Plaza in downtown Huntington Beach, on **Saturday, September 10, 2016** from 9 a.m. to 2 p.m.

With an estimated 10,000 people visiting Pier Plaza every Saturday, thousands of people attend our event and take away valuable information on products and services specifically geared to the Baby Boomers as well as the older adult population. Seniors and their families enjoy the morning and afternoon together amid a festive atmosphere of entertainment, food and special attractions.

The Senior Saturday Community Festival is an outstanding venue for our new and established businesses to reach the new Baby Boomers, seniors, their friends and family, beach goers, and the general public. The best part is that the money we raise goes back directly into needed senior services, such as emergency response buttons, care management, and active aging programs at the Senior Center in Central Park. What better way to help your community while generating new business for yourself or your organization!

Sponsorship opportunities will start at \$450, and most of your cost can be offset, because HBCOA is a non-profit corporation under Section 501(c)3 of the Internal Revenue Code. Our federal tax I.D. number is 51-0179431.

***Once again we will have preferred location options, and incentives for attendees to visit more booths, such as our "Senior Saturday Opportunity Drawing" for participants who collect a minimum number of booth stamps to win prizes.***

Attached for your convenience is a registration form and information about sponsorship entitlements. We have a **"First Come - First Served"** policy, so early registration is suggested to help ensure your preferred booth location. **Booths for this event have sold out for the past 13 years.** The deadline to register is **Friday, July 22<sup>nd</sup>, 2016.**

For more information, please contact Judy Ann Morris, or Adria Thomke, Senior Saturday Co-Chairs at (714) 374-1524, [hbseniorsaturday@gmail.com](mailto:hbseniorsaturday@gmail.com)

Sincerely,

Judy Ann Morris and Adria Thomke  
Huntington Beach Council on Aging

**Huntington Beach Council on Aging**  
**Senior Saturday Community Festival - September 10, 2016**  
**Sponsorship Registration Form**

Company identity sign should read as follows (PRINT): \_\_\_\_\_

Contact person(s): 1] \_\_\_\_\_ 2] \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Zip: \_\_\_\_\_ Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

The following goods and/or services will be displayed\*: \_\_\_\_\_

Please mark the box adjacent to your desired sponsorship level (see attachment for entitlements).

☐ **Bronze Sponsor (\$450)**

☐ **Gold Sponsor (\$1500)**

☐ **Silver Sponsor (\$850)**

☐ **Platinum Sponsor (\$2500)**

Electrical outlet requested\*? Yes ☐ No ☐

List all items requiring power: \_\_\_\_\_

Circle your preferred booth location (see map on reverse)      Area A      Area B      Area C

*(Booth assignment preference will be given to Platinum, Gold and Silver sponsors accordingly, and may be based on the postmark date of your sponsorship application. No guarantees are made to placement at the event. HBCOA reserves the right of assignment of all booths)*

Total amount enclosed: \$ \_\_\_\_\_ Huntington Beach Council on Aging tax ID # 51-0179431

☐ Check # \_\_\_\_\_ Please make all checks payable to **Huntington Beach Council on Aging**

☐ Visa    ☐ MC \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Exp \_\_\_\_\_ / \_\_\_\_\_

Authorized Signature \_\_\_\_\_

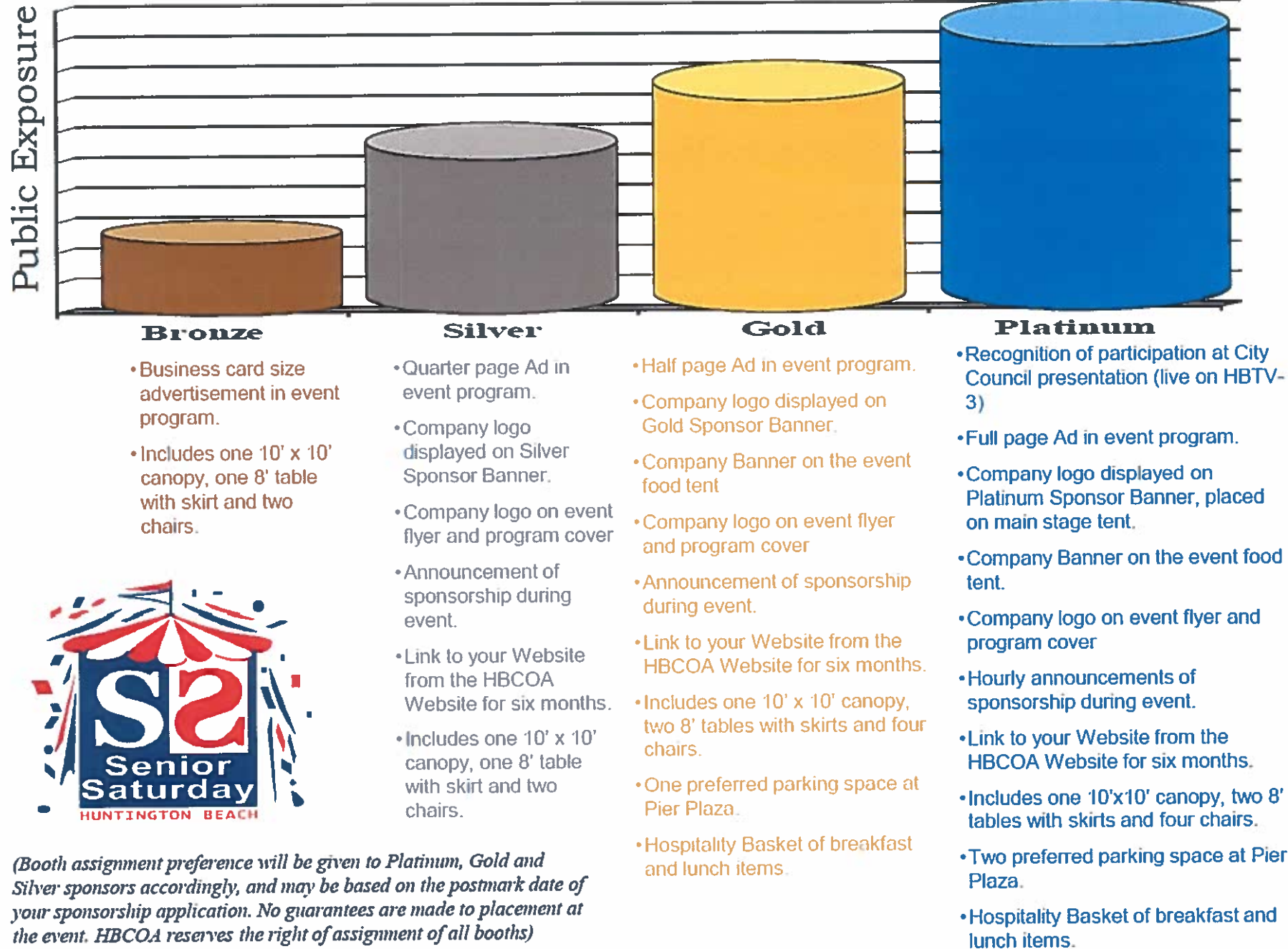
Non-profit sponsorship booths may be available to a limited number of local organizations. Call or email for details.  
For more information, contact Judy Ann Morris, or Adria Thomke, Senior Saturday Co-Chairs

(714) 374-1524 or [hbsrsaturday@gmail.com](mailto:hbsrsaturday@gmail.com)

Mail or submit online  
completed applications to:

**Huntington Beach Council on Aging**  
**Senior Saturday Community Festival**  
1706 Orange Ave  
Huntington Beach, CA 92648  
Fax: (714) 374-1543

# Senior Saturday Sponsorship Levels



*(Booth assignment preference will be given to Platinum, Gold and Silver sponsors accordingly, and may be based on the postmark date of your sponsorship application. No guarantees are made to placement at the event. HBCOA reserves the right of assignment of all booths)*

[Back to Agenda](#)

## **CONTINUED TO 8/4/16 BOARD OF DIRECTORS MEETING**

### **AGENDA ITEM 20 TO FOLLOW CLOSED SESSION**

Authorize the Chief Executive Officer to Submit Supplemental Benefit Recommendations to the Centers for Medicare & Medicaid Services and the California Department of Health Care Services for the OneCare Connect Program

## **CONTINUED TO FUTURE BOARD OF DIRECTORS MEETING**

### AGENDA ITEM 21 TO FOLLOW CLOSED SESSION

Consider Chief Executive Officer and Chief Counsel  
Performance Reviews and Compensation

## **Board of Directors Meeting June 2, 2016**

### **Provider Advisory Committee (PAC) Update**

---

#### **May 12, 2016 PAC Meeting**

Twelve (12) PAC members were in attendance at the May 12, 2016 meeting.

The PAC approved its FY 2015-16 Accomplishments. In addition to meeting on a monthly basis over the course of the FY 2015-16, PAC members have participated in at least six (6) ad hoc subcommittees and dedicated approximately 320 hours or the equivalent of 40 business days. This does not account for the time spent preparing for meetings, reviewing reports, participating in their professional associations and communicating with CalOptima Staff and their respective constituencies.

PAC members recognize the importance to continue a monthly meeting frequency and approved the PAC Meeting Schedule for the 2016-17 fiscal years. The PAC has opted to go dark in January and July consistent with the Board schedule.

As we have been reporting to the Board, PAC has six seat appointments expiring on June 30, 2016: two (2) Long Term Services and Support seats, a Non-Physician Medical Practitioner seat, a Pharmacy seat and two (2) Physician seats. The PAC Nomination process began on March 1, 2016, and ended on April 1, 2016. Members Edwards, Kahn, and Ross - who were not up for reappointment, volunteered to serve on the nomination ad hoc subcommittee. The Ad Hoc subcommittee met on April 28, 2016 and PAC approved the slate of recommended candidates at their May 12, 2016 PAC Regular meeting. PAC recommendations have been submitted separately of this report for the CalOptima Board's final approval. PAC recommended candidates for a three-year term from July 1, 2016 to June 30 2019 include the following:

- New appointment for Donald Bruhns as the Long Term Services and Support representative;
- New appointment for John Nishimoto, O.D., MBA, F.A.A.O as the Non-Physician Medical Practitioner representative;
- New appointment for Anjan Batra, M.D. as the Physician representative;
- Reappoint Steven Flood as the Long Term Services and Support representative;
- Reappoint Mary Pham, Pharm.D, CHC as the Pharmacy representative;
- Reappoint Theodore J. Caliendo MD, as the Physician representative;
- Appoint Teri Miranti as the PAC Chairperson for FY 2016-17.

Deputy Chief Medical Officer, Richard Bock, MD, presented on the Minimum Physician Standards (MPS) as requested by Member Miranti at the April PAC meeting. Dr. Bock reviewed the old standards and the proposed standards with the members. As part of the proposed standards, the new MPS requires that contract physicians be board certified in their specialty (exempting physicians first licensed in the U.S. before January 1, 2008). Dr. Bock will keep the PAC updated once these new standards have been adopted. Dr. Bock along with Caryn Ireland,



Executive Director, Quality Analytics provided the PAC with an update on Member Experience. After much discussion on the results of CalOptima's supplemental survey, it was decided to reconvene the CAHPS ad hoc committee to address some of the issues that were identified in the survey results.

PAC received the following updates from CalOptima executive staff at the May 12, 2016 PAC meeting: CFO Financial Update, CMO Update, and CNO Update.

Once again, the PAC appreciates and thanks the CalOptima Board for the opportunity to present input and updates on the PAC's activities.

## **Provider Advisory Committee FY 2015 - 2016 Accomplishments**

During FY 2015-2016 the Provider Advisory Committee (PAC) of the CalOptima Board of Directors provided input on provider issues to ensure that CalOptima members continue to receive high quality health care services. The following list highlights their accomplishments:

- PAC Pharmacy Representative led three CAHPS Ad Hoc Committee meetings along with two other PAC representatives from the Community Health Centers and the Health Networks to provide feedback and advice to CalOptima staff towards training, education and upcoming focus groups for the next 2016 CAHPS survey, with mutual goals to increase scores.
- The PAC Community Clinic Representative participated in two safety net meetings with CalOptima Board members who represent clinics and CalOptima leadership to discuss ways that CalOptima can partner with the safety net in Orange County.
- One of the three PAC Physician Representatives (Dr. Ruggio) served on the CalOptima's Quality Improvement Committee (QIC): this committee provides overall direction for the continuous improvement process and oversees that activities are consistent with CalOptima's strategic goals and priorities; promotes an interdisciplinary approach to driving continuous improvement and make certain that adequate resources are committed to the program; supports compliance with regulatory and licensing requirements and accreditation standards related to Quality Improvement Projects, Activities and Initiatives; and monitors, evaluates and acts on the care and services members are provided to promote quality of care.
- PAC LTSS Representatives provided input and assisted CalOptima staff to vet strategy with staff from LTC facilities and California Association of Health Facilities (CAHF) regarding proposed strategy to enroll Medi-Medi beneficiaries living in long-term care facilities by facility rather than by birthday into the OneCare Connect program.
- PAC LTSS Representative continues to participate in the Long Term Services and Supports Quality Subcommittee (LTSS QISC). His role is to provide input in CalOptima LTSS Quality Program. This has resulted in improvements to; the quality metrics used to measure LTSS providers and the educational programs used to improve knowledge and services at the provider level.
- An Ad Hoc Subcommittee composed of MAC, OneCare Connect MAC (OCC MAC) and Provider Advisory Committee (PAC) members met with CalOptima staff to review and provide feedback on the draft FY2016-2019 CalOptima 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.

- Several PAC members attended CalOptima’s community health and wellness event to mark CalOptima’s 20-year Anniversary.
- All PAC members completed the annual Compliance Training by the deadline.
- Two of the PAC Physician Representatives continue working with CalOptima TechAssist Program staff (formerly COREC) to implement an Electronic Medical Record (EMR) system and achieve Meaningful Use.
- 2016 PAC Nomination Ad Hoc subcommittee met on April 28, 2016, to select new PAC members for the six PAC vacancies: Long-Term Services and Supports (two seats); Non-Physician Medical Practitioner; Pharmacy and Physician (two seats) plus the PAC Chair for FY 2016-17. The three (3) Ad Hoc members presented the slate of candidates to the full PAC on May 12, 2016 with their recommendations.
- PAC members reached out to their constituencies to solicit public comments from a number of physicians who were surveyed regarding behavioral/mental health. Three physicians made public comments and another five physicians provided written input at the December 10, 2015 PAC meeting.
- Both MAC and PAC held a special joint meeting on January 21, 2016 to further solicit public comments on behavioral health. Member Fitzpatrick presented a summary of written comments from nurse practitioners and physician assistants regarding behavioral health services, including behavioral health therapy and applied behavior analysis.
- PAC members supported the intergovernmental transfer (IGT) projects that are completed or in progress, as well as the proposed recommendations for the use of the remaining IGT funds.
- Provided PAC Reports at CalOptima’s Board of Directors’ monthly meetings to provide the Board with input and updates on the PAC’s activities.
- PAC members attendance equals on average over 73% of members attend each monthly meeting and there are 11 out of 15 members attending each meeting.
- In addition to meeting on a monthly basis over the course of the FY 2015-16, PAC members have participated in at least six (6) ad hoc subcommittees and dedicated approximately 320 hours or the equivalent of 40 business days. This does not account for the time spent preparing for meetings, reviewing reports, participating in their professional associations and communicating with CalOptima Staff and their respective constituencies.

- Once again, the PAC appreciates and thanks the CalOptima Board for the opportunity to present input and updates on the PAC's activities during the monthly Board Meeting. In addition, the PAC welcomes direction or assignment from the Board on any issues or items requiring study, research, and input.

## **Board of Directors Meeting June 2, 2016**

### **Member Advisory Committee Update**

---

At the May 12, 2016 Member Advisory Committee (MAC) meeting, MAC considered a slate of candidates for seven seats expiring on June 30, 2016, including: 1) Children; 2) Consumer; 3) Foster Children; 4) Long-Term Care (LTC); 5) Medically Indigent Persons; 6) Persons with Mental Illness; and 7) Persons with Special Needs. After considering the proposed slate of candidates and Chairperson, MAC is forwarding the following recommended candidates to the CalOptima Board for consideration:

- Reappoint Christina Sepulveda as the Children's Representative;
- Reappoint Lisa Workman as the Consumer Representative;
- Reappoint Gene Howard as the Foster Children Representative;
- Reappoint Velma Shivers as the Long-Term Care (LTC) Representative;
- Reappoint Sally Molnar as the Medically Indigent Persons' Representative;
- Reappoint Sr. Mary Therese Sweeney as the Persons with Mental Illness Representative;
- Appoint Christine Tolbert as the Persons with Special Needs Representative; and
- Appoint Mallory Vega as Chair of the MAC for fiscal year 2016-17.

The MAC also approved the FY 2016-17 MAC Meeting Schedule, as well as the FY 2016-17 Goals and Objectives. In addition, the MAC approved the FY 2015-16 Accomplishments, which Chair Vega will present at the June 2, 2016 CalOptima Board of Directors' meeting.

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

## **Member Advisory Committee FY 2015-2016 Accomplishments**

During FY 2015-2016, the Member Advisory Committee (MAC) of the CalOptima Board of Directors provided input on member issues to ensure that CalOptima members receive high quality health care services. The following list highlights the accomplishments:

- An Ad Hoc Subcommittee composed of four MAC members convened an Autism Outreach meeting to develop strategies to outreach to this population. Per ad hoc committee member recommendations, the MAC accomplished the following; 1) developed a comprehensive Autism Resource list in March 2016 to post on CalOptima's website for MAC members and staff to use when working with members; 2) placed articles in CalOptima newsletters on Autism Spectrum Disorder (ASD), including the March issue of the Community Connections E-newsletter and the winter issue of the Medi-Cal newsletter; and 3) continue to invite autism specialists to present at MAC meetings to increase awareness and understanding of this population.
- MAC members supported CalOptima's proposal to transition members receiving Behavioral Health Treatment (BHT)/Applied Behavior Analysis (ABA) services from Regional Center of Orange County (RCOC) to CalOptima.
- An Ad Hoc Subcommittee composed of MAC, OneCare Connect MAC (OCC MAC) and Provider Advisory Committee (PAC) members met with CalOptima staff on December 7, 2015 to review and provide feedback on the draft FY2016-2019 CalOptima 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.
- Three MAC members participated on the OCC MAC Nominations Ad Hoc Subcommittee to evaluate candidates to fill a community seat until the OCC MAC was established.

- A Special Joint MAC/PAC Committee convened on January 21, 2016 to discuss the growing need for coordinated mental/behavioral health care services. MAC members reached out to their constituencies to solicit public comments regarding access to mental/behavioral health services. The main obstacles reported included: 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.
- MAC members reviewed the status of Medi-Cal redeterminations in Orange County and how the Social Services Agency assists members with the process.
- A MAC Nomination Ad Hoc Subcommittee met on April 20, 2016 to select the proposed slate of candidates and Chairperson for the seven seats due to expire on June 30, 2016. The MAC reviewed the proposed slate of candidates at its May 12, 2016 meeting and forwarded their recommendations to the Board for consideration during their June 2, 2016 meeting.
- MAC members supported the intergovernmental transfer (IGT) projects that are completed or in progress, as well as the proposed recommendations for the use of the remaining IGT funds.
- A MAC Ad Hoc Subcommittee met on April 20, 2016 to develop the Goals and Objectives for FY 2016-17. The Ad Hoc members recommended goals and objectives that align with CalOptima's strategic direction. The MAC approved the FY 2016-17 MAC Goals and Objectives on May 12, 2016 and submitted them to the Board as an informational item on June 2, 2016.
- The Long-Term Care (LTC) Representative sends staff/volunteers to each of CalOptima's OneCare Connect LTC Family Events to provide member decision support.
- Several MAC members attended CalOptima's community health and wellness event to mark CalOptima's 20-year Anniversary.
- All MAC members completed the annual Compliance Training by the deadline.
- The MAC Seniors' Representative participates on the PACE Advisory Committee to provide input to the PACE Center.
- The MAC Chair presented a monthly MAC Report at CalOptima Board of Directors' meetings to provide the Board with input and updates on the MAC's activities.

- MAC members contributed at least 245 “official” hours to CalOptima during FY 2015-16, including MAC meetings, ad hoc meetings, and Board meetings. These hours do not account for the innumerable hours that MAC members dedicate to members on a day-to-day basis.

The MAC thanks the CalOptima Board for the opportunity to provide updates on the MAC’s activities. The MAC welcomes direction or assignment from the Board on any issues or items requiring study, research, and input.



# CalOptima Board of Directors'

## MAC Goals Objectives

MAC GOALS AND OBJECTIVES FY 2016-2017				
CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	MAC Activities	MAC Progress
I. Quality Programs and Services	A. Provide members with Access to quality health care services	A. Launch new and expanded business lines: o Coordinated Care Initiative including OneCare Connect o PACE Center	A1. Provide specific input and recommendations to ensure members have quality health care during launch of new and expanding lines of business: a. Will continue to provide input on Medi-Cal expansion b. Continue work with CalOptima Board and staff to ensure quality care of OneCare Connect members and Coordinated Care Initiative (CCI) c. Continue review and evaluation of the PACE Center's outreach and enrollment strategies as well as provide input on PACE Expansion. d. Provide input on how to provide access to health care for the homeless population. e. Provide input on findings from Member Experience program and HEDIS.	
	B. Integrate and Coordinate Care to ensure optimal health outcomes for all our members		B1. Provide input to ensure integration and care coordination is maintained: a. Work with CalOptima Board and staff to ensure members achieve optimal health outcomes. b. Areas to consider regarding optimal health outcomes, include hospital readmissions, palliative care and childhood obesity c. Ensure there is an emphasis on wellness and preventive care d. Provide input to CalOptima on active collaboration with community stakeholders to ensure health care in the county. e. Review and provide input on health education programs.	

# CalOptima Board of Directors'

## MAC Goals Objectives

MAC GOALS AND OBJECTIVES FY 2016-2017				
CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	MAC Activities	MAC Progress
	C. Integrate Physical and Behavioral health.	C. Further integrate behavioral health	<b>C1.</b> Provide input and recommendations on CalOptima’s behavioral health initiatives. a. Review and evaluate the BHT/ABA transition plan and provide feedback to CalOptima Board and staff b. Emphasize coordination and integration between behavioral health and physical health care. c. Review and provide input on the new mental health benefit. d. Continue outreach and increase awareness of those with Autism Spectrum Disorder.	
	D. Support initiatives that complement the work of the health plan better serving members, particularly in addressing unmet needs in the community.	D. Review and support unmet needs in the community that are consistent with CalOptima’s mission	<b>D1.</b> Identify and recommend areas in which there are unmet community health needs: a. Provide input and recommend programs that address the unmet health needs (e.g. palliative care; Assisted Living Waiver) b. Identify potential stakeholders to engage in further exploration of identified needs.	
			<b>D2.</b> Seek member engagement and input into proposed pilots, programs and services: a. Ensure community organization engagement on issues impacting members and the community.	
<b>II. Strong Internal Process</b>	A. Achieve measurable improvements in service and quality of care for CalOptima’s members.	A. Increase use of benchmarking and comparisons to national standards and rankings	<b>A1.</b> CalOptima will update MAC on upcoming audits and changes in CMS and DHCS regulations: a. Provide input to CalOptima on remaining in compliance with all regulatory guidelines	

CalOptima Board of Directors'  
MAC Goals Objectives

MAC GOALS AND OBJECTIVES FY 2016-2017				
CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	MAC Activities	MAC Progress
	B. Continuously enhance governance process.	B. Apply best practices to board governance process	B1. Review the governance process in order to enhance and maximize the MAC’s advisement and benefit to the Board. a. Ensure that the Board is informed of member issues and concerns prior to the Board’s consideration or action upon major decisions or initiatives b. Provide input on CalOptima's Strategic Plan.	
			B2. Ensure the MAC has strong representation to support and maximize the benefit and role that MAC provides to the Board. a. Encourage MAC attendance at CalOptima's cultural Awareness & Education Seminars (AES), Informational Series and Community Forums to increase knowledge and awareness of members and community-based resources.	

Charge of the Advisory Committees pursuant to Resolution No. 2-14-95:

- 1. Provide advice and recommendations to the Board on issues concerning CalOptima as directed by the Board.
- 2. Engage in study, research and analysis on issues assigned by the Board or generated by the committees.
- 3. Serve as liaisons between interested parties and the Board.
- 4. Assist the Board in obtaining public opinion on issues related to CalOptima.
- 5. Initiate recommendations on issues of study to the Board for their approval and consideration.
- 6. Facilitate community outreach for CalOptima and the CalOptima Board.

## **Board of Directors Meeting June 2, 2016**

### **OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) Member Advisory Committee Update**

---

At the April 28, 2016 OneCare Connect Member Advisory Committee (OCC MAC) meeting, OCC MAC considered a proposed slate of candidates and Chairperson for four seats expiring on June 30, 2016 and one vacant seat. The seats included: 1) Community-Based Adult Services (CBAS) provider representative; 2) Home and Community-Based Services (HCBS) representative serving seniors; 3) Long-Term Care (LTC) facility representative; 4) Member advocate representative; and 5) OneCare Connect member/family member representative. The recommended slate of candidates and Chairperson for Board consideration is as follows:

- Reappoint Gio Corzo as the CBAS Provider Representative;
- Reappoint Patty Mouton as the HCBS Seniors Representative;
- Reappoint Ted Chigaros as the LTC Facility Representative;
- Reappoint Christine Chow as the Member Advocate Representative;
- Appoint John Dupies as the OneCare Connect Member/Family Member Representative; and
- Reappoint Patty Mouton as Chair of the OCC MAC for fiscal year 2016-17.

OCC MAC also considered the FY 2016-17 OCC MAC Meeting Schedule, as well as the FY 2016-17 Goals and Objectives, which were based on the State's goals for the Cal MediConnect program. In addition, the OCC MAC approved the FY 2015-16 Accomplishments being presented at the June 2, 2016 CalOptima Board of Directors' meeting.

At the April meeting, OCC MAC received a report from the Illumination Foundation, Street2Home OC: A Proposed Safety Net System for Orange County's Chronically Homeless, and an overview of Mental Health and Substance Abuse Services for OCC Members from Dr. Sharps.

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

OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)

**OneCare Connect Member Advisory Committee  
FY 2015-2016 Accomplishments**

During FY 2015-2016, the OneCare Connect Member Advisory Committee (OCC MAC) of the CalOptima Board of Directors provided input on the implementation of OneCare Connect and ensured that OneCare Connect members receive quality health care services. The following list highlights the accomplishments:

- OCC MAC members provided input on CalOptima's strategies to maximize enrollment, retention, and member outreach efforts to OneCare Connect members.
- OCC MAC members supported CalOptima's Long-Term Care (LTC) facility enrollment strategy to enroll members by facility rather than by birth month. In addition, an OCC MAC Representative supported CalOptima's OneCare Connect LTC Family Events by sending staff to provide member decision support.
- An Ad Hoc Subcommittee composed of OCC MAC, MAC and Provider Advisory Committee (PAC) members met on December 7, 2015 with CalOptima staff to review and provide feedback on the draft FY2016-2019 CalOptima 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.
- As the liaison for the Cal MediConnect Ombudsman, the OCC MAC Representative from Legal Aid Society of Orange County provided quarterly updates and feedback from the community regarding the OneCare Connect implementation and the passive enrollment process.
- OCC MAC members provided input on strategies to recruit candidates for OneCare Connect member/family members of an OneCare Connect member.
- Three OCC MAC members participated on the OCC MAC Nominations Ad Hoc Subcommittee to evaluate OneCare Connect family member candidates to fill the member/family member seats.

- An OCC MAC Nomination Ad Hoc Subcommittee met on April 14, 2016 to select the proposed slate of candidates and Chairperson for the five seats expiring on June 30, 2016. The OCC MAC reviewed the proposed slate of candidates at its April 28, 2016 meeting and forwarded their recommendations to the Board for consideration during their June 2, 2016 meeting.
- An OCC MAC Ad Hoc Subcommittee met on April 14, 2016 to develop the Goals and Objectives for FY 2016-17. The Ad Hoc members' recommendations were based on the State's goals for Cal MediConnect. The OCC MAC approved the FY 2016-17 Goals and Objectives on April 28, 2016 and submitted them to the Board as an informational item on June 2, 2016.
- At each OCC MAC meeting, an OCC MAC member volunteers to provide an overview and background of the agency or organization with which he or she is affiliated.
- OCC MAC members attended CalOptima's community health and wellness event to mark CalOptima's 20-year Anniversary.
- All OCC MAC members completed the annual Compliance Training.
- The OCC MAC Chair presented a monthly OCC MAC Report at CalOptima Board of Directors' meetings to provide the Board with input and updates on the OCC MAC's activities.
- OCC MAC members contributed at least 250 "official" hours to CalOptima during FY 2015-16, including OCC MAC meetings, ad hoc meetings, and Board meetings. These hours do not account for the innumerable hours that OCC MAC members dedicate to members on a day-to-day basis.

The OCC MAC thanks the CalOptima Board for the opportunity to provide updates on the OCC MAC's activities. The OCC MAC welcomes direction or assignment from the Board on any issues or items requiring study, research, and input.

# OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)

## Member Advisory Committee

### ONECARE CONNECT MAC GOALS AND OBJECTIVES FY 2016-2017

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	OCC MAC Activities
<b>I. Quality Programs and Services</b>	A. Provide members with Access to quality health care services	A. Launch and implement business lines: <ul style="list-style-type: none"> <li>o Cal MediConnect/ OneCare Connect (OCC)</li> <li>o Coordinated Care Initiative (CCI)</li> <li>o Long Term Services and Supports (LTSS)</li> </ul>	A1. Provide specific input and recommendations to ensure members have quality health care during launch and implementation of OCC and CCI: <ul style="list-style-type: none"> <li><b>a.</b> Provide input to ensure that members' care is person-centered and encourages involvement of the member/family/ caregivers (as permitted by member)</li> <li><b>b.</b> Provide input to ensure that the member's services are culturally, linguistically, and operationally sensitive to meet their needs, improve their health outcomes, enhance independence, and promote living in home and community settings</li> <li><b>c.</b> Provide input on the risk stratification process and the Health Risk Assessment (HRA) tool.</li> <li><b>d.</b> Monitor disenrollment and retention rates.</li> <li><b>e.</b> Provide input and participate in outreach to increase awareness and knowledge of OCC in the community.</li> </ul>

# OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)

## Member Advisory Committee

### ONECARE CONNECT MAC GOALS AND OBJECTIVES FY 2016-2017

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	OCC MAC Activities
	B. Integrate and Coordinate Care to ensure optimal health outcomes for all our members		<b>B1.</b> Provide input to ensure integration and care coordination is maintained: <b>a.</b> Work with CalOptima Board and staff to ensure members achieve optimal health outcomes. <b>b.</b> Areas to consider regarding optimal health outcomes: address hospital readmissions by encouraging connecting to community-related support. <b>c.</b> Provide input on recuperative care of homeless members. <b>d.</b> Ensure there is an emphasis on wellness and preventive care.
	C. Integrate Physical and Behavioral health.	C. Further integrate behavioral health	<b>C1.</b> Provide input and recommendations to: <b>a.</b> Emphasize coordination and integration between behavioral health and physical health care. <b>b.</b> Review and provide input on behavioral health coordination between CalOptima, county agency and community resources. <b>c.</b> Provide input on mental health benefits. <b>d.</b> Provide input on mental health and substance abuse among OCC members.



# OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)

## Member Advisory Committee

### ONECARE CONNECT MAC GOALS AND OBJECTIVES FY 2016-2017

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	OCC MAC Activities
<b>II. Strong Internal Process</b>	<b>A.</b> Achieve measurable improvements in service and quality of care for CalOptima's members.	<b>A.</b> Increase use of benchmarking and comparisons to national standards and rankings	
	<b>B.</b> Continuously enhance governance process.	<b>B.</b> Apply best practices to board governance process	



# CalOptima

Better. Together.

## Financial Summary

### April 2016

Board of Directors Meeting  
June 2, 2016

Chet Uma  
Chief Financial Officer

# FY 2015-16: Consolidated Enrollment

---

- April 2016 MTD:
  - Overall enrollment was 789,609 member months
    - Actual lower than budget by 4,266 or 0.5%
      - Medi-Cal: favorable variance of 6,105 members
        - Medi-Cal Expansion growth higher than budget
        - SPD enrollment higher than budget due to less than anticipated dual eligible members transferring to OneCare Connect
        - Offset by lower than budget TANF enrollment
      - OneCare Connect: unfavorable variance of 10,323 members
    - 0.5% decrease from prior month
      - Medi-Cal: decrease of 3,617 from March 2016
        - Decreases in TANF of 2,095 and MCE of 1,573
    - 5.6% or 41,672 increase in enrollment from prior year

# FY 2015-16: Consolidated Enrollment (Cont.)

---

- April 2016 YTD:
  - Overall enrollment reached 7,803,301 member months
    - Actual lower than budget by 76,225 or 1.0%
      - Medi-Cal: unfavorable variance of 19,387
        - TANF enrollment lower than budget
        - Offset by higher than budget enrollment in Medi-Cal Expansion and SPD categories
      - OneCare Connect: unfavorable variance of 54,179 or 42.9%
      - OneCare: unfavorable variance of 2,729

# FY 2015-16: Consolidated Revenues

---

- April 2016 MTD:
  - Actual lower than budget by \$13.3 million or 4.7%
    - OneCare Connect: unfavorable variance of \$14.8 million due to lower enrollment
    - Medi-Cal: favorable to budget by \$3.2 million
      - Favorable volume variance of \$ 1.8 million due to higher enrollment
      - Favorable in price variance of \$1.3 million related to member mix
- April 2016 YTD:
  - Actual lower than budget by \$111.0 million, or 4.2%
    - OneCare Connect: unfavorable variance of \$99.1 million due to lower actual enrollment than budget
    - Medi-Cal: lower than budget by \$4.5 million
      - Member mix in Medi-Cal
      - Prior year revenue adjustment of \$1.5 million

# FY 2015-16: Consolidated Medical Expenses

- April 2016 MTD:
  - Actual lower than budget by \$11.6 million or 4.3%
    - OneCare Connect: favorable variance of \$12.6 million due to lower actual enrollment than budget
    - Medi-Cal: unfavorable variance of \$2.4 million
      - Higher LTC expenses due to less than anticipated eligible members transferring to OneCare Connect
      - YTD Health network reinsurance adjustment made in April
- April 2016 YTD:
  - Actual lower than budget by \$110.7 million or 4.3%
    - OneCare Connect: favorable variance of \$94.4 million due to lower actual enrollment than budget
    - Medi-Cal: favorable variance of \$10.2 million due to actual utilization and cost variances than budget
- Medical Loss Ratio (MLR):
  - April 2016 MTD: Actual: 95.1% Budget: 94.7%
  - April 2016 YTD: Actual: 95.8% Budget: 95.9%

# FY 2015-16: Consolidated Administrative Expenses

- April 2016 MTD:
  - Actual lower than budget by \$3.5 million or 27.4%
    - Salaries and Benefits: favorable variance of \$1.4 million driven by lower than budgeted FTE of 171
    - Other categories: favorable variance of \$2.1 million
- April 2016 YTD:
  - Actual lower than budget by \$39.5 million or 31.0%
    - Salaries and Benefits: favorable variance of \$17.3 million due to under budgeted FTE of 2,114
    - Professional Fees and Purchased services: favorable variance of \$8.5 million (\$3.5 million and \$5.0 million, respectively)
    - Printing and Postage: favorable variance of \$4.7 million
- Administrative Loss Ratio (ALR):
  - April 2016 MTD:                      Actual: 3.5%                      Budget: 4.5%
  - April 2016 YTD:                      Actual: 3.5%                      Budget: 4.8%

# FY 2015-16: Change in Net Assets

---

- April 2016 MTD:
  - \$5.7 million surplus
  - \$3.4 million favorable to budget
    - Attributable to:
      - Savings in medical expenses of \$11.6 million
      - Savings in administrative expenses of \$3.5 million
      - Higher investment income of \$1.6 million
      - Offset by lower than budgeted revenue of \$13.3 million
- April 2016 YTD:
  - \$28.9 million surplus
  - \$46.9 million favorable to budget
    - Attributable to:
      - Savings in medical expenses of \$110.7 million
      - Savings in administrative expenses of \$39.5 million
      - Higher investment income of \$7.5 million
      - Offset by lower than budgeted revenue of \$111.0 million



# FY 2015-16: Change in Net Assets (cont.)

---

- April 2016 YTD variance attributable to:
  - Medi-Cal: \$21.0 million surplus; \$33.6 million favorable to budget
    - Savings in medical expenses of \$10.2 million
    - Savings in administrative expenses of \$27.9 million
    - Offset by lower than budgeted revenue of \$4.5 million
  - OneCare Connect: \$1.2 million deficit; \$6.1 million favorable to budget
    - Favorable medical expenses of \$94.4 million
    - Favorable administrative expenses of \$10.7 million
    - Offset by lower than budgeted revenue of \$99.1 million
  - PACE: \$1.9 million deficit; \$0.2 million favorable to budget
    - Unfavorable medical expenses of \$0.5 million
    - Favorable administrative expenses of \$0.2 million
    - Favorable revenue of \$0.5 million
  - OneCare: \$1.5 million surplus; \$0.8 million unfavorable to budget
    - Favorable medical expenses of \$6.5 million
    - Favorable administrative expenses of \$0.6 million
    - Offset by lower than budgeted revenue of \$7.9 million

# Enrollment Summary:

## April 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
56,497	48,999	7,498	15.3%	Aged	605,487	565,021	40,466	7.2%
648	737	(89)	(12.1%)	BCCTP	6,748	7,366	(618)	(8.4%)
49,047	50,186	(1,139)	(2.3%)	Disabled	523,432	532,272	(8,840)	(1.7%)
3,325	2,508	817	32.6%	LTC	35,612	32,447	3,165	9.8%
224,886	201,306	23,580	11.7%	MCE	2,127,107	1,989,564	137,543	6.9%
437,489	462,028	(24,539)	(5.3%)	TANF	4,346,687	4,537,608	(190,921)	(4.2%)
771,892	765,764	6,128	0.8%	Medi-Cal	7,645,073	7,664,278	(19,205)	(0.3%)
456	479	(23)	(4.8%)	MSSP	4,608	4,790	(182)	(3.8%)
772,348	766,243	6,105	0.8%	Total Medi-Cal	7,649,681	7,669,068	(19,387)	(0.3%)
15,827	26,150	(10,323)	(39.5%)	OneCare Connect	72,147	126,326	(54,179)	(42.9%)
158	144	14	9.7%	PACE	1,285	1,215	70	5.8%
1,276	1,338	(62)	(4.6%)	OneCare	80,188	82,917	(2,729)	(3.3%)
789,609	793,875	(4,266)	(0.5%)	CalOptima Total	7,803,301	7,879,526	(76,225)	(1.0%)

# Financial Highlights:

## April 2016

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
789,609	793,875	(4,266)	(0.5%)	Member Months	7,803,301	7,879,526	(76,225)	(1.0%)
268,903,063	282,189,740	(13,286,677)	(4.7%)	Revenues	2,541,609,923	2,652,564,869	(110,954,946)	(4.2%)
255,626,769	267,184,665	11,557,896	4.3%	Medical Expenses	2,434,362,170	2,545,043,946	110,681,776	4.3%
9,326,900	12,839,470	3,512,570	27.4%	Administrative Expenses	87,843,155	127,313,971	39,470,816	31.0%
<b>3,949,394</b>	<b>2,165,605</b>	<b>1,783,789</b>	<b>82.4%</b>	<b>Operating Margin</b>	<b>19,404,598</b>	<b>(19,793,048)</b>	<b>39,197,646</b>	<b>198.0%</b>
1,771,839	202,596	1,569,243	774.6%	Non Operating Income (Loss)	9,452,439	1,761,673	7,690,766	436.6%
<b>5,721,233</b>	<b>2,368,201</b>	<b>3,353,033</b>	<b>141.6%</b>	<b>Change in Net Assets</b>	<b>28,857,037</b>	<b>(18,031,375)</b>	<b>46,888,412</b>	<b>260.0%</b>
95.1%	94.7%	(0.4%)		Medical Loss Ratio	95.8%	95.9%	0.2%	
3.5%	4.5%	1.1%		Administrative Loss Ratio	3.5%	4.8%	1.3%	
<u>1.5%</u>	<u>0.8%</u>	<u>0.7%</u>		Operating Margin Ratio	<u>0.8%</u>	<u>(0.7%)</u>	<u>1.5%</u>	
100.0%	100.0%	0.0%		Total Operating	100.0%	100.0%	0.0%	

# Consolidated Performance Actual vs. Budget: April 2016 (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
3.3	0.1	3.2	Medi-Cal	21.0	(12.7)	33.6
0.0	0.5	(0.5)	OneCare	1.5	2.3	(0.8)
0.8	1.8	(1.0)	OCC	(1.2)	(7.3)	6.1
0.0	0.0	0.0	ASO	0.1	0.0	0.1
<u>(0.1)</u>	<u>(0.2)</u>	<u>0.1</u>	PACE	<u>(1.9)</u>	<u>(2.1)</u>	<u>0.2</u>
<b>3.9</b>	<b>2.2</b>	<b>1.8</b>	<b>Operating</b>	<b>19.4</b>	<b>(19.8)</b>	<b>39.2</b>
<u>1.8</u>	<u>0.2</u>	<u>1.6</u>	Inv./Rental Inc, MCO tax	<u>9.5</u>	<u>1.8</u>	<u>7.7</u>
<b>1.8</b>	<b>0.2</b>	<b>1.6</b>	<b>Non-Operating</b>	<b>9.5</b>	<b>1.8</b>	<b>7.7</b>
<b>5.7</b>	<b>2.4</b>	<b>3.4</b>	<b>TOTAL</b>	<b>28.9</b>	<b>(18.0)</b>	<b>46.9</b>

# Consolidated Revenue & Expense:

## April 2016 MTD

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
<b>Member Months</b>	772,348	1,276	15,827	158	-	789,609
<b>REVENUES</b>						
Capitation revenue	\$ 232,434,806	\$ 1,148,822	\$ 34,362,038	\$ 957,396	\$ -	\$ 268,903,063
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>232,434,806</u>	<u>1,148,822</u>	<u>34,362,038</u>	<u>957,396</u>	<u>-</u>	<u>268,903,063</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	78,303,951	406,419	8,037,102	-	-	86,747,471
Facility inpatient	47,638,932	188,134	6,148,309	-	-	53,975,375
Ancillary	-	72,424	4,203,745	-	-	4,276,169
Skilled Nursing	-	31,146	7,367,937	-	-	7,399,083
Facility outpatient	7,746,705	-	-	288,924	-	8,035,630
Professional Claims	13,215,672	-	-	177,259	-	13,392,930
Prescription drugs	33,149,911	123,195	5,000,024	90,667	-	38,363,798
Long-term care facility payments	38,852,543	-	-	-	-	38,852,543
Contingencies	(1,218,091)	-	-	-	-	(1,218,091)
Medical management	2,431,693	55,180	964,596	-	-	3,451,470
Reinsurance & other	1,629,186	10,242	280,338	419,956	10,668	2,350,390
<b>Total Medical Expenses</b>	<u>221,750,503</u>	<u>886,740</u>	<u>32,002,051</u>	<u>976,806</u>	<u>10,668</u>	<u>255,626,769</u>
<b>GROSS MARGIN</b>	10,684,303	262,082	2,359,987	(19,410)	(10,668)	13,276,294
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	4,735,095	56,163	828,340	71,338	-	5,690,936
Professional fees	294,116	8,000	-	1,938	-	304,054
Purchased Services	676,758	90,279	223,267	0	(17)	990,287
Printing and Postage	393,405	41,690	53,158	0	-	488,253
Depreciation and Amortization	267,760	-	-	2,059	-	269,819
Other Expenses	1,327,026	33,659	4,718	7,706	-	1,373,109
Indirect cost allocation, Occupancy Expense	(302,451)	29,212	481,199	2,482	-	210,442
<b>Total Administrative Expenses</b>	<u>7,391,709</u>	<u>259,003</u>	<u>1,590,682</u>	<u>85,524</u>	<u>(17)</u>	<u>9,326,900</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	3,292,595	3,080	769,305	(104,934)	(10,651)	3,949,394
<b>INVESTMENT INCOME</b>	-	-	-	-	-	1,775,587
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(3,989)
<b>NET GRANT INCOME</b>	-	-	-	-	-	-
<b>OTHER INCOME</b>	242	-	-	-	-	242
<b>CHANGE IN NET ASSETS</b>	<u>\$ 3,292,836</u>	<u>\$ 3,080</u>	<u>\$ 769,305</u>	<u>\$ (104,934)</u>	<u>\$ (10,651)</u>	<u>\$ 5,721,233</u>
<b>BUDGETED CHANGE IN ASSETS</b>	122,695	484,334	1,751,212	(192,636)	-	2,368,201
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>3,170,141</u>	<u>(481,254)</u>	<u>(981,907)</u>	<u>87,702</u>	<u>(10,651)</u>	<u>3,353,033</u>

# Consolidated Revenue & Expense:

## April 2016 YTD

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
<b>Member Months</b>	7,649,681	80,188	72,147	1,285	-	7,803,301
<b>REVENUES</b>						
Capitation revenue	\$ 2,312,158,870	\$ 83,442,147	\$ 138,180,477	\$ 7,828,430	\$ -	\$ 2,541,609,923
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>2,312,158,870</u>	<u>83,442,147</u>	<u>138,180,477</u>	<u>7,828,430</u>	<u>-</u>	<u>2,541,609,923</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	779,088,908	29,652,640	36,351,346	-	-	845,092,894
Facility inpatient	474,292,844	29,558,181	28,182,124	-	-	532,033,149
Ancillary	-	2,457,273	14,495,222	-	-	16,952,495
Skilled Nursing	-	2,293,983	20,836,411	-	-	23,130,394
Facility outpatient	77,485,072	-	-	1,882,616	-	79,367,688
Professional Claims	121,258,927	-	-	1,900,078	-	123,159,005
Prescription drugs	326,018,958	6,822,008	22,963,934	766,423	-	356,571,323
Quality Incentives	-	899,979	-	-	-	899,979
Long-term care facility payments	422,119,074	-	-	-	-	422,119,074
Contingencies	(12,837,615)	-	-	-	-	(12,837,615)
Medical management	26,477,250	3,267,466	6,240,352	-	-	35,985,068
Reinsurance & other	6,588,886	617,587	565,027	4,183,252	(66,037)	11,888,715
<b>Total Medical Expenses</b>	<u>2,220,492,306</u>	<u>75,569,117</u>	<u>129,634,415</u>	<u>8,732,368</u>	<u>(66,037)</u>	<u>2,434,362,170</u>
<b>GROSS MARGIN</b>	91,666,564	7,873,029	8,546,062	(903,939)	66,037	107,247,753
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	45,444,746	3,354,923	5,306,963	821,522	-	54,928,154
Professional fees	2,543,985	202,378	-	29,832	-	2,776,194
Purchased Services	7,361,509	500,291	909,893	7,683	(17)	8,779,359
Printing and Postage	3,135,870	144,388	1,158,323	33,944	(405)	4,472,121
Depreciation and Amortization	2,537,651	-	(1,377)	23,821	-	2,560,095
Other Expenses	10,820,855	364,729	21,579	68,481	13	11,275,657
Indirect cost allocation, Occupancy Expense	(1,142,794)	1,794,838	2,376,641	22,890	-	3,051,576
<b>Total Administrative Expenses</b>	<u>70,701,821</u>	<u>6,361,547</u>	<u>9,772,022</u>	<u>1,008,173</u>	<u>(409)</u>	<u>87,843,155</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	20,964,743	1,511,482	(1,225,960)	(1,912,112)	66,445	19,404,598
<b>INVESTMENT INCOME</b>	-	-	-	-	-	9,560,258
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(108,868)
<b>NET GRANT INCOME</b>	(154)	-	-	-	-	(154)
<b>OTHER INCOME</b>	1,203	-	-	-	-	1,203
<b>CHANGE IN NET ASSETS</b>	<u>\$ 20,965,792</u>	<u>\$ 1,511,482</u>	<u>\$ (1,225,960)</u>	<u>\$ (1,912,112)</u>	<u>\$ 66,445</u>	<u>\$ 28,857,037</u>
<b>BUDGETED CHANGE IN ASSETS</b>	(12,683,508)	2,300,790	(7,276,303)	(2,134,027)	-	(18,031,375)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>33,649,300</u>	<u>(789,308)</u>	<u>6,050,343</u>	<u>221,915</u>	<u>66,445</u>	<u>46,888,412</u>

# Balance Sheet:

## As of April 2016

### ASSETS

#### Current Assets

Operating Cash	\$771,431,434
Catastrophic Reserves	11,294,844
Investments	733,144,777
Capitation receivable	76,195,592
Receivables - Other	20,646,564
Prepaid Expenses	5,005,420

<b>Total Current Assets</b>	<b><u>1,617,718,631</u></b>
-----------------------------	-----------------------------

#### Capital Assets

Furniture and equipment	27,720,290
Leasehold improvements	11,079,686
505 City Parkway West	46,682,460
	<u>85,482,436</u>
Less: accumulated depreciation	<u>(31,053,566)</u>
Capital assets, net	<b><u>54,428,870</u></b>

#### Other Assets

Restricted deposit & Other	273,099
Board-designated assets	
Cash and cash equivalents	60,816,119
Short term investments	-
Long term investments	412,518,941
Total Board-designated Assets	<u>473,335,060</u>

<b>Total Other Assets</b>	<b><u>473,608,159</u></b>
---------------------------	---------------------------

Deferred outflows of Resources	3,787,544
--------------------------------	-----------

<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>2,149,543,204</u></b>
------------------------------------	-----------------------------

### LIABILITIES & FUND BALANCES

#### Current Liabilities

Accounts payable	\$1,683,570
Medical claims liability	532,193,781
Accrued payroll liabilities	9,993,329
Deferred revenue	499,844,638
Deferred revenue - CMS	0
Deferred lease obligations	298,864
Capitation and withholds	414,162,261
Accrued insurance costs	0

<b>Total Current Liabilities</b>	<b><u>1,458,176,444</u></b>
----------------------------------	-----------------------------

#### Other (than pensions) post

employment benefits liability	27,962,255
Net Pension Liabilities	1,774,094
Long Term Liabilities	150,000

#### TOTAL LIABILITIES

<b><u>1,488,062,793</u></b>
-----------------------------

#### Deferred inflows of Resources

5,580,552
-----------

Tangible net equity (TNE)	87,084,320
Funds in excess of TNE	568,815,538

#### Net Assets

<b><u>655,899,858</u></b>
---------------------------

<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>2,149,543,204</u></b>
---	-----------------------------



**CalOptima**  
Better. Together.

---

## UNAUDITED FINANCIAL STATEMENTS

April 2016

[Back to Agenda](#)



## Table of Contents

Financial Highlights.....	3
Financial Dashboard.....	4
Statement of Revenues and Expenses – Consolidated Month to Date.....	5
Statement of Revenues and Expenses – Consolidated Year to Date.....	6
Statement of Revenues and Expenses – Consolidating by LOB Month to Date.....	7
Statement of Revenues and Expenses – Consolidating by LOB Year to Date.....	8
Highlights – Overall.....	9
Enrollment Summary.....	10
Enrollment Trended by Network Type.....	11
Highlights – Enrollment.....	12
Statement of Revenues and Expenses – Medi-Cal.....	13
Highlights – Medi-Cal.....	14
Statement of Revenues and Expenses – OneCare Connect.....	15
Highlights – OneCare Connect.....	16
Statement of Revenues and Expenses – OneCare.....	17
Statement of Revenues and Expenses – PACE.....	18
Statement of Revenues and Expenses – ASO for Specialty Mental Health Services.....	19
Statement of Revenues and Expenses – Building: 505 City Parkway.....	20
Highlights – OneCare, PACE & 505 City Parkway.....	21
Balance Sheet.....	22
Statement of Cash Flows.....	23
Highlights – Balance Sheet & Statement of Cash Flow.....	24
Statement of Revenues and Expenses – CalOptima Foundation.....	25
Balance Sheet – CalOptima Foundation.....	26
Highlights – CalOptima Foundation.....	27
Budget Allocation Changes.....	28

**CalOptima - Consolidated**  
**Financial Highlights**  
**For the Ten Months Ended April 30, 2016**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
789,609	793,875	(4,266)	(0.5%)	Member Months	7,803,301	7,879,526	(76,225)	(1.0%)
268,903,063	282,189,740	(13,286,677)	(4.7%)	Revenues	2,541,609,923	2,652,564,869	(110,954,946)	(4.2%)
255,626,769	267,184,665	11,557,896	4.3%	Medical Expenses	2,434,362,170	2,545,043,946	110,681,776	4.3%
9,326,900	12,839,470	3,512,570	27.4%	Administrative Expenses	87,843,155	127,313,971	39,470,816	31.0%
<b>3,949,394</b>	<b>2,165,605</b>	<b>1,783,789</b>	<b>82.4%</b>	<b>Operating Margin</b>	<b>19,404,598</b>	<b>(19,793,048)</b>	<b>39,197,646</b>	<b>198.0%</b>
1,771,839	202,596	1,569,243	774.6%	Non Operating Income (Loss)	9,452,439	1,761,673	7,690,766	436.6%
<b>5,721,233</b>	<b>2,368,201</b>	<b>3,353,033</b>	<b>141.6%</b>	<b>Change in Net Assets</b>	<b>28,857,037</b>	<b>(18,031,375)</b>	<b>46,888,412</b>	<b>260.0%</b>
95.1%	94.7%	(0.4%)		Medical Loss Ratio	95.8%	95.9%	0.2%	
3.5%	4.5%	1.1%		Administrative Loss Ratio	3.5%	4.8%	1.3%	
<u>1.5%</u>	<u>0.8%</u>	<u>0.7%</u>		Operating Margin Ratio	<u>0.8%</u>	<u>(0.7%)</u>	<u>1.5%</u>	
100.0%	100.0%	0.0%		Total Operating	100.0%	100.0%	0.0%	

**CalOptima**  
**Financial Dashboard**  
For the Ten Months Ended April 30, 2016

**MONTH**

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	771,892	765,764	↑	6,128 0.8%
OneCare	1,276	1,338	↓	(62) (4.6%)
OneCare Connect	15,827	26,150	↓	(10,323) (39.5%)
PACE	158	144	↑	14 9.7%
MSSP	456	479	↓	(23) (4.8%)
Total	789,609	793,875	↓	(4,266) (0.5%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 3,293	\$ 123	↑	\$ 3,170 2583.8%
OneCare	3	484	↓	(481) (99.4%)
OneCare Connect	769	1,751	↓	(982) (56.1%)
PACE	(105)	(193)	↑	88 45.5%
ASO	(11)	-	↓	(11) 100.0%
505 Bldg.	(4)	(6)	↑	2 30.5%
Investment Income & Other	1,776	208	↑	1,567 752.4%
Total	\$ 5,721	\$ 2,368	↑	\$ 3,353 141.6%

MLR	Actual	Budget	% Point Var	
Medi-Cal (w/ MSSP)	95.4%	95.7%	↑	0.3
OneCare	77.2%	78.0%	↓	0.8
OneCare Connect	93.1%	90.8%	↓	(2.3)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 7,392	\$ 9,777	↑	\$ 2,385 24.4%
OneCare	259	159	↓	(100) (63.2%)
OneCare Connect	1,591	2,763	↑	1,173 42.4%
PACE	86	141	↑	55 39.3%
Total	\$ 9,327	\$ 12,839	↑	\$ 3,513 27.4%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	765	882	↑	117
OneCare	4	-	↓	(4)
OneCare Connect	241	292	↑	50
PACE	39	45	↑	6
MSSP	16	18	↑	2
Total	1,065	1,236	↑	171

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	1,009	868	↑	141
OneCare	340	-	↓	-
OneCare Connect	66	90	↑	(24)
PACE	4	3	↑	1
MSSP	29	27	↑	2
Total	1,447	988	↑	119

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	7,645,073	7,664,278	↓	(19,205) (0.3%)
OneCare	80,188	82,917	↓	(2,729) (3.3%)
OneCare Connect	72,147	126,326	↓	(54,179) (42.9%)
PACE	1,285	1,215	↑	70 5.8%
MSSP	4,608	4,790	↓	(182) (3.8%)
Total	7,803,301	7,879,526	↓	(76,225) (1.0%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 20,966	\$ (12,684)	↑	\$ 33,649 265.3%
OneCare	1,511	2,301	↓	(789) (34.3%)
OneCare Connect	(1,226)	(7,276)	↑	6,050 83.2%
PACE	(1,912)	(2,134)	↑	222 10.4%
ASO	66	-	↓	66 100.0%
505 Bldg.	(109)	(322)	↑	213 66.2%
Investment Income &	9,561	2,083	↑	7,478 358.9%
Total	\$ 28,858	\$ (18,031)	↑	\$ 46,889 260.0%

MLR	Actual	Budget	% Point Var	
Medi-Cal (w/ MSSP)	96.0%	96.3%	↑	0.3
OneCare	90.6%	89.9%	↓	(0.7)
OneCare Connect	93.8%	94.4%	↑	0.6

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 70,702	\$ 98,612	↑	\$ 27,910 28.3%
OneCare	6,362	6,935	↑	573 8.3%
OneCare Connect	9,772	20,511	↑	10,739 52.4%
PACE	1,008	1,256	↑	248 19.7%
Total	\$ 87,844	\$ 127,314	↑	\$ 39,470 31.0%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	7,343	8,732	↑	1,389
OneCare	809	947	↑	137
OneCare Connect	1,445	1,950	↑	505
PACE	350	428	↑	78
MSSP	173	178	↑	5
Total	10,119	12,233	↑	2,114

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	1,041	878	↑	163
OneCare	99	88	↑	12
OneCare Connect	50	65	↑	(15)
PACE	4	3	↑	1
MSSP	27	27	↑	(0)
Total	1,221	1,060	↑	161

**CalOptima - Consolidated  
Statement of Revenue and Expenses  
For the One Month Ended April 30, 2016**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	789,609		793,875		(4,266)	
<b>Revenues</b>						
Medi-Cal	\$ 232,434,806	\$ 300.95	\$ 229,279,745	\$ 299.23	\$ 3,155,062	\$ 1.72
OneCare	1,148,822	900.33	2,925,022	2,186.12	(1,776,200)	(1,285.78)
OneCare Connect	34,362,038	2,171.10	49,115,151	1,878.21	(14,753,113)	292.89
PACE	957,396	6,059.47	869,822	6,040.43	87,574	19.04
<b>Total Operating Revenue</b>	<u>268,903,063</u>	<u>340.55</u>	<u>282,189,740</u>	<u>355.46</u>	<u>(13,286,677)</u>	<u>(14.91)</u>
<b>Medical Expenses</b>						
Medi-Cal	221,750,503	287.11	219,380,484	286.31	(2,370,019)	(0.81)
OneCare	886,740	694.94	2,282,022	1,705.55	1,395,282	1,010.61
OneCare Connect	32,002,051	2,021.99	44,600,665	1,705.57	12,598,614	(316.42)
PACE	976,806	6,182.32	921,494	6,399.26	(55,312)	216.94
ASO for Specialty Mental Health Svcs	10,668	-	-	-	(10,668)	-
<b>Total Medical Expenses</b>	<u>255,626,769</u>	<u>323.74</u>	<u>267,184,665</u>	<u>336.56</u>	<u>11,557,896</u>	<u>12.82</u>
<b>Gross Margin</b>	13,276,294	16.81	15,005,075	18.90	(1,728,780)	(2.09)
<b>Administrative Expenses</b>						
Salaries and benefits	5,690,936	7.21	7,070,763	8.91	1,379,827	1.70
Professional fees	304,054	0.39	708,695	0.89	404,641	0.51
Purchased services	990,287	1.25	1,560,583	1.97	570,296	0.71
Printing and Postage	488,253	0.62	899,830	1.13	411,577	0.52
Depreciation and amortization	269,819	0.34	460,712	0.58	190,893	0.24
Other	1,373,109	1.74	1,737,585	2.19	364,476	0.45
Indirect Cost Allocation, Occupancy Expense	210,442	0.27	401,301	0.51	190,858	0.24
<b>Total Administrative Expenses</b>	<u>9,326,900</u>	<u>11.81</u>	<u>12,839,470</u>	<u>16.17</u>	<u>3,512,570</u>	<u>4.36</u>
<b>Income (Loss) From Operations</b>	3,949,394	5.00	2,165,605	2.73	1,783,789	2.27
<b>Investment income</b>						
Interest income	968,177	1.23	208,333	0.26	759,845	0.96
Realized gain/(loss) on investments	63,165	0.08	-	-	63,165	0.08
Unrealized gain/(loss) on investments	744,245	0.94	-	-	744,245	0.94
<b>Total Investment Income</b>	<u>1,775,587</u>	<u>2.25</u>	<u>208,333</u>	<u>0.26</u>	<u>1,567,255</u>	<u>1.99</u>
<b>Net Rental Income</b>	(3,989)	(0.01)	(5,737)	(0.01)	1,747	0.00
<b>Total Net Operating Tax</b>	(0)	(0.00)	-	-	(0)	(0)
<b>Total Net Grant Income</b>	-	-	-	-	-	-
<b>QAF/IGT</b>	-	-	-	-	-	-
<b>Other Income</b>	242	0.00	-	-	242	0.00
<b>Change In Net Assets</b>	<u>5,721,233</u>	<u>7.25</u>	<u>2,368,201</u>	<u>2.98</u>	<u>3,353,033</u>	<u>4.26</u>
<b>Medical Loss Ratio</b>	95.1%		94.7%		(0.4%)	
<b>Administrative Loss Ratio</b>	3.5%		4.5%		1.1%	

\* 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 Ten Months Ended April 30, 2016**

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	7,803,301		7,879,526		(76,225)	
<b>Revenues</b>						
Medi-Cal	\$ 2,312,158,870	\$ 302.26	\$ 2,316,654,817	\$ 302.08	\$ (4,495,947)	\$ 0.18
OneCare	83,442,147	1,040.58	91,305,827	1,101.17	(7,863,681)	(60.59)
OneCare Connect	138,180,477	1,915.26	237,262,323	1,878.17	(99,081,846)	37.09
PACE	7,828,430	6,092.16	7,341,902	6,042.72	486,527	49.45
<b>Total Operating Revenue</b>	<u>2,541,609,923</u>	<u>325.71</u>	<u>2,652,564,869</u>	<u>336.64</u>	<u>(110,954,946)</u>	<u>(10.93)</u>
<b>Medical Expenses</b>						
Medi-Cal	2,220,492,306	290.27	2,230,726,065	290.87	10,233,759	0.60
OneCare	75,569,117	942.40	82,070,465	989.79	6,501,348	47.39
OneCare Connect	129,634,415	1,796.81	224,027,504	1,773.41	94,393,089	(23.40)
PACE	8,732,368	6,795.62	8,219,911	6,765.36	(512,457)	(30.26)
ASO for Specialty Mental Health Svcs	(66,037)	-	-	-	66,037	-
<b>Total Medical Expenses</b>	<u>2,434,362,170</u>	<u>311.97</u>	<u>2,545,043,946</u>	<u>322.99</u>	<u>110,681,776</u>	<u>11.03</u>
<b>Gross Margin</b>	107,247,753	13.74	107,520,923	13.65	(273,170)	0.10
<b>Administrative Expenses</b>						
Salaries and benefits	54,928,154	7.04	72,256,923	9.17	17,328,769	2.13
Professional fees	2,776,194	0.36	6,271,085	0.80	3,494,891	0.44
Purchased services	8,779,359	1.13	13,743,752	1.74	4,964,393	0.62
Printing and Postage	4,472,121	0.57	9,124,233	1.16	4,652,113	0.58
Depreciation and amortization	2,560,095	0.33	4,607,122	0.58	2,047,027	0.26
Other	11,275,657	1.44	17,292,877	2.19	6,017,221	0.75
Indirect cost allocation, Occupancy Expense	3,051,576	0.39	4,017,978	0.51	966,403	0.12
<b>Total Administrative Expenses</b>	<u>87,843,155</u>	<u>11.26</u>	<u>127,313,971</u>	<u>16.16</u>	<u>39,470,816</u>	<u>4.90</u>
<b>Income (Loss) From Operations</b>	19,404,598	2.49	(19,793,048)	(2.51)	39,197,646	5.00
<b>Investment income</b>						
Interest income	7,811,415	1.00	2,083,326	0.26	5,728,089	0.74
Realized gain/(loss) on investments	272,162	0.03	-	-	272,162	0.03
Unrealized gain/(loss) on investments	1,476,681	0.19	-	-	1,476,681	0.19
<b>Total Investment Income</b>	<u>9,560,258</u>	<u>1.23</u>	<u>2,083,326</u>	<u>0.26</u>	<u>7,476,932</u>	<u>0.96</u>
<b>Net Rental Income</b>	(108,868)	(0.01)	(321,653)	(0.04)	212,785	0.03
<b>Total Net Operating Tax</b>	(0)	(0)	-	-	(0)	(0)
<b>Total Net Grant Income</b>	(154)	(0)	-	-	(154)	(0)
<b>QAF/IGT</b>	-	-	-	-	-	-
<b>Other Income</b>	1,203	0	-	-	1,203	0
<b>Change In Net Assets</b>	<u><u>28,857,037</u></u>	<u><u>3.70</u></u>	<u><u>(18,031,375)</u></u>	<u><u>(2.29)</u></u>	<u><u>46,888,412</u></u>	<u><u>5.99</u></u>
<b>Medical Loss Ratio</b>	95.8%		95.9%		0.2%	
<b>Administrative Loss Ratio</b>	3.5%		4.8%		1.3%	

\* 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 April 30, 2016**

	<u>Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Behavioral Health ASO</u>	<u>Consolidated</u>
<b>Member Months</b>	772,348	1,276	15,827	158	-	789,609
<b>REVENUES</b>						
Capitation revenue	\$ 232,434,806	\$ 1,148,822	\$ 34,362,038	\$ 957,396	\$ -	\$ 268,903,063
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>232,434,806</u>	<u>1,148,822</u>	<u>34,362,038</u>	<u>957,396</u>	<u>-</u>	<u>268,903,063</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	78,303,951	406,419	8,037,102	-	-	86,747,471
Facility inpatient	47,638,932	188,134	6,148,309	-	-	53,975,375
Ancillary		72,424	4,203,745	-	-	4,276,169
Skilled Nursing		31,146	7,367,937	-	-	7,399,083
Facility outpatient	7,746,705	-	-	288,924	-	8,035,630
Professional Claims	13,215,672	-	-	177,259	-	13,392,930
Prescription drugs	33,149,911	123,195	5,000,024	90,667	-	38,363,798
Long-term care facility payments	38,852,543	-	-	-	-	38,852,543
Contingencies	(1,218,091)	-	-	-	-	(1,218,091)
Medical management	2,431,693	55,180	964,596	-	-	3,451,470
Reinsurance & other	1,629,186	10,242	280,338	419,956	10,668	2,350,390
<b>Total Medical Expenses</b>	<u>221,750,503</u>	<u>886,740</u>	<u>32,002,051</u>	<u>976,806</u>	<u>10,668</u>	<u>255,626,769</u>
<b>GROSS MARGIN</b>	10,684,303	262,082	2,359,987	(19,410)	(10,668)	13,276,294
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	4,735,095	56,163	828,340	71,338	-	5,690,936
Professional fees	294,116	8,000	-	1,938	-	304,054
Purchased Services	676,758	90,279	223,267	0	(17)	990,287
Printing and Postage	393,405	41,690	53,158	0	-	488,253
Depreciation and Amortization	267,760	-	-	2,059	-	269,819
Other Expenses	1,327,026	33,659	4,718	7,706	-	1,373,109
Indirect cost allocation, Occupancy Expense	(302,451)	29,212	481,199	2,482	-	210,442
<b>Total Administrative Expenses</b>	<u>7,391,709</u>	<u>259,003</u>	<u>1,590,682</u>	<u>85,524</u>	<u>(17)</u>	<u>9,326,900</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	3,292,595	3,080	769,305	(104,934)	(10,651)	3,949,394
<b>INVESTMENT INCOME</b>	-	-	-	-	-	1,775,587
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(3,989)
<b>NET GRANT INCOME</b>	-	-	-	-	-	-
<b>OTHER INCOME</b>	242	-	-	-	-	242
<b>CHANGE IN NET ASSETS</b>	<u>\$ 3,292,836</u>	<u>\$ 3,080</u>	<u>\$ 769,305</u>	<u>\$ (104,934)</u>	<u>\$ (10,651)</u>	<u>\$ 5,721,233</u>
<b>BUDGETED CHANGE IN ASSETS</b>	122,695	484,334	1,751,212	(192,636)	-	2,368,201
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>3,170,141</u>	<u>(481,254)</u>	<u>(981,907)</u>	<u>87,702</u>	<u>(10,651)</u>	<u>3,353,033</u>

**CalOptima - Consolidated - Year to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the Ten Months Ended April 30, 2016**

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
<b>Member Months</b>	7,649,681	80,188	72,147	1,285	-	7,803,301
<b>REVENUES</b>						
Capitation revenue	\$ 2,312,158,870	\$ 83,442,147	\$ 138,180,477	\$ 7,828,430	\$ -	\$ 2,541,609,923
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>2,312,158,870</u>	<u>83,442,147</u>	<u>138,180,477</u>	<u>7,828,430</u>	<u>-</u>	<u>2,541,609,923</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	779,088,908	29,652,640	36,351,346	-	-	845,092,894
Facility inpatient	474,292,844	29,558,181	28,182,124	-	-	532,033,149
Ancillary		2,457,273	14,495,222	-	-	16,952,495
Skilled Nursing		2,293,983	20,836,411	-	-	23,130,394
Facility outpatient	77,485,072	-	-	1,882,616	-	79,367,688
Professional Claims	121,258,927	-	-	1,900,078	-	123,159,005
Prescription drugs	326,018,958	6,822,008	22,963,934	766,423	-	356,571,323
Quality Incentives		899,979	-	-	-	899,979
Long-term care facility payments	422,119,074	-	-	-	-	422,119,074
Contingencies	(12,837,615)	-	-	-	-	(12,837,615)
Medical management	26,477,250	3,267,466	6,240,352	-	-	35,985,068
Reinsurance & other	6,588,886	617,587	565,027	4,183,252	(66,037)	11,888,715
<b>Total Medical Expenses</b>	<u>2,220,492,306</u>	<u>75,569,117</u>	<u>129,634,415</u>	<u>8,732,368</u>	<u>(66,037)</u>	<u>2,434,362,170</u>
<b>GROSS MARGIN</b>	91,666,564	7,873,029	8,546,062	(903,939)	66,037	107,247,753
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	45,444,746	3,354,923	5,306,963	821,522	-	54,928,154
Professional fees	2,543,985	202,378	-	29,832	-	2,776,194
Purchased Services	7,361,509	500,291	909,893	7,683	(17)	8,779,359
Printing and Postage	3,135,870	144,388	1,158,323	33,944	(405)	4,472,121
Depreciation and Amortization	2,537,651		(1,377)	23,821	-	2,560,095
Other Expenses	10,820,855	364,729	21,579	68,481	13	11,275,657
Indirect cost allocation, Occupancy Expense	(1,142,794)	1,794,838	2,376,641	22,890	-	3,051,576
<b>Total Administrative Expenses</b>	<u>70,701,821</u>	<u>6,361,547</u>	<u>9,772,022</u>	<u>1,008,173</u>	<u>(409)</u>	<u>87,843,155</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	20,964,743	1,511,482	(1,225,960)	(1,912,112)	66,445	19,404,598
<b>INVESTMENT INCOME</b>	-	-	-	-	-	9,560,258
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(108,868)
<b>NET GRANT INCOME</b>	(154)	-	-	-	-	(154)
<b>OTHER INCOME</b>	1,203	-	-	-	-	1,203
<b>CHANGE IN NET ASSETS</b>	<u>\$ 20,965,792</u>	<u>\$ 1,511,482</u>	<u>\$ (1,225,960)</u>	<u>\$ (1,912,112)</u>	<u>\$ 66,445</u>	<u>\$ 28,857,037</u>
<b>BUDGETED CHANGE IN ASSETS</b>	(12,683,508)	2,300,790	(7,276,303)	(2,134,027)	-	(18,031,375)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>33,649,300</u>	<u>(789,308)</u>	<u>6,050,343</u>	<u>221,915</u>	<u>66,445</u>	<u>46,888,412</u>

## April 30, 2016 Unaudited Financial Statements

### SUMMARY

#### MONTHLY RESULTS:

- Change in Net Assets is \$5.7 million, \$3.4 million favorable to budget
- Operating surplus is \$3.9 million with a surplus in non-operating of \$1.8 million

#### YTD RESULTS:

- Change in Net Assets is \$28.9 million, \$46.9 million favorable to budget
- Operating surplus is \$19.4 million, and non-operating surplus is \$9.5 million

#### Change in Net Assets by LOB (\$millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
3.3	0.1	3.2	Medi-Cal	21.0	(12.7)	33.6
0.0	0.5	(0.5)	OneCare	1.5	2.3	(0.8)
0.8	1.8	(1.0)	OCC	(1.2)	(7.3)	6.1
0.0	0.0	0.0	ASO	0.1	0.0	0.1
<u>(0.1)</u>	<u>(0.2)</u>	<u>0.1</u>	PACE	<u>(1.9)</u>	<u>(2.1)</u>	<u>0.2</u>
<b>3.9</b>	<b>2.2</b>	<b>1.8</b>	<b>Operating</b>	<b>19.4</b>	<b>(19.8)</b>	<b>39.2</b>
<u>1.8</u>	<u>0.2</u>	<u>1.6</u>	Inv./Rental Inc, MCO tax	<u>9.5</u>	<u>1.8</u>	<u>7.7</u>
<b>1.8</b>	<b>0.2</b>	<b>1.6</b>	<b>Non-Operating</b>	<b>9.5</b>	<b>1.8</b>	<b>7.7</b>
<b>5.7</b>	<b>2.4</b>	<b>3.4</b>	<b>TOTAL</b>	<b>28.9</b>	<b>(18.0)</b>	<b>46.9</b>



**CalOptima**  
**Enrollment Summary**  
For the Ten Months Ended April 30, 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
56,497	48,999	7,498	15.3%	Aged	605,487	565,021	40,466	7.2%
648	737	(89)	(12.1%)	BCCTP	6,748	7,366	(618)	(8.4%)
49,047	50,186	(1,139)	(2.3%)	Disabled	523,432	532,272	(8,840)	(1.7%)
3,325	2,508	817	32.6%	LTC	35,612	32,447	3,165	9.8%
224,886	201,306	23,580	11.7%	MCE	2,127,107	1,989,564	137,543	6.9%
437,489	462,028	(24,539)	(5.3%)	TANF	4,346,687	4,537,608	(190,921)	(4.2%)
771,892	765,764	6,128	0.8%	Medi-Cal	7,645,073	7,664,278	(19,205)	(0.3%)
456	479	(23)	(4.8%)	MSSP	4,608	4,790	(182)	(3.8%)
<b>772,348</b>	<b>766,243</b>	<b>6,105</b>	<b>0.8%</b>	<b>Total Medi-Cal</b>	<b>7,649,681</b>	<b>7,669,068</b>	<b>(19,387)</b>	<b>(0.3%)</b>
<b>15,827</b>	<b>26,150</b>	<b>(10,323)</b>	<b>(39.5%)</b>	<b>OneCare Connect</b>	<b>72,147</b>	<b>126,326</b>	<b>(54,179)</b>	<b>(42.9%)</b>
<b>158</b>	<b>144</b>	<b>14</b>	<b>9.7%</b>	<b>PACE</b>	<b>1,285</b>	<b>1,215</b>	<b>70</b>	<b>5.8%</b>
<b>1,276</b>	<b>1,338</b>	<b>(62)</b>	<b>(4.6%)</b>	<b>OneCare</b>	<b>80,188</b>	<b>82,917</b>	<b>(2,729)</b>	<b>(3.3%)</b>
<b>789,609</b>	<b>793,875</b>	<b>(4,266)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>7,803,301</b>	<b>7,879,526</b>	<b>(76,225)</b>	<b>(1.0%)</b>
<b>Enrollment (By Network)</b>								
46,397	44,471	1,926	4.3%	HMO	435,012	435,333	(321)	(0.1%)
228,784	237,686	(8,902)	(3.7%)	PHC	2,256,898	2,340,853	(83,955)	(3.6%)
343,458	357,441	(13,983)	(3.9%)	Shared Risk Group	3,424,311	3,522,546	(98,235)	(2.8%)
153,253	126,166	27,087	21.5%	Fee for Service	1,528,852	1,365,546	163,306	12.0%
771,892	765,764	6,128	0.8%	Medi-Cal	7,645,073	7,664,278	(19,205)	(0.3%)
456	479	(23)	(4.8%)	MSSP	4,608	4,790	(182)	(3.8%)
<b>772,348</b>	<b>766,243</b>	<b>6,105</b>	<b>0.8%</b>	<b>Total Medi-Cal</b>	<b>7,649,681</b>	<b>7,669,068</b>	<b>(19,387)</b>	<b>(0.3%)</b>
<b>15,827</b>	<b>26,150</b>	<b>(10,323)</b>	<b>(39.5%)</b>	<b>OneCare Connect</b>	<b>72,147</b>	<b>126,326</b>	<b>(54,179)</b>	<b>(42.9%)</b>
<b>158</b>	<b>144</b>	<b>14</b>	<b>9.7%</b>	<b>PACE</b>	<b>1,285</b>	<b>1,215</b>	<b>70</b>	<b>5.8%</b>
<b>1,276</b>	<b>1,338</b>	<b>(62)</b>	<b>(4.6%)</b>	<b>OneCare</b>	<b>80,188</b>	<b>82,917</b>	<b>(2,729)</b>	<b>(3.3%)</b>
<b>789,609</b>	<b>793,875</b>	<b>(4,266)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>7,803,301</b>	<b>7,879,526</b>	<b>(76,225)</b>	<b>(1.0%)</b>

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
<b>HMO</b>													
Aged	275	274	276	268	271	266	278	279	292	321	-	-	2,800
BCCTP	-	-	-	-	2	4	3	8	3	-	-	-	20
Disabled	1,705	1,709	1,719	1,715	1,731	1,719	1,730	1,762	1,772	1,774	-	-	17,336
MCX	9,194	9,431	9,678	9,990	10,203	10,411	10,388	10,966	11,395	11,966	-	-	103,622
TANF	30,496	30,681	30,806	31,011	30,829	31,059	30,898	31,405	31,713	32,336	-	-	311,234
	41,670	42,095	42,479	42,984	43,036	43,459	43,297	44,420	45,175	46,397	-	-	435,012
<b>PHC</b>													
Aged	1,209	1,265	1,286	1,264	1,316	1,355	1,342	1,368	1,395	1,426	-	-	13,226
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	8,147	8,148	8,139	8,080	8,141	8,031	7,995	7,989	7,982	7,953	-	-	80,605
MCX	31,591	32,558	33,426	34,638	35,529	36,352	35,625	35,756	36,915	36,841	-	-	349,231
TANF	179,126	179,848	180,626	181,957	182,035	182,975	180,992	180,811	182,902	182,564	-	-	1,813,836
	220,073	221,819	223,477	225,939	227,021	228,713	225,954	225,924	229,194	228,784	-	-	2,256,898
<b>Shared Risk Group</b>													
Aged	7,127	7,221	7,326	7,156	7,377	7,406	7,401	7,456	7,523	7,542	-	-	73,535
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	15,565	15,485	15,439	15,178	15,245	15,067	14,906	14,838	14,833	14,761	-	-	151,317
MCX	125,793	127,941	130,404	133,133	135,550	138,081	133,138	133,838	137,814	136,404	-	-	1,332,096
TANF	186,142	186,379	186,841	188,949	188,873	189,378	185,442	184,420	186,187	184,751	-	-	1,867,362
	334,627	337,026	340,010	344,416	347,045	349,932	340,887	340,552	346,357	343,458	-	-	3,424,310
<b>Fee for Service (Dual)</b>													
Aged	52,530	52,110	51,992	51,739	51,522	51,041	43,625	43,676	43,398	43,439	-	-	485,072
BCCTP	35	35	34	33	36	47	35	32	34	33	-	-	354
Disabled	25,713	25,495	25,271	25,063	24,900	24,467	20,344	20,231	20,109	19,929	-	-	231,522
LTC	3,391	3,395	3,337	3,347	3,311	3,228	3,089	2,993	2,928	2,939	-	-	31,958
MCX	2,904	2,965	2,934	3,034	3,007	3,152	3,023	3,084	3,031	2,976	-	-	30,110
TANF	1,358	1,383	1,381	1,361	1,346	1,387	1,169	1,195	1,181	1,168	-	-	12,929
	85,931	85,383	84,949	84,577	84,122	83,322	71,285	71,211	70,681	70,484	-	-	791,945
<b>Fee for Service (Non-Dual)</b>													
Aged	2,401	2,671	1,925	3,122	3,136	3,318	3,581	3,234	3,697	3,769	-	-	30,854
BCCTP	629	620	594	693	683	652	648	614	626	615	-	-	6,374
Disabled	3,962	4,076	3,598	4,454	4,222	4,283	4,473	4,438	4,516	4,630	-	-	42,652
LTC	406	389	255	388	380	371	367	354	358	386	-	-	3,654
MCX	25,032	26,395	24,324	29,312	30,062	31,335	35,646	35,939	37,304	36,699	-	-	312,048
TANF	28,959	29,852	31,084	32,224	33,662	34,021	38,963	38,289	37,601	36,670	-	-	341,325
	61,389	64,003	61,780	70,193	72,145	73,980	83,678	82,868	84,102	82,769	-	-	736,907
<b>MEDI-CAL TOTAL</b>													
Aged	63,542	63,541	62,805	63,549	63,622	63,386	56,227	56,013	56,305	56,497	-	-	605,487
BCCTP	664	655	628	726	721	703	686	654	663	648	-	-	6,748
Disabled	55,092	54,913	54,166	54,490	54,239	53,567	49,448	49,258	49,212	49,047	-	-	523,432
LTC	3,797	3,784	3,592	3,735	3,691	3,599	3,456	3,347	3,286	3,325	-	-	35,612
MCX	194,514	199,290	200,766	210,107	214,351	219,331	217,820	219,583	226,459	224,886	-	-	2,127,107
TANF	426,081	428,143	430,738	435,502	436,745	438,824	437,464	436,120	439,584	437,489	-	-	4,346,690
	743,690	750,326	752,695	768,109	773,369	779,410	765,101	764,975	775,506	771,892	-	-	7,645,073
<b>PACE</b>	101	114	119	123	124	129	135	140	142	158	-	-	1,285
<b>OneCare</b>	13,021	12,803	12,628	12,455	12,166	11,891	1,375	1,288	1,285	1,276	-	-	80,188
<b>OneCare Connect</b>	2	954	1,666	2,496	3,189	4,437	12,090	15,550	15,936	15,827	-	-	72,147
<b>MSSP</b>	455	458	466	466	465	464	461	458	459	456	-	-	4,608
<b>TOTAL</b>	757,269	764,655	767,574	783,649	789,313	796,331	779,162	782,411	793,328	789,609	-	-	7,803,301

## **ENROLLMENT:**

**Overall MTD** enrollment was 789,609

- Unfavorable to budget by 4,266
- Decreased (3,719) or (0.5%) from prior month
- Increased 41,672 or 5.6% from prior year (April 2015)

**Medi-Cal** enrollment was 772,348

- Favorable to budget by 6,105 primarily driven by:
  - TANF unfavorable by (24,539)
  - Offset with Medi-Cal Expansion favorable by 23,580 and aged by 7,498
- Decreased (3,617) from prior month

**OneCare** enrollment was 1,276

- Unfavorable to budget by (62)
- Decreased (9) from prior month

**OneCare Connect** enrollment was 15,827

- Unfavorable to budget by (10,323)
- Decreased (109) from prior month (Includes retroactivity)

**PACE** enrollment was 158

- Favorable to budget by 14
- Increased 16 from prior month

**Overall YTD** enrollment was 7,803,301

- Unfavorable to budget by (76,225)
- Increased 789,609 or 12.8% from prior month
- Increased 757,207 or 10.7% from prior year (April 2015)

**CalOptima - MediCal Total  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Actual	Month		
	Budget	\$ Variance	% Variance
772,348	766,243	6,105	0.8%
232,434,806	229,279,745	3,155,062	1.4%
0	0	0	0.0%
232,434,806	229,279,745	3,155,062	1.4%
78,303,951	82,599,736	4,295,785	5.2%
47,638,932	43,586,511	(4,052,421)	(9.3%)
7,746,705	10,015,104	2,268,398	22.6%
13,215,672	19,822,544	6,606,872	33.3%
33,149,911	31,752,511	(1,397,400)	(4.4%)
38,852,543	32,110,317	(6,742,226)	(21.0%)
(1,218,091)	(4,729,014)	(3,510,923)	(74.2%)
2,431,693	3,675,569	1,243,876	33.8%
1,629,186	547,205	(1,081,981)	(197.7%)
221,750,503	219,380,484	(2,370,019)	(1.1%)
10,684,303	9,899,261	785,043	7.9%
4,735,095	5,764,782	1,029,687	17.9%
294,116	552,495	258,379	46.8%
676,758	1,085,071	408,313	37.6%
393,405	661,329	267,925	40.5%
0	0	0	0.0%
267,760	458,456	190,696	41.6%
1,327,026	1,661,338	334,312	20.1%
(302,451)	(406,906)	(104,455)	(25.7%)
7,391,709	9,776,565	2,384,857	24.4%
9,137,866	11,435,237	2,297,371	20.1%
0	11,435,237	11,435,237	100.0%
9,137,866	0	(9,137,866)	0.0%
(0)	0	(0)	0.0%
0	617,857	(617,857)	(100.0%)
0	525,179	525,179	100.0%
0	92,679	92,679	100.0%
0	0	0	0.0%
0	0	0	0.0%
242	0	242	0.0%
3,292,836	122,695	3,170,141	2583.8%
95.4%	95.7%	0.3%	0.3%
3.2%	4.3%	1.1%	25.4%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	7,649,681	7,669,068	(19,387)	(0.3%)
Revenues				
Capitation revenue	2,312,158,870	2,316,654,817	(4,495,947)	(0.2%)
Grant & other income	0	0	0	0.0%
Total Operating Revenues	2,312,158,870	2,316,654,817	(4,495,947)	(0.2%)
Medical Expenses				
Provider capitation	779,088,908	832,991,362	53,902,453	6.5%
Facility inpatient	474,292,844	427,049,368	(47,243,477)	(11.1%)
Facility outpatient	77,485,072	103,305,741	25,820,669	25.0%
Professional Claims	121,258,927	183,671,163	62,412,236	34.0%
Prescription drugs	326,018,958	312,205,671	(13,813,287)	(4.4%)
Long-term care facility payments	422,119,074	375,858,715	(46,260,359)	(12.3%)
Contingencies	(12,837,615)	(47,290,141)	(34,452,526)	(72.9%)
Medical Management	26,477,250	37,472,544	10,995,293	29.3%
Reinsurance & other	6,588,886	5,461,643	(1,127,243)	(20.6%)
Total Medical Expenses	2,220,492,306	2,230,726,065	10,233,759	0.5%
Gross Margin	91,666,564	85,928,752	5,737,812	6.7%
Administrative Expenses				
Salaries, wages & employee benefits	45,444,746	58,909,697	13,464,951	22.9%
Professional fees	2,543,985	5,600,988	3,057,003	54.6%
Purchased services	7,361,509	10,447,084	3,085,575	29.5%
Printing and postage	3,135,870	6,624,895	3,489,026	52.7%
Occupancy expenses	0	0	0	0.0%
Depreciation & amortization	2,537,651	4,584,562	2,046,911	44.6%
Other operating expenses	10,820,855	16,508,200	5,687,345	34.5%
Indirect cost allocation	(1,142,794)	(4,063,166)	(2,920,372)	(71.9%)
Total Administrative Expenses	70,701,821	98,612,260	27,910,439	28.3%
Operating Tax				
Tax revenue	93,052,394	115,199,943	22,147,548	19.2%
Premium tax expense	0	115,199,943	115,199,943	100.0%
Sales tax expense	93,052,394	0	(93,052,394)	0.0%
Total Net Operating Tax	(0)	0	(0)	0.0%
Grant Income				
Grant Revenue	0	3,089,286	(3,089,286)	(100.0%)
Grant expense - Service Partner	0	2,625,893	2,625,893	100.0%
Grant expense - Administrative	154	463,393	463,239	100.0%
Total Net Grant Income	(154)	0	(154)	0.0%
QAF and IGT - Net	0	0	0	0.0%
Other income	1,203	0	1,203	0.0%
Change in Net Assets	20,965,792	(12,683,508)	33,649,300	265.3%
Medical Loss Ratio	96.0%	96.3%	0.3%	0.3%
Admin Loss Ratio	3.1%	4.3%	1.2%	28.2%

## **MEDI-CAL INCOME STATEMENT – APRIL MONTH:**

**REVENUES** of \$232.4 million are favorable to budget by \$3.2 million, driven by:

- Price related variance of: \$1.3 million related to aid code mix
- Volume related variance of: \$1.8 million due to the higher enrollment

**MEDICAL EXPENSES:** Overall \$221.8 million, unfavorable to budget by (\$2.4) million due to:

- **Capitation** is favorable to budget \$4.3 million due to:
  - Price related variance of: \$5.0 million
  - Volume related variance of: (\$0.7) million
- **Total Claim Payments** are unfavorable to budget (\$3.3) million due to:
  - Price related variance of: (\$2.2) million
  - Volume related variance of: (\$1.1) million
- **Contingencies** are unfavorable to budget (\$3.5) million driven by:
  - Expense due to risk corridor recovery to bring FY16 MLR to 95% and prior years to 85% per DHCS contract

**ADMINISTRATION EXPENSES** are \$7.4 million, favorable to budget \$2.4 million, driven by:

- Salary & Benefits: \$1.0 million favorable to budget
- Non-Salary: \$1.4 million favorable to budget across most categories

**CHANGE IN NET ASSETS** is \$3.3 million for the month, favorable to budget by \$3.2 million

**CalOptima - OneCare Connect  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
15,827	26,150	(10,323)	(39.5%)	Member Months	72,147	126,326	(54,179)	(42.9%)
34,362,038	49,115,151	(14,753,113)	(30.0%)	Revenues				
				Capitation revenue	138,180,477	237,262,323	(99,081,846)	(41.8%)
34,362,038	49,115,151	(14,753,113)	(30.0%)	Total Operating Revenue	138,180,477	237,262,323	(99,081,846)	(41.8%)
8,037,102	14,294,632	6,257,531	43.8%	Medical Expenses				
6,148,309	5,677,937	(470,372)	(8.3%)	Provider capitation	36,351,346	69,053,593	32,702,246	47.4%
4,203,745	4,193,283	(10,462)	(0.2%)	Inpatient	28,182,124	27,580,343	(601,781)	(2.2%)
7,367,937	14,146,568	6,778,631	47.9%	Ancillary	14,495,222	20,172,003	5,676,781	28.1%
5,000,024	3,611,876	(1,388,149)	(38.4%)	Skilled nursing facilities	20,836,411	68,375,677	47,539,267	69.5%
0	435,148	435,148	100.0%	Prescription drugs	22,963,934	23,824,873	860,939	3.6%
964,596	1,392,235	427,638	30.7%	Quality incentives	0	2,102,087	2,102,087	100.0%
280,338	848,986	568,648	67.0%	Medical management	6,240,352	8,817,701	2,577,350	29.2%
				Other medical expenses	565,027	4,101,227	3,536,200	86.2%
32,002,051	44,600,665	12,598,614	28.2%	Total Medical Expenses	129,634,415	224,027,504	94,393,089	42.1%
2,359,987	4,514,486	(2,154,499)	(47.7%)	Gross Margin	8,546,062	13,234,819	(4,688,757)	(35.4%)
828,340	1,221,163	392,823	32.2%	Administrative Expenses				
0	108,367	108,367	100.0%	Salaries, wages & employee benefits	5,306,963	8,497,586	3,190,623	37.5%
223,267	421,451	198,183	47.0%	Professional fees	0	182,765	182,765	100.0%
53,158	198,598	145,440	73.2%	Purchased services	909,893	2,476,970	1,567,078	63.3%
0	0	0	0.0%	Printing and postage	1,158,323	2,040,157	881,834	43.2%
4,718	7,495	2,777	37.0%	Depreciation & amortization	(1,377)	0	1,377	0.0%
481,199	806,201	325,002	40.3%	Other operating expenses	21,579	268,819	247,240	92.0%
				Indirect cost allocation, Occupancy expense	2,376,641	7,044,824	4,668,183	66.3%
1,590,682	2,763,274	1,172,592	42.4%	Total Administrative Expenses	9,772,022	20,511,122	10,739,099	52.4%
373,375	0	373,375	0.0%	Operating Tax				
373,375	0	(373,375)	0.0%	Tax revenue	1,217,751	0	1,217,751	0.0%
				Sales tax expense	1,217,751	0	(1,217,751)	0.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
769,305	1,751,212	(981,907)	(56.1%)	Change in Net Assets	(1,225,960)	(7,276,303)	6,050,343	83.2%
93.1%	90.8%	(2.3%)	(2.6%)	Medical Loss Ratio	93.8%	94.4%	0.6%	0.6%

**ONECARE CONNECT INCOME STATEMENT – APRIL MONTH:**

**REVENUES** of \$34.4 million are unfavorable to budget by (\$14.8) million due to lower enrollment

**MEDICAL EXPENSES** are favorable to budget \$12.6 million due to:

- Across most categories due to lower enrollment

**ADMINISTRATIVE EXPENSES** are favorable to budget by \$1.2 million

**CHANGE IN NET ASSETS** is \$0.8 million, unfavorable to budget by (\$1.0) million

**CalOptima - OneCare  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,276	1,338	(62)	(4.6%)	Member Months	80,188	82,917	(2,729)	(3.3%)
				Revenues				
1,148,822	2,925,022	(1,776,200)	(60.7%)	Capitation revenue	83,442,147	91,305,827	(7,863,681)	(8.6%)
1,148,822	2,925,022	(1,776,200)	(60.7%)	Total Operating Revenue	83,442,147	91,305,827	(7,863,681)	(8.6%)
				Medical Expenses				
406,419	1,043,009	636,591	61.0%	Provider capitation	29,652,640	30,823,081	1,170,442	3.8%
188,134	860,437	672,303	78.1%	Inpatient	29,558,181	32,511,852	2,953,671	9.1%
72,424	55,639	(16,784)	(30.2%)	Ancillary	2,457,273	3,410,771	953,499	28.0%
31,146	48,703	17,557	36.0%	Skilled nursing facilities	2,293,983	3,075,745	781,762	25.4%
123,195	160,311	37,116	23.2%	Prescription drugs	6,822,008	4,469,787	(2,352,221)	(52.6%)
0	17,835	17,835	100.0%	Quality incentives	899,979	1,105,276	205,297	18.6%
55,180	(110,972)	(166,152)	(149.7%)	Medical management	3,267,466	4,010,786	743,320	18.5%
10,242	207,059	196,817	95.1%	Other medical expenses	617,587	2,663,166	2,045,579	76.8%
886,740	2,282,022	1,395,282	61.1%	Total Medical Expenses	75,569,117	82,070,465	6,501,348	7.9%
262,082	643,000	(380,918)	(59.2%)	Gross Margin	7,873,029	9,235,362	(1,362,333)	(14.8%)
				Administrative Expenses				
56,163	(108)	(56,271)	(52026.1%)	Salaries, wages & employee benefits	3,354,923	3,975,839	620,916	15.6%
8,000	36,833	28,833	78.3%	Professional fees	202,378	377,333	174,955	46.4%
90,279	44,532	(45,746)	(102.7%)	Purchased services	500,291	724,380	224,089	30.9%
41,690	35,736	(5,954)	(16.7%)	Printing and postage	144,388	417,514	273,126	65.4%
33,659	41,672	8,014	19.2%	Other operating expenses	364,729	422,321	57,592	13.6%
29,212	0	(29,212)	0.0%	Indirect cost allocation, Occupancy expense	1,794,838	1,017,186	(777,652)	(76.5%)
259,003	158,666	(100,337)	(63.2%)	Total Administrative Expenses	6,361,547	6,934,572	573,025	8.3%
3,080	484,334	(481,254)	(99.4%)	Change in Net Assets	1,511,482	2,300,790	(789,308)	(34.3%)
=====	=====	=====	=====		=====	=====	=====	=====
77.2%	78.0%	0.8%	1.1%	Medical Loss Ratio	90.6%	89.9%	(0.7%)	(0.8%)
22.5%	5.4%	(17.1%)	(315.6%)	Admin Loss Ratio	7.6%	7.6%	(0.0%)	(0.4%)



**CalOptima - PACE**  
**Statement of Revenues and Expenses**  
**For the Ten Months Ended April 30, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
158	144	14	9.7%	Member Months	1,285	1,215	70	5.8%
				Revenues				
682,640	574,895	107,744	18.7%	Medi-Cal capitation revenue	5,352,919	4,860,153	492,766	10.1%
274,757	294,927	(20,170)	(6.8%)	MediCare capitation revenue	2,465,857	2,481,750	(15,892)	(0.6%)
0	0	0	0.0%	MediCare Part D revenue	9,654	0	9,654	0.0%
957,396	869,822	87,574	10.1%	Total Operating Revenues	7,828,430	7,341,902	486,527	6.6%
				Medical Expenses				
226,680	244,137	17,456	7.2%	Clinical salaries & benefits	2,192,146	2,403,077	210,930	8.8%
0	0	0	0.0%	Pace Center Support salaries & benefits	0	0	0	0.0%
0	0	0	0.0%	Provider capitation	0	0	0	0.0%
288,924	120,384	(168,540)	(140.0%)	Claims payments to hospitals	1,882,616	1,015,740	(866,876)	(85.3%)
177,259	230,594	53,336	23.1%	Professional claims	1,900,078	1,945,634	45,556	2.3%
90,667	77,760	(12,907)	(16.6%)	Prescription drugs	766,423	656,100	(110,323)	(16.8%)
866	12,757	11,891	93.2%	Long-term care facility payments	105,697	32,556	(73,141)	(224.7%)
55,804	93,600	37,797	40.4%	Patient transportation	501,293	789,750	288,458	36.5%
49,413	54,141	4,729	8.7%	Depreciation & amortization	571,703	541,413	(30,290)	(5.6%)
37,655	38,370	715	1.9%	Occupancy expenses	376,549	376,890	341	0.1%
16,383	21,690	5,307	24.5%	Utilities & Facilities expense	149,304	156,844	7,540	4.8%
0	2,329	2,329	100.0%	Purchased services	1,449	23,672	22,223	93.9%
21,925	9,764	(12,161)	(124.5%)	Indirect allocation	172,830	82,383	(90,446)	(109.8%)
0	0	0	0.0%	Reinsurance	0	0	0	0.0%
11,231	15,968	4,737	29.7%	Other expenses	112,281	195,852	83,571	42.7%
976,806	921,494	(55,312)	(6.0%)	Total Medical Expenses	8,732,368	8,219,911	(512,457)	(6.2%)
(19,410)	(51,672)	32,262	62.4%	Gross Margin	(903,939)	(878,009)	(25,930)	(3.0%)
				Administrative Expenses				
71,338	84,927	13,588	16.0%	Salaries, wages & employee benefits	821,522	873,801	52,279	6.0%
1,938	11,000	9,062	82.4%	Professional fees	29,832	110,000	80,168	72.9%
0	9,530	9,530	100.0%	Purchased services	7,683	95,317	87,634	91.9%
0	4,167	4,167	100.0%	Printing and postage	33,944	41,667	7,722	18.5%
2,059	2,256	197	8.7%	Depreciation & amortization	23,821	22,560	(1,261)	(5.6%)
7,706	27,079	19,373	71.5%	Other operating expenses	68,481	93,538	25,057	26.8%
2,482	2,006	(477)	(23.8%)	Indirect cost allocation, Occupancy expense	22,890	19,135	(3,756)	(19.6%)
85,524	140,965	55,441	39.3%	Total Administrative Expenses	1,008,173	1,256,018	247,845	19.7%
(104,934)	(192,636)	87,702	45.5%	Change in Net Assets	(1,912,112)	(2,134,027)	221,915	10.4%
=====	=====	=====	=====		=====	=====	=====	=====
102.0%	105.9%	3.9%	3.7%	Medical Loss Ratio	111.5%	112.0%	0.4%	0.4%
8.9%	16.2%	7.3%	44.9%	Admin Loss Ratio	12.9%	17.1%	4.2%	24.7%

**CalOptima - Behavioral Health ASO**  
**Statement of Revenues and Expenses**  
**For the Ten Months Ended April 30, 2016**

	Month			
Actual	Budget	\$ Variance	% Variance	
0	0	0	0.0%	
0	0	0	0.0%	
10,668	0	(10,668)	(100.0%)	
0	0	0	0.0%	
10,668	0	(10,668)	(100.0%)	
(10,668)	0	(10,668)	(100.0%)	
0	0	0	0.0%	
0	0	0	0.0%	
(17)	0	17	100.0%	
0	0	0	0.0%	
0	0	0	0.0%	
0	0	0	0.0%	
0	0	0	0.0%	
(17)	0	17	100.0%	
(10,651)	0	(10,651)	(100.0%)	
0.0%	0.0%	0.0%	0.0%	
0.0%	0.0%	0.0%	0.0%	

Revenues  
Other Income  
  
Total Operating Revenues

Medical Expenses  
Other Medical  
Medical management  
  
Total Medical Expenses

Gross Margin

Administrative Expenses  
Salaries, wages & employee benefits  
Professional fees  
Purchased services  
Printing and postage  
Depreciation & amortization  
Other operating expenses  
Indirect cost allocation, Occupancy expense  
  
Total Administrative Expenses

Change in Net Assets

Medical Loss Ratio  
Admin Loss Ratio

Actual	Budget	\$ Variance	% Variance	
0	0	0	0.0%	
0	0	0	0.0%	
(66,037)	0	66,037	100.0%	
0	0	0	0.0%	
(66,037)	0	66,037	100.0%	
66,037	0	66,037	100.0%	
0	0	0	0.0%	
0	0	0	0.0%	
(17)	0	17	100.0%	
(405)	0	405	100.0%	
0	0	0	0.0%	
13	0	(13)	(100.0%)	
0	0	0	0.0%	
(409)	0	409	100.0%	
66,445	0	66,445	100.0%	
0.0%	0.0%	0.0%	0.0%	
0.0%	0.0%	0.0%	0.0%	

**CalOptima - Building 505 City Parkway  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Actual	Month Budget	Month	
		\$ Variance	% Variance
24,056	20,473	3,583	17.5%
24,056	20,473	3,583	17.5%
1,235	2,085	850	40.8%
38,393	22,912	(15,480)	(67.6%)
144,089	136,086	(8,003)	(5.9%)
14,549	15,110	561	3.7%
14,355	161,923	147,568	91.1%
31,927	0	(31,927)	0.0%
(216,501)	(311,907)	(95,406)	(30.6%)
28,046	26,210	(1,836)	(7.0%)
(3,989)	(5,737)	1,747	30.5%
=====	=====	=====	=====

Revenues

Rental income

Total Operating Revenue

Administrative Expenses

Professional fees

Purchase services

Depreciation & amortization

Insurance expense

Repair and maintenance

Other Operating Expense

Indirect allocation, Occupancy expense

Total Administrative Expenses

Change in Net Assets

Actual	Year - To - Date Budget	Year - To - Date	
		\$ Variance	% Variance
327,636	204,733	122,903	60.0%
327,636	204,733	122,903	60.0%
12,272	20,850	8,578	41.1%
262,709	229,124	(33,585)	(14.7%)
1,441,306	1,360,863	(80,443)	(5.9%)
145,488	151,103	5,615	3.7%
981,573	1,619,231	637,658	39.4%
525,441	0	(525,441)	0.0%
(2,932,286)	(2,854,786)	77,500	2.7%
436,504	526,385	89,882	17.1%
(108,868)	(321,653)	212,785	66.2%
=====	=====	=====	=====

## **OTHER STATEMENTS – APRIL MONTH:**

### **ONECARE INCOME STATEMENT**

- **Change in Net Assets** is \$3.1 thousand, (\$481.3) thousand unfavorable to budget
- **Medical Expenses** are \$1.4 million favorable to budget
- **Administration Expenses** are \$259.0 thousand, (\$100.3) thousand unfavorable to budget

### **PACE INCOME STATEMENT**

- **Change in Net Assets** for the month is (\$104.9) thousand, which is operating favorable to budget by \$87.7 thousand

### **505 CITY PARKWAY BUILDING INCOME STATEMENT**

- **Change in Net Assets** for the month is (\$4.0) thousand which is favorable to budget \$1.7 thousand

**CalOptima**  
**BALANCE SHEET**  
**April 30, 2016**

**ASSETS**

Current Assets

Operating Cash	\$771,431,434
Catastrophic Reserves	11,294,844
Investments	733,144,777
Capitation receivable	76,195,592
Receivables - Other	20,646,564
Prepaid Expenses	5,005,420

<b>Total Current Assets</b>	<b><u>1,617,718,631</u></b>
-----------------------------	-----------------------------

Capital Assets

Furniture and equipment	27,720,290
Leasehold improvements	11,079,686
505 City Parkway West	46,682,460
	<u>85,482,436</u>
Less: accumulated depreciation	(31,053,566)
Capital assets, net	<b><u>54,428,870</u></b>

Other Assets

Restricted deposit & Other	273,099
Board-designated assets	
Cash and cash equivalents	60,816,119
Short term investments	-
Long term investments	412,518,941
Total Board-designated Assets	<u>473,335,060</u>

Total Other Assets	<b><u>473,608,159</u></b>
--------------------	---------------------------

Deferred outflows of Resources	<b>3,787,544</b>
--------------------------------	------------------

<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>2,149,543,204</u></b>
------------------------------------	-----------------------------

**LIABILITIES & FUND BALANCES**

Current Liabilities

Accounts payable	\$1,683,570
Medical claims liability	532,193,781
Accrued payroll liabilities	9,993,329
Deferred revenue	499,844,638
Deferred revenue - CMS	0
Deferred lease obligations	298,864
Capitation and withholds	414,162,261
Accrued insurance costs	0

<b>Total Current Liabilities</b>	<b><u>1,458,176,444</u></b>
----------------------------------	-----------------------------

Other (than pensions) post

employment benefits liability	27,962,255
Net Pension Liabilities	1,774,094
Long Term Liabilities	150,000

<b>TOTAL LIABILITIES</b>	<b><u>1,488,062,793</u></b>
--------------------------	-----------------------------

Deferred inflows of Resources	<b>5,580,552</b>
-------------------------------	------------------

Tangible net equity (TNE)	87,084,320
Funds in excess of TNE	<u>568,815,538</u>

<b>Net Assets</b>	<b><u>655,899,858</u></b>
-------------------	---------------------------

<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>2,149,543,204</u></b>
---	-----------------------------

**CalOptima**  
**Statement of Cash Flows**  
**April 30, 2016**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	5,721,233	28,857,037
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	413,908	4,001,401
Changes in assets and liabilities:		
Prepaid expenses and other	8,612	(5,005,420)
Catastrophic reserves		
Capitation receivable	18,460,808	482,523,455
Medical claims liability	(35,506,375)	(138,139,519)
Deferred revenue	(5,082,770)	288,833,592
Payable to providers	12,553,972	123,529,349
Accounts payable	(1,457,846)	(21,885,089)
Other accrued liabilities	557,707	1,817,134
Net cash provided by/(used in) operating activities	<u>(4,330,752)</u>	<u>764,531,940</u>
GASB 68 CalPERS Adjustments	-	1,163,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	260,158,880	12,647,831
Purchase of property and equipment	(1,303,334)	(5,080,883)
Change in Board designated reserves	(492,530)	(13,054,033)
Net cash provided by/(used in) investing activities	<u>258,363,016</u>	<u>(5,487,084)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	254,032,265	760,208,223
CASH AND CASH EQUIVALENTS, beginning of period	<u>\$528,694,013</u>	<u>22,518,055</u>
CASH AND CASH EQUIVALENTS, end of period	<u><b>\$ 782,726,278</b></u>	<u><b>\$ 782,726,278</b></u>

## **BALANCE SHEET:**

**ASSETS** decreased (\$23.2) million from March

- **Cash and Cash Equivalents** increased by \$254.0 million from March based upon month-end cut-off and cash funding requirements
- **Capitation Receivables** decreased (\$19.6) million based upon receipt timing and receivables
- **Investments** decreased (\$260.2) million due to month-end cut-off and cash funding requirements

**LIABILITIES** decreased (\$28.9) million from March

- **Deferred Revenue** decreased by (\$5.1) million from March due to:
  - Medi-Cal Expansion and Long Term Care receivables
- **Medical Claim Liability** decreased by (\$35.5) million from March due to the \$42.1M QAF liability paid in April
- **Incentives and Risk Pool** increased \$12.8 million based upon timing of pool estimates, recalculations and payouts

**NET ASSETS** are \$655.9 million

**CalOptima Foundation**  
**Statement of Revenues and Expenses**  
**For the Ten Months Ended April 30, 2016**  
**Consolidated**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>			
73,759	0	73,759	0.0%	Income - Grant	259,913	331,766	(71,853) (21.7%)
34,321	0	34,321	0.0%	In Kind Revenue - HITEC Grant	281,053	0	281,053 0.0%
0	0	0	0.0%	In Kind Revenue - Foundation Corporate	123	0	123 0.0%
108,080	0	108,080	0.0%	Total Operating Revenue	541,089	331,766	209,323 63.1%
				<b>Operating Expenditures</b>			
22,110	7,373	(14,737)	(199.9%)	Personnel	200,026	73,734	(126,292) (171.3%)
11,509	3,559	(7,950)	(223.4%)	Taxes and Benefits	96,277	35,590	(60,687) (170.5%)
0	0	0	0.0%	Travel	2,113	0	(2,113) 0.0%
209	0	(209)	0.0%	Supplies	1,716	0	(1,716) 0.0%
8,000	0	(8,000)	0.0%	Contractual	166,698	310,766	144,068 46.4%
66,981	231,282	164,301	71.0%	Other	86,016	2,333,819	2,247,803 96.3%
108,810	242,214	133,405	55.1%	Total Operating Expenditures	552,847	2,753,909	2,201,062 79.9%
0	0	0	0.0%	Investment Income	0	0	0 0.0%
(730)	(242,214)	(241,485)	(99.7%)	Program Income	(11,758)	(2,422,143)	(2,410,385) (99.5%)
=====	=====	=====	=====	=====	=====	=====	=====



**CalOptima Foundation  
Balance Sheet  
April 30, 2016**

<b><u>ASSETS</u></b>		<b><u>LIABILITIES &amp; NET ASSETS</u></b>	
Operating cash	2,894,845	Accounts payable-Current	32,488
Grants receivable	32,488	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
<b>Total Current Assets</b>	<b><u>2,927,334</u></b>	Grants-Foundation	0
		<b>Total Current Liabilities</b>	<b><u>32,488</u></b>
		<b>Total Liabilities</b>	<b>32,488</b>
		<b>Net Assets</b>	<b>2,894,845</b>
<b>TOTAL ASSETS</b>	<b><u><u>2,927,334</u></u></b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u><u>2,927,334</u></u></b>

**CALOPTIMA FOUNDATION INCOME STATEMENT:**

- For April, expenses are equal to revenue
- YTD expenses are \$11.8 thousand higher than revenue due to non-grant expenses from the Foundation reserve

**Budget Allocation Changes**  
Reporting changes for April 2016

Transfer Month	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/DHMC 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
January	MediCal	Facilities - Repairs & Maintenance - Building	Facilities - Comp Supply/Minor Equipment	\$75,000	Funds needed for signage, furniture, adds move and change and other additional FF&E	2016
January	Capital	Facilities - 10th Floor Renovation - Common Corridor	Facilities - 505 Building Tiles	\$11,500	Funds needed for purchased of floor tiles as part of upcoming remodel of common area restroom throughout the building	2016
January	MediCal	Executive Office - Professional Fees	Executive Office - Purchased Services	\$15,000	Re-purpose \$15,000 specified for Prof Fees - Legal to be used for an armed security officer at all board of directors meeting	2016
January	Capital	Facilities - Board Dias/Table	PACE - Water Softener	\$36,000	Re-purposed unspent board approved budget of \$36,000 specified for Board Dias/Table to be used for PACE Water Softener	2016
January	Capital	Facilities - Board Dias/Table	Facilities - Sound Recording System	\$46,000	Re-purposed unspent board approved budget of \$46,000 specified for Board Dias/Table to be used for Sound Recording System	2016
February	MediCal	Community Relations - Public Activities	Community Relations - Professional Fees	\$17,000	Re-allocate funds from Public Activities to Professional Fees to cover community liaison consultants to assist with community relation functions.	2016
February	Capital	IS-Applications Management - Altruista Provider Portal Network	IS-Applications Management - Claims Editor	\$31,700	Re-allocate capital funds to cover full cost of the claim editor program	2016
February	OneCare	Audit & Oversight - Professional Fees	Compliance - Professional Fees	\$75,000	Re-allocate professional fees funds from Audit & Oversight to Compliance to cover Deloitte audit expenses	2016
March	OneCare Connect	Communications - Public Activities, Printing	Communications - Advertising	\$75,182	Re-allocate funds from Public Activities and Printing to Advertising	2016
April	MediCal	Health Ed & Disease Mgmt - Purchased Services - Childhood Obesity	Health Ed & Disease Mgmt - Professional Fees	\$40,000	Re-allocate funds from Purchased Services - Childhood Obesity to Professional Fees to pay for Group Needs Assessment which is a requirement for DHCS	2016
April	MediCal	IS-Infrastructure - Purchased Services - Disaster Recovery Services	IS-Infrastructure - Subscriptions	\$76,000	Re-allocate funds from Purchased Services (Disaster Recovery Technology Services) to Subscriptions to pay for Gartner Renewal (5/1/16 - 4/30/17) and other subscription related expenses	2016
April	MediCal	Medical Management - Professional Fees - Recruiting Utilization Management & Quality Analytics Directors	Medical Management - Professional Fees - Organ Transplant Vendor (Axia)	\$60,000	Re-purpose funds from Professional Fees - Recruiting Utilization Management & Quality Analytics Directors to pay for Organ Transplant Vendor (Axia)	2016
April	OneCare	Cultural & Linguistic Services - Member Communications	Cultural & Linguistic Services - Purchased Services - Interpreting	\$20,000	Re-allocate funds from Member Communication to Purchased Services - Interpreting to pay for interpreting services	2016
April	MediCal	Human Resources - Purchased Services	Human Resources - Professional Fees, Training & Seminars, Office Supplies	\$10,000	Re-allocate funds from Purchased Services to Professional Fees, Training & Seminars, and Office Supplies to pay for FutureSense training assessment, Skillsoft (LMS) training courses, and office supplies	2016
April	MediCal	IS-Infrastructure - Telephone	IS-Infrastructure - Software Maintenance	\$21,000	Re-allocate funds from Telephone to Software Maintenance to cover cost of Microsoft Agreement/Licenses	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.

# Member Experience Update

**Board of Directors Meeting**  
**June 2, 2016**

**Richard Bock, Deputy Chief Medical Officer**  
**Caryn Ireland, Executive Director, Quality**

# As you recall....

---

- CalOptima is the top rated Medicaid Plan in California, receiving a 4 out of 5 rating by NCQA
- Our rating showed good clinical scores, as well as opportunities for improvement in member satisfaction
- Our goal is to raise member experience Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores. CAHPS scores impact both our annual NCQA accreditation rating and national rating.
- We formed an enterprise-wide Member Experience Work Group
  - Senior leadership executive sponsors from operations, medical affairs and provider network are participating in the work group
- Our Strategy
  - Identify the focus areas and implement strategies

# And then....

---

- We analyzed the CAHPS results (child and adult) and identified 5 common areas for improvement
- We completed a Member Experience RFI to gather market intelligence on methods to gather further member experience data
- We administered our own Supplemental Survey
- And we started to implement process improvements at CalOptima and with our Health Networks

# CAHPS Analysis

- Proposed Areas of Focus (in red)
- Findings similar between Child and Adult CAHPS

Measures	Benchmarks
Rating of all health care	Above the 50 percentile
Rating of personal doctor	Above the 50 <sup>th</sup> percentile
Rating of specialist seen often	Above the 25 <sup>th</sup> percentile
<b>Rating of health plan (RHP)</b>	<b>Below the 25<sup>th</sup> percentile</b>
<b>Getting needed care (GNC)</b>	<b>Below the 25<sup>th</sup> percentile</b>
<b>Getting care quickly (GCQ)</b>	<b>Below the 25<sup>th</sup> percentile</b>
<b>How well doctors communicate (HWDC)</b>	<b>Below the 25<sup>th</sup> percentile</b>
<b>Customer service (CS)</b>	<b>Below the 25<sup>th</sup> percentile</b>
Shared decision making	Below the 25 <sup>th</sup> percentile

# Member Experience RFI

---

- Five vendors submitted formal responses to the RFI
- Recommended strategies included
  - Surveys, Focus Groups, One-on-One In-Person Interviews, Enhanced Access & Appointment Availability Study
- Two vendors recommended against focus groups due to limited dollars available for member incentives based on DHCS requirements
- One vendor recommended conducting multiple focus groups matching our cultural membership mix
- Costs varied from \$76,000 - \$187,000



# Supplemental Survey

---

- Survey was developed and administered by CalOptima to obtain qualitative information about member pain points
- Survey was fielded to 27,509 members; Survey field dates: 11/4/15-2/8/16
- 3794 surveys were returned; Response rate: 13.79%
- Over 630 Unique Providers were represented in the survey
- Results were analyzed by LOB and Language
- Preliminary Findings
  - The Supplemental Survey results were generally higher than CAHPS results on Rating of Healthcare, Rating of Doctor and Rating of Health Plan
  - Getting Needed Care, Getting Care Quickly and How Doctors Communicate results are more in line with CAHPS results
  - Korean-speaking Medi-Cal members scored lower levels of satisfaction than other language groups
- Further analysis is in progress regarding provider specific results and other qualitative analysis

# Qualitative Analysis-Member Pain Points

Count of Comments	Description	Alignment
151	Coordination of care (includes problems with referrals, processes, too many phone calls)	<a href="#">GNC/GCQ</a>
136	Kudos (positive Comment about CalOptima or Dr.)	-
102	Access to speciality care (comments about length of time to get appointment to specialist or referrals for specialty care)	<a href="#">GCQ</a>
89	Poor communication by Dr. (does not explain things well, does not listen to my questions, I don't understand what Dr. is saying)	<a href="#">HWDC/GCQ</a>
87	Wait time to get PCP appointment	<a href="#">GCQ</a>
67	Feeling rushed during appointment	<a href="#">HWDC/GCQ</a>
58	Wait time for appointment (after arriving in the office)	<a href="#">GCQ</a>
49	RX( Denials, formulary, didn't get what I asked for)	<a href="#">GNC</a>
30	Rude office staff	<a href="#">CS</a>
26	Lack of consistent care by same Dr.-wants to see same Dr. every visit, not PA	<a href="#">GNC</a>
25	Dental Benefit	-
21	Language/Cultural barrier (need Dr. or help in another language)	<a href="#">CS</a>
15	Please contact me to discuss; assistance requested	-
14	Vision Benefit	-
14	Distance to care is too far	<a href="#">GNC/GCQ</a>

# Additional Analysis and Actions

---

- Analyze physician data based on overall survey score (above/below 80%) and based on patient volume (physicians with 10 or more respondents)
- Develop and distribute provider-specific summary reports on barriers to care
- Report data by Physician, by Clinic and by Health Network (including CCN)
- Work with Network Management/Provider Services on outreach strategies
- Implement CG-CAHPS in the Fall 2016
- Increase the weighting of Member Experience/CAHPS results in the Pay-for-Value Program

# Telephonic Member Satisfaction Survey

- Implemented a Six Question Post-Call Customer Service Survey
  - Implemented in June, 2015; by April, over 54,000 surveys completed!
  - Results rated Customer Service Representative 96% - 98% in:
    - Being knowledgeable,
    - Easy to understand,
    - Providing help to resolve issue, and
    - Treated with courtesy and respect
  - 81% of members indicated it was their first time calling about the issue
  - December 2015 – tied data back to Customer Service Representative who handled call
- 2<sup>nd</sup> – 3<sup>rd</sup> Quarter 2016 Initiatives
  - Expand survey to OneCare and OneCare Connect membership
  - Expand survey questions to include who they called first
  - Identify top reasons for multiple calls
  - Additional training for specific staff or department as identified
  - Option to leave voice message

# Alignment of Activities

## Categories

- Getting Needed Care
- Getting Care Quickly

## Issues

- Coordination of Care
- Access to Care
- Wait Times
- Lack of Consistent Care
- Distance too far

## Actions

- **Partner with Health Networks: CAHPS-specific reports - distributed November, 2015 (completed)**
- **Health Network Specific Action Plans – received February, 2016**
- **Member Education on referrals/PA processes – included in February 2016 Member Newsletter (completed)**
- Follow-up on Health Network Action Plans – reports due May, 2016
- Pursue education “team” and education for PCPs and office staff to help improve service and reduce barriers to care within the office setting (in development)

# Alignment of Activities (Continued)

## Categories

- How Well Doctors Communicate

## Issues

- Poor Dr. Communication
- Does not understand what my Dr. is saying
- Does not explain things well

## Actions

- **Tips to members on “preparing for your Dr. visit” – in February 2016 Member Newsletter (completed)**
- Pursue education “team” and education for PCPs and office staff to help improve service and reduce barriers to care within the clinic setting (in development)

# Alignment of Activities (Continued)

## Categories

- Customer Service (Plan-Level & Provider Level)

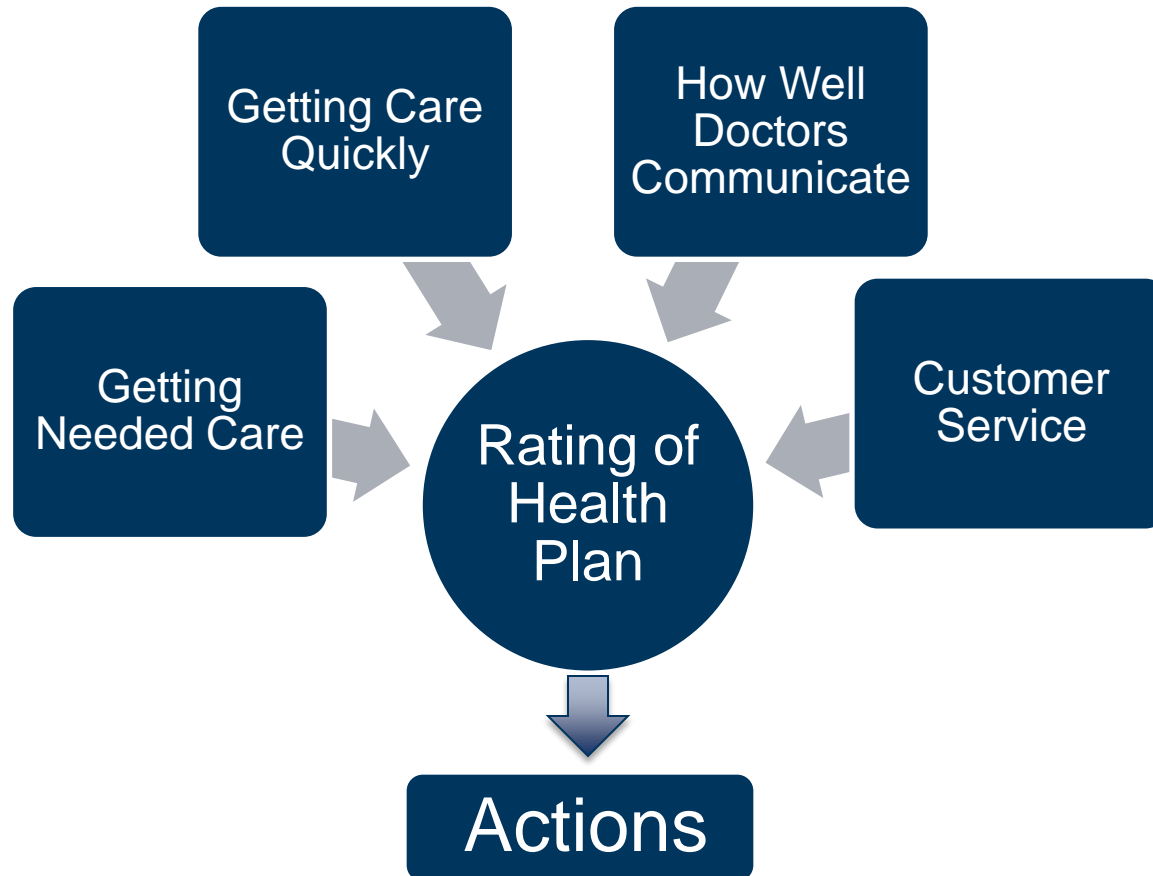
## Issues

- Language/Cultural Barriers
- Rude Office Staff
- Feeling Rushed

## Actions

- **Customer Service Post Call Survey (first call resolution) – implemented June 2015 to current (completed)**
- **Evaluation and trending on member pain points (complaints, grievances, appeals) - ongoing**
- Pursue education “team” and education for PCPs and office staff to help improve service and reduce barriers to care within the clinic setting (in development)

# Alignment of Activities Summary





# Additional Member Experience Initiatives

---

- Continue analysis and identify actions to reduce member issues
  - Access
  - Member complaints – trends (GARS, PQIs)
  - Referral/Prior Authorization process
- Continue customer service post call survey to identify staff training and education opportunities
- Support Health Network Member Experience Initiatives
- Pursue educational “team” approach to working with PCPs on barriers to care
- Implement CG-CAHPS for more frequent member experience feedback
- Consider repeating supplemental survey for qualitative data

## **Board of Directors' Meeting June 2, 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 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 took place from March 29 -30, 2016. CalOptima expects results from the validation audit in the coming weeks.
- **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 submitted all requested medical records to the CMS contractor by May 10, 2016.
- **Medicare Part C National Risk Adjustment Data Validation (RADV) Audit:** On January 27, 2016, CMS notified CalOptima that it was selected for the CY 2014 Medicare Part C National Risk Adjustment Data Validation (RADV) audit. CalOptima must submit all requested medical records to the CMS contractor by June 20, 2016.
- **Medicare Parts C & D Data Validation Audit:** As required by CMS on an annual basis, CalOptima has contracted with Advent Advisory Group, LLC (Advent) to conduct a review of reporting processes, including policies and procedures, source codes, and data files for Part C and D reports submitted during contract year (CY) 2015 for both One Care and One Care Connect programs. On April 13, 2016, Advent conducted a virtual audit on reporting processes for all Parts C and D reporting requirements. All audit requests and supporting documentation must be submitted to CMS by June 30, 2016.

## 2. OneCare Connect

- CY 2016 Quality Withhold Performance Measure Validation: On November 12, 2015, CalOptima received notice that CMS' contractor, Health Services Advisory Group (HSAG), would 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 was performed via webex on April 5, 2016. At the conclusion of the validation audit, HSAG auditor complimented CalOptima for its thorough preparation, organization, and documentation of its policies and processes. The HSAG auditor also stated that there were no concerns with CalOptima's processes and oversight. HSAG is expected to release a draft report in mid-June with a final report expected by the end of June 2016.
- One Care Connect Mock Audit: CalOptima anticipates that CMS will select its OneCare Connect program for a full-scope program audit some time in 2016. As such, CalOptima has recently engaged a consultant to conduct a mock audit on its OneCare Connect program using the 2016 CMS audit protocols. CalOptima received audit engagement letters from its consultant for Organization Determination on April 25, 2016 and Parts C and D Appeals and Grievances on May 2, 2016. Universes are expected to be due three (3) weeks thereafter, and mock audit activities are expected to begin the week of June 6, 2016.

## 3. 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. On December 31, 2015, CalOptima submitted a corrective action plan (CAP) for the findings cited in the final audit report. Subsequently, CMS/DHCS auditors requested additional information from CalOptima prior to accepting its CAP responses. On April 27, 2016, CMS/DHCS provided notification of final acceptance of all CAPs. The audit notification officially closes out the 2015 review.

## 4. Medi-Cal

- 2015 DHCS Medical Audit: Up to thirteen (13) auditors from DHCS were onsite from February 8 – 19, 2016 conducting an annual audit of CalOptima's Medi-Cal program. The review period was from February 1, 2015 through November 30, 2015. The DHCS Medi-Cal audit consisted 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.
- On April 5, 2016, DHCS issued a draft report, which identified 4 (four) preliminary findings in the following areas --- Initial Health Assessment, Appointment Procedures and Waiting Times, Confidentiality Rights, and Fraud and Abuse. DHCS is expected to issue a final report in May 2016.

## B. Updates on Internal /External Audits

### 1. Internal Audits: Medi-Cal

- Utilization Management (UM): Summary of Findings of file Review for Utilization Management decisions

Month	Timelines for Urgents	CDM for Urgents	Letter Score for Urgents	Timelines for Routine	Timelines for Denials	CDM for Denials	Letter Score for Denials	Timelines for Deferrals
January 2016	100%	89%	93%	27%	80%	89%	90%	100%
February 2016	10%	NA	N/A	40%	89%	94%	96%	0%
March 2016	27%	NA	N/A	3%	94%	88%	93%	25%

- The lower scores for timeliness were due to the following reasons:
  - Failure to meet timeframe for decision (72 hours)
  - Failure to meet timeframe for decision (5 business days)
  - Failure provider initial (24 hours) and written (2 business days) notification timeframe
  - Failure to meet timeframe for extended decision (14 calendar days)
  - Failure to meet member written notification timeframe (2 business days)
- The lower scores for clinical decision making (CDM) were due to the following reasons:
  - Failure to cite the criteria utilized to make the decision
  - Failure to obtain adequate clinical information for decision
- The lower letter scores were due to the following reasons:
  - Failure to use lay language for services description
  - Failure to describe why request did not meet criteria in lay language
  - Failure to provide alternative direction

- Claims: Summary of Findings: Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	100%	100%	100%	81%
February 2016	100%	97%	100%	100%
March 2016	100%	100%	100%	100%

- The compliance rate for paid and denied claims accuracy and timeliness has been 100% compliant in March 2016.

## 2. Internal Audits: OneCare

- Pharmacy: Coverage Determination Timeliness Review

Month	% of Timeliness
January 2016	100%
February 2016	100%
March 2016	100%

- Timeliness for coverage determinations remains stable at 100% throughout the first quarter of 2016.

- Pharmacy: Coverage Determination Clinical Decision Making (CDM) Review for Protected Drugs

Month	Protected Drug Cases Reviewed	Protected Drug Cases Failed	Overall Compliance
January 2016	1	0	100%
February 2016	0	0	NA
March 2016	4	0	100%

- There were no protected drug cases reported for the month of February 2016.
- The review of protected drug cases for CDM has been compliant at 100% for January and March 2016.

- **Pharmacy:** Coverage Determination Clinical Decision Making (CDM) Review for Unprotected Drugs

Month	Unprotected Drug Cases Reviewed	Unprotected Drug Cases Failed	Overall Compliance
January 2016	15	0	100%
February 2016	15	0	100%
March 2016	23	0	100%

- The review of unprotected drug cases for CDM has been compliant at 100% throughout the first quarter of 2016.

- **Pharmacy:** Monthly Direct Member Reimbursement (DMR) Review

Month	% of DMR Case Compliance
January 2016	No DMR Requests
February 2016	No DMR Requests
March 2016	100%

- There were no DMR requests for the months of January and February 2016.
- The review of DMR has been compliant at 100% for March 2016.

- **Utilization Management (UM):** Summary of Findings of File Review for Utilization Management (UM) Decisions

Month	Timeliness for EIOD <sup>a\</sup>	CDM for EIOD <sup>c\</sup>	Letter Score for EIOD	Timeliness for SOD <sup>b\</sup>	Letter Score for SOD	Timelines for Denials	CDM for Denials <sup>c\</sup>	Letter Score for Denials
January 2016	NTR <sup>d\</sup>	NTR	NTR	100%	50%	NTR	NTR	NTR
February 2016	NTR	NTR	NTR	67%	67%	NTR	NTR	NTR
March 2016	NTR	NTR	NTR	100%	67%	NTR	NTR	NTR

- The decrease in letter score compliance for SOD in March 2016 was due to the following reasons:
  - Failure to use approved CMS letter templates
  - Failure to use lay language

<sup>a\</sup> EIOD = expedited initial organization determination

<sup>b\</sup> SOD = standard organization determination

<sup>c\</sup> CDM = clinical decision making

<sup>d\</sup> NTR = nothing to report

- Claims: Summary of Findings of Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	100%	100%	100%	100%
February 2016	100%	100%	100%	93%
March 2016	100%	87%	100%	100%

- The compliance rate for paid and denied claims timeliness has remained steady at 100% for January and February 2016.
- The compliance rate for paid claims accuracy has decreased to 87% in March 2016 due to claims processed without the Service Facility Location.
- The compliance rate for denied claims accuracy has increased from 93% in February to 100% in March 2016.

### 3. Internal Audits: OneCare Connect

- Pharmacy: Coverage Determination Timeliness Review

Month	% of Timeliness
January 2016	100%
February 2016	99.7%
March 2016	100%

- Timeliness for coverage determinations remained stable around 100% for the first quarter in 2016.

- Pharmacy: Coverage Determination Clinical Decision Making (CDM) Review

Month	Protected Drug Cases Reviewed	Protected Drug Cases Failed	Overall Compliance
January 2016	10	7	23%
February 2016	9	0	100%
March 2016	15	0	100%

- For the month of January, cases failed due to quantity limit (QL) / drug strength (DS) authorization restrictions at the time of review due to a system issue with MedImpact. The issue has been resolved and remediated manually by CalOptima's Pharmacy department.

- The reviews of protected drug cases for clinical decision making(CDM) have been compliant at 100% for the months of February and March 2016.

- Pharmacy: Coverage Determination Clinical Decision Making (CDM) Review

Month	Unprotected Drug Cases Reviewed	Unprotected Drug Cases Failed	Overall Compliance
January 2016	99	64	33%
February 2016	111	6	94.7%
March 2016	105	13	87.5%

- The reviews of unprotected drug cases for clinical decision making (CDM) have decreased from about 95% in February to 87.5% in March 2016.

- Pharmacy: Monthly Direct Member Reimbursement (DMR) Review

Month	% of DMR Case Compliance
January 2016	No Reimbursement Requests
February 2016	100%
March 2016	99%

- There were no DMR requests for the month of January 2016.
- The review of DMR has been compliant around 100% in February and March 2016.

- Utilization Management (UM): Summary of Findings of file Review for Utilization Management Decisions

Month	Timeliness for Urgents	CDM for Urgents	Letter Score for Urgents	Timeline for Routine	Letter Score for Routine	Timeline for Denials	CDM for Denials	Letter Score for Denials	Timeline for Referral	CDM for Referral	Letter Score for Referral
January 2016	NTR	NTR	NTR	71%	18%	NTR	NTR	NTR	NTR	NTR	NTR
February 2016	83%	NA	83%	50%	75%	NTR	NTR	NTR	NTR	NTR	NTR
March 2016	52%	NA	52%	23%	3%	NTR	NTR	NTR	NTR	NTR	NTR

- The lower scores for timeliness were due to the following reasons:
  - Failure to meet timeframe for decision (72 hours)
  - Failure to meet timeframes for provider initial (24 hours) and written (2 business days) notifications
  - Failure to meet timeframe for decision (5 business days)
  - Failure to meet timeframe for provider initial (24 hours) notification
- The lower letter scores were due to the following reasons:
  - Failure to issue letter in member's preferred language
  - Failure to use lay language



- Claims: Summary of Findings of Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	100%	88%	100%	100%
February 2016	100%	100%	100%	100%
March 2016	97%	87%	100%	100%

- The compliance rate for paid claims timeliness decreased to 97% in March 2016 due to claims being processed without the Service Facility Location.
- The compliance rate for paid claims accuracy decreased to 87% in March due to the following reasons:
  - Payment made for non-payable charges
  - Claim developed in error
  - Incorrect authorization used
- The compliance rate for denied claims timeliness and accuracy has remained at 100% throughout the first quarter in 2016.

#### 4. External Audits: Medi-Cal

- Utilization Management (UM): Summary of Findings of file Review for Utilization Management Decisions

Month	Timeliness for Urgents	CDM for Urgents	Letter Score for Urgents	Timeliness for Routine	Timeliness for Denials	CDM for Denials	Letter Score for Denials	Timeliness for Modified	CDM for Modified	Letter Score for Modified	Timeliness for Referrals	CDM for Referrals	Letter Score for Referrals
January 2016	95%	NA	NA	86%	92%	95%	96%	91%	100%	93%	90%	100%	87%
February 2016	88%	95%	87%	90%	89%	96%	89%	78%	98%	97%	100%	100%	100%
March 2016	93%	97%	93%	91%	92%	99%	97%	88%	100%	100%	17%	100%	83%

- The lower scores for timeliness were due to the following reasons:
  - Failure to meet timeframe for decision
  - Failure to meet timeframe for provider initial notification
  - Failure to meet timeframe for provider written notification

- The lower scores for CDM were due to the following reasons:
  - Failure to cite the criteria utilized to make the decision
- The lower letter scores were due to the following reasons:
  - Failure to provide letter with description of services in lay language

- Claims: Summary of Findings of Misclassified Claims

Month	Misclassified Paid Claims	Misclassified Denied Claims
January 2016	96%	95%
February 2016	100%	100%
March 2016	97%	100%

- The compliance rate for misclassified paid and denied claims has remained stable at or above 95% for the first quarter of 2016.

- Claims: Summary of Findings of Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	96%	95%	100%	97%
February 2016	95%	99%	98%	98%
March 2016	99%	97%	100%	90%

- The compliance rate for paid claims timeliness and accuracy has remained stable at or above 95% for the first quarter of 2016.
- The compliance rate for denied claims timeliness has been at or above 98% for the first quarter of 2016.
- The compliance rate for denied claims accuracy has decreased to 90% this month due to family planning related services being incorrectly denied.

- Claims: Summary of Findings of Misclassified Hospital Claims

Month	Misclassified Paid Claims	Misclassified Denied Claims
January 2016	100%	100%
February 2016	96%	100%
March 2016	100%	100%

- The compliance rate for misclassified paid and denied hospital claims has remained stable at or above 96% for the last three (3) months.

- Claims: Summary of Findings of Hospital Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	93%	99%	100%	100%
February 2016	100%	100%	100%	100%
March 2016	100%	100%	100%	100%

- The compliance rate for paid claims timeliness and accuracy has remained stable at or above 93% for the last three (3) months.
- The compliance rate for denied claims timeliness and accuracy has remained at 100% for the past three (3) months.

## 5. External Audits: OneCare

- Pharmacy: Formulary Rejected Claims Review

Month	% Claims Rejected in Error (Member Impact)
January 2016	0%
February 2016	0%
March 2016	0%

- No claims were rejected in error due to formulary restrictions.

- Utilization Management (UM): Summary of Findings of File Review for Utilization Management Decisions

Month	Timeliness for EIOD <sup>a\</sup>	CDM for EIOD <sup>c\</sup>	Letter Score for EIOD	Timeliness for SOD <sup>b\</sup>	Letter Score for SOD	Timelines for Denials	CDM for Denials <sup>c\</sup>	Letter Score for Denials
January 2016	97%	NTR <sup>d\</sup>	90%	100%	98%	100%	97%	100%
February 2016	100%	NTR	95%	100%	92%	100%	100%	100%
March 2016	83%	NTR	79%	89%	83%	67%	67%	67%

- The lower scores for timeliness, clinical decision making (CDM), and letter scores were due to failure to submit files for review by one of the health networks.

<sup>a\</sup> EIOD = expedited initial organization determination

<sup>b\</sup> SOD = standard organization determination

<sup>c\</sup> CDM = clinical decision making

<sup>d\</sup> NTR = nothing to report

- Claims: Summary of Findings of Misclassified Claims

Month	Misclassified Paid Claims	Misclassified Denied Claims
January 2016	97%	96%
February 2016	100%	100%
March 2016	100%	100%

- The compliance rate for misclassified paid and denied claims has remained stable at or above 96% for the last three (3) months.

- Claims: Summary of Findings of Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	100%	100%	100%	78%
February 2016	99%	99%	99%	85%
March 2016	97%	97%	99%	84%

- The compliance rate for paid claims timeliness and accuracy has decreased to 97% this month due to an issue with the amount of interest being paid incorrectly.
- The compliance rate for denied claims timeliness has remained stable at or above 99% for the last three (3) months.
- The compliance rate for denied claims accuracy has decreased from 85% in February to 84% in March due to the following reasons:
  - Failure to provide Explanation of Benefits (EOB) or Remittance Advice (RA) to provider
  - Failure to provide notification of appeals rights to provider

#### 6. External Audits: OneCare Connect

- Pharmacy: Formulary Rejected Claims Review

Month	% Claims Rejected in Error (Member Impact)
January 2016	0%
February 2016	0%
March 2016	0%

- No claims were rejected in error due to formulary restrictions.

- Utilization Management (UM): Summary of Findings of File Review for Utilization Management Decisions

Month	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 Modified	CDM for Modified	Letter Score for Modifieds	Timeliness for Referral	CDM for Referrals	Letter Score for Referrals
January 2016	100%	100%	81%	91%	77%	72%	100%	91%	100%	100%	89%	NA	NA	NA
February 2016	88%	NTR	58%	98%	71%	80%	96%	88%	100%	100%	67%	NA	NA	NA
March 2016	70%	33%	59%	78%	67%	61%	67%	65%	0%	33%	33%	44%	50%	50%

- The lower scores for timeliness were due to the following reasons:
  - Failure to submit files
  - Failure to meet timeframe for decision
  - Failure to meet timeframe for member oral notification
  - Failure to meet timeframe for member written notification
  - Failure to meet timeframe for provider initial notification
  - Failure to meet timeframe for provider written notification
- The lower scores for CDM were due to the following reasons:
  - Failure to provide adequate clinical information

- Failure to make decision by appropriate professional
- Failure to cite the criteria utilized to make the decision
- The lower letter scores were due to the following reasons:
  - Failure to use CMS approved letter template
  - Failure to provide letter with CalOptima logo
  - Failure to provide letter with description of services in lay language
  - Failure to provide language assistance program (LAP) insert with approved threshold languages
  - Failure to provide information on how to file a grievance
  - Failure to provide referral back to PCP regarding any denial
- Claims: Summary of Findings of Misclassified Claims

Month	Misclassified Paid Claims	Misclassified Denied Claims
January 2016	99%	100%
February 2016	100%	100%
March 2016	99%	99%

- The compliance rate for misclassified paid and denied claims has remained stable at or above 99% for the last three (3) months.
- Claims: Summary of Findings of Professional Claims

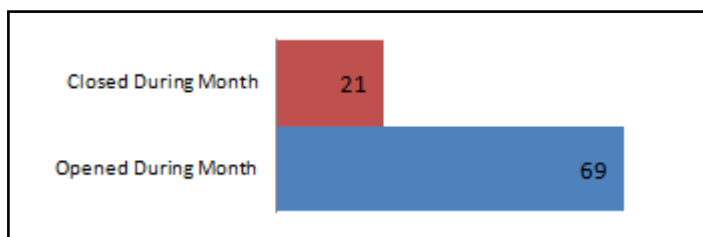
Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
January 2016	96%	99%	90%	72%
February 2016	97%	98%	100%	97%
March 2016	98%	97%	100%	77%

- The compliance rate for paid claims timeliness has slightly increased, while the compliance rate for paid claims accuracy has slightly decreased.
- The compliance rate for denied claims timeliness has remained steady at 100% during the last two (2) months.
- The compliance rate for denied claims accuracy has decreased to 77% from the previous month due to failure to provide development letter to provider.

C. Special Investigations Unit (SIU) / Fraud, Waste & Abuse (FWA) Investigations (April 2016)

**Case Status**

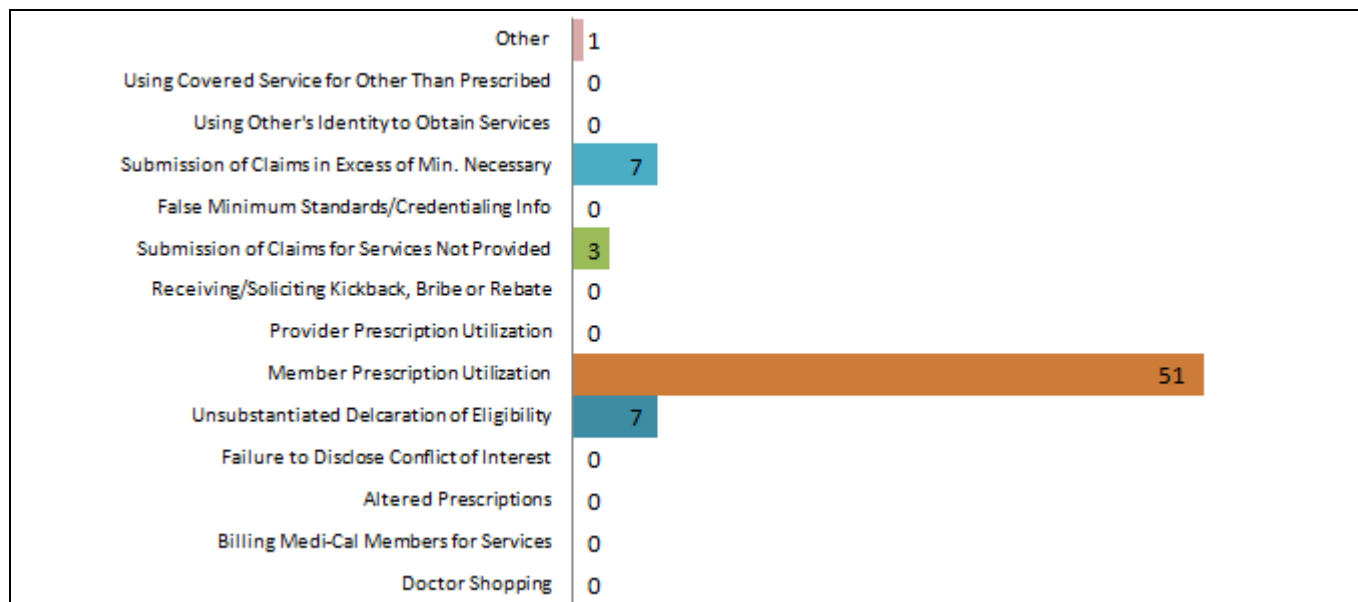
Case status at the end of April 2016



**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:**

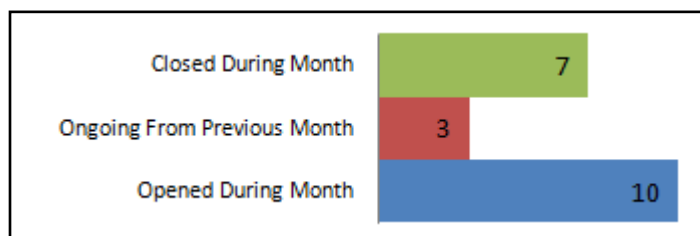
(Received in April 2016)



D. Privacy Cases (April 2016)

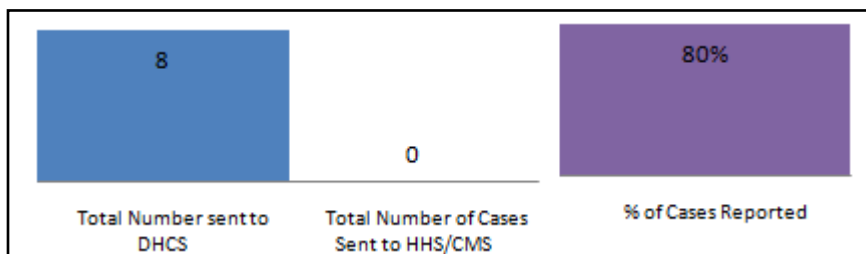
**Case Status**

Case status at the end of April 2016  
(Case status may change throughout the month)



**Privacy Statistics**

(April 2016)





**CalOptima**  
Better. Together.

# Federal & State Legislative Advocate Reports

**Board of Directors Meeting**  
**June 2, 2016**

**James McConnell / Edelstein Gilbert Robson & Smith**



**JAMES F. MCCONNELL**  
**ATTORNEY-AT-LAW**  
**1130 CONNECTICUT AVENUE, N.W.**  
**SUITE 300**  
**WASHINGTON, D.C. 20036**  
**Mobile: 917-434-3603**  
**E-mail: [jmccconnell@tfgnet.com](mailto:jmccconnell@tfgnet.com)**

**CalOptima**  
**Washington Report**  
**May 20, 2016**

The Fiscal Year 2017 appropriations process moved forward over the past month, but in fits and starts. As usual, the appropriation measure funding the Department of Health and Human Services (HHS) will be one of the last ones to come out of committee, not least because of controversial policy riders which inevitably are attached to the bill. In recent years, these riders have revolved around Republican attempts to defund the Affordable Care Act (ACA).

Congress did move forward on legislation to address the opioid epidemic. On May 10, the House passed, by a vote of 410-1, the "Opioid Program Evaluation (OPEN) Act" (H.R. 5052), which would require the Departments of Justice and HHS to work with the National Academy of Sciences to evaluate the effectiveness of federal grant programs relating to opioid abuse, collect information from grant recipients and share it with the public.

The bill would require both departments, working with the Academy or third-party groups, to identify, within 180 days of enactment, outcomes that the grant programs are intended to achieve and the metrics for measuring those outcomes. The information would be published within 30 days of being identified; require grant recipients to collect data based on the metrics and report annually to the department; provide an initial evaluation within three years of enactment assessing the nature and extent of opioid abuse and illegal distribution of opioids; and complete the evaluations within five years of enactment.

The National Academy of Sciences would be responsible for publishing the initial and final evaluations and providing reports to Congress, as well as assisting with the departments' efforts to develop outcomes and related metrics.

On May 12, the House passed, by a vote of 413-5, the "Comprehensive Opioid Abuse Reduction Act of 2016" (H.R. 5046). This bill would authorize the future appropriation of \$103 million annually from 2017—2021 to allow the Department of Justice (DOJ) to provide grants to state, local, and tribal governments for programs to prevent and combat opioid abuse.

The grants would help local officials to: facilitate and enhance collaboration between state criminal justice agencies and state substance abuse systems; develop,

implement, or expand treatment alternatives for incarceration programs; train criminal justice agency personnel on substance use disorders and co-occurring mental illness and substance use disorders; provide additional training and resources for first responders on carrying and administering opioid reversal drugs; provide additional resources to investigate illicit activities related to the unlawful distribution of opioids; expanding or more closely monitoring a prescription drug abuse program; and additional support activities.

On May 13, the House passed, by a vote of 400-5, the "Comprehensive Addiction and Recovery Act" (S. 524), which consists of the 16 suspension bills that each passed the House during the week of May 9, including the OPEN Act, and the two bills passed under a rule, including the "Comprehensive Opioid Abuse Reduction Act of 2016."

The additional bipartisan bills that passed the House under suspension of the Rules help to address the opioid epidemic facing the country by: encouraging and training health care providers to co-prescribe overdose reversal drugs, such as Naloxone, when the prescribe common opioids to patients at risk of addiction; allowing pharmacists to partially fill prescriptions for controlled substances while allowing the patient to return to the pharmacy if more medication is needed; providing informational materials to educate and prevent addiction in teenagers and adolescents who are injured playing sports and are subsequently prescribed an opioid; requiring Veterans Affairs (VA) and the Department of Defense (DOD) to update their Clinical Practice Guidelines for Management of Opioid Therapy for Chronic Pain and requiring VA opioid prescribers to have enhanced pain management and safe opioid prescribing education training; among other necessary steps.

The comprehensive legislation will now move to a conference with the Senate package, and is likely to receive President Obama's signature despite Democratic protests that the bill lacks sufficient funding.

HHS released a final rule May 13 implementing nondiscrimination provisions of the ACA. Among the provisions of the rule, published May 18 in the Federal Register, is a ban on denial of health care or health coverage based on an individual's sex, including discrimination based on pregnancy, gender identity and sex stereotyping.

The rule will advance health equity and reduce health-care disparities, according to a press release from HHS. Section 1557 of the ACA prohibits discrimination on the basis of race, color, national origin, sex, age or disability in certain health programs and activities. The HHS release said that while the final rule "does not resolve whether discrimination on the basis of an individual's sexual orientation status alone is a form of sex discrimination under Section 1557, the rule makes clear that [the department] will evaluate complaints that allege sex discrimination related to an individual's sexual orientation to determine if they involve the sorts of stereotyping that can be addressed" under the law.

The rule also prohibits marketing practices or benefit designs that discriminate on the basis of race, color, national origin, sex, age or disability, and it prohibits discriminatory practices by health-care providers, such as hospitals that accept Medicare or doctors who participate in the Medicaid program, the HHS said in the release.

The final rule also enhances language assistance for people with limited English proficiency “and helps to ensure effective communication for individuals with disabilities,” HHS said. The final rule clarifies the responsibilities of health-care providers and insurers that receive federal funds as well as issuers that offer plans in the ACA health insurance marketplaces.



**CALOPTIMA  
LEGISLATIVE REPORT**  
By Don Gilbert and Trent Smith  
May 19, 2016

It is officially budget season in Sacramento. While the Governor releases a budget plan in January, and the Legislature holds budget hearings shortly thereafter, the real work begins after the Governor releases his revised spending plan, referred to as the May Revise. The May Revise was released on May 6 and reflects the most recent revenue projections based on April tax returns.

The Governor's Department of Finance (DOF) projects that state revenue is down \$1.9 billion from January estimates. However, the May Revise also reflects new revenue generated from passage and federal approval of the Managed Care Organization (MCO) Tax. Revenue from the MCO tax will be committed to developmental disability services, higher payments to some Medi-Cal providers, and reducing debt.

As a result of the Affordable Care Act Medi-Cal, enrollment is projected to grow from 7.9 million in 2012-13 to 14.1 million in 2016-17. Beginning in 2017 the state begins assuming a five percent share of cost for the optional expansion population. By 2020-21 the state will assume a 10 percent cost share.

The May Revise includes \$180.2 million from the General Fund to provide federally required Behavioral Health Treatment Services within the Medi-Cal program.

\$188.2 million is also earmarked to provide full-scope Medi-Cal coverage for approximately 185,000 undocumented children.

In the Social Services portion of the budget plan, the Governor is proposing \$265.8 million to restore a 7 percent reduction in In Home Supportive Services (IHSS). Another \$22 million will be allocated to cover costs associated with exempting IHSS providers who meet specified overtime restrictions. Finally, \$18.4 million is allocated to reflect a 50 cent increase in the minimum wage.

Another issue that is being pursued in the budget is a modernization of the Program for the All-Inclusive Care for the Elderly (PACE). Language will eventually be placed in a budget trailer bill.

The Administration's PACE proposal includes a specific rate methodology applied to PACE organizations addressing features of PACE that differentiate it from other managed care plan models. The primary source of data used to develop rates for each PACE organization shall be its Medi-Cal cost and utilization data, or other data sources as deemed necessary by the

department. The rate methodology developed shall contain a mechanism to account for the costs of high-cost drugs and treatments. Furthermore, rates developed shall be actuarially certified prior to implementation.

During the first year in which a new PACE organization or existing PACE organization enters a previously unserved area the department may, in its sole discretion, pay at any rate within the certified actuarially sound rate range developed with respect to that entity.

Other important PACE reforms include removing the cap on the number of PACE programs that DHCS can contract with and allowing for-profit companies to provide PACE services.

Working with the state organization representing PACE and CalPACE, we have been lobbying to bring more specificity to the rate making process. These efforts have included organizing meetings in Sacramento with CalOptima staff and Orange County legislative offices. The purpose of these meetings was to educate Orange County legislators about the significant benefits that PACE provides. It was a very successful day of meetings.

Another issue that has been consuming a lot of time is the ongoing debate over reforming the California Children's Services (CCS) program. As previously reported, the Administration would like to move CCS services into the Medi-Cal program in COHS counties to provide better coordinated care and health outcomes.

The Administration proposed some of these reforms as part of the State Budget progress, placing language in a proposed budget trailer bill. However, the Legislature objected to pursuing major reforms to CCS in the budget process, but agreed to debate the issue further in legislation that will receive greater scrutiny in policy committee hearings.

On May 4 language was amended into SB 586 by Senator Hernandez, Chairman of the Senate Health Committee. The new amendments reflect many of the priorities put forth by the CCS patient advocates, providers, and labor unions. However, the author had admitted that significant changes will be made to the bill and he has been very open to meeting with all stakeholders, including COHS.

In fact, the Senate and Assembly staff working on SB 586 immediately reached out to our office asking for assistance in setting up phone calls with the COHS to learn more about how they have worked with CCS families and providers in the past and how they anticipate working with these important stakeholders if CCS is put into the Medi-Cal program. Legislative staff also want to know how COHS will coordinate with county staff to provide eligibility and care coordination services.

CalOptima staff had a very good call with legislative staff in early May and we received very good feedback from legislative staff about the services CalOptima provides and their plans for CCS. As a result of the background CalOptima and other COHS provided, the legislative staff are growing more confident in the ability of COHS to properly coordinate care for CCS patients and families. More calls and meetings are scheduled in the near future and amendments will likely follow soon thereafter. We will continue to be very involved on behalf of CalOptima on this important policy debate.

## **Board of Directors Meeting June 2, 2016**

### **CalOptima Community Outreach Summary — May 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 Community Events Update**

On Wednesday, June 8, Community Relations and community partners will host the Community Alliances Forum at the Delhi Center in Santa Ana from 9–11 a.m. The presentation will provide information on the recent changes to Medi-Cal including available services and the enrollment process for eligible recipients. The presentation will also highlight the different innovative efforts to outreach and educate the community about these changes to Medi-Cal in Orange County.

The panel discussion will include:

- Adriana Moreno, Project Consultant for The California Endowment
- Hellen Howe, Deputy Director of Social Services Agency
- Georgina Maldonado, Executive Director of Community Health Initiative of Orange County
- Le Nguyen, Associate Director, Customer Service at CalOptima.

The Community Alliances Forum was established to strengthen, develop and sustain positive relationships with community-based organizations, health care providers, policy makers and other individuals/organizations that care about community health. For additional information about the Community Alliances Forum, you can contact Tiffany Kaaiakamanu, Manager, Community Relations at 657-235-6872 or via email at [tkaaiakamanu@caloptima.org](mailto:tkaaiakamanu@caloptima.org).

## **Summary of Public Activities**

**CalOptima participated in 41 community events and coalition and committee meetings:**

<b>Date</b>	<b>Events/Meetings</b>	<b>Audience Reached</b>
5/2	<ul style="list-style-type: none"> <li>Community Outreach Meeting and Resource Fair hosted by Garden Grove Unified School District</li> <li>Orange County Health Care Agency Mental Health Services Act Steering Committee Meeting</li> </ul>	<p>Member/Potential Member</p> <p>Health and Human Service Provider</p>
5/3	<ul style="list-style-type: none"> <li>Community Resource Fair hosted by City of Anaheim — Project S.A.Y. (Supporting Anaheim's Youth) in partnership with Orangeview Junior High School</li> <li>Collaborative to Assist Motel Families Meeting</li> <li>2-1-1 Orange County Focus Group — 2-1-1 OC Helpline Trend Report</li> </ul>	<p>Member/Potential Member</p> <p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p>
5/5	<ul style="list-style-type: none"> <li>Refugee Forum of Orange County Committee Meeting</li> <li>Orange County Women's Health Project Advisory Meeting</li> <li>Homeless Provider Forum</li> </ul>	<p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p>
5/6	<ul style="list-style-type: none"> <li>Covered Orange County General Meeting</li> </ul>	Health and Human Service Provider
5/9	<ul style="list-style-type: none"> <li>Fullerton Collaborative</li> <li>State Council on Developmental Disabilities Orange County — Regional Advisory Committee</li> </ul>	<p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p>
5/10	<ul style="list-style-type: none"> <li>Buena Clinton Coalition Meeting</li> <li>Susan G. Komen Orange County — Unidos Contra el Cancer del Seno Meeting</li> </ul>	<p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p>
5/11	<ul style="list-style-type: none"> <li>Senior Networking</li> <li>Anaheim Homeless Collaborative Meeting</li> <li>Buena Park Collaborative Meeting</li> </ul>	<p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p>
5/12	<ul style="list-style-type: none"> <li>Third Annual Cultural Diversity and Education Fair hosted by Pacific Clinics Recovery Education Institute</li> <li>CarePossible Lunch and Learn hosted by CarePossible (<i>Registration Fee: \$30, includes admission for one staff member to attend event</i>)</li> <li>Orange County Developmental Screening Network Meeting</li> <li>Meet and Greet with Uplift Charity</li> <li>Meet and Greet with PARS Equality Center</li> </ul>	<p>Member/Potential Member</p> <p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p> <p>Health and Human Service Provider</p>



5/13	• Senior Citizens Advisory Council Meeting	Health and Human Service Provider
5/14	• 20th Annual Western BBQ hosted by West Anaheim Neighborhood Development Council	Member/Potential Member
5/17	• North Orange County Senior Collaborative Meeting	Health and Human Service Provider
	• Placentia Community Collaborative Meeting	Health and Human Service Provider
	• Coordinated Entry's Healthcare and Housing Integration Workgroup Meeting	Health and Human Service Provider
5/18	• Ageless Alliance Community Advisory Council Meeting	Health and Human Service Provider
	• Covered Orange County Steering Committee Meeting	Health and Human Service Provider
	• Senior Citizens Advisory Council — Health/Nutrition Sub-Committee Meeting	Health and Human Service Provider
5/19	• Orange County Children's Partnership Committee Meeting	Health and Human Service Provider
	• Mental Health Coalition Meeting	Health and Human Service Provider
5/20	• 2016 South County Senior Summit presented by Age Well Senior Services, Office of Aging and Laguna Woods Village hosted by Supervisor Lisa Bartlett; ( <i>Sponsorship Fee: \$10,000, includes agency's name prominently featured on all event advertising and invitations, special gift and verbal recognition from Supervisor Bartlett at the Summit, premier booth location, full-page advertising space in the event program, presentation at the summit, sponsorship recognition, product/service information in event bag, two banners displayed at front entrance and main stage, one exhibit table and two chairs</i> )	Member/Potential Member
	• 2016 Annual Conference — Deeping Our Impact: New Strategies, Stronger Families, Healthier Communities hosted by Families and Communities Together (FaCT OC) ( <i>Registration Fee: \$120, includes admission for three to attend event</i> )	Health and Human Service Provider
	• Diabetes Coalition Meeting	Health and Human Service Provider
5/23	• Stanton Collaborative Meeting	Health and Human Service Provider
	• Community Health Research Exchange	Health and Human Service Provider
	• Older Adult Health Improvement Plan Revision Meeting	Health and Human Service Provider

5/24	• Santa Ana Building Healthy Communities Prevention Workgroup Meeting	Health and Human Service Provider
	• Orange County Senior Roundtable	Health and Human Service Provider
5/25	• California Association of Area Agencies on Aging (C4A) Advisory Board Meeting (Sacramento)	Health and Human Service Provider
5/26	• Café Community and Faith Engagement hosted by Covered California, the G.R.E.E.N. Foundation, Health Net, Reach Community Church and LP Financial Services ( <i>Registration Fee: \$50, includes two exhibit tables and four chairs</i> )	Member/Potential Member

**CalOptima organized/convened the following three community stakeholder events, meetings and presentations:**

Date	Event/Meeting	Audience Reached
5/16	• Speaker's Bureau Presentation for 2-1-1 Orange County — OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)	Health and Human Service Provider
5/26	• OneCare Connect Town Hall Meeting and Resource Fair hosted by Harbage Consulting in collaboration with CalOptima, Senator Bob Huff, 29th District, Assemblywoman Ling Ling Chang, 55th District, Assemblywoman Young O. Kim, 65th District, Regal Medical Group and Buena Park Senior Center, OneCare Connect (in English and Korean)	Member/Potential Member
5/27	• Monthly health education seminar at the County Community Service Center hosted by CalOptima with the assistance of Supervisor Andrew Do — ReConnect Program: Early Intervention Services for Older Adults	Member/Potential Member

**CalOptima endorsed the following four events during this reporting period (letters of support, program/public activity event with support, or use of name/logo):**

1. CarePossible Lunch and Learn hosted by CarePossible (Listed in Public Activities)
2. 2016 South County Senior Summit hosted by Age Well Senior Services presented by Orange County Supervisor Lisa Bartlett and Orange County Office on Aging (Listed in Public Activities)
3. 2016 Annual Conference — Deeping Our Impact: New Strategies, Stronger Families, Healthier Communities hosted by Families and Communities Together (FaCT OC) (Listed in Public Activities)
4. Café Community and Faith Engagement hosted by Covered California, the G.R.E.E.N. Foundation, Health Net, Reach Community Church, and LP Financial Services (Listed in Public Activities)

## CalOptima Board of Directors Community Activities

For more information on the listed items, contact Tiffany Kaaiakamanu, Manager of Community Relations, at 657-235-6872 or by email at [tkaaiakamanu@caloptima.org](mailto:tkaaiakamanu@caloptima.org).

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
<h1>May 2016</h1>			
Friday, 5/27 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	<b>Presentation to seniors, caregivers and community members</b>	Orange County Community Service Center 5460 Magnolia Ave. Westminster
<h1>June 2016</h1>			
Wednesday, 6/1 9-10:30am	++OC Aging Services Collaborative	<b>Steering Committee Meeting: Open to Collaborative Members</b>	Alzheimer's Orange County 2515 McCabe Way Irvine
Wednesday, 6/1 10am-12pm	++Anaheim Human Services Network	<b>Steering Committee Meeting: Open to Collaborative Members</b>	250 E. Center St. Anaheim
Wednesday, 6/1 9am-12pm	+Friendly Center Annual Community Health and Resource Fair	<b>Health/Resource Fair: Open to the Public</b>	900 S. Melrose St. Placentia
Thursday, 6/2 8:30am-12noon	+Orange County Wraparound Resource Fair	<b>Health/Resource Fair: Open to the Public</b>	Mariners Church Community Center 5001 Newport Center Dr. Irvine
Thursday, 6/2 9-11am	++Homeless Provider Forum	<b>Steering Committee Meeting: Open to Collaborative Members</b>	1855 N. Orange Olive St. Orange

\* CalOptima Hosted

1 – Updated 2016-05-27

+ Exhibitor/Attendee

++ Meeting Attendee

[Back to Agenda](#)

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Thursday, 6/2 5:30-8pm	+Community Screening & Conversation Café with Expert Panel	<b>Health/Resource Fair: Open to the Public</b>	Saddleback Memorial Medical Center 24451 Health Center Dr. Laguna Hills
Friday, 6/3 10am-12pm	++Covered OC General Meeting	<b>Steering Committee Meeting: Open to Collaborative Members</b>	1505 E. 17th St. Santa Ana
Monday, 6/6 1-4pm	++OCHCA Mental Health Services Act Steering Committee	<b>Steering Committee Meeting: Open to Collaborative Members</b>	Delhi Community Center 505 E. Central Ave. Santa Ana
Tuesday, 6/7 9:30-11am	++Collaborative to Assist Motel Families	<b>Steering Committee Meeting: Open to Collaborative Members</b>	250 E. Center St. Anaheim
Wednesday, 6/8 9-11am	*CalOptima Community Alliances Forum	<b>Networking Session and Presentation: Open to CBO's, Health Advocates and Services Providers</b> <i>Registration recommended</i>	Delhi Community Center 505 E. Central Ave. Santa Ana
Thursday, 6/9 9:30-11am	++FOCUS Collaborative	<b>Steering Committee Meeting: Open to Collaborative Members</b>	Magnolia Park Family Resource Ctr. 11402 Magnolia St. Garden Grove
Thursday, 6/9 2-4pm	++OC Developmental Screening Network	<b>Steering Committee Meeting: Open to Collaborative Members</b>	2500 Redhill Ave. Santa Ana
Thursday, 6/9 3-5pm	++OC Women's Health Project Advisory Board	<b>Steering Committee Meeting: Open to Collaborative Members</b>	1505 E. 17th St. Santa Ana
Friday, 6/10 9am-12pm	+Cypress Senior Center Resource Fair 2016	<b>Health/Resource Fair: Open to the Public</b>	Cypress Senior Center 9031 Grindlay Street Cypress

\* CalOptima Hosted

2 – Updated 2016-05-27

+ Exhibitor/Attendee

++ Meeting Attendee

[Back to Agenda](#)

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Thursday, 6/16 8:3-10am	++Orange County Children's Partnership Committee	<b>Steering Committee Meeting: Open to Collaborative Members</b>	10 Civic Center Plaza Santa Ana
Thursday, 6/16 9:30am-12pm	+City of Fountain Valley 11 <sup>th</sup> Annual Senior Expo	<b>Health/Resource Fair: Open to the Public</b>	The Center at Founders Village 17967 Bushard St. Fountain Valley
Thursday, 6/16 11:30am-1pm	+BrightStar Care Bringing Parkinson's Into Focus	<b>Presentation and Health/Resource Fair: Open to the Public</b>	Heritage Memorial 17911 Beach Blvd. Huntington Beach
Thursday, 6/16 1-2pm	++Huntington Beach Surf City Senior Providers Network	<b>Steering Committee Meeting: Open to Collaborative Members</b>	1706 Orange Ave. Huntington Beach
Saturday, 6/18 10am-2pm	+North OC Senior Collaborative and Ageless Alliance 2016 World Elder Abuse Awareness Day	<b>Health/Resource Fair: Open to the Public</b>	Buena Park Senior Center 8150 Knott Ave. Buena Park
Thursday, 6/23 8am-4:30pm	+Mental Health Association of OC Meeting of the Minds Collaboration Forum	<b>Networking Session and Presentation: Open to CBO's, Health Advocates and Services Providers</b> <i>Registration recommended</i>	Anaheim Marriott 700 W. Convention Way, Anaheim
Friday, 6/24 10-11am and 11:30am-12:30pm	*Orange County Community Service Center Education Seminar: Topic TBD	<b>Presentation to senior, caregivers and community members</b>	Orange County Community Service Center 15460 Magnolia Ave. Westminster

\* CalOptima Hosted

3 – Updated 2016-05-27

+ Exhibitor/Attendee

++ Meeting Attendee

[Back to Agenda](#)