



# CalOptima Health

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**FOR IMMEDIATE RELEASE**

## **CALIFORNIA STATE AUDIT OF CALOPTIMA HEALTH CLOSED; ALL RECOMMENDATIONS SUCCESSFULLY IMPLEMENTED**

*CalOptima Health adopted recommendations during the past year  
to strengthen governance, increase transparency*

**ORANGE, Calif. (November 25, 2024)** — CalOptima Health announced today that all recommendations from the California State Auditor (CSA) have been fully implemented, and CSA closed the audit. This milestone reflects CalOptima Health’s commitment to transparency, accountability and continuous improvement in serving the health care needs of nearly 1 million members in Orange County.

The Joint Legislative Audit Committee tasked the CSA to comprehensively examine the health plan’s budget and operations from 2014 to 2022, including financial reserves, programs, services and organizational hiring practices. The May 2023 audit report provided recommendations aimed at improving CalOptima Health’s organizational practices. When the findings were released, CalOptima Health immediately accepted the recommended reforms and took steps to implement them. Examples include:

- **Adoption of Bylaw Reforms:** CalOptima Health introduced a one-year cooling-off period for any Board member seeking employment at the health plan, ensuring impartiality and integrity in the Board’s decision-making.
- **Hiring Reforms:** CalOptima Health created a new recruitment, selection and hiring policy to ensure uniform processes and incorporate additional best practices during recruitment for all levels of staff.
- **Grant Management Policy:** CalOptima Health developed a robust grant management policy to ensure consistency and accountability in disbursing and evaluating discretionary funding with trackable goals and metrics.
- **Reserves Policy:** CalOptima Health implemented spending plans that significantly accelerated the use of reserve funds to expand access, improve benefits and augment provider reimbursement, including investing \$526.2 million in multiyear Medi-Cal rate increases. In addition, CalOptima Health updated its reserves policy to incorporate an annual review of total assets and reserves to be used in accordance with County ordinance while also ensuring greater long-term financial stability.

CalOptima Health CEO Michael Hunn expressed gratitude for the collaborative work with the State Auditor’s office. “CalOptima Health’s primary focus is ensuring that we deliver quality care to our members, and the full implementation of the State Auditor’s recommendations demonstrates our dedication to that mission,” he said. “This achievement is the result of hard work and commitment across all levels of the organization, and we look forward to continuing our role as a transparent, responsive public agency that serves the most vulnerable residents of Orange County.”

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In addition to implementing the audit recommendations, CalOptima Health also proactively strengthened its purchasing policy in May 2024 to prevent personal conflicts of interest in alignment with a new state law approved in September. CalOptima Health incorporated the provisions of Senate Bill 1111 to prohibit Board members from voting on contracts that could benefit their spouses or children.

Hunn concludes: “These actions underscore CalOptima Health’s steadfast commitment to responsible governance and prudent management of public resources. The organization remains focused on delivering high-quality care while ensuring the integrity of its operations.”

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**About CalOptima Health**

A county organized health system, CalOptima Health provides quality health care coverage for low-income children, adults, seniors and people with disabilities in Orange County, California. CalOptima Health’s mission is to serve member health with excellence and dignity, respecting the value and needs of each person. CalOptima Health serves nearly 914,000 members with a network of 8,300 primary care doctors and specialists and 40 acute and rehab hospitals.