NOTICE OF A
JOINT MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
MEMBER ADVISORY COMMITTEE,
ONECARE CONNECT CAL MEDICONNECT PLAN
(MEDICARE-MEDICAID PLAN) MEMBER ADVISORY COMMITTEE,
PROVIDER ADVISORY COMMITTEE AND
WHOLE-CHILD MODEL FAMILY ADVISORY COMMITTEE

THURSDAY, OCTOBER 8, 2020

8:00 A.M.

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

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committees may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda.

Information related to this agenda may be obtained by contacting the CalOptima Clerk of the Board at 714.246.8806 or by visiting our website at www.caloptima.org. In compliance with the Americans with Disabilities Act, those requiring special accommodations for this meeting should notify the Clerk of the Board's office at 714.246.8806. Notification at least 72 hours prior to the meeting will allow time to make reasonable arrangements for accessibility to this meeting.

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

1) **Listen to the live audio at +1 (562) 247-8422 - Access Code: 531-725-983 or**

2) **Participate via Webinar at: https://attendee.gotowebinar.com/register/2923650206703819019 rather than attending in person. Webinar instructions are provided below.**

I. CALL TO ORDER
Pledge of Allegiance

II. ESTABLISH QUORUM

III. PUBLIC COMMENT

At this time, members of the public may address the Committees on general topics. Public Comment on posted item(s) will follow staff presentation of the item(s) to the Committee. If you wish to speak on an item contained in the agenda, please complete a Public Comment Request Form(s) identifying the item(s) and submit the form to the assistant to the Advisory Committees. When addressing the Committees, it is requested that you state your name for the record. Please address the Committees as a whole through the Chair. Comments to individual Committee members or staff are not permitted. Speakers will be limited to three (3) minutes.

IV. CHIEF EXECUTIVE OFFICER WELCOME

V. INFORMATIONAL ITEMS

A. 25th Anniversary Presentation
B. Be Well OC Update
C. Medi-Cal Rx Update
D. Myopic Control Presentation

VI. COMMITTEE MEMBER UPDATES

VII. ADJOURNMENT

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Webinar Information

1. **Please register for the Joint Board Advisory Committee Meeting on October 8, 2020 at 8:00 a.m. PDT at:**

   https://attendee.gotowebinar.com/register/2923650206703819019

   After registering, you will receive a confirmation email containing a link to join the webinar at the specified time and date.

   Note: This link should not be shared with others; it is unique to you.

   Before joining, be sure to check system requirements to avoid any connection issues.

2. **Choose one of the following audio options:**

   TO USE YOUR COMPUTER'S AUDIO:
   When the webinar begins, you will be connected to audio using your computer's microphone and speakers (VoIP). A headset is recommended.

   --OR--

   TO USE YOUR TELEPHONE:
   If you prefer to use your phone, you must select "Use Telephone" after joining the webinar and call in using the numbers below.
   United States: **+1 (562) 247-8422**

   Access Code: **531-725-983**

   Audio PIN: Shown after joining the webinar

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MEMORANDUM

DATE:	September 23, 2020
TO:	CalOptima Board of Directors
FROM:	Richard Sanchez, Interim CEO
SUBJECT:	CEO Report — October 1, 2020, Board of Directors Meeting
COPY:	Sharon Dwiers, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee; and Whole-Child Model Family Advisory Committee

CalOptima Recognizes 25 Years of Service to Orange County
Starting in October, CalOptima will recognize our 25th anniversary and roots as a local solution to improve access to quality health care services for low-income Orange County residents. As a public agency, CalOptima has always worked in partnership with private health networks, connecting members with thousands of providers in a unique public-private health care system. Across 25 years, CalOptima has grown from 180,000 members to nearly 768,000 members. To celebrate CalOptima's anniversary and our ongoing collaborative partnerships, the October 1 Board meeting will include a presentation reflecting on major milestones and expressing appreciation to stakeholders. Separately, CalOptima will implement a special logo on various communications for the anniversary year and honor employees for their contribution to the agency's success at an October 21 All Hands meeting.

Intergovernmental Transfer (IGT) 10 Funds May Bridge Proposed Rate Reductions
For the past few months, CalOptima has been making the provider community aware of possible rate adjustments in January 2021 by the Department of Health Care Services (DHCS) for Medi-Cal Expansion and Managed Long-Term Services and Supports. At the same time, we have shared that we are pursuing ways to mitigate the impact of any changes. Staff is now evaluating the option to use IGT 10 dollars to address the funding shortfalls. CalOptima anticipates receipt of approximately $66 million in IGT 10 funds during Spring and Fall 2021. IGT 10 covers an 18-month period from July 1, 2019, through December 31, 2020. The use of the funds is limited to covering Medi-Cal benefits for existing CalOptima members. As of today, CalOptima does not have final details on the rate reductions. The use of IGT 10 funds to create a glidepath to lower rates would protect health networks and providers from experiencing an unanticipated sharp decline in their capitation and give providers time to make operational changes.

All-Plan Meeting Reviews Key Changes Affecting Medi-Cal Financial Topics
On September 9, CalOptima Chief Financial Officer Nancy Huang and I participated in DHCS' CEO/CFO All-Plan Meeting, which provided updates regarding the new rate release timeline and managed care rate adjustments. DHCS is switching from a Fiscal Year to Calendar Year model for rates, starting January 2021. As such, the regulator shared the new timetable.

- *September 2020:* Release draft Medi-Cal base rates
- *October 2020:* Release draft Coordinated Care Initiative dual rates (Medi-Cal and OneCare Connect) and Health Homes Program rates
- *December 2020:* Release final rates

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Separately, as part of state budget reductions, DHCS will implement certain efficiency and plan level adjustments, effective January 1, 2021, that focus on, for example, avoidable emergency room visits and population acuity. CalOptima is analyzing the financial impact of the various proposals on providers. Information about the topics at the CEO/CFO meeting was shared at the September 17 Health Network Forum.

Federal Regulator Withdraws Medicaid Fiscal Accountability Rule (MFAR)
On September 14, Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma announced the withdrawal of MFAR. Released in late 2019, MFAR had proposed to overhaul how states use supplemental payments in Medicaid to draw additional federal funds, but the proposal was opposed by a diverse range of stakeholders. The change would have impacted Medicaid-funded programs, including CalOptima's IGT transactions. Reflecting health plans' unified stance, Local Health Plans of California, California Association of Health Plans, Association for Community Affiliated Plans and America's Health Insurance Plans had submitted strong comments against proposal. Further, governors also criticized MRAR, arguing it jeopardized Medicaid funding when states are already facing severe pandemic-related economic pressures.

Orange County in California's Red Tier, CalOptima Response Continues
Based on improving COVID-19 case and testing positivity rates, Orange County moved from Purple Tier (Widespread Risk) to the Red Tier (Substantial Risk) of California's Blueprint for a Safer Economy on September 8. Orange County currently meets the case and positivity requirements for the Orange Tier (Moderate Risk) and will advance to that tier after a minimum of three weeks in the Red Tier, if it continues to meet the requirements for the Orange Tier for a minimum of two weeks. From our first case until September 22, CalOptima has reported 3,018 positive cases, 1,677 hospitalizations and 293 deaths. Below are updates in areas of pandemic response and outreach.

- *Infection Prevention in Nursing Homes:* UC Irvine, the Orange County Health Care Agency (OCHCA) and CalOptima jointly launched the Orange County Nursing Home COVID-19 Infection Prevention Program on June 1, and adoption has been strong. The program offers either intensive, in-person training or access to an online toolkit. On September 11, 60 nursing home leaders attended a CalOptima-hosted webinar to share best practices in using personal protective equipment. Shruti Gohil, M.D., MPH, assistant professor in the UCI School of Medicine Division of Infectious Diseases, presented the information. On September 21, UCI published an article about the infection prevention initiatives and its partnership with CalOptima.
- *Mental Health Op-Ed:* Kids' mental health during COVID-19 is a topic of great interest, and CalOptima's Communications team worked with Edwin Poon, Ph.D., director of Behavioral Health Services, to write and place an op-ed article in the digital version of the Orange County Register in September. View the article here.
- *Radio Program:* CalOptima and OCHCA partnered to speak about behavioral health on the Angels Radio (KLAA-AM 830) Community Cares program. Dr. Poon and Bhuvana Rao, Ph.D., OCHCA program manager II, Children, Youth & Prevention Behavioral Health Services, focused on children's needs during COVID-19, the impact of toxic stress, local mental health resources and other topics. The program will air October 4 at 5:30 a.m. and 10:30 p.m.

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As January 2021 Transition to Medi-Cal Rx Approaches, Draft Guidance Released
On September 2, DHCS held a Medi-Cal Rx webinar to share updates regarding the transition to a fee-for-service pharmacy delivery system. The regulator announced that the project is on time in meeting deliverables, thus no change to the January 1, 2021, launch is anticipated. DHCS released its draft All Plan Letter, and managed care plans have until September 30 to review and comment on the document that will provide considerable operational guidance. CalOptima's Business Integration team is coordinating the collection of feedback from the many affected departments across the agency. DHCS also released proposed call scripts for managed care plans to use when answering members' questions. As requested, staff will provide an update on the Medi-Cal Rx transition at your October 1 Board meeting.

DHCS Submits Request to Extend Medi-Cal 2020 Waiver for One Year
On September 16, DHCS submitted a request to CMS for a 12-month extension of California's Section 1115 Medicaid waiver, known as Medi-Cal 2020. Much of the current Medi-Cal program operates under this federal waiver. If approved, the extension would delay expiration from December 31, 2020, until December 31, 2021. DHCS considered stakeholder feedback before making its submission, and CMS will soon begin a 30-day federal public comment period.

CalOptima and County Prepare Contingency for Whole Person Care (WPC) Pilot
CMS and DHCS authorized the WPC pilot as part of the Medi-Cal 2020 waiver, which is nearing expiration as explained above. OCHCA is the lead agency for the local WPC pilot, which focuses on Medi-Cal members experiencing homelessness. CalOptima entered into an agreement with OCHCA to provide administrative support for WPC, including project management, data and reporting, and a personal care coordinator. Additionally, CalOptima made a grant with IGT funds to OCHCA to share the cost of recuperative care stays. In anticipation of the waiver expiration, the state had plans to incorporate parts of WPC into its California Advancing and Innovating Medi-Cal (CalAIM) initiatives, but CalAIM is now postponed indefinitely due to the pandemic. While CMS and DHCS are discussing a possible extension for WPC, the outlook is uncertain. CalOptima and OCHCA are collaborating on contingency planning and options for continued administrative support and recuperative care if the regulators do not extend and fund WPC by the end of 2020.

OneCare Connect Transition Planning to Begin With Stakeholder Engagement
OneCare Connect is a Cal MediConnect Plan that combines Medicare and Medi-Cal benefits into one health plan. Since OneCare Connect launched as a pilot program on July 1, 2015, it has been extended over the years by both state and federal authority; however, it is currently scheduled to end on December 31, 2022. Initially, the state planned to transition OneCare Connect members into OneCare (CalOptima's Dual Eligible Special Needs Plan) via CalAIM, but that proposal is postponed indefinitely due to the pandemic. Given the importance of planning ahead for any future transition, CalOptima will begin to engage stakeholders to consider the impact on members and providers should OneCare Connect not be extended past December 31, 2022.

Clinical Field Team (CFT) Sustainability a Priority in Transition to Permanent Program
Launched in April 2019, CalOptima's CFT pilot program contracts with community health centers to provide on-call urgent care services where individuals experiencing homelessness are. The centers also schedule days to provide primary and preventive services in mobile units at shelters and hotspots (e.g., soup kitchens, encampments, etc.). The pilot currently has an end date

of December 31, 2020. CalOptima is aware of the dramatic changes throughout the county due to COVID-19, such as the expansion of telehealth as well as increased shelter options. We anticipate that the landscape will continue to change with the pandemic. To develop a sustainable CFT program, CalOptima may need to pursue an extension to allow more time to assess conditions under this "new normal," and future changes would come to your Board for consideration.

CalOptima Responds to Medi-Cal Audit Findings

DHCS' on-site audit of CalOptima Medi-Cal and Medicaid-based services for OneCare Connect took place January 27–February 7, 2020. DHCS reviewed an array of documents and data and conducted interviews with CalOptima staff as well as with a DHCS-selected delegate, Monarch HealthCare. On August 11, DHCS provided CalOptima with a final audit report that identified seven findings in the Medi-Cal areas of Access and Availability of Care and Member's Rights. CalOptima did not receive any findings for State-Supported Services or OneCare Connect. On September 11, CalOptima's Office of Compliance submitted a Corrective Action Plan to DHCS and has begun remediating the deficiencies.

CalOptima Speakers Featured at Community Events

As a community-based health plan, CalOptima prioritizes engagement with local efforts that support Orange County and provider partnerships. Below are two current examples of participation with other leading organizations.

- *Orange County Community Indicators Report and Panel:* CalOptima is one of several sponsors of the annual Orange County Community Indicators Report, which includes local health status information. This year's report features a special section dedicated to the impact of COVID-19, and CalOptima contributed information regarding our member and provider experiences. The report debuted on September 22 during a virtual panel discussion, led by Dr. Wallace Walrod, Chief Economic Advisor for Orange County Business Council, and I participated as one of the speakers.
- *CHOC Mental Health Webinar:* CalOptima is a sponsor of CHOC's Mental Health Live Webinar, "Compassion Fatigue/Vicarious Trauma for the Provider," on October 2–3. Three executives will participate: Chief Medical Officer David Ramirez, M.D., will provide opening remarks both days, Dr. Poon will discuss Medi-Cal services and children's mental health during COVID-19, and Betsy Ha, RN, Executive Director, Quality & Population Health Management, will offer a Continuing Medical Education session about mindfulness for providers. Attendees will be physicians, mental health providers, school nurses and school counselors.

Mailings Reach Out to Members to Promote Preventive Care

This month, CalOptima's Population Health Management team is outreaching to members with incentives to obtain preventive services. CalOptima mailed notices to more than 66,300 female members ages 21–64 who may be due for a cervical cancer screening and more than 19,200 female members ages 50–64 who may be due for a breast cancer screening. Further, more than 20,500 Medi-Cal members who have diabetes also received mailings offering incentives for them to have a diabetes A1c test and eye exam.

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CalOptima

Better. Together.

25th Anniversary Celebration

Joint Meeting of the Board Advisory Committees

October 8, 2020

Richard Sanchez, Interim Chief Executive Officer

Ladan Khamseh, Chief Operating Officer

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Happy Anniversary!

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CalOptima
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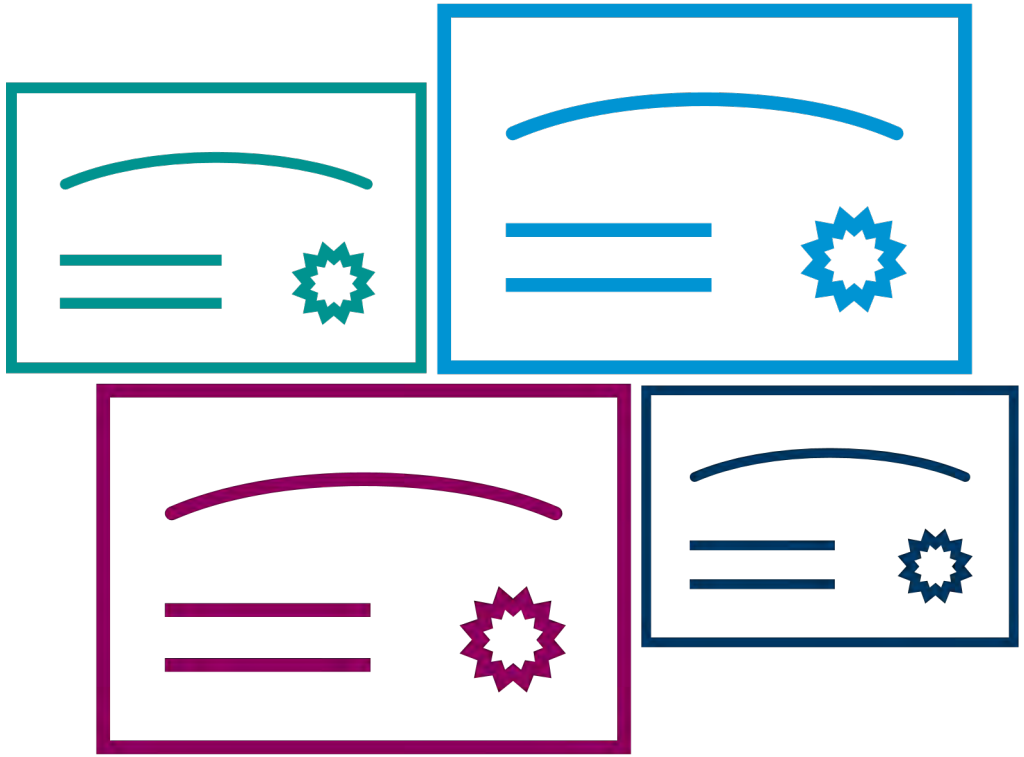
Recognitions and Resolutions

- Thank you to our Orange County Board of Supervisors and elected officials for recognizing CalOptima's anniversary



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CalOptima
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Grateful for Provider Partnerships

CalOptima
A Public Agency
Community Network

AltaMed
QUALITY CARE WITHOUT EXCEPTION™

AMVI MEDICAL GROUP
bring quality to your life

CHOC HEALTH ALLIANCE

Family Choice Medical Group

Arta
Western Medical Group
Division of HealthCare Partners

Protecting Your Family's Health
Noble-Mid Orange County

Monarch HealthCare®
Part of OptumCare™

TALBERT MEDICAL GROUP

PROSPECT MEDICAL

KAISER PERMANENTE®

United Care Medical Group
UCMG

Regal Medical Group
compassion creates vitality

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CalOptima
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Grateful for Community Partnerships

Depression and Bipolar Support Alliance
Orange County CA Chapter

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CalOptima Then and Now

	1995	2020
Membership	180,000	767,745
Programs	Medi-Cal	Medi-Cal OneCare OneCare Connect MSSP PACE
Threshold Languages	English, Spanish and Vietnamese	English, Spanish, Vietnamese, Farsi, Korean, Arabic and Chinese
Employees	44	1,379
Annual Revenue	$188 million	$3.6 billion

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CalOptima
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CalOptima Milestones (1995–2008)

1995 — CalOptima launches with 180,000 Medi-Cal members

1996 — CalOptima expands to include long-term care members, seniors, people with disabilities and dual eligible members

1998 — CalOptima launches Healthy Families Program

2001 — CalOptima launches Multipurpose Senior Services Program (MSSP)

2005 — CalOptima launches OneCare (HMO SNP)

2008 — CalOptima launches Aging & Disability Resource Connection

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CalOptima Milestones (2012–15)

2012

CalOptima Medi-Cal receives NCQA Commendable Accreditation

2013

CalOptima launches Program of All-Inclusive Care for the Elderly

PACE CalOptima A Public Agency Better. Together.

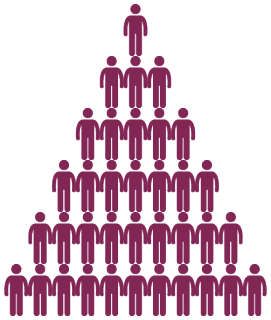
2014

NCQA rates CalOptima as a top-quality Medi-Cal plan in California (2014–2020)

CalOptima Community Network launches to increase access to care

OneCare Connect CalOptima A Public Agency Better. Together.

2015



CalOptima reaches 750,000 members

CalOptima launches OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)

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CalOptima A Public Agency

CalOptima Milestones (2018–20)

2018

CalOptima begins direct administration of behavioral health benefits for Medi-Cal members

2019

CalOptima launches the Whole-Child Model to integrate California Children's Services

CalOptima dedicates $100 million to Homeless Health Initiatives

CalOptima PACE earns highest satisfaction rating among California PACE organizations

2020

CalOptima begins direct administration of behavioral health benefits for OneCare and OneCare Connect members

CalOptima responds to COVID-19 pandemic and prepares for membership growth

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CalOptima
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Congratulations 25-Year Employees!

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CalOptima
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Our Mission

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

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Be Well

ORANGE COUNTY

Orange County's World-Class Mental Health System. Today.

OCCF June 2020

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“

We’ve never seen a moment where the demand for mental health care will be as great as it’s going to be in the next few months and years...

...deaths of despair could very likely surpass the final mortality numbers for COVID.

Tom Insel MD, California’s Mental Health Czar

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System Transformation : Whole Community Action

Fragmented Services

Blueprint

Integrated Network

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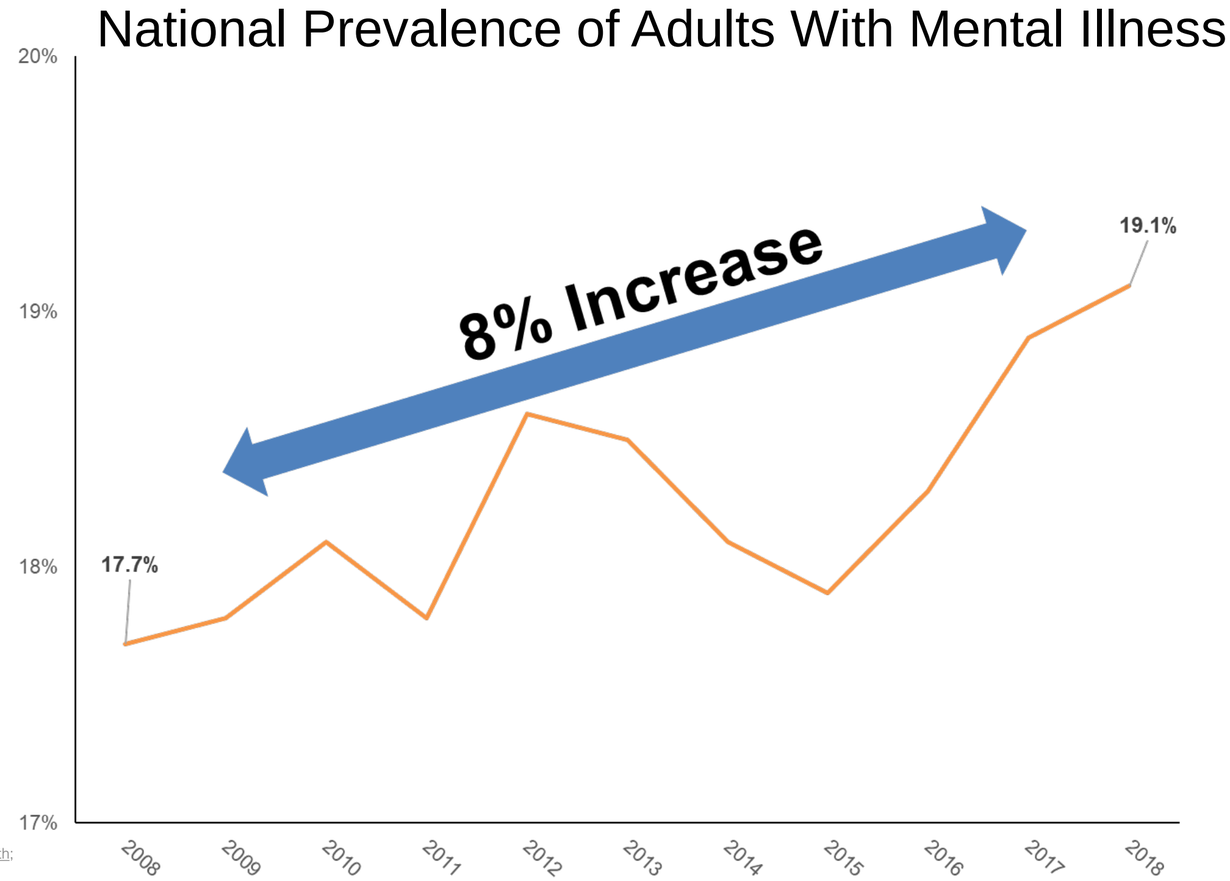
Problem is going up

US: 1 in 5 adults have a mental health disorder

CA: 7.5 million… 19%

- **4x** the number of Californians with cancer[2]
- **6x** Californians with COPD (Chronic Obstructive Pulmonary Disease)[3]
- **11x** Californians with Alzheimer's[4]



[1]Substance Abuse and Mental Health Services Administration Key Substance Use and Mental Health Indicators in the United States: Results from the 2018 National Survey on Drug Use and Health; Note: individuals who only have a substance use disorder without a co-occurring mental, behavioral or emotional disorder are not included in the 19% figure
[2]American Cancer Society Cancer Treatment & Survivorship Facts and Figures 2019-2021
[3]COPD Foundation COPD in the United States: How is Your State Doing?
[4]Alzheimer's Association 2019 Alzheimer's Disease Facts and Figures

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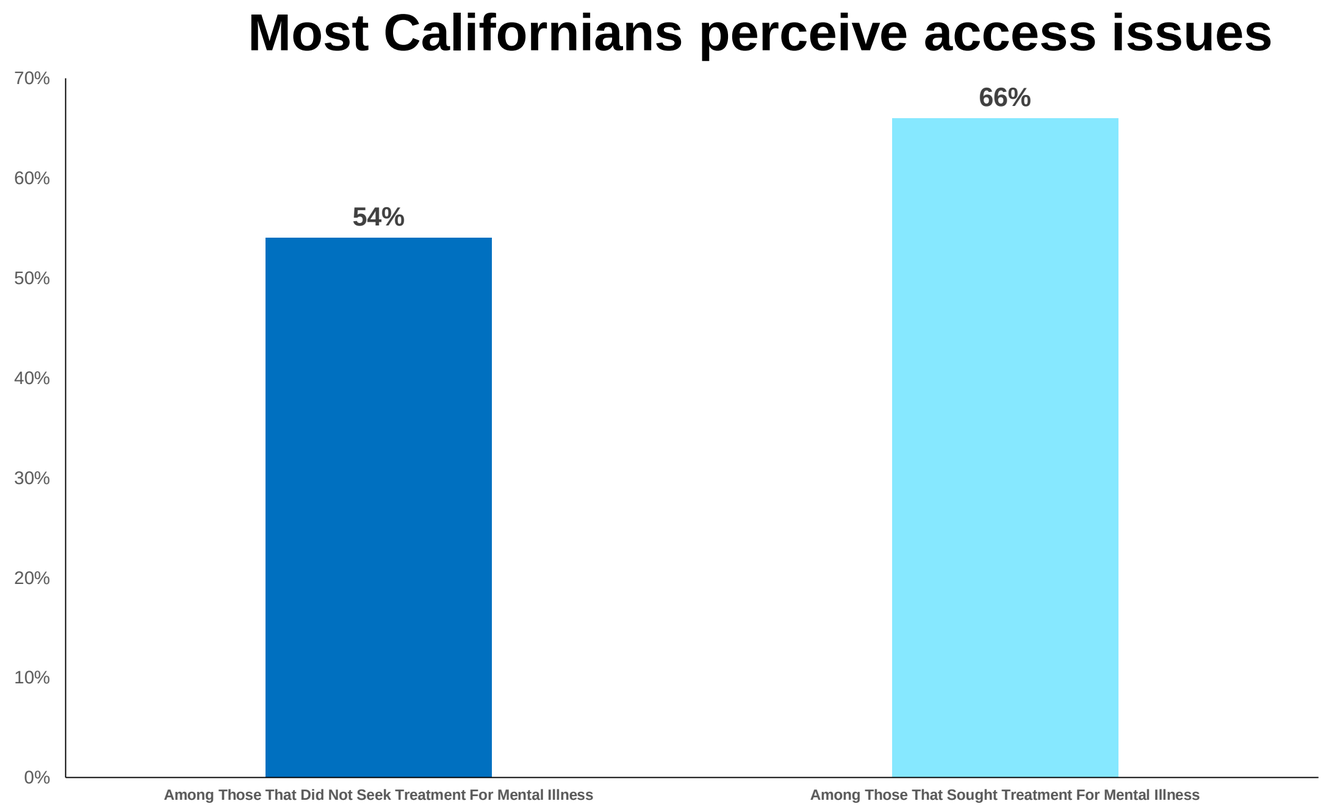
Access is poor

Percent of Californians Who Believe That People With Mental Illness Cannot Obtain The Services They Need, 2018[1]



[1] Healthforce Center at UCSF California's Current and Future Behavioral Health Workforce, February 2018; Coffman, Bates, Geyn and Spetz
Note: "Non-MD Mental Health Providers" include psychologists, licensed marriage family therapists, licensed professional clinical counselors, and licensed clinical social workers

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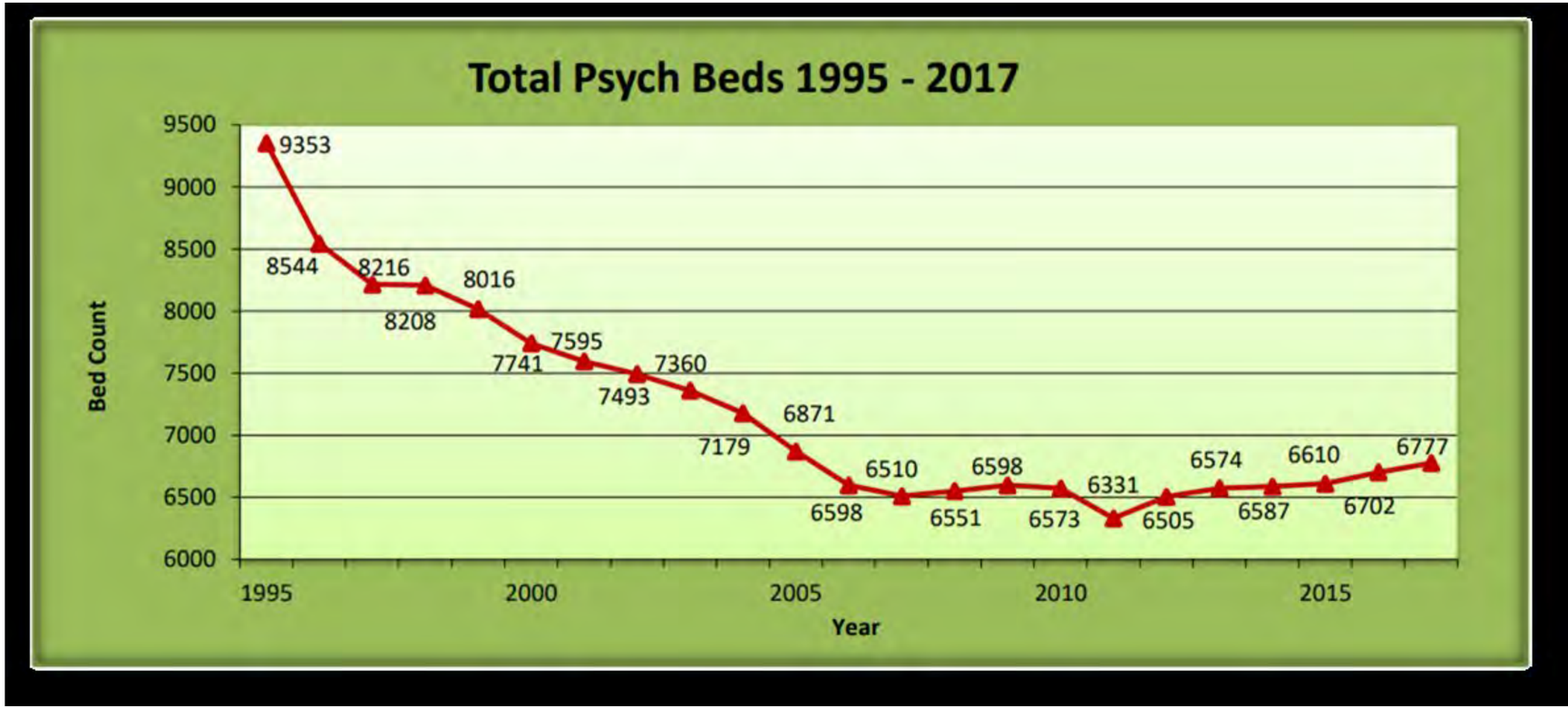
Treatment Beds going down

- Need 50 beds per 100,000
- CA 1995 = 30
  2017 = 17… 43% drop
- Orange County 2020 = 15



Psych Data Source: OSHPD (Includes city and county hospitals, but not state hospitals. Also includes Psychiatric Health Facilities.
Population Data Source: U.S. Census Bureau
OC 2020 = 507 psychiatric beds; 1500 short

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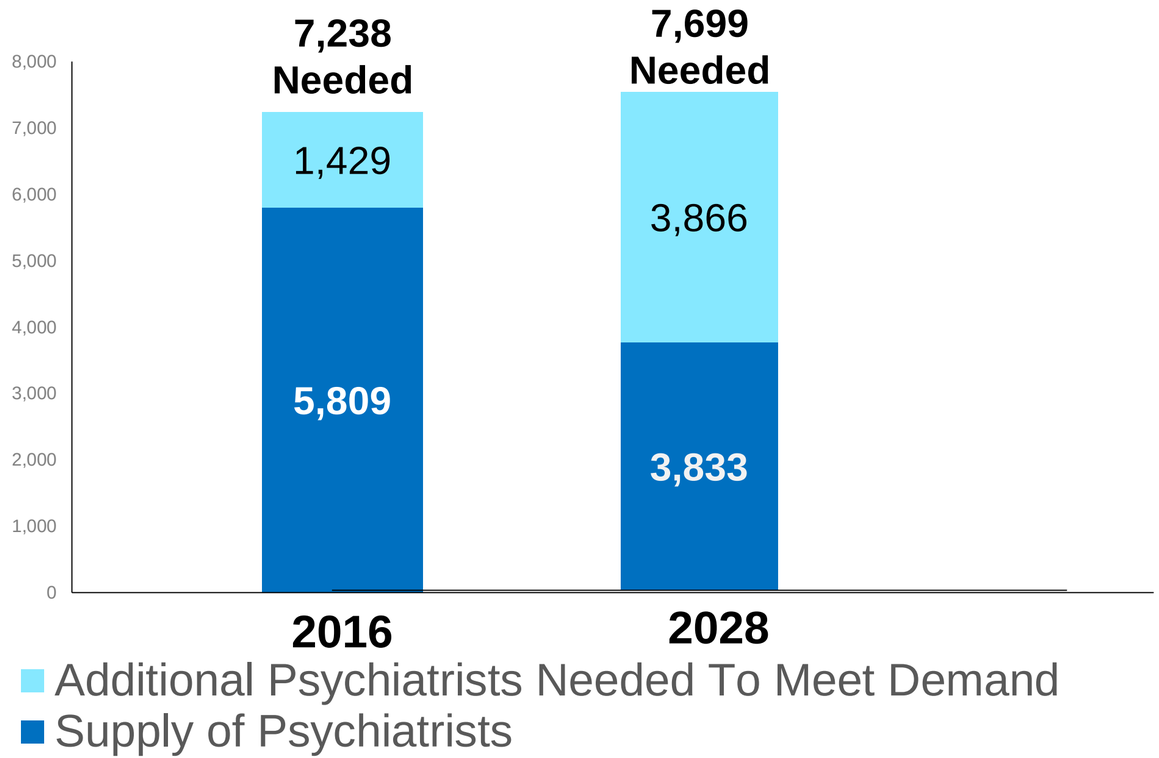
Not enough providers

- Today, CA psychiatrists meet 80% of need
- 2028: 50% of the need
- Similar for non-MD providers

Number of Psychiatrists In California Vs. Need[1]



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Provider limitations worse for Medi-Cal

- **Almost two-thirds of psychiatrists are not accepting new Medi-Cal patients**
- Less than half of California psychiatrists treat patients with Medi-Cal
- According to survey data, the chief reasons why physicians of any type limit Medi-Cal patients are:
  - The amount Medi-Cal pays is too low (78%)
  - The administrative burden for collections is too high (72%)
  - Medi-Cal payment is often delayed (72%)

Source: California Health Care Foundation, Physician Participation in Medi-Cal: Is Supply Meeting Demand? June 2017

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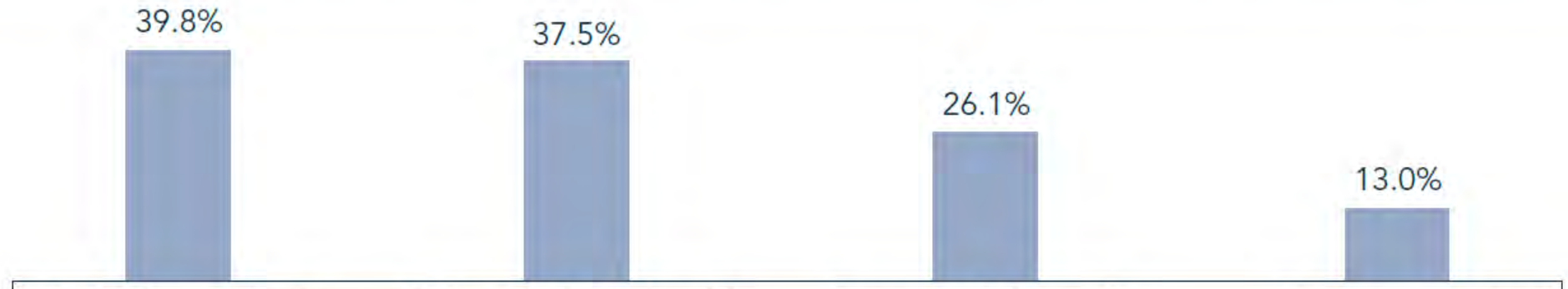
Additional barriers

Exhibit 29: Weighted estimates for reasons why members did not see a mental health specialist[14]



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Impact of shortages and poor access

- More likely to avoid or delay care
- More likely to seek care in hospital emergency departments
- ER holds are prolonged when psychiatric hospitals and outpatient treatment is at capacity and/or unavailable
- Assumption: Overall cost of care is higher –

  wrong care, wrong place, wrong time, wrong provider

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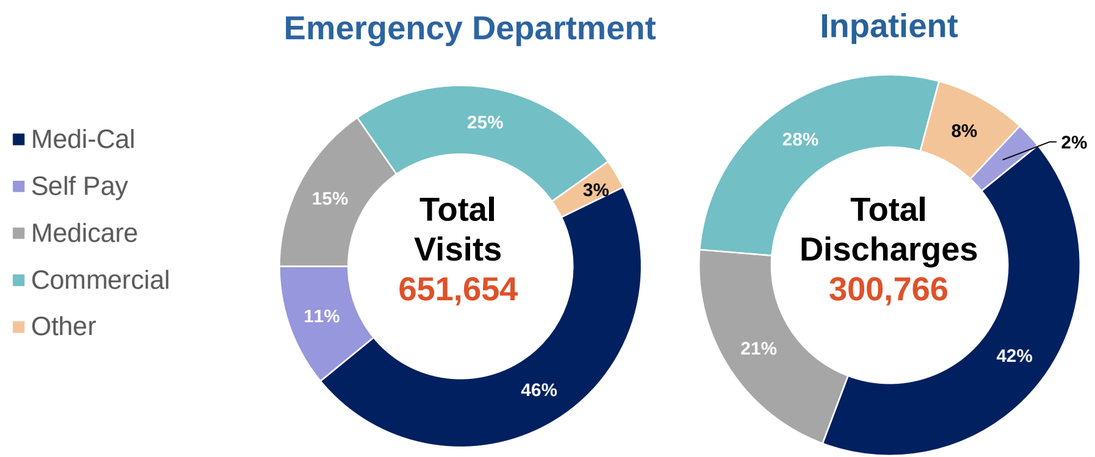
Medi-Cal is the most frequent payer

Payer Mix For Patients With A Primary Diagnosis of Behavioral Health In California Hospitals, 2018[1]



[1]. CHA analysis of OSHPD data using primary diagnoses. Behavioral health diagnoses categorized using Agency for Healthcare Research and Quality Clinical Classifications Software
Note: "Emergency Department" visits include only those who were treated in the ED and then released

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Orange County impact

- 470 – daily ED admits from a resident with BH Dx
- 50,000 – yearly ED visits with primary BH Dx
- $2,000 average cost per emergency room visit
- $100,000,000.

…we think 70%+ is avoidable.

[1]

[1] Health Car Cost Institute, 2018. Avg cost of ED visit is $1,917.
A conservative increase to $2000 applied here for avg cost of psych visit given increased ALOS, security and other unique needs.

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2020 Focus : Building the System of Care

Navigation and Crisis Response System

Regional Be Well Campuses

Integrated Network Infrastructure

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Navigation & Crisis Response System : Vital Front-end to the System of Care

Today,
just as likely to end-up with law enforcement as in emergency room…

34% in jail with Mental Health Disorders
44% with Substance Use Disorders

Simple Access

24/7 Live
Trained Support

Mobile Response Team

Crisis Response

25K
Monthly Calls

80%
Phone Stabilization

15%
Face-to-Face Stabilization

5%
Facility Placement

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2020 Focus : Building the System of Care

Navigation and Crisis Response System

Regional Be Well Campuses

Integrated Network Infrastructure

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Be Well Campus North: Building a Beacon
Coming Jan 2021

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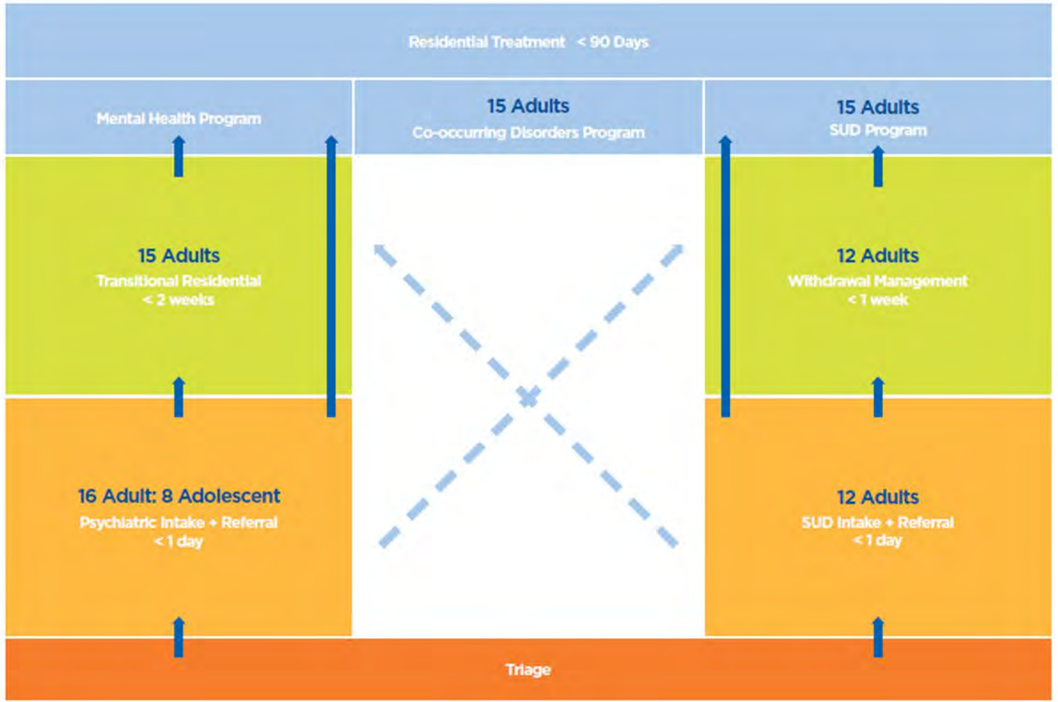
Be Well Campus

Care Model

7 Services • 93 Beds • 100 People Daily • 10K People Annually



Be Well Campus South

Using modern facility design and superior digital technology, today's fragmented support services can be unified under one physical roof and one digital roof.

Leveraging the power of public-private partnership, Orange County can significantly enhance and expand a world-class mental health system, today.

One Physical Roof & One Digital Roof

Physical Roof

Be Well Hub & Community Center

Digital Roof

Navigation & Crisis System

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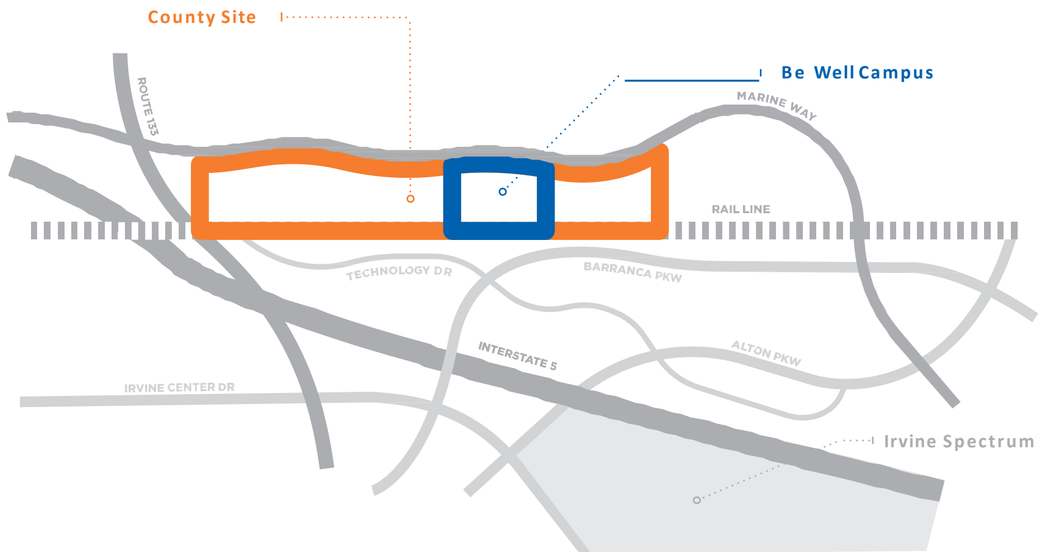
Site Context

108-Acre County-Owned Property
Adjacent to the Great Park



22-Acre Parcel; 7 Existing WWII-era Warehouses
Be Well Campus – South County

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Site & Services Plan

Community Wellness & Support Center

Building 317

Support Center

- Services Navigation, Information & Coordination
- Individual Crisis Support
- Care Providers
- Support Services

Community Wellness Center

- Education Programs & Classrooms
- Community Meeting & Event Space
- Youth & Senior Center
- Interfaith Shared Use Space

Be Well Hub

Building 318

Be Well Hub

- Mental Health & Substance Use Urgent Care
- Inpatient Mental Health (15 Child/Adolescent Beds & 15 Adult Beds)
- Substance Use (15 Detox Beds and 15 Residential Beds)
- Outpatient Mental Health & Substance Use
- FQHC Medical Clinic

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Action
Care
Understanding
Optimism
Support
Heart
Connection
Belonging

Hope HAPPENS HERE.

Calm
Comfort
Peace
Intention
Trust
Love
Family

bewelloc.org

Be Well South Campus

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Today's Worn-Out Warehouses

Back to Agenda

Tomorrow's World-Class Care Campus

Back to Agenda

Back to Agenda

Today

Building 317

Tomorrow

Community Wellness & Support Center

Back to Agenda


Today
Building 318


Tomorrow
Be Well Hub South

Today's
Empty Interior

Tomorrow's
Extraordinary Experience

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Be Well
ORANGE COUNTY

The community's next great civic project….
A world-class system of mental health care for Orange County. Today.

Acceleration, Agility, and Overall Success depend on equal participation from both public and private sectors.

Be Well OC needs your support.

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Action
Care
Understanding
Optimism
Support
Heart
Connection
Belonging

Hope HAPPENS HERE.

Calm
Comfort
Peace
Intention
Trust
Love
Family

bewelloc.org

Thank you

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CalOptima

Better. Together.

Medi-Cal Pharmacy Carve Out (Medi-Cal Rx)

October 8, 2020

CalOptima Board Advisory Committees Joint Meeting

Emily Fonda, MD, MMM, CHCQM

Deputy Chief Medical Officer

Kris Gericke, Pharm.D.

Director, Pharmacy Management

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Background

- Executive Order (EO) N-01-19 : Effective January 1, 2021, DHCS is “carving out” the pharmacy benefit for more than 11 million Medi-Cal beneficiaries from managed-care plans and moving it to the fee-for-service (FFS) program
- Only applies to Medi-Cal program (OC/OCC/PACE are not affected)
- “Medi-Cal Rx” is the name DHCS has given to this new system of how Medi-Cal pharmacy benefits will be administered through the FFS delivery system
- DHCS has stated there will be no change to the January 1, 2021, Medi-Cal Rx implementation date

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Medi-Cal Rx

- The State of California selected a Pharmacy Benefit Manager (PBM) vendor to administer the new pharmacy program
  - Magellan Rx
- Effective January 1, 2021, CalOptima Medi-Cal outpatient pharmacy claims will be processed through Magellan Rx instead of MedImpact (current PBM), and providers will have to follow the state “formulary” or Contract Drug List (CDL)
- MedImpact will be retained for OC/OCC/PACE

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Medi-Cal Rx (cont.)

- Many Medi-Cal Rx operational details are currently not yet finalized by an All Plan Letter (APL):
  - Grievance process
  - Transition policy
  - Scope of coverage
  - Plan-retained responsibilities

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Medi-Cal Rx (cont.)

- Medi-Cal activities covered by the new program include:
  - Claims processing for all pharmacy services billed by pharmacies through Magellan Rx:
    - Medications
    - Enteral nutrition products
    - Some medical supplies
  - Pharmacy cross-over claims
  - Pharmacy network administration
  - Pharmacy drug rebate administration
  - Prior authorizations
  - Customer Service (beneficiaries and providers)
  - Health plan coordination activities (Magellan Rx liaison)

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Medi-Cal Rx (cont.)

- CalOptima retained Medi-Cal responsibilities:
  - Member care coordination as defined by DHCS (includes interaction with Magellan liaison)
  - Oversee clinical aspects of pharmacy adherence
  - Provide disease and medication management
  - Processing and payment of all medications and supplies billed on medical and institutional claims (Physician Administered Drugs, such as chemotherapy)
  - Participation on the Medi-Cal Global Drug Utilization Review (DUR) Board and other DHCS pharmacy committees
  - All PACE and OneCare Connect Medi-Cal pharmacy benefits
  - Others to be determined (DHCS All Plan Letter pending)

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Medi-Cal Rx Benefits

- Potential financial savings to the State of California
  - Lower administrative costs
  - Consolidate drug purchasing power
  - Strengthen California's ability to negotiate state supplemental drug rebates with drug manufacturers
- Standard pharmacy benefit across the state
- Modernize many existing DHCS pharmacy support systems
- Pharmacy network that includes the majority of the state's pharmacies

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Medi-Cal Rx Risks

- 180-day transition period benefit may suddenly create high TAR (PA)* volume when it ends with medication delays
- Lack of timely and complete pharmacy data for plans (2-day lag time for Medication Review Tool)
- Negative impact on care coordination
- Confusion for members and providers
- Magellan training website is not yet fully operational.
- APL is not finalized

* Treatment Authorization Request/Prior Authorization

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Medi-Cal Rx Risks (cont.)

- Unknown quality of customer service
- Decrease in plan quality scores
- Net financial savings are not guaranteed to materialize
  - Higher administrative costs
  - Ability to drive market share for preferred drug use?
  - Supplemental rebates may not offset program costs

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Medi-Cal Rx Risks (cont.)

- Limited state Contract Drug List (formulary) requires a TAR (PA) for a number of common medications for which CalOptima did not require authorization
- TAR (PA) required for many common pediatric medications that do not currently require prior authorization from CalOptima

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Medi-Cal Rx Outstanding Issues

- Pharmacy-related Customer Service call process
  - If members have medication access issues after contacting Magellan Rx, Customer Service staff will triage cases to CalOptima Pharmacy Management to assist
  - CalOptima Pharmacy Management staff will contact providers, pharmacies and/or the Magellan Rx liaison to resolve issues
- CalOptima Pharmacy Management staff will have limited access to the Magellan Rx claims system and will not be able to perform overrides (e.g., hospital discharge)
- Member grievance process related to pharmacy access issues has not been finalized

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Medi-Cal Rx Outstanding Issues

- Whole-Child Model
  - Potential disruption to medication access for these medically fragile children due to this transition
  - Standard PBM prior authorization criteria and processes do not adequately address the unique needs of these children with serious medical conditions. (CalOptima had a special process with MedImpact to accommodate these children.)
  - Many suspension/liquid formulations and other common CCS medications are not on the CDL
  - CalOptima Pharmacy Management staff are working with CHOC management to propose changes to medication coverage post-carve out to DHCS — ongoing process
- Plan-retained clinical responsibilities have not been defined (pending All Plan Letter)

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Communication and Training: Members

- Members will receive three mailings
  - 90- and 60-day from DHCS
  - 30-day from CalOptima
- Members will receive 30-day phone calls from CalOptima
- Magellan Rx will not open their call center until January 1, 2021
- CalOptima Customer Service will be responsible for answering all calls regarding the carve out before January 1, 2021
- After the final APL draft with CS instructions, a script will be created for members who may call CalOptima first and get referred to Magellan

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Communication and Training: Providers

- Pharmacies will receive three mailings from DHCS (90-, 60- and 30-day)
- Providers can register for the DHCS Medi-Cal Rx Subscription Service (MCRxSS) for email updates:
  - https://mcrxsspages.dhcs.ca.gov/Medi-CalRxDHCScagov-Subscription-Sign-Up
- DHCS will provide training materials for Medi-Cal providers starting in September via the Magellan Medi-Cal Rx website:
  - https://medi-calrx.dhcs.ca.gov/home/

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Communication and Training: CalOptima

- A CalOptima Multi-Departmental Workgroup has been regularly meeting since December 2019 to coordinate activities related to the carve out
- CalOptima began sending out communications to health networks and providers in July 2020
- CalOptima included presentations about the carve out in Health Network Forums and other meetings (WCM-CAC, WCM-FAC, PAC, MAC, QIC)
- CalOptima staff continue to participate in Medi-Cal Rx stakeholder meetings
  - LHPC
  - CAHP
  - DHCS meetings and forums

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Our Mission

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

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Marshall B.
KETCHUM UNIVERSITY
Southern California College of Optometry

Managing Myopia

Reducing prescriptions and slowing eye growth for our pediatric patients.

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Erin Rueff, OD, PhD, FAAO

About Me

Chief,
Stein Family Cornea & Contact Lens Services at Ketchum Health

Assistant Professor

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Ketchum Health

- **Full scope eye care:**
  - *Primary Eye Care*
  - *Ocular Disease*
  - *Cornea, Contact Lens Services*
  - *Pediatrics*
  - *Binocular Vision*
  - *Low Vision*

- **Anaheim & Los Angeles**

- **www.ketchumhealth.org**

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What is Myopia?

Myopia is the medical term for “nearsightedness”:

Vision is blurry in the distance,
but not as blurry when looking up close.

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What is Myopia?

Vision is blurry in the distance,
but not as blurry when looking up close.

https://coopervision.com/myopia-simulator

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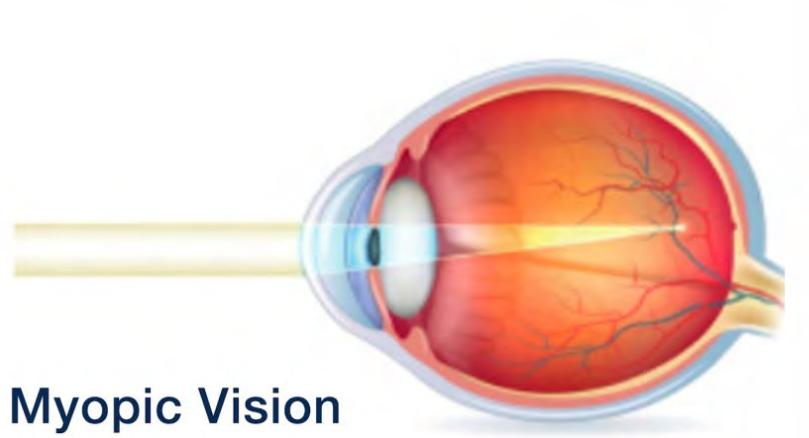
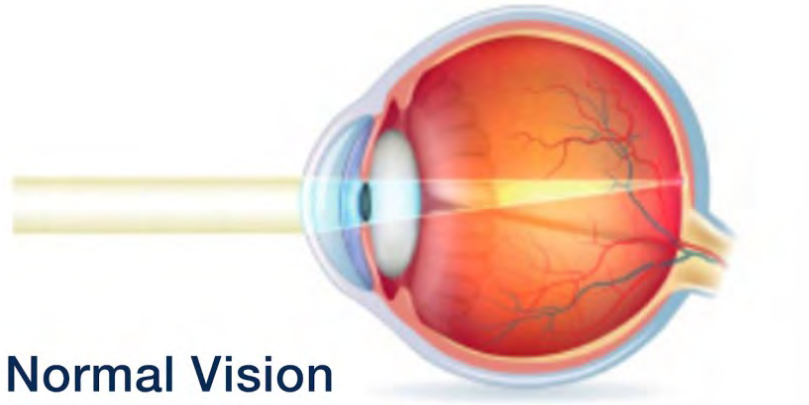
What is Myopia?





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Incidence of Myopia is on the Rise

The prevalence of myopia in the US increased from 25% to 44% between 1972 and 2004.

In urban communities in Asia, the prevalence is greater than 80%.

It is estimated that half of the world's population will be affected by myopia in 2050.

Cooper J, et al. A review of current concepts of the etiology and treatment of myopia. *Eye & Contact Lens;* 2018.

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Why is the myopia increasing?

- Environmental factors
- Genetics
- Outdoor time
- Screen time?

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Why does myopia matter?

Myopia is a major risk factor for many ocular pathologies:

Cataract

Glaucoma

Retinal detachment

Macular degeneration

Cooper J, et al. A review of current concepts of the etiology and treatment of myopia. *Eye & Contact Lens;* 2018.

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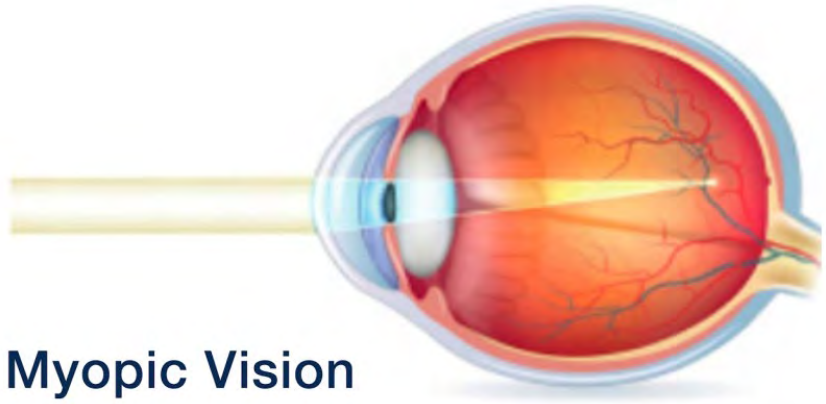
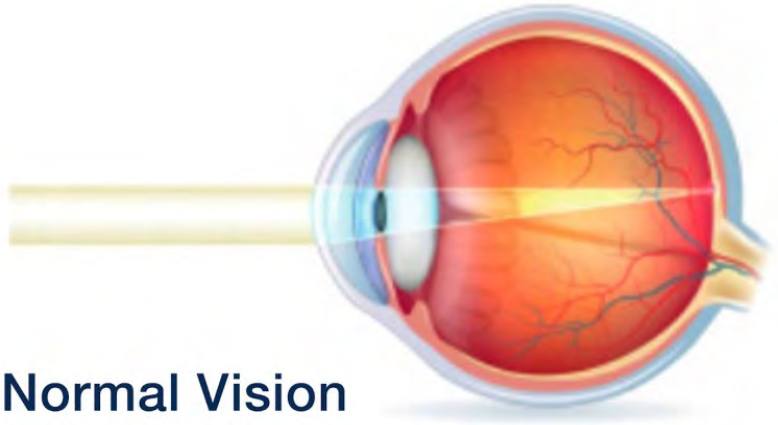
Why does myopia matter?





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Why does myopia matter?

Risk for retinal detachment and macular degeneration increases longitudinally above about -2.00 D of myopia (i.e. mild myopia).

Keeping myopia between -1.00 & -3.00 D reduces the risk of macular degeneration by 4x and retinal detachment by 3x.

To put in perspective, your increased risk of pathology with myopia is similar to a person's increased risk of stroke or heart attack with hypertension.

Cooper J, et al. A review of current concepts of the etiology and treatment of myopia. *Eye & Contact Lens;* 2018.

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Myopia is Manageable!

Over the past two decades, extensive optometric and ophthalmological research has studied how different pharmaceutical and optical interventions influence myopia progression.

We are able to slow the progression of myopia using:

Topical eye drops
Specially designed contact lenses

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How do we slow myopic progression?

Eye Drops: Low Concentration Atropine

Drops that have historically been used for pupil dilation

In very low concentrations, are effective in slowing the progression of myopia
(both in prescription and eye length)

Minimal side effects

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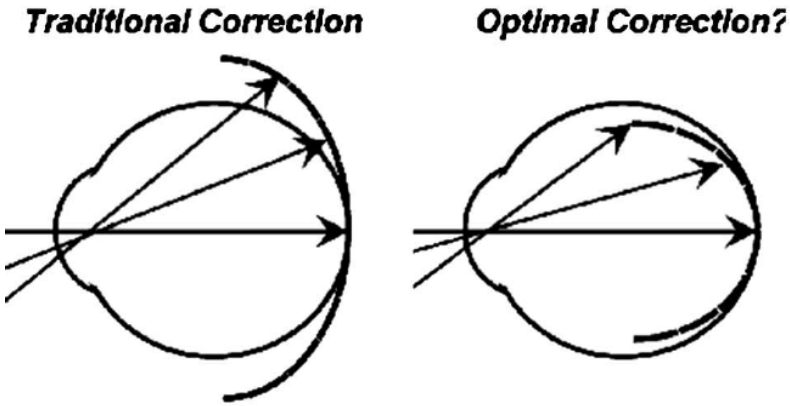
How do we slow myopia progression?

Soft Bifocal Contact Lenses

Change how light focuses on the back of the eye

Slows eye growth and minimizes prescription changes

Similar to regular soft contact lens wear for kids



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How do we slow myopia progression?

Soft Bifocal Contact Lenses

Available in monthly and daily disposable options

Available for most prescriptions, even high or unique powers

Easy to adapt to

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How do we slow myopia progression?

Orthokeratology

Hard contact lenses that are worn while you sleep

Re-shape the front surface of the eye

Change how light focuses on the back of the eye and slows down the growth signal

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How do we slow myopia progression?

Orthokeratology

No visual correction needed during the day

Great for active kids or kids who don't want to wear any vision correction

Some limits for certain prescriptions

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Which treatment method is most effective?

When used appropriately, all three treatment modalities have similar results.

All are effective in slowing the progression of eye growth and reducing the change in prescription.

The most effective treatment is the one your child can be compliant with.

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Which treatment method is most effective?

Your child's optometrist will discuss the best options for your child's myopia management based on:

- Age
- Level of myopia currently
- Lifestyle
- Goals for vision correction
- Parameters available

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When should my child begin myopia management?

Most studies investigating myopia control studies evaluate kids between ages 8 and 12.

Myopia management, however, can be initiated at almost any age that myopia or myopia progression can be detected.

Make sure your children are getting annual eye exams, even if they are not complaining of blurry vision.

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Thank you!

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