

**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
PROVIDER ADVISORY COMMITTEE**

**THURSDAY, JUNE 13, 2019
8:00 A.M.**

**CALOPTIMA
505 CITY PARKWAY WEST, SUITE 109-N
ORANGE, CALIFORNIA 92868**

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committee 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.

I. CALL TO ORDER

Pledge of Allegiance

II. ESTABLISH QUORUM

III. APPROVE MINUTES

A. Approve Minutes of the May 9, 2019 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC)

IV. PUBLIC COMMENT

At this time, members of the public may address the Committee 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 PAC. When addressing the Committee, it is requested that you state your name for the record. Please address the Committee as a whole through the Chair. Comments to individual Committee members or staff are not permitted. Speakers will be limited to three (3) minutes.

V. REPORTS

- A. [Consider Approval of FY 2018-19 PAC Accomplishments](#)

VI. MANAGEMENT REPORTS

- A. [Chief Operating Officer \(COO\) Update](#)
- B. [Chief Financial Officer \(CFO\) Update](#)
- C. [Chief Medical Officer \(CMO\) Update](#)
- D. [Network Operations Update](#)

VII. INFORMATION ITEMS

- A. [Healthy Smiles Presentation](#)
- B. [Whole-Child Model Update](#)
- C. [Case Management Presentation](#)
- D. [Federal and State Legislative Update](#)
- E. [PAC Member Updates](#)

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

May 9, 2019

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, May 9, 2019, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

John Nishimoto, O.D., PAC Chair, called the meeting to order at 8:04 a.m. Craig Myers led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: John Nishimoto, O.D., Chair; Teri Miranti, Vice Chair; Donald Bruhns; Theodore Caliendo, M.D.; Steve Flood; Junie Lazo-Pearson, Ph.D.; Craig Myers; Mary Pham, Pharm.D., CHC; Jacob Sweidan, M.D.; Pat Patton.

Members Absent: Anjan Batra, M.D.; Jena Jensen; Brian Lee, Ph.D.

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; David Ramirez, M.D., Chief Medical Officer; Nancy Huang, Interim Chief Financial Officer; Gary Crockett, Chief Counsel; Michelle Laughlin, Executive Director, Network Operations; Betsy Ha, Executive Director, Quality & Population Health; Tracy Hitzeman, Executive Director, Clinical Operations; Cheryl Simmons, Staff to the Advisory Committees; Samantha Fontenot, Program Assistant.

MINUTES

Approve the Minutes of the April 11, 2019 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: On motion of Member Sweidan, seconded and carried, the Committee approved the minutes of the April 11, 2019 meeting. (Motion carried 10-0-0; Members Batra, Jensen, and Lee absent)

PUBLIC COMMENTS

There were no requests for public comment.

REPORTS

Consider Approval of FY 2019-2020 Meeting Schedule

PAC members reviewed the proposed FY 2019-20 meeting schedule. As proposed, the PAC will meet on a monthly basis on the second Thursday of the month except during the months of July 2019 and January 2020 when no meetings are scheduled.

Action: *On motion of Member Sweidan, seconded and carried, the Committee approved the FY 2019-2020 Meeting Schedule. (Motion carried 10-0-0; Members Batra, Jensen, and Lee absent)*

Consider Recommendation of PAC Slate of Candidates, PAC Chair and Vice Chair

Member Pham summarized the recommendations of the PAC Nominations Ad Hoc Subcommittee, which consisted of Members Myers, Pham and Sweidan. The ad hoc met on April 11, 2019 to review the applications to fill six expiring seats and one vacant Nurse Representative seat. The six seats expiring are two Long-Term Services and Supports Representative seats, one Non-Physician Medical Practitioner seat, one Pharmacy Representative seat, and two Physician Representative seats.

The ad hoc reviewed 15 applications: three for the Long-Term Services and Support Representative seats; one for the Non-Physician Medical Practitioner Seat; three for the Pharmacy Representative seat; six for the Physician Representative seats and two for the Nurse Representative seat.

The ad hoc subcommittee recommended the following candidates for the six expiring seats: Donald Bruhns (reappointment) for one of the Long-Term Services and Supports seat and Patty Mouton (new appointment) for the second Long-Term Services and Supports seat; John Nishimoto, O.D. (reappointment) for the Non-Physician Medical Practitioner seat; Loc Tran, Pharm.D. (new appointment) for the Pharmacy seat; and Anjan Batra (reappointment) for one of the Physician Representative and John P. Kelly, M.D. (new appointment) as the second Physician Representative.

Action: *On motion of Member Sweidan, seconded and carried, the Committee approved the Recommended PAC Slate of Candidates (Motion carried 10-0-0; Members Batra, Jensen, and Lee absent)*

The ad hoc subcommittee recommended Tina Bloomer, WHNP, FNP, MSN (new appointment) to fulfill the remaining term for the Nurse Representative effective immediately upon Board approval, with the term expiring on June 30, 2021.

Action: *On motion of Member Sweidan, seconded and carried, the Committee approved the recommendation of Tina Bloomer, WHNP, FNP, MSN to fulfill the term for the Nurse Representative (Motion carried 10-0-0; Members Batra, Jensen, and Lee absent)*

Member Pham reported that John Nishimoto, O.D., Non-Physician Medical Practitioner Representative was the only applicant for the PAC Chair position.

Action: *On motion of Member Sweidan, seconded and carried, the Committee approved John Nishimoto, O.D. to fulfill a second term as PAC Chair. (Motion carried 10-0-0; Members Batra, Jensen, and Lee absent)*

Member Pham also reported that the current Vice Chair, Teri Miranti was the only applicant for the Vice Chair position and requested a motion to approve.

Action: *On motion of Member Sweidan, seconded and carried, the Committee approved Teri Miranti to fulfill a second term as the PAC Vice Chair. (Motion carried 10-0-0; Members Batra, Jensen, and Lee absent)*

CEO & MANAGEMENT REPORTS

Chief Executive Officer Update

Michael Shrader, Chief Executive Officer, provided an update on the Homeless Health program and noted that the clinical field teams had begun treatment of the homeless on April 10, 2019. Mr. Schrader also noted that CalOptima has met with the City of Anaheim, the Orange County Health Care Agency (OCHCA), and City Net to assist the homeless individuals at a newly discovered encampment. He also noted the Board's approval on a \$100M commitment to the homeless initiative of which \$40M has already been allocated. At the conclusion of Mr. Schrader's report, PAC members requested that he update them on homeless health on an ongoing basis as part of his report.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, provided an update on Proposition 56 (Tobacco Tax) rates and noted that the Department of Health Care Services (DHCS) had released the 2018-19 rates and that CalOptima was still waiting on the All Plan Letter (APL) for guidance. She noted that payments to providers must take place no later than June 12, 2019. Ms. Khamseh also discussed the Medical Respite Program for those members in recuperative care who need care for more than 90-days and noted that the Board had approved this item at their May 2, 2019 meeting.

She also noted that the consultant who is preparing the 2020-22 Strategic Plan had asked to meet with the advisory committees and a tentative date to hold a joint meeting for all committees in October 2019 was discussed.

Ms. Khamseh also discussed the Whole-Child Model noting that the 60-day notices had been sent and that the 30-day notice would be by phone call to each member transitioning to CalOptima.

Chief Financial Officer Update

Nancy Huang, Interim Chief Financial Officer, provided a verbal FY 2019-20 budget update and noted that there was a delay in receiving the rates from DHCS. She also noted that the new budget was being prepared on estimates/assumptions until the rates are released.

Chief Medical Officer Update

David Ramirez, M.D. Chief Medical Officer announce that beginning January 1, 2020, CalOptima would manage the OneCare and OneCare Connect Behavioral Health that is currently being managed by Magellan Health.

Dr. Ramirez also notified the Members that DHCS would be looking at the quality measures and new recommendations would be forthcoming and that DHCS was looking at the measure sets changing. He noted that some of the minimum requirements per quartile would be moved from 25% to 50% and that these measure would be retroactive to January 1, 2019.

Dr. Ramirez also discussed how DHCS was finalizing the guidance for Telehealth.

Network Operations Update

Michelle Laughlin, Executive Director, Network Operations provide an update on the re-contracting efforts for over 8,00 providers who contracts will expire on July 1, 2019.

She also notified the members that the Board had extended the deadline for Medi-Cal enrollment to the end of the year for providers who had submitted their applications to DHCS before January 1, 2019.

INFORMATION ITEMS

Member Portal Demonstration

Acecy Buensueso, IS Sr. Project Specialist, gave an interactive presentation on the new member portal that has been added to the CalOptima website. She noted that without having advertised the availability of the member portal that approximately 150 members had already signed up to use it.

PAC Member Updates

Chair Nishimoto asked the PAC members to submit any accomplishments that they wanted to add to the PAC accomplishments to send it in to the Staff to the Advisory Committees for inclusion in the report. This report will be brought to the June PAC meeting.

ADJOURNMENT

There being no further business, Chair Nishimoto adjourned the meeting at 9:56 a.m.

/s/ Cheryl Simmons

Cheryl Simmons
Staff to the Advisory Committees

Approved: June 13, 2019

Provider Advisory Committee FY 2018 - 2019 Accomplishments

During FY 2018-19 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 members shared the news with their constituencies and professional organizations regarding CalOptima's ranking as California's top-ranked Medi-Cal health plan, according to the National Committee for Quality Assurance's (NCQA's) Medicaid Health Insurance Plan Rankings for 2018–19.
- § One of the three PAC Physician Representatives (Dr. Sweidan) serves on the CalOptima's Quality Improvement Committee (QIC). This committee provides overall direction for the continuous improvement process and oversees activities that are consistent with CalOptima's strategic goals and priorities; promotes an interdisciplinary approach to driving continuous improvement and makes 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; also monitors and evaluates the care and services members are provided to promote quality of care.
- § PAC Long-Term Services and Supports (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.
- § The PAC Health Network Representative shared information with all the health networks at the monthly Health Network Forum. She continues to gather feedback from them on topics to bring forward to the PAC for discussion. Topics included: rate discussions, IGT funding, difficult to access providers, transgender services, Proposition 56 (Tobacco Tax) and the Opioid Epidemic.
- § PAC's Behavioral Health Representative (a CalOptima provider) participated in a legislative training day with the California Association for Behavior Analysis. The day was spent meeting with legislators to garner their support for Assembly Bill 189 in February 2019. Until this bill, there was no legislation that specifically identified behavioral health providers as mandated reporters. In addition, the day was spent educating legislators on behavioral health treatment for autism and other developmental disabilities. She shared this information with the constituents she represents on the PAC.

- § All PAC members completed the annual Compliance Training for 2018/19 by the deadline.
- § PAC attended two joint meetings during FY 2018-2019. The first meeting was a Member Advisory Committee (MAC)/PAC meeting that was held on October 11, 2018 to discuss the Board's directive to provide feedback on the CalOptima Delivery System and Auto Assignment. The second joint meeting was held November 8, 2018 with the MAC, OneCare Connect Member Advisory Committee (OCC MAC) and the Whole-Child Model Family Advisory Committee (WCM FAC). PAC hopes to continue to share feedback with the other advisory committees on a yearly basis.
- § 2019 PAC Nomination Ad Hoc subcommittee met on April 11, 2019, to recommend a slate of candidates for the six PAC vacancies consisting of Long-Term Services and Supports (2 positions), Non-Physician Medical Practitioner, Pharmacy and Physician (2 positions) Representatives. The ad hoc members presented the slate of candidates to the full PAC on May 9, 2019 with their recommendations. PAC also held special nominations and formed an ad hoc for the Hospital and Nurse Representative seats that opened up during the year. PAC members also assisted by reaching out to their constituents to help fill these vacancies. PAC also approved a Chair and Vice Chair for 2019-20.
- § PAC members continued to support the intergovernmental transfer (IGT) projects that are in process, as well as the proposed recommendations for the use of the IGT funds.
- § The PAC Chair or Vice Chair submitted and presented the PAC Report at CalOptima's Board of Directors' monthly meetings to provide the Board with input and updates on the PAC's current activities.
- § The PAC Chair solicited discussion topics/presentations from other PAC members which led to sharing their expertise about cutting edge programs being developed. The Chair and Vice Chair monitored and documented the quarterly PAC Goals and Objectives. The Chair and Vice Chair spent on average three hours a month working with the Staff to the Advisory Committees to formalize the meeting agenda and review and edit PAC's Report to the Board.
- § PAC members attendance equals on average over 73% of members attending each monthly meeting. Currently there are 11 out of 15 members attending each meeting.
- § Four PAC members created and made presentations to the PAC and one PAC member presented to all committees. It is estimated that a total of ten (10) hours were spent on preparation for these presentations.
- § In addition to meeting monthly during FY 2018-19, PAC members have participated in at least four (4) ad hoc subcommittees and dedicated approximately 252 hours or the equivalent of 32 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 attended several Whole-Child Model Family Advisory Committees in support of this new advisory committee.
- § 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 Meetings. In addition, the PAC welcomes direction or assignment from the Board on any issues or items requiring study, research, and input.

MEMORANDUM

DATE: June 6, 2019

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; and Whole-Child Model Family Advisory Committee

Homeless Health Initiatives on Track; Clinical Field Teams Available Six Days a Week

CalOptima's \$100 million commitment to homeless health was solidified in the past month, as clinical field teams expanded their availability and additional stakeholders provided feedback. Guided by your Board's ad hoc committee, which is meeting regularly to spearhead the effort, selected activities are summarized below.

- Clinical Field Team Coverage: In the time since launching on April 10, CalOptima's clinical field teams have ramped up their coverage quickly, now available for eight hours a day, six days a week. Coverage for South Orange County was also formalized with our newly contracted partner, Families Together of Orange County, which will launch a team in June.
- Clinical Field Team Learning Collaborative: On May 17, CalOptima staff gathered with clinical field team providers, community health center representatives and Orange County Health Care Agency Outreach and Engagement leaders for an interactive session focused on information sharing and clinical updates. The discussion among the group of more than 30 people touched on appropriate clinical services to be delivered in the field, recuperative care, medications, privacy and more. The collaboration among the attendees was valuable, and additional meetings will be planned.
- Stakeholder Input: The Board ad hoc committee has engaged with a number of stakeholders in the past month. The committee met with well-known advocates for the homeless: Mike Robbins, David Duran, Joshua Collins and Rebecca Kovacs-Stein. The advocates discussed their activities in support of Orange County's homeless community and shared insights about how CalOptima can build trust with members so as to have more impact. The committee also spoke with United Way's Sue Parks, Kaiser Foundation's Mark Costa and Heather Stratman, an independent consultant for city administration. Additional stakeholder meetings are in the planning stages with Whole-Person Care (WPC) representatives from Orange and San Bernardino Counties.
- Sacramento Meetings: Two members of the ad hoc, Paul Yost, M.D., and Ron DiLuigi, and I had productive meetings in Sacramento on May 21 with the following legislators: John Moorlach, Cottie Petrie-Norris, Tom Daly and Sharon Quirk-Silva. We also met with Tom Umburg's staff. All were informed about our efforts in the area of homeless health, and they asked to be kept apprised of our future work.
- Community Alliances Forum: On June 18, our Community Alliances Forum will focus on homelessness and the 2019 Orange County Point in Time Count. Our guest speakers are from the county — Susan Price, who will cover the results of the count, and Melissa Tober, who will discuss the WPC program. CalOptima staff will also provide an update regarding our

homeless initiatives. Given the considerable interest in Orange County's homeless crisis, the program is expected to attract a large number of attendees.

State Budget Revised Upward; Money Earmarked for Homeless Interventions

Gov. Gavin Newsom released on May 9 a revised \$213.5 billion budget for FY 2019–20, known as the May Revise. This represents an increase of \$4.4 billion from his January budget proposal. He indicated that the state's revenue forecast continues to be positive and that California should enjoy a large surplus in the coming fiscal year. The governor proposes to spend some of that surplus on the state's response to the homeless crisis. The May Revise includes dedicating \$1 billion to homelessness prevention and response efforts, such as local government support for homeless emergency aid (\$650 million), expanded WPC programs (\$120 million) and mental health system improvements (\$150 million). In line with these efforts, the governor is proposing to direct the state Department of General Services to identify buildings on the Fairview Developmental Center site in Costa Mesa that could be used for homeless supportive housing for up to 200 individuals. The May Revise also contains other proposed changes that impact Medi-Cal, including additional funding for Proposition 56 provider incentive payments (\$70 million) and a lower estimated cost associated with the governor's proposed expansion of full-scope Medi-Cal to undocumented individuals up to age 26 (\$98 million for FY 2019–20). The Department of Health Care Services (DHCS) issued a budget summary [here](#). A final state budget will be enacted this month.

CalOptima Operating Budget Contains Both Rate Increases, Decreases

DHCS released CalOptima's draft Medi-Cal rates for FY 2019–20 on May 16. In general, we received good news, with an unexpected modest rate increase for Medi-Cal Classic and Whole-Child Model and a rate decrease for Medi-Cal Expansion (MCE), as has been the experience for the past few years. The CalOptima Finance and Audit Committee approved an approach to pass along the reductions similar to the one taken two years ago when we reduced MCE rates only for the highest outlying professional and hospital capitation rates. Our June Board meeting focuses your full Board's review of the FY 2019–20 operating budget, which includes these new Medi-Cal rates and proposes an administrative budget trimmed to 4.4 percent.

Health Network CEOs Gather for Quarterly Meeting

This past month, CalOptima held our quarterly health network CEO meeting to discuss three key topics: the Department of Managed Health Care's Knox-Keene regulations, the proposed rate changes in our FY 2019–20 budget and DHCS' new quality requirements stemming in part from an audit that showed deficiencies in Medi-Cal services for children. Of these issues, the first two are familiar to the networks, but more work is ahead for both CalOptima and the networks to grapple with the new quality standards. DHCS has increased the number of measures, raised the bar and made the standards effective for this calendar year, which prevents planning and may lead to sanctions if performance is inadequate. Currently and thankfully, CalOptima and our health networks largely meet the new standards, but we are working with the regulators through our associations on a smoother path to implementation and possible incentives for quality instead of penalties.

Intergovernmental Transfer (IGT) Ad Hoc Considers Grants Totaling \$17.7 Million

CalOptima is moving toward awarding community grants using \$17.7 million in funds received from IGT 6/7. An ad hoc committee, which includes Supervisor Andrew Do and Ron DiLuigi,

met to consider staff's recommended eight recipients from among a total of 54 responses received. The priority areas are Children's Mental Health, Opioid and Other Substance Overuse, and Other Needs Identified by the Member Health Needs Assessment. As a next step, the ad hoc advised staff to engage county for additional feedback to ensure that the grants will go to unduplicated services not already being funded by the county and to explore opportunities to coordinate with other county programs. The ad hoc is targeting final selections for August.

Health Plan Associations Take Action Against Governor's Pharmacy Carve-Out Plan

A coalition of associations, including Local Health Plans of California (LHPC), California Association of Health Plans, California Association of Public Hospitals, California Hospital Association and California Primary Care Association, proposed trailer bill language that puts parameters around the governor's Medi-Cal pharmacy benefit carve-out, including requirements that DHCS develop a detailed fiscal impact estimate and convene an advisory group to discuss all aspects of the change. Further, LHPC took the lead in commissioning a recent report by the Menges Group that resulted in three key findings: 1) a Medi-Cal pharmacy carve-out is likely to increase net pharmacy expenditures, 2) pharmacy benefit carve-in states outperform carve-out states, and 3) a Medi-Cal pharmacy carve-out would be detrimental to clinical integration and health outcomes. Associations and health plans, including CalOptima, are continuing to work with DHCS, the governor's office and the legislature to find an alternate way to achieve the desired pharmacy cost savings without negatively impacting care coordination and quality for millions of Medi-Cal members across the state.

Exploration of Dental Carve-In Continues; Dental Society Meeting Planned for July

This past fall, your Board authorized staff to explore policy opportunities to carve in dental benefits for CalOptima's Medi-Cal members in Orange County. CalOptima staff have made significant progress in conducting outreach to local stakeholder groups to gauge their support for this potential change. More than 40 letters of support from stakeholders have been received, including from Congressman Lou Correa and State Sen. Pat Bates as well as the Orange County Health Care Agency. Staff has also been engaged in an ongoing dialogue with the Orange County Dental Society (OCDS). Although OCDS leadership is interested in the concept of dental integration, they had many follow-up questions about how such an effort would be implemented. Their primary issue relates to understanding the dental integration model being rolled out in San Mateo County by Health Plan of San Mateo compared with the Dental Managed Care program implemented in Los Angeles and Sacramento. Staff is working to clarify these approaches so as to address OCDS' concerns while also keeping CalOptima's policy options open with respect to delivery system design and implementation. Staff will make a presentation at the July OCDS Board meeting in support of the dental carve-in initiative.

CalOptima Employees Gather for All Hands Meeting to Recognize Accomplishments

On May 22, employees attended our quarterly All Hands meeting. It is an important tool in solidifying our culture and demonstrating commitment to our mission. I spoke about our transformative work in children's health with the Whole-Child Model, mental health with Be Well OC and homeless health as described above. Other executive leaders gave updates about their departments as well. In one of the most inspiring segments of the meeting, we celebrated employment anniversaries, including one individual for 20 years and two for 15 years.



CalOptima
Better. Together.

Financial Summary

April 2019

Nancy Huang

Interim Chief Financial Officer

FY 2018-19: Consolidated Enrollment

April 2019 MTD

Overall enrollment was 760,897 members

- Actual lower than budget 22,135 members or 2.8%
 - Ø Medi-Cal unfavorable variance of 21,602 members
 - Whole Child Model (WCM) unfavorable variance of 12,502 members
 - WCM members will remain in their original aid codes until the program begins 7/1/19
 - Medi-Cal Expansion (MCE) unfavorable variance of 7,913 members
 - Temporary Assistance for Needy Families (TANF) unfavorable variance of 2,696 members
 - Long-Term Care (LTC) unfavorable variance of 146 members
 - Seniors and Persons with Disabilities (SPD) favorable variance of 1,656 members
 - Ø OneCare Connect unfavorable variance of 677 members
- 6,382 decrease from March
 - Medi-Cal decrease of 6,427 members
 - OneCare Connect increase of 50 members
 - OneCare decrease of 10 members
 - PACE increase of 5 members

FY 2018-19: Consolidated Enrollment (cont.)

April 2019 YTD

Overall enrollment was 7,690,355 member months

- Actual lower than budget 150,467 members or 1.9%
 - Ø Medi-Cal unfavorable variance of 147,349 members or 1.9%
 - MCE unfavorable variance of 53,741 members
 - WCM unfavorable variance of 50,008 members
 - WCM members will remain in their original aid codes until the program begins 7/1/19
 - TANF unfavorable variance of 47,827 members
 - LTC unfavorable variance of 941 members
 - SPD favorable variance of 5,168 members
 - Ø OneCare Connect unfavorable variance of 4,151 members or 2.8%
 - Ø OneCare favorable variance of 1,062 members or 8.0%
 - Ø PACE unfavorable variance of 29 members or 1.0%

FY 2018-19: Consolidated Revenues

April 2019 MTD

- Actual lower than budget \$17.7 million or 5.9%
 - Ø Medi-Cal unfavorable to budget \$16.8 million or 6.2%
 - Unfavorable volume variance of \$7.6 million
 - Unfavorable price variance of \$9.2 million
 - \$22.9 million of WCM revenue due to delay of program start
 - Offset by \$7.0 million due to increase in fiscal year (FY) 2019 rates for Ground Emergency Medical Transportation (GEMT)
 - \$4.7 million due to Proposition 56 rate true-up
 - \$1.8 million of Behavioral health Treatment (BHT) revenue
 - Ø OneCare Connect unfavorable to budget \$1.6 million or 6.1%
 - Unfavorable volume variance of \$1.2 million
 - Unfavorable price variance of \$0.4 million
 - \$8.2 million of calendar year (CY) 2017 Hierarchical Condition Category (HCC) and risk adjustments
 - Offset by \$5.7 million of CY 2015 through 2018 estimated Centers for Medicare & Medicaid Services (CMS) recoupment and unfavorable rates

FY 2018-19: Consolidated Revenues (cont.)

April 2019 MTD

ØOneCare favorable to budget \$0.7 million or 40.7%

- Favorable volume variance of \$0.2 million
- Favorable price variance of \$0.5 million

ØPACE favorable to budget \$40.7 thousand or 1.7%

- Unfavorable volume variance of \$72.7 thousand
- Favorable price variance of \$113.4 thousand

FY 2018-19: Consolidated Revenues (cont.)

April 2019 YTD

- Actual lower than budget \$11.5 million or 0.4%
 - Ø Medi-Cal unfavorable to budget \$8.6 million or 0.3%
 - Unfavorable volume variance of \$49.3 million
 - Favorable price variance of \$40.6 million due to:
 - \$47.6 million of Proposition 56 revenue
 - \$42.8 million of Intergovernmental Transfer (IGT) 8 revenue
 - \$24.7 million due to prior year (PY) revenue
 - \$21.4 million due to favorable rates
 - \$10.1 million of PY non-LTC revenue from non-LTC aid codes
 - \$3.4 million of Hepatitis C revenue
 - Offset by unfavorable variance due to:
 - \$91.5 million of WCM revenue
 - \$20.0 million of Coordinated Care Initiative (CCI) revenue

FY 2018-19: Consolidated Revenues (cont.)

April 2019 YTD

ØOneCare Connect unfavorable to budget \$4.1 million or 1.6%

- Unfavorable volume variance of \$7.1 million
- Favorable price variance of \$3.0 million

ØOneCare favorable to budget \$0.9 million or 5.5%

- Favorable volume variance of \$1.3 million
- Unfavorable price variance of \$0.4 million

ØPACE favorable to budget \$0.3 million or 1.5%

- Unfavorable volume variance of \$0.2 million
- Favorable price variance of \$0.5 million

FY 2018-19: Consolidated Medical Expenses

April 2019 MTD

- Actual lower than budget \$9.1 million or 3.2%
 - Ø Medi-Cal favorable variance of \$12.1 million
 - Favorable volume variance of \$7.2 million
 - Favorable price variance of \$4.9 million
 - Facilities expenses unfavorable variance of \$5.0 million due to increase in Incurred But Not Reported (IBNR) claims
 - Professional Claim expenses favorable variance of \$4.1 million due to:
 - q \$2.4 million from BHT expenses
 - q \$1.5 million of Proposition 56 expenses
 - Prescription Drug expenses favorable variance of \$4.0 million mainly due to delay of WCM program
 - Provider Capitation expenses favorable variance of \$1.0 million

FY 2018-19: Consolidated Medical Expenses (cont.)

April 2019 MTD

ØOneCare Connect unfavorable variance of \$2.7 million or 10.6%

- Favorable volume variance of \$1.1 million
- Unfavorable price variance of \$3.8 million

ØOneCare unfavorable variance of \$0.5 million or 34.2%

- Unfavorable volume variance of \$0.2 million
- Unfavorable price variance of \$0.4 million

ØPACE favorable variance of \$124.4 thousand or 5.5%

- Favorable volume variance of \$67.3 thousand
- Favorable price variance of \$57.1 thousand

FY 2018-19: Consolidated Medical Expenses (cont.)

April 2019 YTD

- Actual lower than budget \$53.8 million or 2.0%
 - Ø Medi-Cal favorable variance of \$54.6 million
 - Favorable volume variance of \$46.8 million
 - Favorable price variance of \$7.8 million
 - Provider Capitation expenses unfavorable variance of \$44.7 million
 - Professional Claim expenses favorable variance of \$42.6 million
 - Prescription Drug expenses favorable variance of \$34.4 million
 - Facilities expenses unfavorable variance of \$34.1 million
 - Ø OneCare Connect unfavorable variance of \$1.8 million
 - Favorable volume variance of \$6.8 million
 - Unfavorable price variance of \$8.6 million

Medical Loss Ratio (MLR)

- April 2019 MTD: Actual: 97.3% Budget: 94.6%
- April 2019 YTD: Actual: 93.5% Budget: 95.0%

FY 2018-19: Consolidated Administrative Expenses

April 2019 MTD

- Actual lower than budget \$1.6 million or 12.2%
 - Ø Salaries, wages and benefits: favorable variance of \$0.9 million
 - Ø Other categories: favorable variance of \$0.7 million

April 2019 YTD

- Actual lower than budget \$20.2 million or 15.9%
 - Ø Salaries, wages and benefits: favorable variance of \$10.2 million
 - Ø Other categories: favorable variance of \$10.0 million

Administrative Loss Ratio (ALR)

- April 2019 MTD: Actual: 4.1% Budget: 4.4%
- April 2019 YTD: Actual: 3.8% Budget: 4.4%

FY 2018-19: Change in Net Assets

April 2019 MTD

- \$38.6 thousand change in net assets
- \$3.5 million unfavorable to budget
 - Ø Lower than budgeted revenue of \$17.7 million
 - Ø Lower than budgeted medical expenses of \$9.1 million
 - Ø Lower than budgeted administrative expenses of \$1.6 million
 - Ø Higher than budgeted investment and other income of \$3.6 million

April 2019 YTD

- \$112.0 million surplus
- \$91.7 million favorable to budget
 - Ø Lower than budgeted revenue of \$11.5 million
 - Ø Lower than budgeted medical expenses of \$53.8 million
 - Ø Lower than budgeted administrative expenses of \$20.2 million
 - Ø Higher than budgeted investment and other income of \$29.2 million

Enrollment Summary:

April 2019

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
64,715	65,786	(1,070)	(1.6%)	Aged	642,529	647,775	(5,246)	(0.8%)
588	620	(32)	(5.2%)	BCCTP	6,012	6,200	(188)	(3.0%)
46,901	44,143	2,758	6.2%	Disabled	469,867	459,265	10,602	2.3%
303,895	303,307	588	0.2%	TANF Child	3,078,924	3,108,814	(29,890)	(1.0%)
89,294	92,578	(3,284)	(3.5%)	TANF Adult	924,216	942,153	(17,937)	(1.9%)
3,401	3,547	(146)	(4.1%)	LTC	34,034	34,975	(941)	(2.7%)
236,122	244,036	(7,913)	(3.2%)	MCE	2,372,891	2,426,632	(53,741)	(2.2%)
-	12,502	(12,502)	(100.0%)	WCM*	-	50,008	(50,008)	(100.0%)
744,916	766,518	(21,602)	(2.8%)	Medi-Cal	7,528,473	7,675,822	(147,349)	(1.9%)
14,178	14,855	(677)	(4.6%)	OneCare Connect	144,595	148,746	(4,151)	(2.8%)
1,478	1,324	154	11.6%	OneCare	14,302	13,240	1,062	8.0%
325	335	(10)	(3.0%)	PACE	2,985	3,014	(29)	(1.0%)
760,897	783,032	(22,135)	(2.8%)	CalOptima Total	7,690,355	7,840,822	(150,467)	(1.9%)

*Note: WCM members will remain in their original aid codes until the program begins 7/1/19

Financial Highlights:

April 2019

Month-to-Date			
Actual	Budget	\$ Budget	% Budget
760,897	783,032	(22,135)	(2.8%)
282,274,795	300,003,260	(17,728,466)	(5.9%)
274,615,342	283,667,885	9,052,544	3.2%
11,592,004	13,201,090	1,609,086	12.2%
(3,932,551)	3,134,284	(7,066,836)	(225.5%)
3,971,117	416,667	3,554,450	853.1%
38,565	3,550,951	(3,512,386)	(98.9%)

97.3% 94.6% (2.7%)
 4.1% 4.4% 0.3%
(1.4%) 1.0% (2.4%)
 100.0% 100.0%

Member Months
 Revenues
 Medical Expenses
 Administrative Expenses

Operating Margin

Non Operating Income (Loss)

Change in Net Assets

Medical Loss Ratio
 Administrative Loss Ratio
 Operating Margin Ratio
 Total Operating

Year-to-Date			
Actual	Budget	\$ Budget	% Budget
7,690,355	7,840,822	(150,467)	(1.9%)
2,848,550,716	2,860,073,836	(11,523,120)	(0.4%)
2,663,023,328	2,716,860,615	53,837,287	2.0%
106,931,981	127,097,937	20,165,956	15.9%
78,595,407	16,115,284	62,480,123	387.7%
33,356,934	4,166,667	29,190,267	700.6%
111,952,341	20,281,951	91,670,390	452.0%

93.5% 95.0% 1.5%
 3.8% 4.4% 0.7%
2.8% 0.6% 2.2%
 100.0% 100.0%

Consolidated Performance Actual vs. Budget:

April 2019 (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>
0.2	3.6	(3.5)	Medi-Cal	87.4	24.2	63.2
(4.4)	(0.4)	(3.9)	OCC	(11.1)	(7.5)	(3.6)
0.1	(0.1)	0.1	OneCare	0.1	(0.6)	0.6
<u>0.2</u>	<u>(0.0)</u>	<u>0.2</u>	<u>PACE</u>	<u>2.3</u>	<u>0.1</u>	<u>2.2</u>
(3.9)	3.1	(7.1)	Operating	78.6	16.1	62.5
<u>4.0</u>	<u>0.4</u>	<u>3.6</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>33.4</u>	<u>4.2</u>	<u>29.2</u>
4.0	0.4	3.6	Non-Operating	33.4	4.2	29.2
0.0	3.6	(3.5)	TOTAL	112.0	20.3	91.7

Consolidated Revenue & Expense:

April 2019 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	508,794	236,122	744,916	14,178	1,478	325	760,897
REVENUES							
Capitation Revenue	\$ 133,225,311	\$ 119,346,751	\$ 252,572,062	\$ 24,935,273	\$ 2,292,036	\$ 2,475,425	\$ 282,274,795
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	133,225,311	119,346,751	252,572,062	24,935,273	2,292,036	2,475,425	282,274,795
MEDICAL EXPENSES							
Provider Capitation	38,419,492	52,151,343	90,570,835	15,138,546	660,985		106,370,366
Facilities	23,816,566	25,806,724	49,623,290	4,196,568	722,310	562,747	55,104,917
Ancillary	-	-	-	408,659	51,029	-	459,688
Professional Claims	17,098,910	7,028,491	24,127,402	-	-	550,283	24,677,685
Prescription Drugs	18,146,082	20,458,422	38,604,504	5,473,776	519,400	228,630	44,826,310
MLTSS	31,531,159	2,780,556	34,311,715	1,054,580	57,303	30,281	35,453,879
Medical Management	2,266,665	1,008,113	3,274,778	1,174,054	67,686	639,448	5,155,966
Quality Incentives	750,593	410,827	1,161,420	260,380		3,250	1,425,050
Reinsurance & Other	376,410	641,036	1,017,446	8,774		115,262	1,141,482
Total Medical Expenses	132,405,877	110,285,513	242,691,390	27,715,337	2,078,714	2,129,902	274,615,342
Medical Loss Ratio	99.4%	92.4%	96.1%	111.1%	90.7%	86.0%	97.3%
GROSS MARGIN	819,434	9,061,238	9,880,672	(2,780,064)	213,322	345,523	7,659,453
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			6,708,101	679,878	30,254	113,637	7,531,869
Professional fees			371,210	8,480	14,667	123	394,479
Purchased services			836,168	207,938	17,495	20,875	1,082,476
Printing & Postage			277,592	47,004	14,089	16,331	355,015
Depreciation & Amortization			434,487			2,076	436,563
Other expenses			1,400,183	55,353	480	7,211	1,463,227
Indirect cost allocation & Occupancy			(305,235)	586,645	43,167	3,797	328,374
Total Administrative Expenses			9,722,505	1,585,297	120,152	164,051	11,592,004
Admin Loss Ratio			3.8%	6.4%	5.2%	6.6%	4.1%
INCOME (LOSS) FROM OPERATIONS			158,167	(4,365,361)	93,170	181,472	(3,932,551)
INVESTMENT INCOME							3,971,054
OTHER INCOME			63				63
CHANGE IN NET ASSETS			\$ 158,230	\$ (4,365,361)	\$ 93,170	\$ 181,472	\$ 38,565
BUDGETED CHANGE IN NET ASSETS			3,610,001	(416,602)	(52,826)	(6,289)	3,550,951
VARIANCE TO BUDGET - FAV (UNFAV)			\$ (3,451,771)	\$ (3,948,759)	\$ 145,996	\$ 187,761	\$ (3,512,386)

Consolidated Revenue & Expense:

April 2019 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	5,155,582	2,372,891	7,528,473	144,595	14,302	2,985	7,690,355
REVENUES							
Capitation Revenue	\$ 1,391,483,200	\$ 1,166,321,953	\$ 2,557,805,153	\$ 251,541,474	\$ 16,994,957	\$ 22,209,132	\$ 2,848,550,716
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>1,391,483,200</u>	<u>1,166,321,953</u>	<u>2,557,805,153</u>	<u>251,541,474</u>	<u>16,994,957</u>	<u>22,209,132</u>	<u>2,848,550,716</u>
MEDICAL EXPENSES							
Provider Capitation	380,195,550	525,172,106	905,367,656	119,357,417	4,758,840	-	1,029,483,913
Facilities	228,034,821	242,975,973	471,010,794	36,934,804	4,834,522	4,214,696	516,994,816
Ancillary	-	-	-	6,621,884	406,627	-	7,028,511
Professional Claims	170,715,304	67,829,738	238,545,042	-	-	4,618,755	243,163,797
Prescription Drugs	172,589,876	195,136,588	367,726,464	53,342,924	4,696,797	1,795,461	427,561,646
MLTSS	319,460,248	28,300,244	347,760,491	13,681,410	485,860	128,344	362,056,105
Medical Management	21,227,516	9,960,489	31,188,004	11,208,048	617,001	6,259,210	49,272,264
Quality Incentives	7,648,629	4,097,095	11,745,724	2,912,380	-	29,850	14,687,954
Reinsurance & Other	5,292,604	3,874,947	9,167,550	1,992,584	37,298	1,576,891	12,774,323
Total Medical Expenses	<u>1,305,164,547</u>	<u>1,077,347,179</u>	<u>2,382,511,726</u>	<u>246,051,450</u>	<u>15,836,945</u>	<u>18,623,207</u>	<u>2,663,023,328</u>
Medical Loss Ratio	93.8%	92.4%	93.1%	97.8%	93.2%	83.9%	93.5%
GROSS MARGIN	86,318,653	88,974,773	175,293,427	5,490,023	1,158,013	3,585,925	185,527,388
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			61,912,324	7,474,652	325,955	1,008,171	70,721,102
Professional fees			1,906,020	234,140	146,667	6,738	2,293,565
Purchased services			7,491,070	1,842,079	157,833	107,369	9,598,350
Printing & Postage			3,166,689	623,434	84,112	72,596	3,946,831
Depreciation & Amortization			4,367,593	-	-	20,807	4,388,399
Other expenses			12,124,720	460,800	1,134	31,020	12,617,673
Indirect cost allocation & Occupancy			(3,048,587)	5,966,758	392,246	55,645	3,366,060
Total Administrative Expenses			<u>87,919,828</u>	<u>16,601,862</u>	<u>1,107,946</u>	<u>1,302,344</u>	<u>106,931,981</u>
Admin Loss Ratio			3.4%	6.6%	6.5%	5.9%	3.8%
INCOME (LOSS) FROM OPERATIONS			87,373,599	(11,111,839)	50,066	2,283,581	78,595,407
INVESTMENT INCOME							33,356,070
OTHER INCOME			864				864
CHANGE IN NET ASSETS			<u>\$ 87,374,463</u>	<u>\$ (11,111,839)</u>	<u>\$ 50,066</u>	<u>\$ 2,283,581</u>	<u>\$ 111,952,341</u>
BUDGETED CHANGE IN NET ASSETS			24,180,080	(7,542,585)	(572,967)	50,757	20,281,951
VARIANCE TO BUDGET - FAV (UNFAV)			<u>\$ 63,194,383</u>	<u>\$ (3,569,254)</u>	<u>\$ 623,034</u>	<u>\$ 2,232,824</u>	<u>\$ 91,670,390</u>

Balance Sheet:

As of April 2019

ASSETS

Current Assets	
Operating Cash	\$282,681,887
Investments	502,804,499
Capitation receivable	366,124,116
Receivables - Other	25,735,916
Prepaid expenses	6,576,127
Total Current Assets	1,183,922,546
Capital Assets	
Furniture & Equipment	36,205,368
Building/Leaschold Improvements	6,462,761
505 City Parkway West	50,206,669
	92,874,798
Less: accumulated depreciation	(45,178,314)
Capital assets, net	47,696,484
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	60,000,000
Board-designated assets:	
Cash and Cash Equivalents	12,398,930
Long-term Investments	541,682,324
Total Board-designated Assets	554,081,255
Total Other Assets	614,381,255
TOTAL ASSETS	1,846,000,285
Deferred Outflows	
Pension Contributions	686,962
Difference in Experience	3,419,328
Excess Earning	-
Changes in Assumptions	6,428,159
TOTAL ASSETS & DEFERRED OUTFLOWS	1,856,534,734

LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts Payable	\$17,123,659
Medical Claims liability	705,166,815
Accrued Payroll Liabilities	12,830,492
Deferred Revenue	52,433,883
Deferred Lease Obligations	57,229
Capitation and Withholds	141,035,416
Total Current Liabilities	928,647,494
Other (than pensions) post employment benefits liability	25,797,434
Net Pension Liabilities	23,602,064
Bldg 505 Development Rights	-
TOTAL LIABILITIES	978,046,992
Deferred Inflows	
Change in Assumptions	4,747,505
Excess Earnings	156,330
TNE	83,704,870
Funds in Excess of TNE	789,879,038
Net Assets	873,583,908
TOTAL LIABILITIES & FUND BALANCES	1,856,534,734

Board Designated Reserve and TNE Analysis

As of April 2019

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	151,628,635				
	Tier 1 - Logan Circle	151,205,847				
	Tier 1 - Wells Capital	150,984,797				
Board-designated Reserve						
		453,819,279	313,984,633	484,422,992	139,834,645	(30,603,714)
TNE Requirement	Tier 2 - Logan Circle	100,261,976	83,704,870	83,704,870	16,557,106	16,557,106
	Consolidated:	554,081,255	397,689,503	568,127,862	156,391,751	(14,046,607)
	<i>Current reserve level</i>	<i>1.95</i>	<i>1.40</i>	<i>2.00</i>		

HN Enrollment Summary - Medi-Cal

Health Network Name	MAY 2019	% of Total MCAL	% of HN Enrollment
CHOC Health Alliance (PHC20)	145,103	19.5%	22.5%
Monarch Family HealthCare (HMO16)	78,558	10.6%	12.2%
CalOptima Community Network (CN)	76,825	10.3%	11.9%
Arta Western Health Network (SRG66)	62,405	8.4%	9.7%
Alta Med Health Services (SRG69)	48,148	6.5%	7.5%
Family Choice Health Network (PHC21)	45,223	6.1%	7.0%
Kaiser Permanente (HMO04)	44,684	6.0%	6.9%
Prospect Medical Group (HMO17)	34,237	4.6%	5.3%
United Care Medical Network (SRG67)	33,093	4.5%	5.1%
Talbert Medical Group (SRG65)	24,367	3.3%	3.8%
Noble Mid-Orange County (SRG64)	22,237	3.0%	3.5%
AMVI Care Health Network (PHC58)	21,915	3.0%	3.4%
Heritage - Regal Medical Group (HMO15)	6,688	0.9%	1.0%
Total Health Network Capitated Enrollment	643,482	86.6%	100.0%
CalOptima Direct (all others)	99,370	13.4%	
Total Medi-Cal Enrollment	742,852	100.0%	

HN Enrollment Summary – OneCare Connect

Health Network Name	MAY 2019	Percentage
Monarch HealthCare (HMO16DB)	4,640	32.8%
Prospect Medical Group (HMO17DB)	2,347	16.6%
Family Choice Medical Group (SRG81DB)	1,769	12.5%
CalOptima Community Network (CN)	1,686	11.9%
Talbert Medical Group (SRG52DB)	1,044	7.4%
Arta Western Health Network(SRG66DB)	561	4.0%
Alta-Med (SRG69DB)	532	3.8%
United Care Medical Group (SRG67DB)	508	3.6%
Noble Mid Orange County (SRG64DB)	428	3.0%
AMVI Care Health Network (PHC58DB)	427	3.0%
Heritage - Regal Medical Group (HMO15)	199	1.4%
Total OneCare Connect Enrollment	14,141	100.0%

HN Enrollment Summary - OneCare

Health Network Name	MAY 2019	Percentage
Monarch HealthCare (PMG53DE)	708	48.2%
AMVI/Prospect Medical Group (PMG27DE)	281	19.1%
Talbert Medical Group (PMG52DE)	131	8.9%
Arta Western Health Network (PMG66DE)	114	7.8%
Family Choice Medical Group (PMG21DE)	83	5.6%
Alta-Med (PMG69DE)	79	5.4%
United Care Medical Group (PMG67DE)	44	3.0%
Noble Mid Orange County (PMG64DE)	30	2.0%
Total OneCare Enrollment	1,470	100.0%





Healthy Smiles

For Kids of Orange County

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1 in 3 OC Children Suffer From **Tooth Decay**

Tooth Decay is an Epidemic. You Can Help Stop It.



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Community Partners

HISTORY



FOUNDERS

Jack Shaw
Dr. Richard Mungo



CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY



PACIFIC LIFE



CHOC

Children's Hospital
of Orange County



UNIVERSITY OF SOUTHERN CALIFORNIA

Herman Ostrow School of
Dentistry

GROWTH



FQHCs

Federally Qualified Health
Centers



SCHOOLS



OHAC

Oral Health
Action California



CALOPTIMA



UCHCA

Orange County
Health Care
Agency

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Our mission is to improve the oral health of children in Orange County through collaborative programs directed at prevention, outreach and education, access to treatment, and advocacy.

100,000

children and parents
reached each year

Who We Are & What We Do

- Smile Center in Garden Grove
- Smile Clinic at CHOC Children's Hospital
- Sedation Treatment
- Smile Mobiles
- Community Outreach
- Teledentistry
- Oral Health Education

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Healthy Smiles for Kids of Orange County

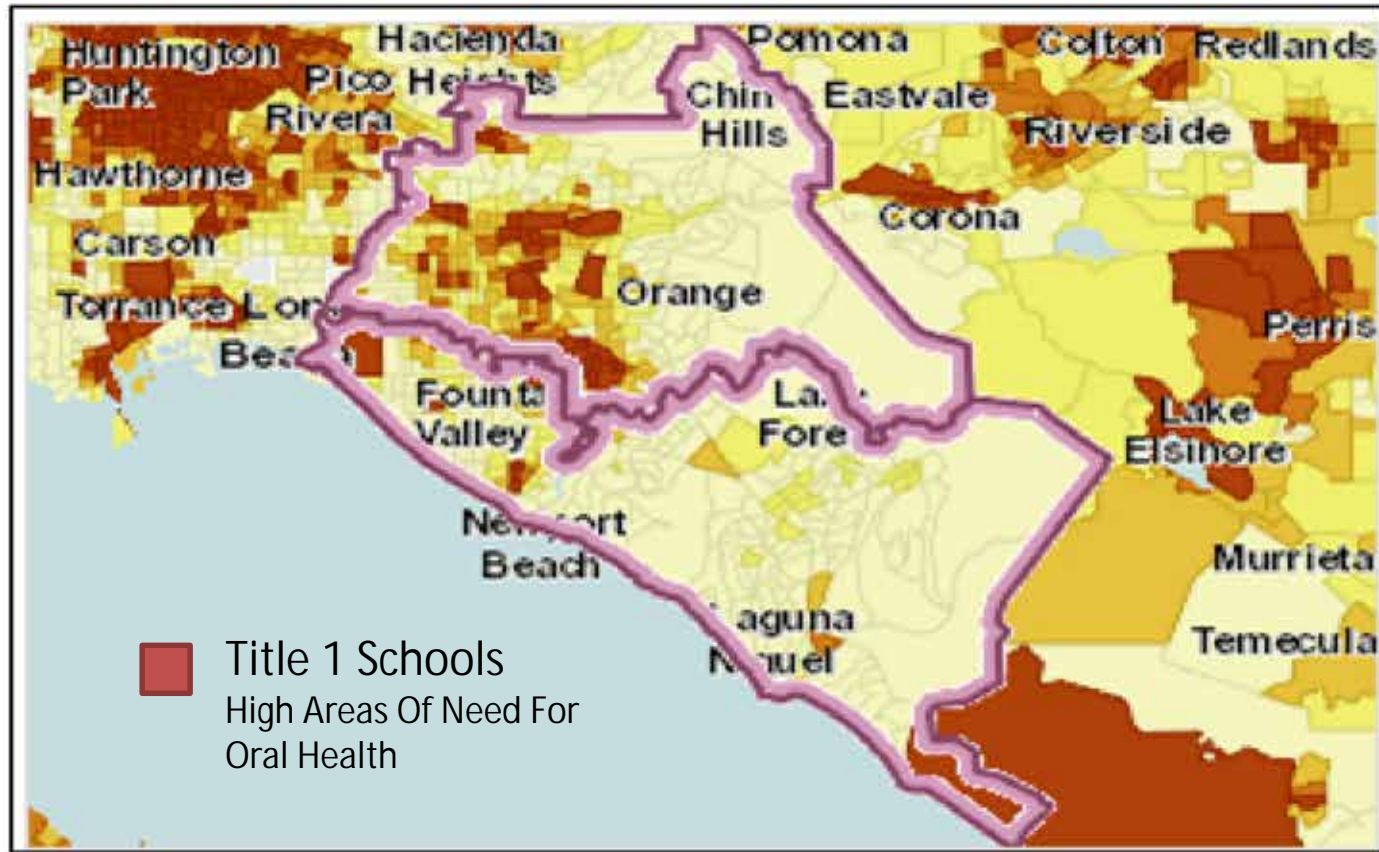
Growth & Expansion



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Los Angeles

Inland Empire

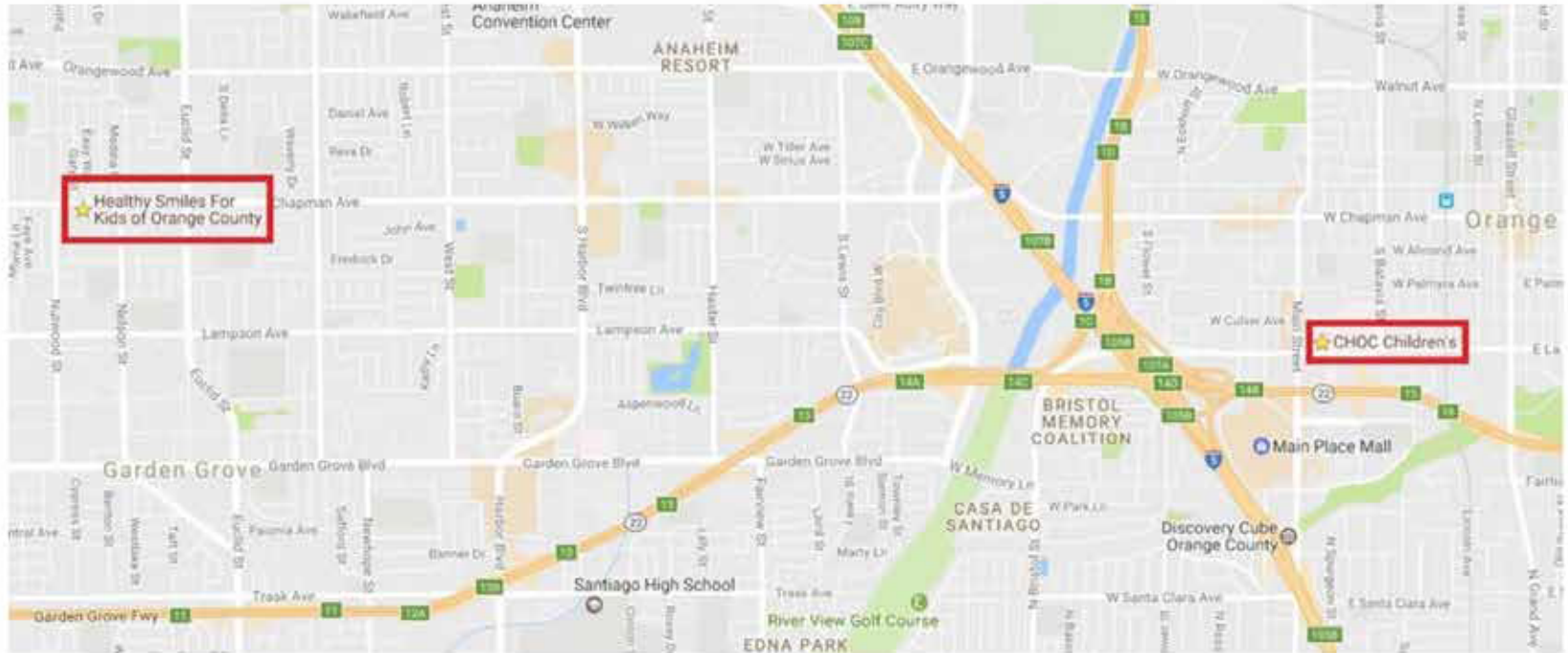


San Diego

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Healthy Smiles Clinics

Garden Grove & CHOC



HSK Clinic Locations

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HSK Clinics & School Sites

2014 = 51 Established Sites



HSK Clinics & School Sites - 2015-2017

91 Current Sites= 78% Growth



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2018 & Beyond

147 Potential School and CHOC Clinic Sites = **188%** Growth!





Meet George



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FY 17/18

Children Seen By Program

Prevention

10,124

Clinic

6,997

Teledentistry

1,463

Outreach

9,363

TOTAL

27,947

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Patient Count



FY 05/06- FY 17/18

Milestones

Education

350,000 kids & parents

Fluoride, Screenings, Sealants

175,000 encounters

Clinic Visits

61,000 visits

Teledentistry Visits

5,200 visits

TOTAL

806,400
encounters

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Healthy Smiles Impact

Clinic:

Healthy Smiles reduces the cavity rate for recall patients from **60% to 30%**

Restorative Mobile/Teledentistry:

50% of children obtaining restorative services on the mobile are cavity free

Prevention/Outreach:

60% of children that were identified to have severe decay through an initial exam or screening in the community have started treatment **within 3 months**



Mobile Restorative



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Meet Jason



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Sedation Services

Past 3 Years

- 1,648 G.A treatments
- Served 7,250 children with special needs
- Wait time reduced from 6 months to 1 month

General Anesthesia costs

\$ 2,500
per child

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Meet Nathaniel



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What is Teledentistry?

- A groundbreaking service eliminating traditional barriers to dental care



What is Teledentistry?

- A **groundbreaking service** eliminating traditional barriers to dental care
- A child is treated by a **dental hygienist in the classroom**, receiving a professional cleaning, x-rays, fluoride, sealants, and temporary fillings



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- Off site, a **dentist** reviews the child's chart and creates a treatment plan



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- The child misses **less than thirty minutes of class** and parents do not have to miss work



What is Teledentistry?

- A **groundbreaking service** eliminating traditional barriers to dental care
- A child is treated by a **dental hygienist in the classroom**, receiving a professional cleaning, x-rays, fluoride, sealants, and temporary fillings
- Off site, a **dentist** reviews the child's chart and creates a treatment plan
- The child misses **less than thirty minutes of class** and parents do not have to miss work
- If necessary, care coordinators work with families to ensure treatment is completed, **linking them to affordable clinics**

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Teledentistry Goals

1

Quality Care

No needles, sedation, or anesthesia - **it's painless**

No child is ever strapped or held down

2

Access to Care

Eliminates transportation barriers that keep kids from getting the care they need

3

Solution to Absenteeism Rate

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Meet Kimberly



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CHOC Health Alliance



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**Smile
Score**



Centralia Elementary

95% Satisfaction

Danbrook Elementary

91% Satisfaction

Wilson Elementary

95% Satisfaction

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Quality Metrics

Prevention

School-based preventative services

- Cavity Rate
- Participation rate (% of school population)
- % of children with severe decay who receive treatment

Teledentistry

Classroom dentistry

- Cavity rate - new patients
- Cavity rate - recall patients
- Treatment completed within 6 months
- Percentage of patients served in a community setting

Outreach

Community-based preventative services

- Cavity rate
- % of children with severe decay who are linked to a dental home
- No show rate for dental appointments

Healthy Smiles Dashboard

Program	Pts. Actual	Daily Goal	% Daily	Wkly-Actual	Wkly-Goals	% Wkly	Mo. Actual	Mo. Goals	% Mo.
Clinic	58	49	118%	283	253	112%	283	253	112%
Outreach	140	40	350%	352	200	176%	352	200	176%
Prevention 2	35	35	100%	139	140	99%	139	140	99%
Prevention 3	35	35	100%	109	140	78%	109	140	78%
Elementary School	16	16	100%	99	88	113%	99	88	113%
Intermediate School	6	8	75%	13	16	81%	13	16	81%
CHOC Health Center	8	6	133%	16	12	133%	16	12	133%
Total	298	189	158%	1011	849	119%	1011	849	119%

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Solutions: Meet POET

- **P**revention
- **O**utreach
- **E**ducation
- **T**eledentistry

* Restorative care will be done using our mobile units

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Benefits to the Community

- **Access to Care**
- **Continuity of Care**
- **Quality Care**
- **Smile Score**

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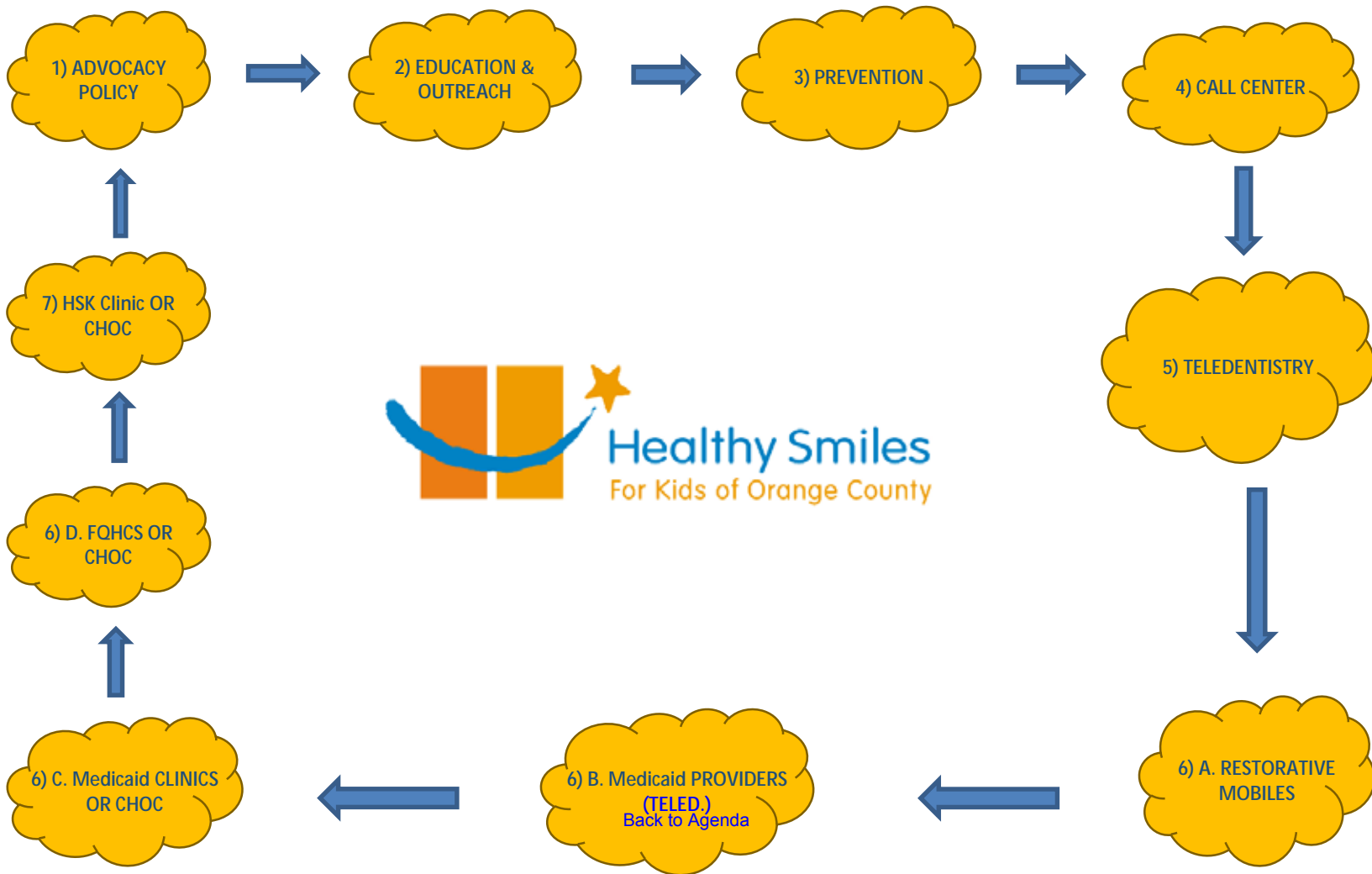
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- **Anyone can die of a toothache.**

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Organization Highlights

- 250% Increased revenue
- Reduced turnover rate by 50%
- Tripled employee headcount
- Admin costs are at 15% industry standard is 25%

One of the
OC
Register's
Best Places
to Work!



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It's all about the kids!



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CalOptima
Better. Together.

Homeless Health Initiatives: Clinical Field Teams

Provider Advisory Committee / Member Advisory Committee
June 13, 2019

Tracy Hitzeman, RN, CCM
Executive Director, Clinical Operations
Sloane Petrillo, RN, BSN, PHN, CCM
Director, Case Management

Clinical Field Team Pilot Program

- On February 22, 2019, the CalOptima Board:
 - Ø Authorized funding to support “on the street” and shelter care for CalOptima members experiencing homelessness
- On April 4, 2019, the CalOptima Board:
 - Ø Ratified the implementation plan
 - Ø Authorized pilot to include members assigned to health networks
- On April 10, 2019, the Homeless Response Team launched

Clinical Field Team Structure

- Team Components

- Ø FQHC clinical and support staff

- Ø Vehicle for transportation of staff and equipment

- Clinical Services

- Ø Urgent care, wound care, vaccinations, health screening and point-of-care labs

- Ø Prescriptions and immediate dispensing of commonly used medications

- Ø Referrals and follow up

Clinical Field Team Structure (cont.)

- Referrals and Coordination
 - Ø Medical services
 - Ø Recuperative care
- Availability and Coverage
 - Ø 8:30 a.m.–5 p.m. Monday through Saturday
 - Ø Regular hours at shelters/hot spots
 - Ø Goal is to support extended hours and days

Clinical Field Team Partnerships

- Five current FQHCs
 - Ø Central City Community Health Center
 - Ø Hurtt Family Health Clinic
 - Ø Korean Community Services
 - Ø Serve the People
 - Ø Families Together

CalOptima Homeless Response Team

- Dispatch phone line and daily hours established
 - Ø Receive calls from County Outreach and Engagement staff and CHAT-H nurses
- Coordinate and dispatch Clinical Field Teams (CFT)
- Share information with health networks to facilitate follow-up care
- Provide additional support with visits to
 - Ø Shelters
 - Ø Hot spots
 - Ø Recuperative care facilities

Member Experience

- Dispatch for 'abscess'
- Wounds — failed skin graft x 1.5 years
- Barriers — low vision, poor navigation, no phone, substance use, serious wound, no connection with PCP, not engaged with care
- Strengths — lives in park, easy to find, fills rx, increasing engagement with staff and medical team

Member Experience (cont.)

- Options — refused recuperative care, wound care
- Connecting with CalOptima staff
 - Ø PCP change to FQHC, secured earlier appointment
- PCP visit — outreach and engagement
transport/CalOptima non-medical transportation
- Now — new rx, PCP visit this week, asked for recuperative

Partnering with Health Network

- Coordination with health network
- Wound care referral
 - Ø Identification issues — HN negotiation with wound care clinic
- Case manager assigned
- Obtained phone
- Working on recuperative care placement

The First Month — Numbers

- Received 35 calls for dispatch
- Dispatched 34 Clinical Field Teams
- Twenty-nine received care
 - Ø Three refused, two left prior to team arrival
- Twenty-eight were current CalOptima members
- Twelve CalOptima social worker dispatches
 - Ø Forty-two percent of all visits
 - Ø Sixty percent of weekday visits
- Most are health network members
- Supported two encampment response efforts

Treatment Locations

- Shelters
- Soup kitchens
- Train station
- Bus stops
- Restaurants
- Strip malls
- Parks
- Courthouse

Type of Treatment

- Skin conditions
 - Ø Abscesses
 - Ø Dog bites
 - Ø Infections
 - Ø Bug bites
- Respiratory infections
- Fracture
- Post-hospital discharge
- Recuperative care assessments

CalOptima Role

- Dispatch clinical field teams
- Deploy social worker or Personal Care Coordinator (PCC) as able
- Support members and promote communication between the County Outreach and Engagement, Public Health Nurses, and Clinical Field Teams
- Assist members with PCP changes
- Provide CalOptima cards
- Assist with referrals
- Communicate with health networks
- Promote trust and hand-off to networks

CalOptima Case Management Role

- Work with health networks to transition members
- Communicate with your case managers
- Share member information
- Refer members for case management

Health Network Role

- Provide case management to members
- Receive referrals for services
- Support members in achieving goals
- Provide outside-the box solutions to reduce barriers to care

What Have We learned?

- Trust is essential
- Relationships are key
- Phone is not a good way to reach homeless members
- Challenge standard ways of delivering care (e.g., ID)
- Every barrier is an opportunity
- Think creatively
- Progress takes time
- Patience
- Members care about their health. Our task is to find ways to deliver care in ways each individual member will accept.

Thank You

- This population has many needs
- This is important work
- This is not easy work
- Our work is making a difference
- Thank you for partnering with us to provide care to our members

CalOptima's Mission

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



2019-20 California State Budget

May Revise: Analysis and CalOptima Impact

May 2019

Overview

On May 9, 2019, Governor Newsom released a revised Fiscal Year (FY) 2019–20 state budget proposal (May Revise). The May Revise proposes a total state budget of \$213.5 billion, with General Fund spending at \$147 billion.¹ This represents an overall increase of \$4.4 billion from his January budget proposal. The Governor indicated that the state's revenue forecast continues to be positive and that California should enjoy a large budget surplus in the coming fiscal year.

Specific to health policy, Governor Newsom put forward major changes soon after his inauguration on January 7. He issued an executive order to consolidate pharmacy purchasing to lower drug costs and announced a plan to expand Medi-Cal to cover undocumented young adults, among other health-related initiatives. The May Revise includes several proposals that directly impact CalOptima and provides updated fiscal estimates for these proposals, including:

- Updates on the Pharmacy Services carve-out;
- Revisions to the expansion of Medi-Cal;
- Proposition 56 supplemental payment funding;
- Funding to respond to the homelessness crisis; and
- Sunset of the Managed Care Organization (MCO) tax.

The Medi-Cal Budget

The Medi-Cal budget for FY 2019–20 has been slightly increased in the May Revise as compared to the January budget proposal. This is based on an estimated statewide enrollment of 13 million beneficiaries, which is essentially flat as compared to caseload projections for the previous fiscal year.²

FY 2019–20 Proposed Medi-Cal Budget

	January Proposal	May Revision
Overall Budget	\$100.7 billion	\$102.2 billion
General Fund	\$22.9 billion	\$23.0 billion

Pharmacy Services Carve-Out

One of the Governor's proposals with the greatest impact to CalOptima and Medi-Cal managed care plans is the carve-out of prescription drugs from Medi-Cal managed

care and the return of this benefit to fee-for-service (FFS), no sooner than January 1, 2021.³ This is part of an overall plan to boost the state's negotiating power with pharmaceutical companies via a bulk purchasing strategy. The January budget proposal did not provide specific estimates of savings associated with this transition, however, the May Revise does provide an estimate of the state's savings from the carve out — \$393 million, beginning in fiscal year 2022–23. It is not clear, however, from where these savings would come and how much increased administrative cost the state would incur related to this transition. Also, given the data available from other states that have implemented a carve-out of pharmacy services from managed care, it is not clear whether such a policy would generate net savings for the state in the long term.

The state's nonpartisan Legislative Analyst's Office (LAO) recently released its analysis of the carve-out and stated that any initial savings associated with this policy would likely be "in large part due to the state paying for 340B drugs at cost" rather than bulk purchasing.⁴ Further, the LAO states that "the coordination and management of Medi-Cal beneficiary's prescription drug use could be weakened under the administration's plan" due to less timely delivery of prescription drug utilization information to plans. The state's current information technology infrastructure is not likely to support real time pharmacy data exchange — such as information on when members fill prescriptions — which, in turn, is likely to negatively impact disease management and opioid curtailment programs, among others.⁵

LAO's recommendation to the legislature is to request the Department of Health Care Services (DHCS) to provide a more comprehensive and detailed estimate of state savings before authorizing the new state resources that DHCS would need to implement the carve-out.⁶

Expanding Full-Scope Medi-Cal

In January, the Governor proposed the expansion of full-scope Medi-Cal to undocumented individuals ages 19 to 25, no sooner than July 1, 2019.⁷ According to DHCS, by the end of the first year of implementation, the expansion will result in an estimated 138,000 newly eligible individuals receiving full-scope benefits at a cost of \$194 million to the state's General Fund (\$260 million total).

The May Revise proposes pushing the expansion start date to no sooner than January 1, 2020. As such, the expansion has a lower estimated cost in FY 2019–20 (\$98 million for FY 2019–20). If approved, CalOptima could expect additional members enrolled into our Medi-Cal program. To date, DHCS has not provided per county estimates of potential enrollment.

Of note, two companion bills are currently moving through the legislature – Assembly Bill (AB) 4 and Senate Bill (SB) 29 – that would expand full-scope Medi-Cal to cover all undocumented individuals regardless of age for a cost of \$1.8 billion General Fund (\$2.4 billion total). Please see the chart below for a comparison between the Governor's proposal and AB 4/SB 29.

FY 2019–20 Medi-Cal Expansion for the Undocumented

	Governor's Proposal	AB 4/SB 29
Age Range	19 to 25	19 to 65+
Estimated Enrollment Increase	90,000	2,145,444
Estimated Cost	\$74 million (\$98 million total)	\$1.8 billion GF (\$2.4 billion total)
Implementation Date	No sooner than January 1, 2020	No sooner than July 1, 2019

Sources: May Revision 2019–20 and Senate Committee on Appropriations Analysis of SB 29

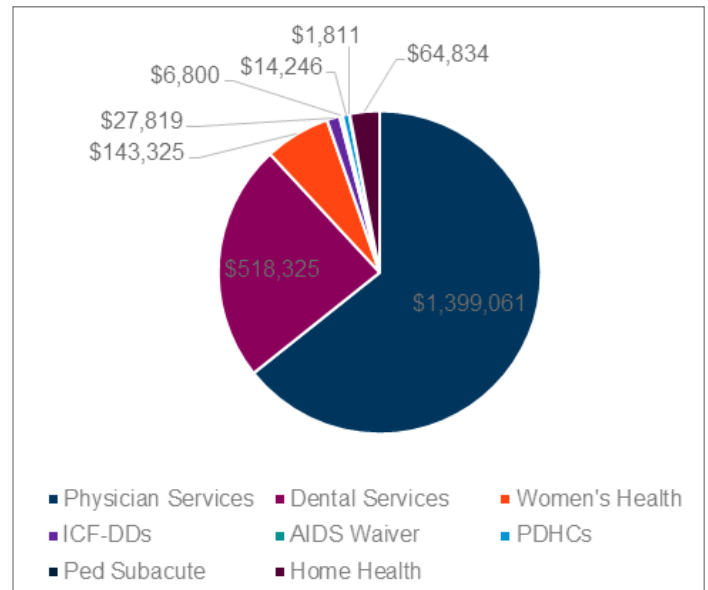
Additional Proposition 56 Medi-Cal Funding

California voters approved Proposition 56 in November 2016, which increased state taxes on tobacco products. A large portion of the revenue raised by Proposition 56 is designated for augmenting the state's Medi-Cal budget through supplemental payments for physicians and dentists, among other health care treatment expenditures.

The January budget proposed maintaining existing Proposition 56 supplemental payments to providers and creating new programs funded by these revenues. One new Proposition 56 program would establish incentives for providers to increase or improve services in high-impact areas, such as behavioral health, prenatal/postpartum care or chronic disease management.

The May Revise proposes to allocate an additional \$70 million for Proposition 56 provider incentive payments related to behavioral health integration, bringing the total amount proposed for FY 2019–20 to \$2.2 billion.⁸ Please see the chart below for a breakdown of proposed Proposition 56 spending for FY 2019–20.

FY 2019–20 Proposition 56 Spending



Source: Senate Budget Committee, Subcommittee on Health and Human Services⁹

It is important to note that the May Revise proposes a sunset date of December 31, 2021 for all current Proposition 56 investments. Starting January 1, 2022, the state's plan is to use the proceeds from Proposition 56 for general Medi-Cal spending.¹⁰

Response to the Homelessness Crisis

The Governor is proposing to spend some of the state's projected FY 2019–20 surplus on a response to the homelessness crisis. The May Revise includes:

- A proposal to dedicate \$1 billion to homelessness prevention and mitigation efforts, such as local government support for homeless emergency aid (\$650 million);
- Expanded Whole Person Care pilots (\$120 million); and
- Bolstering the public mental health system (\$150 million).

In line with these efforts, the Governor is proposing to direct the state Department of General Services (DGS) to identify buildings on the Fairview Developmental Center site in Costa Mesa that could be used for homeless supportive housing. This is in line with AB 1295, legislation proposed by Orange County Assembly Member Sharon Quirk-Silva, that would designate 200 beds in the Fairview facility, pending DGS review, for individuals with severe mental illness who are experiencing homelessness. This proposed temporary housing program would run until December 31, 2025.

Managed Care Organizations (MCO) Tax

The Governor is continuing to assume the sunset of the MCO tax at the end of this fiscal year. The MCO Tax generates approximately \$1 billion for the Medi-Cal program per year, as well as \$300 million in funding to support services for individuals with developmental disabilities.¹¹ The current iteration of the MCO tax, which became effective in July 2016 via a Centers for Medicare & Medicaid Services (CMS) waiver, will sunset on June 30, 2019. Extending it would require reauthorization from the state Legislature and approval from CMS.¹² The health insurance industry in California has supported participation in the MCO tax, as it has resulted in substantial revenue streams for health care programs.

Of note, when addressing the impending sunset of the MCO tax during the May revise press conference,

Governor Newsom mentioned that the state was not seeking a renewal of the MCO tax “at this time.” This leaves open the possibility that the state may pursue renewal of the tax in subsequent years, but that the effort to seek its renewal for the next fiscal year is over.

Next Steps

The negotiations between the legislature and the Governor will continue in the coming weeks, as budget legislation implementing the Governor’s proposals is introduced and debated. The legislature will continue holding budget hearings and has until June 15 to pass and submit a final state budget for Governor Newsom’s approval. CalOptima will closely follow the ongoing budget discussions and provide updates regarding issues that have an impact on the agency.

Endnotes

¹ May Revision 2019–20, p. 9, available at: <http://www.ebudget.ca.gov/2019-20/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf>

² Ibid., p. 36

³ Department of Health Care Services, “2019–20 Governor’s Budget Highlights,” p. 6, available at: https://www.dhcs.ca.gov/Documents/Budget_Highlights/FY_2019-20_MR_Highlights.pdf

⁴ Legislative Analyst’s Office, “The 2019–20 Budget: Analysis of the Carve Out of Medi-Cal Pharmacy Services From Managed Care,” p. 12, available at: <https://lao.ca.gov/reports/2019/3997/medi-cal-pharm-services-040519.pdf>

⁵ Ibid, p. 14

⁶ Ibid, p. 18

⁷ Governor’s Budget Summary 2019–20, p. 65, available at: <http://www.ebudget.ca.gov/2019-20/pdf/BudgetSummary/FullBudgetSummary.pdf>

⁸ Department of Health Care Services, “2019–20 Governor’s Budget Highlights,” p. 5, available at: https://www.dhcs.ca.gov/Documents/Budget_Highlights/FY_2019-20_MR_Highlights.pdf

⁹ Senate Budget Committee, Subcommittee on Health and Human Services, Agenda for May 15, 2019 Hearing, p. 18, available at: <https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/05152019%20--%20MAY%20REVISION%20AND%20OPEN%20ISSUES%20%28Part%202%29.pdf>

¹⁰ Ibid.

¹¹ Governor’s Budget Summary 2019–20, p. 70, available at: <http://www.ebudget.ca.gov/budget/2019-20/#/BudgetSummary>

¹² Legislative Analyst’s Office, “The 2019–20 Budget: Overview of the Governor’s Budget,” p. 12, available at: <https://lao.ca.gov/reports/2019/3916/budget-overview-2019.pdf>

About CalOptima

CalOptima is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities in Orange County. Our mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. We provide coverage through four major programs: Medi-Cal, OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan), OneCare (Medicare Advantage Special Needs Plan), and the Program of All-Inclusive Care for the Elderly (PACE).

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