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ABOUT MEMBERS' ACCESS TO CARE

Information on Contract Changes With Prime Healthcare Hospitals in Orange County

What changed?

With oversight from the California Department of Health Care Services and pursuant to the terms and conditions of our network contracts, CalOptima Health issued a 90-day, without cause, standard termination notice in November 2023 to Prime Healthcare (Prime) for Medi-Cal, OneCare and PACE program services at the following facilities:

- Garden Grove Hospital and Medical Center, Garden Grove, CA
- Huntington Beach Hospital, Huntington Beach, CA
- La Palma Intercommunity Hospital, La Palma, CA
- West Anaheim Medical Center, Anaheim, CA

Why make this change?

Given low member utilization of Prime facilities, approximately 1.5% of our 954,000 members as of November 30, 2023, (or about 15,000 members over 12 months) and the close proximity of other CalOptima Health-contracted acute care hospitals providing members with access to the same services, this change enables CalOptima Health to streamline the delivery of quality patient care with focused resources for the benefit of our members.

Additionally, CalOptima Health delegates the care of approximately 750,000 of our 954,000 members (or 78% of the total health plan members) to large managed care medical groups. The Prime facilities have only recently decided to pursue a contract with 1 out of our 9 delegated medical groups. These vital networks have been in place for more than 15 years.

Are there any impacts to members or their benefits?

	Benefit	Impact
✓	CalOptima Health members maintain all Medi-Cal covered benefits.	NO CHANGE!
✓	CalOptima Health members maintain all OneCare covered benefits (both Medicare and Medi-Cal).	NO CHANGE!
✓	CalOptima Health members keep their selected providers.	NO CHANGE!
✓	CalOptima Health members keep their selected health networks.	NO CHANGE!
✓	CalOptima Health members can access Prime facilities for emergency services pursuant to federal law.	NO CHANGE!
✓	Prime facilities are still available to receive and provide treatment to unhoused individuals through the emergency department.	NO CHANGE!

IMPORTANT FOR MEMBERS AND THEIR FAMILIES TO KNOW

- ✓ There are 7 other contracted acute care hospitals located within 5 miles of the Prime facilities. **MEMBERS CAN STILL GO TO PRIME FACILITIES FOR EMERGENCY CARE 24/7!**
- ✓ Our top priority is to help members establish a “medical home,” which offers comprehensive care and improved efficiency so CalOptima Health can serve our members with excellence and dignity. **MEMBERS CAN CALL CUSTOMER SERVICE WITH QUESTIONS ABOUT THEIR MEDICAL HOME.**
- ✓ CalOptima Health is working with local city governments and community partners on notices and transition planning. **THERE IS NO CHANGE TO EMERGENCY CARE OR EMS/FIRE/POLICE OR AMBULANCE ACCESS FOR CALOPTIMA HEALTH MEMBERS TO PRIME FACILITIES.**
- ✓ CalOptima Health notified all members who received elective and/or emergency services at the 4 Prime facilities over the past 12 months. **MEMBERS CAN STILL GO TO PRIME FACILITIES FOR EMERGENCY CARE 24/7!**
- ✓ CalOptima Health is not required to and does not contract with all hospitals in Orange County. **ANYONE, INCLUDING CALOPTIMA HEALTH MEMBERS, CAN GO TO ANY EMERGENCY ROOM FOR EMERGENCY CARE 24/7, PER FEDERAL LAW!**
- ✓ CalOptima Health has a well-established network of physicians, hospitals, clinics, skilled nursing facilities and other network providers. We rely on their expertise in providing high-quality managed care for our members.

ADDITIONAL FAQs

1. Which hospitals are impacted by CalOptima Health’s contracting changes with Prime Healthcare?

- Garden Grove Hospital and Medical Center, Garden Grove, CA
- Huntington Beach Hospital, Huntington Beach, CA
- La Palma Intercommunity Hospital, La Palma, CA
- West Anaheim Medical Center, Anaheim, CA

2. When did CalOptima Health notify impacted members about the end of the contract with Prime Healthcare hospitals?

CalOptima Health received approval from the Department of Health Care Services to notify members on January 3, 2024. CalOptima Health also notified all our contracted providers.

3. When did CalOptima Health notify Prime Healthcare that it was ending contracts with their 4 Orange County hospitals?

All CalOptima Health provider contracts include a “termination without cause” provision (Article 7, Section 7.8), which indicates that either party may terminate the contract, with OR without cause, upon 90 days’ prior written notice to the other party. Per the approved contract language, on

November 11, 2023, CalOptima Health issued notices of contract termination to all 4 Prime facilities. The effective date of termination is February 5, 2024.

4. **Are CalOptima Health members' benefits impacted by this?**
There are NO CHANGES to CalOptima Health members' Medi-Cal or OneCare covered benefits.
5. **Will impacted CalOptima Health members have to change their provider or health network?**
NO CHANGES to providers or health networks are necessary.
6. **How many CalOptima Health members will be impacted by this contract termination?**
Of the nearly 1 million CalOptima Health members in Orange County, 15,604 members accessed services at a Prime facility during the 12-month period (12/1/22–11/30/23), accounting for 26,290 total visits, 98.6% of which were for emergency services, which remain unaffected by this change. Across all 4 Prime facilities, CalOptima Health members had only about 50 elective inpatient visits, which can be easily absorbed by our current network.
7. **If CalOptima Health members need emergency care or to call the paramedics, fire department or police, can they still go to the nearest hospital, even if it is a Prime hospital?**
YES, THERE ARE NO CHANGES TO THIS ACCESS. Prime facilities are still available to CalOptima Health members for emergency services 24/7! Moreover, the Emergency Medical Treatment and Labor Act (EMTALA), known as the "anti-dumping law," requires every hospital with a dedicated emergency department (including critical access hospitals) to provide medical screening exams to any individual, and prohibits hospitals from refusing to examine or treat individuals with an emergency medical condition that come to the emergency department. Medical screening and/or stabilizing treatment will not be delayed due to insurance status. CalOptima Health will still pay for the visit of Medi-Cal members based on the Department of Health Care Services fee schedule. This is a standard practice with all non-contracted hospitals in Orange County that receive members in the emergency department.
8. **Does this impact services for the unhoused and/or first responders who bring patients to the facility?**
NO CHANGE. This does not change how the unhoused population receives emergency care. Please see the answer to the previous question regarding emergency services protected under federal law. Moreover, any unhoused individual who goes to the emergency room and is medically cleared may be referred to BeWell OC for other non-emergency and/or wraparound behavioral health services.
9. **Will CalOptima Health members have to change doctors or medical groups?**
NO CHANGE. CalOptima Health members do not need to change doctors or medical groups to receive care. CalOptima Health will provide support and application assistance to the 9 primary care physicians and 13 non-hospital-based specialists who do not currently have privileges at other contracted facilities. CalOptima Health will also help navigate members who need assistance regarding elective care.
10. **Does CalOptima Health have an adequate network of hospitals without the Prime facilities?**
YES, we have adequate hospitals, as demonstrated by the approval of the Department of Health Care Services. CalOptima Health contracts with 29 other acute care facilities in Orange County. Members have access to 7 other acute care hospitals within 5 miles of Prime facilities. All services available at Prime facilities are also available at another contracted hospital well within time and distance requirements.

11. Will CalOptima Health assist providers?

YES. There is only a small number of physicians who do not have privileges at any other facility (9 primary care providers and 13 non-hospital-based specialists). There are options available to support these providers in maintaining their ability to serve their members, and CalOptima Health will work with the impacted providers as necessary to maintain members' continuity of care.

12. Is there anything that CalOptima Health members need to do before the contract changes on February 5, 2024?

NO. Our valued members do not need to do anything further currently. This change DOES NOT AFFECT ANY Medi-Cal or OneCare benefits, or the health care services they receive from their current health network. Members can continue to seek emergency medical treatment from Prime facilities 24/7. CalOptima Health Customer Service has received only 34 calls to date from members regarding the notice that was sent to more than 15,000 individuals, representing 0.02%.

MEMBERS CAN CALL CALOPTIMA HEALTH CUSTOMER SERVICE AT 1-888-587-8088

CalOptima Health members are encouraged to contact their providers with any questions. If you have questions or need help with your health care services, please call our Customer Service department toll-free at 1-888-587-8088 (TTY 711), Monday through Friday, from 8 a.m. to 5:30 p.m. We have staff who speak your language. Visit our website at www.caloptima.org.