



CalOptima Health

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

**SEPTEMBER 5, 2024
2:00 P.M.**

**505 CITY PARKWAY WEST, SUITE 108
ORANGE, CALIFORNIA 92868**

BOARD OF DIRECTORS

Isabel Becerra, Chair

Maura Byron

Blair Contratto

Catherine Green, R.N.

Veronica Kelley, DSW, LCSW

Supervisor Vicente Sarmiento, Vice Chair

Supervisor Doug Chaffee

Norma García Guillén

Brian Helleland

José Mayorga, M.D.

Supervisor Donald Wagner, Alternate

CHIEF EXECUTIVE OFFICER

Michael Hunn

OUTSIDE GENERAL COUNSEL

James Novello

Kennaday Leavitt

CLERK OF THE BOARD

Sharon Dwiers

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form identifying the item and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar and/or the beginning of Public Comments. When addressing the Board, it is requested that you state your name for the record. Address the Board as a whole through the Chair. Comments to individual Board Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at (714) 246-8806, at least 72 hours prior to the meeting.

The Board Meeting Agenda and supporting materials are available for review at CalOptima Health, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. These materials are also available online at www.caloptima.org. Board meeting audio is streamed live on the CalOptima Health website at www.caloptima.org.

Members of the public may attend the meeting in person. Members of the public also have the option of participating in the meeting via Zoom Webinar (see below).

Participate via Zoom Webinar at:

https://us06web.zoom.us/webinar/register/WN_hE4Zph1pRYvaXMuNHvOg4g

and Join the Meeting.

Webinar ID: 839 2762 6667

Passcode: 370002 -- Webinar instructions are provided below.

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

MANAGEMENT REPORTS

1. Chief Executive Officer Report

ADVISORY COMMITTEE UPDATES

2. Joint Meeting of the Member Advisory Committee and the Provider Advisory Committee Update

PUBLIC COMMENTS

At this time, members of the public may address the Board of Directors on matters not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors. Speakers will be limited to three (3) minutes.

CONSENT CALENDAR

3. Minutes
 - a. Approve Minutes of the August 1, 2024 Regular Meeting of the CalOptima Health Board of Directors
4. Authorize Employee and Retiree Group Health Insurance and Wellness Benefits for Calendar Year 2025
5. Adopt Resolution No. 24-0905-01 Approving and Adopting Updated CalOptima Health Human Resources Policies
6. Authorize Budget Reallocation of Fiscal Year 2024-25 Operating Budget Funds for Information Services Expenditure
7. Authorize the Chief Executive Officer to Execute a Contract Amendment with Ankura Consulting Group, LLC to Implement Recommendations, Develop a Grant Close-Out Review Process, and Complete Close-Out Reviews
8. Approve Action Related to Purchasing Contract Templates
9. Authorize Extension of Contracts Related to CalOptima Health's Key Operational Systems
10. Appoint the Chairs and Vice Chairs of the CalOptima Health Board of Directors' Member Advisory Committee and Provider Advisory Committee
11. Appoint the Social Services Agency Representative to the CalOptima Health Board of Directors' Member Advisory Committee

12. Receive and File:
 - a. July 2024 Financial Summary
 - b. Compliance Report
 - c. Federal and State Legislative Advocates Reports
 - d. CalOptima Health Community Outreach and Program Summary

REPORTS/DISCUSSION ITEMS

13. Authorize Actions Related to Contracting for Physician Administered Drugs
14. Authorize Amendments to the CalOptima Health Ancillary Fee-For-Service Contracts for Dialysis Services
15. Authorize Amendment to the Wellness Prevention Foundation, dba Wellness & Prevention Center *allcove*TM South Orange County Mental Health Youth Center Grant Award Agreement

CLOSED SESSION

- CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Government Code 54956.9(d)(2)

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

ADJOURNMENT

TO REGISTER AND JOIN THE MEETING

Please register for the Regular Meeting of the CalOptima Health Board of Directors on September 5, 2024 at 2:00 p.m. (PST)

To **Register** in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_hE4Zph1pRYyaXMuNHvOg4g

<https://us06web.zoom.us/j/83927626667?pwd=JddmdGrdZTBYOHDWp5LpJjXI55cTfy.1>

Or One tap mobile:

+16694449171,,83927626667#,,, *370002# US

+17193594580,,83927626667#,,, *370002# US

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 444 9171 or +1 719 359 4580 or +1 720 707 2699 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053

Webinar ID: 839 2762 6667

Passcode: 370002

International numbers available: <https://us06web.zoom.us/j/kdS1KRNwHp>



CalOptima Health

MEMORANDUM

DATE: August 29, 2024

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — September 5, 2024, Board of Directors Meeting

COPY: Sharon Dwiers, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; and Whole-Child Model Family Advisory Committee

A. CalOptima Health Celebrates Expansion of Street Medicine Program

On August 21, CalOptima Health hosted a well-attended press conference to announce the start of our Street Medicine Program in the city of Costa Mesa. My welcome remarks focused on the importance of partnership to the success of the program, and I thanked all the collaborators, including city leaders, fire and police personnel, and services provider Celebrating Life Community Health Center. The event included the following speakers:

- Supervisor Katrina Foley, Orange County Board of Supervisors, Fifth District
- Yunkyung Kim, CalOptima Health Chief Operating Officer
- Kelly Bruno-Nelson, DSW, CalOptima Health Executive Director, Medi-Cal/CalAIM
- Lori Ann Farrell Harrison, Costa Mesa City Manager
- Sergey Sergeyev, CEO, Celebrating Life Community Health Center
- Alec Bradbury, Family Nurse Practitioner, Celebrating Life Community Health Center

The program launch garnered outstanding TV and radio coverage, including from [KNBC](#), [KABC](#), [KCAL](#), [KTLA](#), [KFI Radio](#) and [KNX Radio](#). The [Orange County Register](#) and the [Los Angeles Times/Daily Pilot](#) ran print and online articles.

Separately, CalOptima Health gathered data regarding progress of our original Street Medicine Program in Garden Grove. Since the launch in April 2023, our services provider, Healthcare in Action, has contacted more than 475 unhoused individuals in Garden Grove and enrolled 315 in the program. At the close of July, 151 members were currently enrolled, 95% of whom have an active relationship with their primary care provider and 95% of whom are enrolled in Enhanced Care Management and/or Housing Navigation. Also, since the program's inception, 12 members have been permanently housed. The expansion continues with the launch of our Street Medicine Program in Anaheim on September 3.

B. CalOptima Health Begins Stakeholder Engagement for Covered California Exploration

Following the Board's direction to staff at its August 1, 2024, meeting, CalOptima Health invited providers, members and community partners to attend two listening sessions in August to learn more about the value proposition for CalOptima Health's participation in Covered California, the state's health insurance marketplace. The sessions drew nearly 100 registrants. We discussed that participation in Covered California would help ensure access and continuity of care for members, bolster safety net

providers, and streamline community resources for Orange County residents who no longer qualify for Medi-Cal due to income limits. Further, on August 29, staff convened the first meeting of the Covered California Stakeholder Steering Committee to bring together leaders representing key stakeholders from Board-approved categories, including hospitals and small and large health networks. The agenda included a discussion of CalOptima Health's guiding principles in offering a Covered California plan, a presentation about Covered California fundamentals by consultant Health Management Associates, and an open forum for questions and answers. Staff are planning additional Steering Committee meetings in September. The goal of both the listening sessions and the Steering Committee is to pursue the exploration of Covered California participation in a transparent and collaborative manner. With the input obtained from our stakeholders, CalOptima Health plans to bring an action to the Board in October for approval to seek a change in our governing ordinance to allow participation in Covered California.

C. Government Affairs Staff Visit Legislators in Washington, D.C.

In July, Jordan Abushawish, Senior Director, Federal and Local Government Affairs, traveled to Washington, D.C., to introduce CalOptima Health's newly contracted federal advocacy firm Chamber Hill Strategies to the Capitol staff of Orange County's U.S. House delegation, California's two U.S. senators, and U.S. Rep. Ken Calvert, whose Inland Empire-based district is adjacent to Orange County and who serves as the highest-ranking California member of the House Appropriations Committee. Next, in early September, principals from Chamber Hill Strategies will travel to Orange County to meet with several CalOptima Health leaders to learn more about our strategic priorities and initiatives to better inform advocacy efforts on behalf of our members, providers and stakeholders.

D. Customer Service Moves to New Building

CalOptima Health has moved the Customer Service lobby and 12 Customer Service staff to the first floor of 500 City Parkway West, directly across the street from CalOptima Health's 505 building. Inside the lobby, members will be welcomed by Customer Service Representatives ready to assist them with answering questions about their health care coverage, selecting a physician and more. Hours of operation are Monday through Friday, 8 a.m. to 5 p.m. Enjoy this brief [tour](#). The buildout of the Care Traffic Control Command Center on the third floor of the 500 building is ongoing.

E. CalOptima Health Engages ModivCare for Process Improvement in Transportation Services

In response to the transportation issues raised at the August Board of Directors meeting, CalOptima Health Customer Service leaders have met with ModivCare to establish process improvements in the overall delivery of transportation services. ModivCare is working on several changes, including ensuring trips are assigned to transportation providers in advance, contacting transportation providers prior to scheduled rides to confirm their assignments and holding accountability meetings with transportation providers who have less than 95% on-time performance. We are also requiring that ModivCare proactively alert our transportation services program manager to any issues that need resolution. Further, staff has been working directly with the individual members who spoke at the Board meeting to ensure that their experience with obtaining reliable, appropriate transportation has improved.

F. CalOptima Health Executives Gain Leadership Roles, Win Award

- **National Coalition of 100 Black Women Inc.** — CalOptima Health Executive Director of Equity and Community Health Marie Jeannis, RN, MSN, CCM, has been selected through a highly competitive process to participate in the National Coalition of 100 Black Women Inc. (NCBW). Jeannis will serve in the NCBW's health education program, which is designed to raise awareness of health disparities and solutions, and provide access to health care and wellness information that promotes behavior change and healthier lifestyles. The group's health advocacy focuses in the areas of family and childhood obesity, cancer/health disparities, and metabolic disease.

- **Local Health Plans of California Workgroups** — As CalOptima Health looks to help shape future Medi-Cal policy, two CalOptima Health executives recently joined Local Health Plans of California (LHPC) workgroups. Donna Laverdiere, Executive Director, Strategic Development, joined the LHPC Waiver Committee, which is responsible for studying and crafting proposals for the next iteration of California’s Medicaid waivers, following the January 1, 2027, expiration of the current CalAIM pilot waivers. In addition, Kelly Bruno-Nelson, DSW, Executive Director, Medi-Cal/CalAIM, joined the LHPC Housing Group, which is responsible for advocacy efforts to guide the Department of Health Care Services (DHCS) January 1, 2026, rollout of the newest Community Support — six-months of Transitional Rent — as well as future changes to current housing-related Community Supports.
- **Community Health Center Ambassador Award** — On August 4, CalOptima Health Chief Operating Officer Yunkyung Kim received a special Community Health Center Ambassador Award. The award recognizes her partnership and support of community health centers’ work to deliver value-based care to strengthen the Orange County health care safety net. Thanks to Board Chair and Coalition of Orange County Community Health Centers CEO Isabel Becerra for this honor.

G. CalOptima Health Completes 2024 DHCS Medical Audit, Corrective Action Plan Due September 23

On August 16, CalOptima Health received the final report of the DHCS routine medical audit focused on CalOptima Health’s Medi-Cal program. There were no surprises as part of the audit. The minor findings were in the audit areas of Utilization Management, Case Management, Care Coordination, Availability of Care, and Member’s Rights. The Corrective Action Plan (CAP) request was received from DHCS on August 22. The CAP is due to DHCS on September 23. The Medi-Cal Regulatory Affairs & Compliance department is coordinating with the relevant CalOptima Health departments to document and track the CAPs, which are currently under development and implementation. We will review the audit as part of the Quality Assurance Committee of the Board.

H. Quality Improvement Initiatives Grants to Be Announced in September

Through a Notice of Funding Opportunity, CalOptima Health’s Quality Analytics team launched the Quality Improvement Medi-Cal Grant Program for 2024. The purpose is to provide support to health networks, community clinics and CalOptima Health Community Network primary care providers for the planning and implementation of quality improvement activities for Medi-Cal members. This grant program was developed in response to the ongoing need for enhanced health care quality and patient outcomes, particularly in underserved communities. Through this initiative, we aim to address systemic challenges and disparities within health care delivery systems, fostering innovation, collaboration and sustainability in quality improvement efforts. Approved grants will be announced on September 23.

I. CalOptima Health Hosts Successful Back-to-School Health and Wellness Fair

More than 5,200 community members attended CalOptima Health’s second annual Back-to-School Health and Wellness Fair in Tustin. The event, co-hosted with the Orange County Department of Education, helped our school-age members and their families prepare for the new school year by providing helpful community resources, giveaways and services. The event included 21 community partners and representation from four elected officials’ offices, including Supervisor Vicente Sarmiento, who is Vice Chair of the CalOptima Health Board of Directors. Thank you to Board Chair Isabel Becerra for giving welcome remarks and to the community organizations who generously provided the following free services and giveaways:

- 24,225 individual diapers and 1,000 boxes of food provided by Community Action Partnership of Orange County

- 4,500 pairs of shoes provided by The H4H Foundation
- 500 bike helmets provided by Health Bridge
- 1,500 backpacks and school supplies provided by Karina's Backpack Project
- Vision exams and eyeglasses provided by Lestonnac Free Clinic
- Dental services provided by AltaMed Healthy Smiles
- Sports physicals provided by Hurtt Family Health Clinic
- Haircuts provided by Cru Institute, a Barber School

J. Press Release Announces Cancer Screening Grants

On August 5, CalOptima Health issued a press release to announce the first round of cancer screening community grants, totaling \$16.4 million for 13 organizations. The Comprehensive Community Cancer Screening and Support Program is designed to help Orange County achieve the lowest incidence rate nationwide for late-stage breast, cervical, colon and certain lung cancers. This is the single largest investment in a disease prevention program in CalOptima Health's history. Please see the release [here](#).

K. CalOptima Health Gains Media Coverage

Reflecting the media's recognition of our ongoing innovation and program development, CalOptima Health continues to receive robust coverage:

- On July 24, Program of All-Inclusive Care for the Elderly (PACE) Medical Director Donna Frisch, M.D., was interviewed by [KNX Radio](#) on ways to talk to aging parents about personal safety and physical decline.
- On August 9, [U.S. News](#) published an article titled "How to Use Medicare's Telehealth Coverage," quoting Steven Arabo, M.D., CalOptima Health's Medical Director of Medicare Programs.
- On August 14, the [Fullerton Observer](#) ran an article on CalOptima Health awarding more than \$16 million for cancer screening and support efforts.
- On August 14, the [Los Angeles Times/Daily Pilot](#) ran an article about an Anaheim motel being converted to housing for at-risk young adults. The article mentioned CalOptima Health providing \$2 million for the project.
- On August 19, the [Orange County Business Journal](#) ran an article on Project Hope Alliance receiving a \$2.1 million grant from CalOptima Health. The funds will enable Project Hope to scale its model of support for unhoused youth by partnering with Orange County school districts and the Orange County Department of Education.



Fast Facts

September 2024

Mission: To serve member health with excellence and dignity, respecting the value and needs of each person.

Membership Data* (as of July 31, 2024)

Total CalOptima Health Membership	Program	Members
	Medi-Cal	893,111
	OneCare (HMO D-SNP)	17,311
	Program of All-Inclusive Care for the Elderly (PACE)	506

910,928

*Based on unaudited financial report and includes prior period adjustment

Operating Budget (for one month ended July 31, 2024)

	YTD Actual	YTD Budget	Difference
Revenues	\$364,495,576	\$357,511,618	\$6,983,958
Medical Expenses	\$368,942,408	\$356,629,323	(\$12,313,085)
Administrative Expenses	\$18,922,484	\$24,574,716	\$5,652,232
Operating Margin	(\$23,369,316)	(\$23,692,421)	\$321,105
Medical Loss Ratio (MLR)	101.2%	99.8 %	1.5%
Administrative Loss Ratio (ALR)	5.2%	6.9%	1.7%

Note: Totals may not add due to rounding

Reserve Summary (as of July 31, 2024)

	Amount (in millions)
Board Designated Reserves	\$1,018.3*
Statutory Designated Reserves	\$133.9
Capital Assets (Net of depreciation)	\$95.9
Resources Committed by the Board	\$499.0
Board Approved Provider Rate Increases	\$508.7
Resources Unallocated/Unassigned	\$191.7*
Total Net Assets	\$2,447.5

*Total of Board-designated reserves and unallocated resources can support approximately 108 days of CalOptima Health's current operations.

**Total Annual
Budgeted Revenue**

\$4 Billion

NOTE: CalOptima Health receives its funding from state and federal revenues only. CalOptima Health does not receive any of its funding from the County of Orange.

CalOptima Health Fast Facts

September 2024

Personnel Summary (as of August 10, 2024, pay period)

	Filled	Open	Vacancy % Medical	Vacancy % Administrative	Vacancy % Combined
Staff	1,311.3	79.3	45.81%	54.19%	5.7%
Supervisor	80	5	40%	60%	5.88%
Manager	113	6	50%	50%	5.04%
Director	68.75	2	50%	50%	2.83%
Executive	19	3	--%	100%	13.64%
Total FTE Count	1,592.1	95.3	47.89%	52.11%	5.65%

FTE count based on position control reconciliation and includes both medical and administrative positions.

Provider Network Data (as of July 31, 2024)

	Number of Providers
Primary Care Providers	1,216
Specialists	10,528
Pharmacies	528
Acute and Rehab Hospitals	10
Community Health Centers	52
Long-Term Care Facilities	104

Treatment Authorizations (as of June 30, 2024)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	33.15 hours
Prior Authorization – Urgent	72 hours	24.24 hours
Prior Authorization – Routine	5 days	2.41 days

Average turnaround time for routine and urgent authorization requests for CalOptima Health Community Network.

Member Demographics (as of July 31, 2024)

Member Age		Language Preference		Medi-Cal Aid Category	
0 to 5	8%	English	54%	Temporary Assistance for Needy Families	38%
6 to 18	23%	Spanish	31%	Expansion	38%
19 to 44	36%	Vietnamese	9%	Optional Targeted Low-Income Children	8%
45 to 64	20%	Other	2%	Seniors	10%
65 +	13%	Korean	2%	People With Disabilities	5%
		Farsi	1%	Long-Term Care	<1%
		Chinese	<1%	Other	<1%
		Arabic	<1%		



Board of Directors Meeting September 5, 2024

Regular Joint Meeting of the Member Advisory Committee and the Provider Advisory Committee

Report to the Board

The Member Advisory Committee (MAC), and the Provider Advisory Committee (PAC) held a regular joint meeting on August 8, 2024 to discuss topics of mutual interest.

The Committees welcomed their new members who were appointed at the August 1, 2024 Board of Directors (Board) meeting. In addition, the MAC approved and are recommending Christine Tolbert as Chair and Meredith Chillemi as Vice Chair and the PAC approved and are recommending John Nishimoto, O.D. as Chair and Gio Corzo as Vice Chair. These recommendations will go to the September 5, 2024 meeting for the Board's consideration.

Michael Silva Rose, DrPH, LCSW, Chief Health Equity Officer, presented a Diversity Equity and Inclusion (DEI) and Health Equity Fundamentals Training and noted that the Department of Health Care Services (DHCS) sent an All-Plan Letter (APL) which requires DEI, as well as health equity training for CalOptima Health staff, its providers, its subcontractors, and its downstream subcontractors. She noted that CalOptima Health is working with a team of internal stakeholders and external vendors to develop a curriculum for health equity training, aligning with their mission to improve member outcomes and reduce health disparities. Dr. Rose thanked the committee members who had replied to the survey, which was sent out in July for the Committees' feedback.

Veronica Carpenter, Chief Administrative Officer, and Donna Laverdiere, Executive Director, Strategic Development, jointly presented an update on Covered California. Ms. Carpenter provided an overview on how CalOptima Health is relaunching and re-exploring joining Covered California in 2026. Ms. Laverdiere provided background on Covered California and talked about the value in CalOptima Health's participation in Covered California. The committees were notified that they would receive specific links to provide feedback on this initiative. Members of both committees provided verbal feedback on this endeavor and were excited about the prospect of revisiting the possibility of CalOptima Health joining Covered California.

Carmen Katsarov, Executive Director, Behavioral Health, presented on Non-Specialty Mental Health Services (NSMHS) Member Outreach, Education & Experience Requirements. Ms. Katsarov provided an overview of CalOptima Health's non specialty mental health services, discussed Senate Bill (SB) 1019, which seeks to ensure that members and providers are aware of all covered NSMHS. DHCS requires CalOptima Health to develop and implement an Outreach and Education Plan, solicit feedback from stakeholders and must submit the plan no later than October 1, 2024, for implementation on

January 1, 2025. She noted that feedback from the MAC and PAC helps CalOptima Health with member and provider awareness for ensuring appropriate access to its Medi-Cal NSMHS benefits.

Kelli Glynn, Manager, (Strategic Initiatives), Quality Analytics, reviewed CalOptima Health's Measurement Year (MY) 2026 Auto Assignment proposal. Ms. Glynn provided a brief update on CalOptima Health's auto assignment policy, including its history and the proposed changes to the policy. She noted that the current auto assignment policy has been in effect since 2006 and added that the proposed policy ties CalOptima Health providers' quality scores, directly to their ability and number of members auto assigned to them. Ms. Glynn reviewed the proposed quality metrics and how the quality scores will be calculated. She responded to committee members' questions and comments and thanked them for their valuable feedback.

Ms. Glynn also presented an update on CalOptima Health's Quality Grants and reviewed the results for MY 2024, noting that those results were for the Medi-Cal line of business only. Ms. Glynn added the quality grants will begin for the OneCare line of business later this year. She also added that contracted health networks, CalOptima Health Care Network, primary care providers and community clinics are eligible to apply for these grants.

Yunkyung Kim, Chief Operating Officer, welcomed the new members on MAC and PAC and thanked the Committee members for their input throughout the year, and especially at this meeting. She also thanked Jena Jensen for her support as PAC Chair for the last two years. Ms. Kim provided an update on the current digital transformation activities and efforts. She noted that two years ago California Health's Board made significant investments in CalOptima Health's technology infrastructure to ensure that its members, providers, and employees have streamlined, user friendly experience.

Michael Hunn, Chief Executive Officer (CEO), presented an overview of his report, noting that CalOptima Health currently serves approximately 920,000 members. Mr. Hunn added that without CalOptima Health's health networks and providers, it would not be able to achieve its mission and vision. He also highlighted the many changes that were undertaken at CalOptima Health, which benefitted its members. Mr. Hunn added a few examples including the Street Medicine Program, School Based Behavioral Health and many other initiatives that are making a difference in the lives of CalOptima Health's members. He also thanked the committee members, noting the importance of the MAC and PAC members' input and feedback are in helping CalOptima Health achieve its mission and vision, as well as helps to influence policy and Board decisions. Mr. Hunn also thanked CalOptima Health's community partners, including the Orange County Health Care Agency, the Social Services Agency, and the County of Orange, along with the many community partners for their collaboration, noting that we are better, together. Mr. Hunn also noted with respect to Covered California, that CalOptima Health would make sure that any excess revenues after expenses would get reinvested in Orange County. He added that no dollars received from premiums if CalOptima Health joins Covered California will leave Orange County.

The members of the MAC and PAC appreciate the opportunity to update the Board on their current activities.

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

August 1, 2024

A Regular Meeting of the CalOptima Health Board of Directors (Board) was held on August 1, 2024, at CalOptima Health, 505 City Parkway West, Orange, California. The meeting was held in person and via Zoom webinar as allowed for under Assembly Bill 2449, which took effect after Governor Newsom ended the COVID-19 state of emergency on February 28, 2023. The meeting recording is available on CalOptima Health's website under Past Meeting Materials. Chair Becerra called the meeting to order at 2:04 p.m., and Director Jose Mayorga led the Pledge of Allegiance.

ROLL CALL

Members Present: Clayton Corwin, Chair; Isabel Becerra, Vice Chair; Maura Byron; Blair Contratto; Norma García Guillén; Veronica Kelley (non-voting); Jose Mayorga, M.D.; Supervisor Vicente Sarmiento; Trieu Tran, M.D.

(All Board members in attendance participated in person; except Director Clayton Corwin, who participated remotely via Zoom under the traditional Brown Act rules)

Members Absent: Supervisor Doug Chaffee

Others Present: Michael Hunn, Chief Executive Officer; Yunkyung Kim, Chief Operating Officer; James Novello, Outside General Counsel, Kennaday Leavitt; Nancy Huang, Chief Financial Officer; Richard Pitts, D.O., Ph.D., Chief Medical Officer; Sharon Dwiers, Clerk of the Board

The Clerk noted that staff would like to continue Agenda Item 16 to the September 5, 2024, Board meeting.

PRESENTATIONS/INTRODUCTIONS

Michael Hunn, Chief Executive Officer, noted that this was the last meeting for CalOptima Health's former Chair of the Board, Clayton Corwin and for Director Tran; Mr. Hunn thanked them both for their service. Both Directors Corwin and Tran served four years on the Board. Director Corwin served as Vice Chair and Chair on the Board and was also a member of the Finance and Audit Committee (FAC). Director Tran, in addition to serving on the Board, also served as a Member of the Quality Assurance Committee (QAC) and as the QAC Chair since October 2021. Mr. Hunn noted that members of the Board dedicate a great deal of time in their service to the agency and in service of the members it serves. He added that over the last four years Directors Corwin and Tran have helped touch the lives of almost a million people in Orange County. Mr. Hunn thanked Directors Corwin and Tran for their service on behalf of CalOptima Health staff, all the community partners, and, most importantly, the members the agency serves. Mr. Hunn presented Director Tran with a CalOptima Health crystal plaque for his years of service. Supervisor Sarmiento presented a County Resolution from himself and Supervisor Chaffee in recognition of Director Tran's service on the Board and to the residents of Orange County. Mr. Hunn and Supervisor Sarmiento presented a crystal plaque and County Resolution to Director Corwin virtually, which staff will deliver to Director Corwin when he is back in town.

Director Corwin thanked Mr. Hunn for his warm comments and noted that it has been an honor to be able to serve on the Board and to see the progress of the organization in pursuing its mission over the last four years. He added that with the dedication and hard work of CalOptima Health's leadership and the input and respect of his fellow Board members, he ends his service on the Board knowing that the agency is in great hands for continued success.

Director Tran expressed his gratitude, noting it was an honor serving on the Board. He thanked CalOptima Health staff for their help and guidance over the past four years. Director Tran also noted that when he started on the Board in 2020, during the early days of the COVID-19 pandemic, there were many obstacles to overcome, and together as a team, the CalOptima Health staff and the Board were able to overcome the obstacles. CalOptima Health is stronger because of that collaboration between staff and the Board and truly better together. Director Tran thanked staff and his fellow Board members, noting that it has been a privilege to serve.

Chair Becerra thanked both Director Corwin and Director Tran for their service on the Board. She noted that they started on the CalOptima Health Board together in 2020 and it was a unique time for the world, for the country, for the state, and for Orange County. She noted that it is a testament of the will and the mission that CalOptima Health and the Board represent. Chair Becerra added that the Board is different from any other boards she has seen. She commented that the significant strides and successes led by staff and the Board are a direct result of both Directors Corwin and Tran serving on the Board and being a true voice of the sectors they represented. She again thanked Directors Corwin and Tran for their service on the Board.

Vice Chair Sarmiento echoed what was said to both outgoing Directors. He thanked Directors Corwin and Tran for their valuable time, input, and help in making sure that the Board continues to do its job and its role. Vice Chair Sarmiento also noted, to the Chair's point, that this is a unique Board, not only for its mission and who it serves, but for the amount of time that is involved. He noted that there is a steep learning curve and a lot of material to cover. People who serve on the Board do it because there is a passion to serve. Vice Chair Sarmiento also noted that Director Tran served as the Chair of the QAC and, as a doctor, brought real life experience on the issues brought before the QAC. He again thanked both Directors Corwin and Tran for their service and wished them all the best in their future endeavors.

Director Contratto echoed Vice Chair Sarmiento's comments about Director Tran's involvement on the QAC. She noted the importance for the listening audience and in person attendees to know the work that the QAC does is incredibly detailed and involved. Director Contratto noted there is an item on the Consent Calendar about a very extensive program submission that the QAC reviewed in detail to improve the care for CalOptima Health's members. She also noted that Director Corwin also served on the FAC and again she noted the incredible detail both committees delve into on items going before those two committees. Director Contratto thanked both Directors Corwin and Tran for their service.

Director Mayorga echoed a couple of key points, especially during his transition onto the Board. He noted that Director Corwin and Director Tran taught him quite a bit being on the Board. Director Mayorga noted that serving on the Board is a lot of work and one of things that he reflects on is Director Corwin's and Director Tran's unique contributions to the Board is the type of questions they asked and their direction was always focused on the patients and members. Director Mayorga thanked them both for keeping him focused on the members that CalOptima Health serves.

MANAGEMENT REPORTS

1. Chief Executive Officer (CEO) Report

Michael Hunn, CEO, started his report reviewing the Fast Facts data and reported that CalOptima Health currently serves about 919,000 individuals. CalOptima Health spends about 94% of every dollar on medical care and 4.3% is the overhead cost to administer the program.

CalOptima Health's Board-designated reserves are \$1.9 billion; its capital assets are \$96.6 million; its resources committed by the Board are \$501.5 million; and its unallocated and unassigned resources are \$187.6 million. Mr. Hunn noted that CalOptima Health's total net assets are currently \$2.4 billion.

Mr. Hunn also reviewed the CalOptima Health personnel data and noted that there are about 1,600 employees with a vacancy/turnover rate of about 5.24% as of the July 31, 2024, pay period. CalOptima Health's vacancy/turnover target is to be at less than 12.5% to 15% at any given time.

Mr. Hunn reviewed the provider data, noting that CalOptima Health has about 11,367 providers, 1,214 primary care providers, and 10,153 specialists; 528 pharmacies; 40 acute and rehab hospitals; 52 community health centers; and 104 long term care facilities.

Mr. Hunn reviewed CalOptima Health's treatment authorizations, noting that the data is as of May 31, 2024. For urgent inpatient treatment authorizations, the average approval is within 33.56 hours; the state-mandated response is 72 hours. For urgent prior authorizations, the average approval is within 18.34 hours; the state-mandated response is 72 hours. And for routine prior authorizations, the average approval is 2.46 days; the state-mandated response is 5 days.

Mr. Hunn again thanked Director Corwin and Director Tran for their four years of service. He also reported that effective August 4, 2024, after the recruitment process by the Orange County Health Care Agency, the Board of Supervisors reappointed five Board members and appointed two new Board members. Mr. Hunn noted the two new Board members will be attending the September 5, 2024, Board meeting and added that he looks forward to welcoming Brian Helleland, Chief Executive, Providence, St. Joseph Hospital and Catherine Green, R.N., to the Board. Mr. Hunn congratulated the reappointed Board members, Directors Mayorga, Contratto, García Guillén, Becerra, and Byron.

Mr. Hunn reviewed several items from his CEO Report, which included the Street Medicine Program, which will be launching soon in Costa Mesa and Anaheim. He noted that there is an ongoing steering committee that is overseeing CalOptima Health's efforts regarding the Street Medicine Programs and there will be a report out on the results of the past 12 months in the City of Garden Grove at the next Board meeting. Mr. Hunn also noted that there was some media coverage regarding Health Care in Action distributing needles and pipes as part of the Street Medicine Program in Los Angeles and reported that Health Care In Action is not distributing needles and pipes in Orange County.

Mr. Hunn provided a brief update on the state budget, noting that it is in motion, and staff anticipates all CalOptima Health's services to be fully funded. Mr. Hunn thanked Senator Butler for the federal earmark that is in motion for a proposed safety net regarding behavioral health workforce development and thanked the Orange County delegation for signing onto that federal earmark. He added that CalOptima Health is very appreciative of the support from the community and noted that these dollars will be helping individuals who are committed to taking care of its members now and into the future.

Mr. Hunn updated the Board on CalOptima Health's Naloxone distribution, noting that to date it has

distributed about 110,000 doses in the community. He also thanked Veronica Carpenter, CalOptima Health's Chief Administrative Officer, who has been instrumental in managing that program and working closely with CalOptima Health's community-based organizations.

Mr. Hunn also updated the Board on recent events out in the community as well as upcoming events.

ADVISORY COMMITTEE UPDATES

2. Joint Meeting of the Member Advisory Committee (MAC) and the Provider Advisory Committee (PAC) Update

Christine Tolbert, Chair of the MAC, provided a brief update on the recent Joint Meeting of the MAC and PAC. Ms. Tolbert noted that the MAC undertook a recruiting initiative to fill two open seats and formed an Ad Hoc Committee to review the 17 applications received. She noted that the MAC hopes to have recommendations for the open seats ready for consideration at the October Joint MAC and PAC meeting and then on the agenda at the November Board meeting for final consideration and approval. Ms. Tolbert also mentioned that the MAC and PAC received a presentation regarding CalAIM and noted that there are still some questions regarding CalAIM services specifically available to those with intellectual and developmental disabilities (IDD) who are with the Regional Center and older adults. She also noted that one of the questions for the IDD population is what access is available to enhance that population's ECM services. For the older adults' population, there are some unused, or underused community support services for those who could transition from skilled nursing facilities (SNF) into less restrictive living options; Ms. Tolbert noted that some of those SNFs are unaware of CalAIM's Community Support Services. She asked that the MAC and PAC receive another presentation in the future to provide additional details on CalAIM services for these populations.

PUBLIC COMMENTS

1. Georgina Maldonado, Community Health Initiative of Orange County: Oral report regarding Agenda Item 19. Matthew Sprowls, WellNet Transportation: Oral report regarding customer complaints coming into his company. Ruth Sprowls, WellNet Transportation: Oral report regarding customer complaints related to transportation.

CONSENT CALENDAR

3. Minutes

- a. Approve Minutes of the June 6, 2024, Regular Meeting of the CalOptima Health Board of Directors
- b. Receive and File Minutes of the March 13, 2024 Regular Meeting of the CalOptima Health Board of Directors' Quality Assurance Committee

4. Approve the Revised 2024 CalOptima Health Quality Improvement and Health Equity Transformation Program and Work Plan

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and the item was pulled for a separate vote, discussed further below.

5. Approve CalOptima Health's Calendar Year 2025 Member Health Rewards

6. Approve Reappointments and Appointments to the CalOptima Health Whole-Child Model Family Advisory Committee

7. Ratify Amendment to CalOptima Health's Primary Agreement with the California Department of Health Care Services

8. Ratify List of Qualifying Funding Partners to Secure Medi-Cal Funds Through the Voluntary Rate Range Intergovernmental Transfer Program for Calendar Year 2023 (IGT13)

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and the item was pulled for a separate vote, discussed further below.

9. Approve Modifications to CalOptima Health Policy GA.8053: Workplace Violence

10. Authorize Amendments to the CalOptima Health Program of All-Inclusive Care for the Elderly Home Care Ancillary Fee-For-Service Contracts

11. Approve Modifications to Policy GA.3201: Document Management Program

12. Adopt Resolution No. 24-0801-01 Approving and Adopting Amended CalOptima Health Human Resources Policies

13. Adopt Resolution No. 24-0801-02 Approving and Adopting Volunteers Aged 18 and Older as Employees for the Sole Purpose of Receiving Workers' Compensation Benefits

14. Approve Reappointments and Appointments to the Member Advisory and Provider Advisory Committees and Extend the Term for Two Seats on the Member Advisory Committee

15. Receive and File:

- a. May and June 2024 Financial Summaries
- b. Compliance Report
- c. Federal and State Legislative Advocates Reports
- d. CalOptima Health Community Outreach and Program Summary

Action: *On motion of Director Mayorga, seconded and carried, the Board of Directors approved the Consent Calendar Agenda Items 3 through 15, minus Agenda Items 4 and 8, as presented. (Motion carried; 8-0-0; Supervisor Chaffee absent)*

4. Approve the Revised 2024 CalOptima Health Quality Improvement and Health Equity Transformation Program and Work Plan

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health.

Action: *On motion of Director Contratto, seconded and carried, the Board of Directors approved the revised 2024 CalOptima Health Quality Improvement and Health Equity Transformation Program and Work Plan. (Motion carried; 7-0-0; Supervisor Chaffee absent and Director Mayorga recused)*

8. Ratify List of Qualifying Funding Partners to Secure Medi-Cal Funds Through the Voluntary Rate Range Intergovernmental Transfer Program for Calendar Year 2023 (IGT13)

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health. Vice Chair Sarmiento recused in an abundance of caution due to his role as Supervisor, Second District on the Orange County Board of Supervisors.

Action: On motion of Director García Guillén, seconded and carried, the Board of Directors ratified the following list of qualifying funding partners and allocations for participation in the Calendar Year 2023 Voluntary Rate Range Intergovernmental Transfer Program: 1.) City of Fountain Valley Fire Department; 2.) City of Huntington Beach Fire Department; 3.) City of Orange Fire Department; 4.) City of Newport Beach Fire Department; 5.) Children and Families Commission of Orange County (First 5 of Orange County); 6.) County of Orange Health Care Agency; and 7.) University of California, Irvine. (Motion carried; 6-0-0; Supervisor Chaffee absent and Director Mayorga and Vice Chair Sarmiento recused)

Director Contratto commented on Agenda Item 13 and gave a shout out to the Finance, the Human Resources, and the administrative teams. She noted that for an agency to achieve “a great place to work” certification it oftentimes means wanting to involve your family to help volunteer at events and other volunteers from the community. Director Contratto noted that the Finance and Human Resources teams figured out how CalOptima Health could provide workers’ compensation coverage to its volunteers at no additional cost to the organization. She added that it is these types of things that make CalOptima Health so special, and these achievements are under the radar and nobody from staff is going to announce what a great job they did. Director Contratto thanked staff for making it possible for volunteers to be able to share in the great work that CalOptima Health does for its members and the community it serves.

REPORTS/DISCUSSION ITEMS

16. Approve Actions Related to a Contract with Advance OC to Conduct the 2024 Member and Population Health Needs Assessment

This item was continued to the September 5, 2024, Board meeting.

Chair Becerra noted for the record that she would not be participating in Agenda Item 17 due to her role as CEO of the Coalition of Orange County Community Health Centers and passed the gavel to Vice Chair Sarmiento.

17. Approve the CalOptima Health Comprehensive Community Cancer Screening and Support Grantees

Chair Becerra did not participate in this item due to her role as CEO of the Coalition of Orange County Community Health Centers and Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health.

Richard Pitts, D.O., Ph.D., Chief Medical Officer, presented an overview of this item. Dr. Pitts started off his overview by commenting on an article in the Orange County Register that ran in the newspaper on July 31, 2024, titled, ‘New era’ in war on cancer: 29.2% drop in death rates since 1999. He noted how amazing those results are and that this news ties into what CalOptima Health is trying to do with the

Comprehensive Community Cancer Screening and Support Program. Dr. Pitts added that the Clerk will send the link to the article to the Board members, and noted that the article is accessible with a Google search for anyone else who wants to find it. The Comprehensive Community Cancer Screening and Support Program will enable early discovery of breast, cervical, colon, and lung cancer, which improves the chances of a successful outcome. Dr. Pitts noted that the reason this program is focusing on those four types of cancer is because they are the easiest to detect. He reviewed the details of the funding opportunity, the scoring of the proposals, and the organizations that CalOptima Health recommended to receive the funding.

Action: *On motion of Director Contratto, seconded and carried, the Board of Directors: 1.) Approved CalOptima Health staff to administer and execute 15 grant agreements and award payments totaling up to \$16,417,044 for 13 selected grant recipients (listed in Attachment 2) for the first round of community grants in the CalOptima Health Comprehensive Community Cancer Screening and Support Program; 2.) Approved an allocation of \$1,417,044 from the remaining balance of \$15.0 million for the second round of community grants in the CalOptima Health Comprehensive Community Cancer Screening and Support Program; and 3.) Made a finding that such expenditures are for a public purpose and in furtherance of CalOptima Health's mission and purpose. (Motion carried; 6-0-0; Chair Becerra and Director Mayorga recused; Supervisor Chaffee absent)*

18. Approve Actions Related to Convening a Steering Committee and Conducting Community Listening Sessions to Explore Joining Covered California

Action: *On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer, or designees, to convene a Stakeholder Steering Committee to explore CalOptima Health joining Covered California and provide feedback throughout the regulatory process; and 2.) Authorized the Chief Executive Officer, or designees, to conduct stakeholder listening sessions and workshops to explore CalOptima Health joining Covered California. (Motion carried; 8-0-0; Supervisor Chaffee absent)*

Chair Becerra noted for the record that she would not be participating in Agenda Item 19 due to her role as CEO of the Coalition of Orange County Community Health Centers and passed the gavel to Vice Chair Sarmiento.

19. Approve Actions Related to the Community Enrollers for Medi-Cal Notice of Funding Opportunity

Chair Becerra did not participate in this item due to her role as CEO of the Coalition of Orange County Community Health Centers, and Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health.

The Board heard public comment on this item from Georgina Maldonado.

Supervisor Sarmiento asked staff to consider conducting another notice of funding opportunity for community enrollers. He noted that there was a great deal of interest in this item and wanted to make sure CalOptima Health's community partners had an opportunity to continue to enhance their services for the residents of Orange County's health care needs.

Action: On motion of Director Byron, seconded and carried, the Board of Directors: 1.) Approved CalOptima Health staff's recommendations to administer grant agreements and award payments totaling \$1,993,486 to selected grant recipients (listed in Attachment 1) for the Community Enroller grant awards. (Motion carried; 6-0-0; Chair Becerra and Director Mayorga recused; Supervisor Chaffee absent)

Mr. Hunn noted that this was a formidable opportunity for those organizations that applied. He also noted that CalOptima Health works closely with many organizations in Orange County. Mr. Hunn added that he has great respect for CalOptima Health's colleagues at Community Health Initiative of Orange County and he appreciates the comments made. Based on feedback from the Board, CalOptima Health will take an additional review and bring back an action for the Board to consider regarding another notice of funding opportunity for community enrollers.

20. Approve Actions Related to the Incentive Payment Program for Justice-Involved Services Learning Collaborative

Action: On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized CalOptima Health staff to develop and release a notice of funding opportunity related to the Justice-Involved Services Learning Collaborative program; and 2.) Authorized up to \$1 million from CalAIM Incentive Payment Program, Program Year 1, to support up to five entities in an amount of up to \$200,000 per entity for enhanced Care Management provider capacity building. (Motion carried; 8-0-0; Supervisor Chaffee absent)

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

Vice Chair Sarmiento again thanked Directors Corwin and Tran for their service on the Board. He thanked the newly reappointed members of the Board for continuing their service. Supervisor Sarmiento noted that he was grateful that the Board retained so many of its members, which adds to the stability and continuity of the governing body and also noted it is a pleasure to serve with all the Board members.

Director Byron commented that she is happy to continue to serve on this Board. She added that remembering the heart of the CalOptima Health members the agency serves is important. Director Byron noted that the care that CalOptima Health and its partners provide to the members is not just physical, it is also the emotional, the heart, the mind, and the well-being of their families. She also expressed her appreciation for staff and her fellow Board members.

Director Corwin thanked staff and the Board, noting that his service on the Board has been a positive one and he looks forward to seeing the health of the agency's members continue to improve in the years to come.

Director Kelley commented on how impressed she is with the progress of CalOptima Health. She noted that she has worked with other managed care plans and knowing the regulations and the items in statute that the agency is required to follow, but CalOptima Health is also keeping the patient as a central point in all the care it is providing. And, as previously noted, health care is not just medical care; it is many other things including addressing the social determinants of health. Director Kelley added that as a partner and as a member of this Board, it is impressive to see and be a part of the work that CalOptima Health does in service to its members.

Director Mayorga echoed his fellow Board members' comments, noting that he serves through a lens of the patient's and their family's health. He reflected on the name change to CalOptima Health and its new logo, noting that it re-emphasized the need to look at the whole person and that is what makes a difference in a member's life and that of their families. Director Mayorga thanked staff for the immense amount of work that they do for CalOptima Health members. He added that next week is National Health Center week and wanted to recognize the efforts of the health centers and the providers who work in those health centers in Orange County, along with the 1400 other health centers in this country and its territories since the early 1970s. Director Mayorga thanked his colleagues in Orange County and across the country and its territories for their amazing work.

Director Tran again thanked staff and the Board, noting that it has been a privilege to serve on the Board. He added that CalOptima Health is in good hands, and he expects and predicts that there will be continued successes for CalOptima Health and the members it serves.

Chair Becerra echoed the comments that her colleagues stated, and emphasized the intentionality that the Board brings to the work that it does is a huge privilege. She added that CalOptima Health and the Board are looking at issues in an upstream fashion and no longer addressing them at the tail-end. CalOptima Health is getting ahead of issues, as evidenced by some of the programs that the Board approved today. Chair Becerra also acknowledged that the community health centers will be celebrating their existence next week, aligned with other health centers in Orange County, and noted that community health centers care for about a third of the CalOptima Health members in this county. She added that community health centers should be celebrated next week but also celebrated every day that they do the work because they are at the forefront with boots on the ground doing the work. Chair Becerra also added that this work could not be more memorialized or emphasized than by the boots on the ground of the staff at CalOptima Health and the Board. She commented that she is privileged to be of the legacy and great work of CalOptima Health and its Board.

ADJOURNMENT

Hearing no further business, Chair Becerra adjourned the meeting at 3:28 p.m.

/s/ Sharon Dwiars
Sharon Dwiars
Clerk of the Board

Attachment: [Translation of Public Comment numbers 5 and 6](#)

Transcript of Spanish Public Comments
August 1, 2024 CalOptima Health Board of Directors Meeting

Speaker	Spanish	English
Participants: Female Interpreter (name unknown); Clerk of the Board Sharon Dwiers; Maurelio Flores (husband), Reyna Flores (wife); Rosa Díaz.		
FIRST SPEAKER (SPANISH)		
FEMALE INTERPRETER		This is Reyna Flores and her husband. [Background: voices]
CLERK DWIERS		Reyna Flores is the public speaker.
MAURELIO	Mi nombre es Maurelio Flores. Ella es mi esposa es Reyna. Tengo problemas con el rayte. Hay días que este, no van por ella y yo quisiera que continuara esta compañía que me trajo. [Aparte: ¿mande?]	Hello, my name is Maurelio Flores. She is my wife, Reyna. I have problems with the rides. There are some days like they don't go to pick her up and I would like to continue with the company that brought me. [Aside: ¿excuse me?]
FEMALE INTERPRETER		He is said they're having problems that she is not being picked up. [Aside: go ahead]
MAURELIO	Y, esta compañía, este la conocía antes y nunca tuve problemas y ahorita este me siento contento que volvieran a recoger a mi esposa porque ella está en silla de ruedas y necesita la ayuda, y les agradezco la ayuda que nos están dando.	And, this company, uh...I knew of it before and never had problems, and now uh, I am happy that they went to pick up my wife, because she is in a wheelchair and needs help, and I am very thankful for the help they are providing for us.
FEMALE INTERPRETER		So okay, he was just saying that, that company that is assigned to his wife is not picking him...her up and he is having to go get her himself. [Aside: go ahead]
MAURELIO	Okay?gracias! Thank.you.	Okay, thank you! Thank you.
FEMALE	Thank.you¡.Gracias¡	Thank you. Thank you.

SECOND SPEAKER (SPANISH)		
CLERK DWIERS		The next speaker is Rosa Diaz.
ROSA	Buenas tardes, ah... Mi nombre es Rosa Díaz. Estoy aquí porque ah, tengo problemas con transportación. El 23 de, de este mes que pasó tuve un accidente en el freeway, que me llevaban a...	Good afternoon, uh... My name is Rosa Diaz. I´m here because uh, I have transportation issues. On the 23 rd of this month what happened was that I had an accident on the freeway, they were taking me to...
FEMALE INTERPRETER		[Chuckle] She said that she´s here because she was in an accident on the freeway with the company that was transporting her...They dropped her.
ROSA	Ah, yo me salí de mi silla ah... [llora] ¡Sorry!... Mis pies los tengo bien hinchados. Mi pecho me duele mucho. Mi cabeza me duele mucho aquí...	Uh, I fell off out of my chair uh... [Crying] Sorry!... My feet are very swollen. My chest hurts a lot. My head hurt a lot here...
FEMALE INTERPRETER		She hurt her...[Aside: I´m sorry] she hurt her legs, her chest and the head when...in the accident.
ROSA	Y, ah...yo durante esta compañía que tenía anterior, nunca pasó esto que me pasó hoy, que me cambiaron a esta compañía. Ayer me fueron a recoger también. Ah, me recogieron a las 2 de la tarde para diálisis, ah... me recogieron de diálisis a mi casa a las 6 de la tarde y me bajaron de... Se estacionaron en la calle y me dejaron abandonada en la calle. Solo me bajaron y se fueron, y yo le hablé a mi hija y le dije: "Mami, ¿ya estás en la casa?" Dice: "Sí, vengo llegando." Y le dije... [Aparte: oh]	And, uh... when I had this company before, it never happened something like what happened today, that they changed me to this company. Yesterday, they also went to pick me up. Uh, they picked me up at 2 in the afternoon for dialysis, uh... they picked me up from dialysis at 6 in the afternoon to take me home and they dropped me off at... They parked on the street, and they left me stranded on the street. They just dropped me off and they took off, so I called my daughter and told her: "Sweetie, are you already home?" She says, "Yes, I just got here". And I told her... [Aside: oh]

FEMALE INTERPRETER		So, she was just saying that the company that was transporting her left her yesterday...left her on the corner. [Background: male voice saying corner of her apartment]...the corner of her apartment complex and didn't take her up to her house and she called her daughter to ask for help.
ROSA	Sí, y yo le pregunté a mi hija que si ella estaba en casa y dice: "Mami, vengo llegando." Y le dije: "Hija, ven a recogerme a la calle porque me dejaron en la calle." Y le dije: "Tú sabes que yo no puedo mover mi mano"... porque me duele mucho de aquí. El doctor me dejó un examen para que me ... porque dice que está preocupado por mis pies. Entonces, yo lo que recomiendo es... que si... estoy muy contenta si está compañía me regresa a recogerme a mi casa. Yo no quiero otra compañía que me recojan por lo mismo del problema que yo tuve. Ah... yo no quiero otra compañía. Yo me sentía bien con esta compañía. Mis hijas también se sentían bien con esta compañía porque durante ellos estaban, me recogían ellos nunca tuve problemas con ellos y esta compañía sí.	Yes, and I asked my daughter if she was at home and she says: "Mommy, I just got here". And I told her, "Daughter, come pick me up off the street because I was left on the street. And I told her, "You know that I cannot move my hand" because it hurts a lot from here. The doctor allowed me to have a test so that... because he says that he is concerned about my feet. So, what I recommend is....that if... I am very happy if this company comes back to pick me up at home. I do not want any other company to pick me up because of the same problem I had. Uh... I do not want any other company. I was fine with this company. My daughters were also fine with this company because, while they were available, they picked me up and never had any issues with them, and with this other company I did.

FEMALE INTERPRETER		<p>So, she was just saying that she is not happy with the current company that she has because she is having a lot of problems with the way they're transporting her to and from her appointments. They're picking her up late and dropping her off home late. And those are the, the big problems that she is having, and she is not happy with the transition to the new company. Wait! And it is supposed to be door to door service and they're not dropping her off door to door. And that, that seems to be something that we are hearing a lot of. Thank you very much!</p>
<p>CHAIR FINAL COMMENTS:</p> <p>Thank you. We appreciate you coming to the Board and making...addressing these concerns with us. We will direct our staff to go back and work with you and address those concerns specifically and ask for a report back and to the patients that spoke Spanish: Les.quiero.agradecer.al.haber.venido.a.darnos.sus.quejas.y.les.¿¿¿.can.we•.that's.okay?just.for.the.record•.Les.quiero.decir.que.les.agradecer.que.haiga.venido.a.darnos.sus.quejas.y.vamos.a.trabajar.con.el.personal.de.CalOptima.para.que.le.resuelvan.los.problemas?muchas.gracias;</p>		

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

4. Authorize Employee and Retiree Group Health Insurance and Wellness Benefits for Calendar Year 2025

Contacts

Michael Hunn, Chief Executive Officer, (657) 900-1481

Nancy Huang, Chief Financial Officer, Human Resources, (657) 235-6935

Recommended Actions

1. Authorize the Chief Executive Officer to enter into contracts and/or contract amendments with existing vendors to provide group health insurance for CalOptima Health employees and eligible retirees (and their dependents) for Calendar Year 2025, including Blue Shield of California Health Maintenance Organization plans, a Preferred Provider Organization plan, Preferred Provider Organization Savings High Deductible Health Plan, Blue Shield of California Dental Health Maintenance Organization and Preferred Provider Organization plans, Kaiser Permanente Health Maintenance Organization, Kaiser Senior Advantage, AmWins Retiree Medicare Supplement Plan, VSP vision, New York Life basic life/accidental death and dismemberment, short-term disability and long-term disability insurance, Aetna Resources for Living employee assistance program, Wex flexible spending account plans and COBRA administration.
 - a. There will be no changes in plan designs, other than those mandated by Internal Revenue Service limits.
 - b. CalOptima Health will absorb the estimated premium increase of 10.6% or \$3,437,809 compared to Calendar Year 2024 levels (based on March 2024 census information). Employee contributions will remain unchanged from the Calendar Year 2024 levels.
2. Authorize the receipt and expenditures for CalOptima Health staff wellness programs of \$75,000 in funding from Blue Shield of California for Calendar Year 2025.

Background

California Government Code section 53201 gives local public agencies, including CalOptima Health, the option of providing health and welfare benefits for the benefit of their officers, employees, and retired employees who elect to accept the benefits and who authorize the local agencies to deduct the premiums, dues, or other charges from their compensation. Government Code section 53200 provides that health and welfare benefits may include hospital, medical, surgical, dental, disability, group life, legal expense, and income protection insurance or benefits. From April 2020 through March 2025, CalOptima Health will be purchasing insurance through Alliant Insurance Services (Alliant), an insurance broker. CalOptima Health currently contracts with Kaiser Permanente (Kaiser) and Blue Shield of California (Blue Shield) to provide group health insurance coverage for all benefited employees and qualifying retirees. CalOptima Health also contracts with AmWins to provide Medicare supplemental coverage for qualifying Medicare eligible retirees and their dependents.

By statute, the Board of Directors (Board) may authorize payment of all, or such portion as it may elect, of premiums for these health and welfare benefits. CalOptima Health currently pays a portion of the

premiums for health and welfare benefits for employees, eligible retired employees, and their eligible dependents. A summary of employer and employee contributions since Calendar Year (CY) 2020 is provided below.

- In CY 2020, there was an 8.0% increase in premium rates in the amount of \$1,605,723, and CalOptima Health and employees shared the costs of the premium rate increases.
- In CY 2021, there was a 7.2% decrease in premium rates in the amount of \$1,570,131. With rate caps for 2022 set as high as 12.0%, it was assumed the premium rates for CY 2022 would increase to such an extent that rates would essentially return to the same premium rates as in CY 2020. As such, the contribution strategy adopted in 2020 for CY 2021 benefits was to hold employee contribution rates (no decrease or increase) steady for the two years when CalOptima Health would experience a decrease in premiums (CY 2021) and then an increase in premiums (plan year 2022).
- As anticipated, in CY 2022 there was an increase in premium rates of 7.3% or \$1,590,567, and CalOptima Health absorbed this premium increase, with no increase to employee contribution rates.
- To mitigate premium increases in CY 2023, CalOptima Health replaced the Cigna medical and dental plans with Blue Shield plans and absorbed the 9.3% increase in premium rates in the amount of \$2,185,777, with no increase to employee contribution rates.
- To enhance recruitment and retention efforts during a period of inflation and competition in the labor market, in CY 2024, CalOptima Health absorbed the 7.9% increase in premium rates in the amount of \$2,159,825, with no increase to employee contribution rates.

Discussion

On behalf of CalOptima Health, Alliant negotiated for the renewal of CalOptima Health's health and welfare benefits for CY 2025. During pre-renewal strategy discussions, staff received prior year (CY 2023) health plan utilization updates and year-to-date loss ratio data for current medical, dental, and vision plans. The loss ratio data reflected the losses CalOptima Health's insurers incurred for paying claims as a percentage of premiums earned in CY 2023. Where a healthy loss ratio for CalOptima Health's health insurers is 75 to 80%, the plans had a loss ratio ranging between 87.6% (all Blue Shield medical plans) to as high as 107.8% (Kaiser). The combined loss ratio for the Blue Shield dental plans was 108%.

Due to high utilization and poor loss ratios in CY 2023 for all plans, the decision was made to maintain the existing medical plans for CY 2025 with no change to plan design other than those changes mandated by Internal Revenue Service (IRS) limits. The dental plans were marketed based on CY 2022 and CY 2023 utilization; however, proposals received were not competitive with existing dental plans. As such, staff recommends renewing the current Kaiser and Blue Shield medical and dental plans, as well as VSP vision, New York Life Basic Life/accidental death and dismemberment (ADD), short term disability (STD), long term disability (LTD), Aetna Resources for Living Employee Assistance Program (EAP), and Wex flexible spending account (FSA) plans and COBRA administration in CY 2025, resulting in a gross premium increase of 10.6%, or \$3,437,809 from CY 2024.

Cost of Benefits	CY 2024*	CY 2025**	Difference
			(CY 2025 – CY 2024)
Active and Retiree Medical Insurance (Blue Shield, Kaiser, AmWins)	\$28,071,052	\$31,416,688	\$3,345,636
Wellness Activities	\$75,000	\$75,000	\$0
Wellness Funding	(\$75,000)	(\$75,000)	\$0
Dental Insurance	\$1,588,471	\$1,680,644	\$92,173
Vision Insurance	\$255,394	\$255,394	\$0
Basic Life and ADD Insurance	\$99,853	\$99,853	\$0
STD Insurance	\$926,406	\$926,406	\$0
LTD Insurance	\$501,127	\$501,127	\$0
EAP with Counseling (Aetna Resources for Living)	\$81,912	\$60,912	(\$21,000)
Registered Dietician	\$0	\$21,000	\$21,000
HSA Employer Contribution	\$406,400	\$406,400	\$0
Medical Stipends	\$398,400	\$398,400	\$0
FSA Administration	\$26,240	\$26,240	\$0
COBRA Administration	\$8,564	\$8,564	\$0
Total	\$32,363,819	\$35,801,628	\$3,437,809

* Figures are based on census data [full-time equivalency (FTE) and plan enrollments] as of March 2024.

**Figures are based on census data [FTE and plan enrollments] as of March 2024. They are subject to change after the 2025 Open Enrollment Period, FTE changes, and mid-year plan changes through March 2025.

Based on the recommendations above, the total employer contributions for CY 2025 will see an increase of approximately 11.5%, or \$3,437,809 from CY 2024. CalOptima Health’s contributions to the total group health and welfare benefits package for CY 2025 totals approximately \$33,246,803. Additional details are provided by benefit plan for CY 2025 in Attachment A. Of note, some figures reported in the attachment may be slightly different from this report due to rounding.

Contributions to Benefits	CY 2024	CY 2025	Difference
			(CY 2025 – CY 2024)
CalOptima Health’s Share	\$29,808,993	\$33,246,803	\$3,437,809
Employees’ Share	\$2,554,826	\$2,554,826	\$0
Total	\$32,363,819	\$35,801,628	\$3,437,809

Medical

Blue Shield: For CY 2025, the Blue Shield Health Maintenance Organization (HMO), Preferred Provider Organization (PPO) and High Deductible Health Plan (HDHP) Active and Early Retiree plans are renewing with a 5.0% premium rate increase or \$732,190 in additional premium cost. This represents a significant decrease from the previous renewal, which resulted in a 10.6% increase for the HMO plans and a 11.4% increase for the PPO and HDHP plans, or a total of \$1,319,943 in additional premium costs. The only plan design change will be applied to the HDHP, in which deductibles are increasing to \$1,650 for individual and \$3,300 for family to comply with IRS limits.

Kaiser: Kaiser proposed a renewal increase of 19.95% or \$2,596,373 for active and early retirees and an increase of 12.3% or \$17,075 for the Senior Advantage HMO Plan. As described above, this premium increase was primarily driven by high utilization and poor loss ratio in the prior year.

AmWins PPO: AmWins provides PPO supplemental coverage to Medicare-eligible retirees and dependents. While AmWins rates have not yet been released, staff recommend that the employee/retiree contribution rates remain at the same level for CY 2025.

Wellness Funding: As part of its proposal, Blue Shield will provide a \$75,000 wellness subsidy to assist in improving the health and wellness of CalOptima Health's employees, focusing on behavior change and health status improvement and creating a health and wellness program strategy leading toward a culture of well-being. Blue Shield wellness funds may be used to reimburse CalOptima Health for employee health and wellness program expenses, including, but not limited to, educational workshops and employee wellness activities.

For CY 2025, the proposed wellness activities may include the following:

CY 2025 Wellness Program/Event/Activity	Estimated Cost
Wellness Month (Wellness activities)	\$5,000
Health Education/Wellness Incentives	\$5,000
Health & Fitness Video Library	\$6,000
Early Detection Screenings	\$24,000
Wellness App and Wellness Challenges	\$20,000
Health & Wellness Fair	\$15,000
Total	\$75,000

Dental

Blue Shield: Blue Shield proposed a renewal increase of 5.8% or \$92,173 to the dental plans, due to a combined loss ratio of 108% for the DHMO and DPPO plans. Staff recommends no change to employee contributions.

Vision

VSP: The renewal has no rate change due to a rate guarantee through December 31, 2025. Staff recommends no change to employee contributions.

Other Ancillary Plans

New York Life & Disability:

Basic Life/ADD: The renewal has no rate change due to a rate guarantee through December 31, 2026.

Voluntary Life/ADD: The renewal has no rate change due to a rate guarantee through December 31, 2026. Staff recommends no change to employee contribution rates.

Short-Term Disability and Long-Term Disability: The renewal has no rate change due to a rate guarantee through December 31, 2026.

Employee Assistance Program: The renewal has no rate change due to a rate guarantee through December 31, 2025, and continues to include the option to purchase on-site and virtual counseling services. Staff proposes to reduce funding for on-site and virtual counseling by \$21,000 due to diminished utilization and redirect those funds to a Registered Dietician wellness benefit.

Registered Dietician: Utilizing wellness funds provided by Blue Shield, Registered Dietician consultations were introduced in CY 2024. Immediately upon launching these services, all appointments were filled within hours. In response, staff contracted for additional consultation hours, which were still met with high employee demand. Due to the interest in and value of the on-site and virtual Registered Dietician consultations introduced in CY 2024, staff recommends redirecting \$21,000 to fund on-site and virtual consultations in CY 2025.

Health Savings Account

CalOptima Health offers an HSA for employees enrolled in the HDHP medical plan. In 2025, the Internal Revenue Service has provided inflation-adjusted limits for HSAs and HDHPs. The minimum deductible amount for HDHPs increases to \$1,650 for self-only coverage and \$3,300 for family coverage (up from \$1,600 for self-only coverage and \$3,200 for family coverage in 2024). For CY 2025, staff recommend maintaining the current employer contribution to the HSA, which aligns with the CY 2024 deductible limits. Assuming all employees currently in the plan continue this coverage, the annual amount will be \$406,400.

Medical Stipends

CalOptima Health offers a medical stipend of \$100 per pay period (for 24 pay periods) as a cost saving measure to CalOptima Health and an incentive for employees who have medical coverage outside of CalOptima Health. Employees must submit proof of outside coverage in order to be eligible for this benefit.

Employer and Employee Contribution Comparison

CalOptima Health's and individual employee's share of healthcare premiums differ depending on the employee's elections. As set forth in the attached CalOptima 2025 Renewal Executive Summary, employer premium contributions for full time employees range from 84.4% to 97.1% and the premium contribution rates for employees and retirees range from 2.9% to 15.6%. The methodology used to calculate the employer and employee contributions is intended to aid management in attracting and retaining talented employees.

Staff Recommendations

For CY 2025, staff recommends no changes to the employee/retiree contribution rates to continue ensuring that CalOptima Health remains competitive with market trends and meets its ongoing obligation to provide a comprehensive benefits package to attract and retain talent during a period of inflation and competitive labor market.

In the event employer contributions are materially different from the estimated amounts presented in this action due to plan enrollment and/or FTE changes, staff will return to the Board with additional recommendations.

Fiscal Impact

The estimated fiscal impact for group health insurance policies for CalOptima Health employees and retirees in CY 2025 is \$33,246,803.

Funding for the period of January 1, 2025, through June 30, 2025, is a budgeted item. The Fiscal Year (FY) 2024-25 Operating Budget included \$33.5 million for the period of July 1, 2024, through June 30, 2025.

Management will include funding for group health insurance policies and wellness benefits for the period July 1, 2025, through December 31, 2025, in the CalOptima Health FY 2025-26 Operating Budget.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachment

1. [Entities Covered by the Recommended Action](#)
2. [Attachment A: CalOptima Health 2025 Renewal Executive Summary](#)

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Aetna Resources for Living EAP	10260 Meanley Drive	San Diego	CA	92131
Alliant Insurance Services	333 S. Hope Street, Suite 3650	Los Angeles	CA	90071
Amwins Group Benefits	50 Whitecap Dr.	North Kingstown	RI	02852
Blue Shield of California	100 N. Pacific Coast Hwy, 20th Floor	El Segundo	CA	90245
Kaiser Permanente	1851 E. First Street, Suite 1100	Santa Ana	CA	92705
New York Life Insurance Company	400 N. Brand Boulevard, 4 th Floor	Glendale	CA	91203
VSP	333 Quality Drive	Rancho Cordova	CA	95670
WEX Health Inc	4321 20th Ave S	Fargo	ND	58103



CalOptima 2025 Renewal Executive Summary

August 1, 2024



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Executive Summary



Medical Renewals

Blue Shield of California

Blue Shield proposes an overall increase of 9.9% or \$1,453,0539 in additional premium for plan year 2025. The renewal calculation was reviewed and challenged by Alliant's underwriting team and was negotiated down from 9.9% to 5%, a negotiated savings \$720,863. The additional premium to CalOptima based on current enrollment +\$732,190. In addition, Blue Shield agreed to include a \$75,000 wellness subsidy with their proposed renewal.

Kaiser Permanente

Kaiser proposed renewal action is a 19.95% increase on the active and early retiree HMO plan and a 12.3% on the Senior Advantage HMO plan, resulting in a combined additional premium of \$2,613,448. The proposed renewal action is driven by Inpatient claims, an additional \$1.2M in high-cost claimant claims and overall ongoing high loss-ratio. The average Kaiser renewals for 2025 range between 0% to 20%. CalOptima's plan is running high-risk due to the large claimants

AmWins

The AmWins Group Retiree Medical and Prescription Drug Program will have the renewals released September 2024.

Medical Marketing

Given the company decision to maintain carriers and plans, the Blue Shield renewal was approached with an Underwriting Challenge and No Bid strategy.

Renewal Recommendation

Renew the current Blue Shield of CA plans, effective January 1, 2025, with no changes to the current plan options and benefit levels other than those mandated by the IRS for the HSA Qualified High Deductible Health Plan.

Renew the current Kaiser HMO (Active and Early Retirees) and Kaiser Senior Advantage plans with no changes in plan design.



Executive Summary



Ancillary Renewals

Dental Plans

The Blue Shield Dental HMO and PPO came out of a two-year rate guarantee. The DPPO is running at a 108% loss ratio. The Market response presented no competitive options due to ongoing high loss-ratio. Overall renewal +5.8%, +\$92,173 annualized premium increase.

Vision Plans

The VSP vision plans are in a rate guarantee that expires on December 31, 2025, and will renew January 1, 2025, with a rate pass. Mid-year, CalOptima was able to add enhanced In-Network benefits for services through Costco, Sam's Club and Walmart July 1, 2024. The enhanced benefits were added with no premium rate impact to the plan.

Life and Disability

The New York Life (NYL) life and disability plans were due for an increase January 1, 2025. NYL partnered due to long-standing relationship and was open to negotiating an additional two-year rate guarantee and maintain all levels of benefits for Basic and Supplemental Life and Disability plans. Rate guarantee negotiated through December 31, 2026.

Employee Assistance Program

The Aetna Resources for Living EAP and onsite counseling is in a rate guarantee that expires on December 31, 2025. Renew with a rate pass.

Renewal Recommendation

Renew the dental, vision, life, disability and EAP plans with the current carriers, effective January 1, 2025, with no changes to the current plan options and benefit levels.



Executive
Summary



Miscellaneous Recommendations

FSA & COBRA Administrator	<p>WEX Health: The FSA & COBRA plan administration fees are renewing level for the following plan year.</p> <p>Renewal Recommendation: Renew FSA and COBRA administration with WEX Health.</p>
Employer HSA Contribution	<p>Maintain the annual employer HSA contribution to \$1,600 for single and \$3,200 for family coverage. Front load the contributions the first paycheck in January 2025 and pro-rate the amount for new hires based on date of hire.</p>
Employer Contribution	<p>CalOptima to absorb the 2025 renewal increase and maintain the employee contribution dollar amounts from 2024 with no change in 2025.</p>
Medical Waiver Benefit	<p>Keep the benefit amount level at \$200 per Waived Employee per month with validation of other coverage.</p>

2025 Renewal - Financial Summary

Line of Coverage (Actives & Retirees)	EE	Current	2025 Negotiated	% Change
Kaiser HMO - Actives	740	\$12,890,600	15,461,949	19.9%
Kaiser HMO - Early Retirees	4	\$125,337	150,360	20.0%
Kaiser - KPSA	24	\$138,282	155,356	12.3%
AmWins Medicare	34	\$274,825	Pending 274,825	0.0%
Blue Shield Full HMO	339	\$7,467,231	7,840,422	5.0%
Blue Shield Trio HMO	185	\$3,239,884	3,401,881	5.0%
Blue Shield PPO	4	\$109,741	115,228	5.0%
Blue Shield HDHP with HSA	163	\$3,825,151	4,016,666	5.0%
Blue Shield Dental PPO	1234	\$1,484,421	1,570,547	5.8%
Blue Shield DHMO	337	\$104,050	110,097	5.8%
VSP Vision	1451	\$255,394	Rate Guarantee 255,394	0.0%
New York Life Basic Life AD&D	1586	\$99,853	99,853	0.0%
New York Life STD	1586	\$926,406	926,406	0.0%
New York Life LTD	1586	\$501,127	501,127	0.0%
Aetna RFL	1586	\$31,212	Rate Guarantee 31,212	0.0%
Aetna Counseling Services	1586	\$50,700	Rate Guarantee 50,700	0.0%
COBRA Administration	1586	\$8,564	Rate Guarantee 8,564	0.0%
Flexible Spending Account	660	\$26,240	Rate Guarantee 26,240	0.0%
HSA Funding	163	\$406,400	406,400	0.0%
Medical Waiver Funding	166	\$398,400	398,400	0.0%
TOTAL ANNUAL PREMIUM		\$32,363,819	\$35,801,628	
ANNUAL DOLLAR CHANGE FROM CURRENT			\$3,437,810	
ANNUAL PERCENTAGE CHANGE FROM CURRENT			10.6%	
*Blue Shield included a Wellness Stipend of \$75,000				

CalOptima - Recommended Employer Contributions 2025

2025 Recommended ER Contributions: Medical Plans

Medical:

- Kaiser Active/Early Retirees
- Kaiser Senior Advantage
- AmWins (renewal pending)

Employee Contributions		Current Contributions				Renewal Contributions No change in EE contributions			
		Total	ER Cost	EE Cost	EE %	Total	ER Cost	EE Cost	EE %
Kaiser HMO - Actives									
EE Only	Lives 271	\$741.46	\$682.89	\$58.57	7.9%	\$889.36	\$830.79	\$58.57	6.6%
EE + Spouse	98	\$1,482.92	\$1,365.78	\$117.14	7.9%	\$1,778.72	\$1,661.58	\$117.14	6.6%
EE + Child(ren)	158	\$1,408.75	\$1,297.47	\$111.28	7.9%	\$1,689.77	\$1,578.49	\$111.28	6.6%
EE + Family	213	<u>\$2,372.64</u>	<u>\$2,185.21</u>	<u>\$187.43</u>	<u>7.9%</u>	<u>\$2,845.92</u>	<u>\$2,658.49</u>	<u>\$187.43</u>	<u>6.6%</u>
Annual Premium	740	\$12,890,600	\$11,872,315	\$1,018,284		\$15,461,949	\$14,443,665	\$1,018,284	
Kaiser HMO - Early Retirees									
EE Only	1	\$1,111.15	\$1,052.58	\$58.57	5.3%	\$1,332.99	\$1,274.42	\$58.57	4.4%
EE + Spouse	1	\$2,222.30	\$2,105.16	\$117.14	5.3%	\$2,665.98	\$2,548.84	\$117.14	4.4%
EE + Child(ren)	0	\$2,111.17	\$1,999.89	\$111.28	5.3%	\$2,532.66	\$2,421.38	\$111.28	4.4%
EE + Family	2	<u>\$3,555.65</u>	<u>\$3,368.22</u>	<u>\$187.43</u>	<u>5.3%</u>	<u>\$4,265.53</u>	<u>\$4,078.10</u>	<u>\$187.43</u>	<u>4.4%</u>
Annual Premium	4	\$125,337	\$118,730	\$6,607		\$150,360	\$143,754	\$6,607	
Kaiser KPSA									
EE Only on Medicare	9	\$193.55	\$171.46	\$22.09	11.4%	\$207.81	\$185.72	\$22.09	11.4%
EE + Spouse both on Medicare	12	\$387.10	\$342.92	\$44.18	11.4%	\$415.62	\$371.44	\$44.18	<u>11.4%</u>
EE on Medicare + Spouse Non-Medicare	1	\$1,304.70	\$1,194.86	\$109.84	8.4%	\$1,540.80	\$1,430.96	\$109.84	
EE on Medicare + Child Non-Medicare	1	\$1,193.57	\$1,092.50	\$101.07	8.5%	\$1,407.48	\$1,306.41	\$101.07	
EE on Medicare+Spouse Non-Medicare+Child Non-Medicare	1	<u>\$2,638.05</u>	<u>\$2,422.90</u>	<u>\$215.15</u>	<u>8.2%</u>	<u>\$3,140.35</u>	<u>\$2,925.20</u>	<u>\$215.15</u>	
Annual Premium	21	\$138,282	\$124,420	\$13,861		\$155,356	\$141,495	\$13,861	
AmWins Medicare							Pending Renewal		
EE Only on Medicare	19	\$467.39	\$389.38	\$78.01	16.7%	\$467.39	\$389.38	\$78.01	16.7%
EE + Spouse both on Medicare	15	<u>\$934.78</u>	<u>\$757.88</u>	<u>\$176.90</u>	<u>18.9%</u>	<u>\$934.78</u>	<u>\$757.88</u>	<u>\$176.90</u>	<u>18.9%</u>
Annual Premium	34	\$274,825	\$225,197	\$49,628		\$274,825	\$225,197	\$49,628	

2025 Recommended ER Contributions: Medical Plans

Medical:

- Blue Shield Plans (Trio, Access+, Traditional PPO, HDHP w/HSA)
- HSA Funding
- Medical Waivers

Blue Shield Full HMO									
EE Only	106	\$883.68	\$825.11	\$58.57	6.6%	\$927.86	\$869.29	\$58.57	6.3%
EE + Spouse	46	\$1,934.34	\$1,817.20	\$117.14	6.1%	\$2,031.06	\$1,913.92	\$117.14	5.8%
EE + Child(ren)	76	\$1,747.85	\$1,636.57	\$111.28	6.4%	\$1,835.06	\$1,723.78	\$111.28	6.1%
EE + Family	111	<u>\$2,763.81</u>	<u>\$2,576.38</u>	<u>\$187.43</u>	<u>6.8%</u>	<u>\$2,902.00</u>	<u>\$2,714.57</u>	<u>\$187.43</u>	<u>6.5%</u>
Annual Premium	339	\$7,467,231	\$6,976,926	\$490,305		\$7,840,422	\$7,350,117	\$490,305	
Blue Shield Trio HMO									
EE Only	72	\$709.34	\$690.62	\$18.72	2.6%	\$744.81	\$726.09	\$18.72	2.5%
EE + Spouse	22	\$1,552.70	\$1,505.46	\$47.24	3.0%	\$1,630.32	\$1,583.08	\$47.24	2.9%
EE + Child(ren)	21	\$1,402.99	\$1,360.32	\$42.67	3.0%	\$1,473.14	\$1,430.47	\$42.67	2.9%
EE + Family	<u>70</u>	<u>\$2,218.51</u>	<u>\$2,150.13</u>	<u>\$68.38</u>	<u>3.1%</u>	<u>\$2,329.44</u>	<u>\$2,261.06</u>	<u>\$68.38</u>	<u>2.9%</u>
Annual Premium	185	\$3,239,884	\$3,143,052	\$96,832		\$3,401,881	\$3,305,049	\$96,832	
Blue Shield PPO									
EE Only	3	\$1,499.62	\$1,299.50	\$200.12	13.3%	\$1,574.60	\$1,374.48	\$200.12	12.7%
EE + Spouse	0	\$3,248.08	\$2,771.59	\$476.49	14.7%	\$3,410.48	\$2,933.99	\$476.49	14.0%
EE + Child(ren)	0	\$2,937.03	\$2,506.06	\$430.97	14.7%	\$3,083.88	\$2,652.91	\$430.97	14.0%
EE + Family	<u>1</u>	<u>\$4,646.20</u>	<u>\$3,931.44</u>	<u>\$714.76</u>	<u>15.4%</u>	<u>\$4,878.51</u>	<u>\$4,163.75</u>	<u>\$714.76</u>	<u>14.7%</u>
Annual Premium	4	\$109,741	\$93,959	\$15,781		\$115,228	\$99,446	\$15,781	
Blue Shield HDHP									
EE Only	72	\$1,077.35	\$973.70	\$103.65	9.6%	\$1,131.30	\$1,027.65	\$103.65	9.2%
EE + Spouse	24	\$2,261.98	\$1,969.60	\$292.38	12.9%	\$2,375.47	\$2,083.09	\$292.38	12.3%
EE + Child(ren)	25	\$2,046.56	\$1,782.02	\$264.54	12.9%	\$2,149.01	\$1,884.47	\$264.54	12.3%
EE + Family	<u>42</u>	<u>\$3,231.95</u>	<u>\$2,703.28</u>	<u>\$528.67</u>	<u>16.4%</u>	<u>\$3,393.62</u>	<u>\$2,864.95</u>	<u>\$528.67</u>	<u>15.6%</u>
Annual Premium	163	\$3,825,151	\$3,305,584	\$519,567		\$4,016,666	\$3,497,099	\$519,567	
HSA Funding									
EE Only	72	\$1,600.00	\$1,600.00	\$0.00	0.0%	\$1,600.00	\$1,600.00	\$0.00	0.0%
EE + Dependents	<u>91</u>	<u>\$3,200.00</u>	<u>\$3,200.00</u>	<u>\$0.00</u>	0.0%	<u>\$3,200.00</u>	<u>\$3,200.00</u>	<u>\$0.00</u>	0.0%
Annual Premium	163	\$406,400	\$406,400	\$0		\$406,400	\$406,400	\$0	
Medical Waiver									
EE's Waiving Coverage	166	\$200.00	\$200.00	\$0.00	0.0%	\$200.00	\$200.00	\$0.00	0.0%
Annual Premium		\$398,400	\$398,400	<u>\$0.00</u>	0.0%	\$398,400	\$398,400	<u>\$0.00</u>	0.0%
MEDICAL TOTAL	1,490	\$28,875,851	\$26,664,985	\$2,210,866	7.7%	\$32,221,488	\$30,010,622	\$2,210,866	6.9%
DOLLAR CHANGE FROM CURRENT						\$3,345,637	\$3,345,637	\$0	
PERCENT CHANGE FROM CURRENT						11.6%	12.5%	0.0%	

2025 Recommended ER Contributions: Ancillary Plans

Medical:

- Blue Shield Dental Plans (DHMO, DPPO)
- Vision
- Life and DI

Employee Contributions		Total	ER Cost	EE Cost	EE %	Total	ER Cost	EE Cost	EE %
Blue Shield Dental PPO		Lives							
EE Only	426	\$42.85	\$37.65	\$5.20	12.1%	\$45.34	\$40.14	\$5.20	11.5%
EE + Spouse	203	\$85.15	\$69.43	\$15.72	18.5%	\$90.09	\$74.37	\$15.72	17.4%
EE + Child(ren)	213	\$109.38	\$89.18	\$20.20	18.5%	\$115.72	\$95.52	\$20.20	17.5%
EE + Family	<u>392</u>	<u>\$165.47</u>	<u>\$133.93</u>	<u>\$31.54</u>	19.1%	<u>\$175.07</u>	<u>\$143.53</u>	<u>\$31.54</u>	<u>18.0%</u>
Annual Premium	1234	\$1,484,421	\$1,219,549	\$264,872		\$1,570,547	\$1,305,675	\$264,872	
Blue Shield DHMO									
EE Only	142	\$11.69	\$11.69	\$0.00	0.0%	\$12.37	\$12.37	\$0.00	0.0%
EE + Spouse	43	\$23.20	\$23.20	\$0.00	0.0%	\$24.55	\$24.55	\$0.00	0.0%
EE + Child(ren)	55	\$29.81	\$29.81	\$0.00	0.0%	\$31.54	\$31.54	\$0.00	0.0%
EE + Family	<u>97</u>	<u>\$45.09</u>	<u>\$45.09</u>	<u>\$0.00</u>	0.0%	<u>\$47.71</u>	<u>\$47.71</u>	<u>\$0.00</u>	0.0%
Annual Premium	337	\$104,050	\$104,050	\$0		\$110,097	\$110,097	\$0	
VSP Vision (Core)							Rate Guarantee		
EE Only	320	\$6.71	\$6.71	\$0.00	0.0%	\$6.71	\$6.71	\$0.00	0.0%
EE + Spouse	94	\$10.42	\$9.42	\$1.00	9.6%	\$10.42	\$9.42	\$1.00	9.6%
EE + Child(ren)	135	\$10.85	\$9.35	\$1.50	13.8%	\$10.85	\$9.35	\$1.50	13.8%
EE + Family	<u>223</u>	<u>\$17.37</u>	<u>\$15.37</u>	<u>\$2.00</u>	11.5%	<u>\$17.37</u>	<u>\$15.37</u>	<u>\$2.00</u>	<u>11.5%</u>
Annual Premium	772	\$101,579	\$92,669	\$8,910		\$101,579	\$92,669	\$8,910	
VSP Vision (Buy-Up)							Rate Guarantee		
EE Only	240	\$11.21	\$6.71	\$4.50	40.1%	\$11.21	\$6.71	\$4.50	40.1%
EE + Spouse	122	\$17.41	\$9.42	\$7.99	45.9%	\$17.41	\$9.42	\$7.99	45.9%
EE + Child(ren)	110	\$18.13	\$9.35	\$8.78	48.4%	\$18.13	\$9.35	\$8.78	48.4%
EE + Family	<u>207</u>	<u>\$29.03</u>	<u>\$15.37</u>	<u>\$13.66</u>	47.1%	<u>\$29.03</u>	<u>\$15.37</u>	<u>\$13.66</u>	<u>47.1%</u>
Annual Premium	679	\$153,815	\$83,637	\$70,178		\$153,815	\$83,637	\$70,178	
NYL Life and Disability							Rate Pass		
Basic Life and AD&D	1568	\$99,852.72	\$99,852.72	\$0.00	0.0%	\$99,852.72	\$99,852.72	\$0.00	0.0%
Short Term Disability	1568	\$926,406.03	\$926,406.03	\$0.00	0.0%	\$926,406.03	\$926,406.03	\$0.00	0.0%
Long Term Disability	1568	\$501,126.76	\$501,126.76	\$0.00	0.0%	\$501,126.76	\$501,126.76	\$0.00	0.0%

2025 Recommended ER Contributions: Ancillary Plans

Medical:

- Aetna RFL (EAP) and Counseling services
- WEX Administrative fees

Aetna RFL Employee Assistance Program Annual Premium	1586	\$31,212.48	\$31,212.48	\$0.00	0.0%	\$31,212.48	<i>Rate Guarantee</i> \$31,212.48	\$0.00	0.0%
Aetna RFL Counseling Annual Premium	1586	\$50,700.00	\$50,700.00	\$0.00	0.0%	\$50,700.00	<i>Rate Guarantee</i> \$50,700.00	\$0.00	0.0%
WEX FSA Administration Annual Administrative Fee	660	\$26,240.00	\$26,240.00	\$0.00	0.0%	\$26,240.00	<i>Rate Guarantee</i> \$26,240.00	\$0.00	0.0%
WEX COBRA Administration Annual Administrative Fee	1586	\$8,564.40	\$8,564.40	\$0.00	0.0%	\$8,564.40	<i>Rate Guarantee</i> \$8,564.40	\$0.00	0.0%
Ancillary Total		\$3,487,968	\$3,144,008	\$343,960	9.9%	\$3,580,141	\$3,236,181	\$343,960	9.6%
GRAND TOTAL (Medical and Ancillary):		\$32,363,819	\$29,808,993	\$2,554,826	7.9%	\$35,801,628	\$33,246,803	\$2,554,826	7.1%
DOLLAR CHANGE FROM CURRENT						\$3,437,810	\$3,437,810	\$0	
PERCENT CHANGE FROM CURRENT						10.6%	11.5%	0.0%	

Disclosures

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Plans and rates presented are generally effective 01/01/2025 through 12/31/2025.

Rates quoted assume current employer contribution levels and participation levels unless otherwise stated. Final rates will be based on final enrollment underwriting. Updated claims experience or other information may be required to finalize rates. If group demographics, enrollment levels or employer contributions change, rates may change, or the quote may be withdrawn.

In general, employees must be actively at work on the effective date of the plan. When implementing new coverage, employees who are not actively at work will not be covered under the plan until they return to active state. It may be possible to waive the actively at work provision.

This proposal should not be interpreted as inclusive of all plan provisions and limitations. For further details, refer to the insurance carrier proposals and carrier plan documents. Benefit coverage and eligibility provisions for fully insured health plans may vary from state to state, based on state mandates. Illustrated enrollment is based on the information provided (employee census, current premium statement and or carrier renewal).

Coverage is not in effect until it is approved by the insurance carrier's underwriter.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant typically rely upon rating agencies for this type of market analysis. A.M. Best has been an industry leader in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings. Alliant's standard protocol is to only place coverage with carriers with no less than an "A-" rating from A.M. Best. However, where Alliant determines that it is prudent to consider coverage with a lower rated carrier, the financial rating of the carrier is to be disclosed to the client. Should Alliant become aware of a carrier's rating dropping below "A-" mid-policy period we will review and advise you of the situation and consider if an alternative carrier can be reasonably provided prior to renewal.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com.



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CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

5. Adopt Resolution No. 24-0905-01 Approving and Adopting Updated CalOptima Health Human Resources Policies

Contact

Michael Hunn, Chief Executive Officer, (657) 900-1481

Recommended Actions

Adopt Resolution No. 24-0905-01 approving updated CalOptima Health policies:

- a. GA.8018: Paid Time Off (PTO);
- b. GA.8019: Promotions and Transfers;
- c. GA.8022: Performance and Behavior Standards;
- d. GA.8025: Equal Employment Opportunity;
- e. GA.8027: Harassment, Discrimination, and Retaliation Prevention, and Attachment A
- f. GA.8036: Education Reimbursement;
- g. GA.8037: Leave of Absence;
- h. GA.8038: Personal Leave of Absence;
- i. GA.8044: Telework Program;
- j. GA.8051: Hiring of Relatives; and
- k. GA.8056: Paid Holidays.

Background

Near CalOptima Health's inception, the Board of Directors (Board) delegated authority to the Chief Executive Officer to develop and implement employee policies and procedures and to amend them as appropriate from time to time, subject to bi-annual updates to the Board. CalOptima Health's Bylaws require that the Board adopt by resolution and, from time to time, amend procedures, practices, and policies for, among other things, hiring employees and managing personnel.

Discussion

Staff includes the list of revised policies for Board approval and a summary of changes for the updated policies below.

GA.8018: Paid Time Off (PTO): This policy provides managers and supervisors with appropriate guidelines to administer CalOptima Health's Paid Time Off (PTO) benefit.

Policy Section	Proposed Change	Rationale	Impact
II.C.3	Add language for situations where a prior employee (who was eligible for Paid Sick Leave) is rehired and clarify that unused	To comply with Senate Bill (SB) 616 requirements in the most efficient manner of maintaining a single	Ensures compliance with SB 616.

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Updated CalOptima Health Human Resources Policies
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	Paid Sick Leave or equivalent PTO will be reinstated.	bank of Paid Sick Leave or PTO per employee by employee eligibility type.	
II.H	Remove language regarding using half of annual accrued PTO under Labor Code Section 233 and other minor text edits. Also, remove examples at end of the paragraph that begins with “For example, the right of an employee on a Leave of Absence...”	Regular employees are not subject to the Labor Code Section 233 restriction. Minor text edits for clarity. Examples removed as they conflict with the purpose of this policy and recent changes clearly specifying use of the PTO for any reason.	Provides a clear and consistent message on the use of PTO.
II.I	Remove reference to Paid Sick Leave law in the section discussing Unscheduled PTO.	Improves clarity and aligns with practice.	Provides clarity.
II.N.1.a & d, X	Update with new Glossary Term: PTO Exhaustion.	Provides clarity and reduces duplicative text within body of policy.	Provides clear understanding of PTO Exhaustion in this, and other related policies.
III.A.	Remove Paid Sick Leave Time from this section.	The table is specific to PTO Requests not Paid Sick Leave.	Provides clarity.
III. D. Table. Human Resources Department, 2nd bullet	Revise the Human Resources Department responsibility section to change language regarding donation conversion to “convert PTO hour donated to dollars at the base rate of pay of the donor, then convert dollars to PTO hours at the recipient’s base rate of pay.”	Provides clarity for both PTO donors and recipients of how the hours will be converted.	Provides clarity and consistency with process.
III.E.	Add a new procedure table for Reinstatement or Conversion of Paid Sick Leave upon Rehire.	Provides process for how to handle rehired employees who previously met the eligibility requirement for Paid Sick Leave and are rehired within (1) year.	Provides guidance on actions that need to be taken in the event of an applicable rehire.

GA.8019: Promotions and Transfers: This policy establishes a consistent method of considering current employees for internal Promotions and Transfers.

Policy Section	Proposed Change	Rationale	Impact
II.C.	Change length of open positions from 5 business days to 14 calendar days, and change reference to when “job offer can me made” to when “the selection process can begin”.	To align with Policy GA.8060: Recruitment, Selection, and Hiring.	Provides consistency with other related policies.
II.E.1	Remove reference to Good Standing and specific performance rating, and replace with “achieved an overall satisfactory or higher rating on the annual performance review for the most recent performance review period.”	Aligns with Compensation Program merit eligibility.	Provides consistency with Compensation Program.
II.E.3	Remove reference to specific corrective action and instead refer to CalOptima Health policy GA.8022: Performance and Behavior Standards.	Provides consistency by referring to the policy that governs this performance and reduces possibility of conflict between policies.	Provides clarity by referencing source policy.
II.F	Add “selection” to clarify which process must be followed.	Provides clarity and aligns with practice.	Provides process clarity.
II.H	Clarify language related to the timing of the start date of a new position resulting from promotion or transfer.	Provides clarity and aligns with practice.	Provides clarity for all parties.
III.Table.Employee.2	Add the following language: “If an interview is scheduled with the employee, the employee must notify their current manager at that time.”	Promotes clear communication between internal applicant and current supervisor if application status reaches the point of interview and impacts the employee’s work schedule.	Provides clarity on employee responsibility to communicate with their current manager and minimum timing on when the communication should occur.
III. Table. Hiring Manager.2	Add statement that “The Hiring Manager may not have any discussions with the direct	Protects integrity of the selection process in a fair manner for all	Ensures a fair and consistent

	supervisor outside of this process regarding the performance of the employee.”	applicants regardless of whether they are internal or external to the organization.	selection process for all applicants.
III. Table. Hiring Manager.3	Remove responsibility of Hiring Manager to coordinate with the current supervisor regarding start date.	Provides clarity and aligns policy with practice.	Provides clarity that Human Resources (HR) is responsible for coordinating the start date.
IX. Glossary	Clarify that a performance improvement plan is a type of formal corrective action for purposes of good standing eligibility for promotions and transfers.	Aligns to policy GA.8022 Performance and Behavior Standards.	Provides policy alignment.

GA.8022: Performance and Behavior Standards: This policy outlines an approach that can be used, at CalOptima Health’s discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations and/or fails to follow CalOptima Health’s policies and procedures.

Policy Section	Proposed Change	Rationale	Impact
II.D.	Add “in a fair and consistent manner” to how corrective action will be issued and replaced “skip the entire corrective action process altogether” with “terminate employment immediately”.	Aligns with practice and provides clarity, including that, when appropriate, CalOptima Health can issue termination without prior warning.	Provides clarity.
II.E.	Edit list of possible reasons to initiate corrective actions as described in the Employee Handbook.	Adds to the policy the comprehensive list of reasons listed in the Employee Handbook. The policy is the authority on employee performance and behavior standards, and including this information in policy provides clarity and transparency.	Provides clarity, transparency and alignment with practice.

II.H	Split corrective action into two groups: informal and formal.	Clarifies what is considered formal corrective action that can impact Good Standing and what is informal corrective action that does not impact Good Standing.	Provides clarity on corrective action impact on Good Standing status.
II.J	Add language regarding immediate placement of an employee on administrative leave prior to initiating an investigation if they present a danger to themselves or other employees, demonstrate extreme misconduct, and/or engage in an egregious act.	Aligns with practice and supports a safe workplace environment for all employees.	Supports a safe working environment for all employees.
III.Table.Supervisor.5	Add language to the supervisor responsibilities section to direct staff to participate in an investigation “into their performance, behavior, or potential violation of CalOptima Health policy or procedure.”	Provides clarity on supervisor responsibility in encouraging employee investigation participation.	Provides clarity and aligns with practice.
III.Table.Employee.2	Add language on employee’s requirement to participate in corrective action process in good faith to ensure “they have a clear understanding of which performance and/or behavioral areas require improvement.”	Provides clarity	Provides clarity and aligns with practice.
III.Table.Employee.3	Rewrite section for clarity on why employees are required to acknowledge any issued corrective action and expectations on their role in addressing the issues presented on the corrective action.	Provides clarity and aligns with practice.	Provides clarity and aligns with practice.
X.	Add glossary terms for Formal Corrective Action and Informal Corrective Action.	Terms added to policy to clarify corrective action impact on Good Standing status for purposes of program eligibility that requires Good Standing.	Provides clarity and transparency.

GA.8025: Equal Employment Opportunity: Policy: This policy outlines CalOptima Health’s approach to Equal Employment Opportunity (EEO).

Policy Section	Proposed Change	Rationale	Impact
Throughout	Add “Harassment” along with existing “Discrimination”.	Aligns terms with California Civil Rights Department guidance on California Fair Employment and Housing Act as referenced in government code section. Harassment is already a glossary term.	Supports CalOptima Health’s adherence to California requirements.
II.B	Change “CalOptima Health prohibits unlawful Discrimination against...” to “CalOptima Health prohibits actual or perceived unlawful Discrimination and Harassment.”	Clarifies language and adds accuracy.	Provides clarity.
II.B.1-7	Update the protected categories covered under this policy.	Aligns the policy with California Civil Rights Department guidance on California Fair Employment and Housing Act as referenced in government code section.	Maintains compliance with California requirements.
II.F	Replace “discipline” with “corrective action” and “layoff” with “reduction in force”.	Reflects current terminology and practices in policies GA.8022 and GA.8047.	Provides clarity and consistency.

GA.8027: Harassment, Discrimination, and Retaliation Prevention: This policy outlines CalOptima Health’s zero tolerance for Discrimination, Harassment, and Retaliation and sets forth a procedure for promptly investigating complaints thereof.

Policy Section	Proposed Change	Rationale	Impact
II.A., II.C., II.I.3., V.	Add CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.	Cross-references to policy for compliance.	Provides clarity with related policies.
IV. Attachments	Add “Incident” to reflect full title of form: “Employee Incident / Complaint Intake Form”.	To clearly identify the document attachment.	Provides clarity.

GA.8036: Education Reimbursement: This policy describes CalOptima Health’s pre-approval process for the educational reimbursement program established to offer repayment of reasonable educational and professional development expenses to eligible employees for work-related courses and/or programs, including courses offering credits towards professional licensure or certification requirements.

Policy Section	Proposed Change	Rationale	Impact
II.B.	Revise section to reflect that both individual courses and degree programs are eligible for reimbursement.	Provides clarification that both individual courses and degree programs can be considered for eligibility.	Aligns policy with existing practice and expands eligibility of individual courses to program reimbursement.
II.C.	Replace “supervisor” with “department” in reimbursement approval request.	Aligns policy with practice and expands leaders who can approve reimbursement requests.	Allows department approval of reimbursement request that is not limited to employee’s direct supervisor.
II.F.	Add “based on course end date” in relation to calculation of annual maximum reimbursement available within the fiscal year.	Aligns policy with practice and clarifies to which fiscal year the reimbursement will apply based on course end date.	Ensures that reimbursement requests are applied to the correct fiscal year and allow for better tracking for employees participating in program.
III.Table.Employee.1.b	Add language to the procedure for employees requesting reimbursement and specify the consequence for a late submission to their supervisor.	Provides clarity on what is considered late submission that would result in request denial.	Provides clarity on the procedure for submitting requests for supervisor approval and importance of timing based on start date of the course.

III.Table.Employee.4.a.i	Add language to the procedure regarding how forms received late due to delayed department approval will still be accepted.	Provides clarity on what is considered late submission.	Provides clarity on the practice of accepting forms received late because of delayed department approval if all other actions are completed timely.
III.Table.Employee.5.a-c	Add clarifying language regarding documentation proving cost of tuition, payment made by the employee, and successful completion.	Provides clarity for employee on required documentation for proof of payment, including official documents provided by the educational institution.	Ensures that employees understand which documents will be considered as proof of payment for reimbursement requests.
III.Table.Supervisor.2	Add language for supervisor to certify that employee has completed at least one hundred eighty (180) days of continuing employment in a full or part-time position.	Aligns policy with practice and certification form.	Requires that supervisor certify length of employment of requesting employee before approving reimbursement.
III.Table.Accounting.1	Add “according to IRS guidelines” to statement regarding issuing payment.	Aligns with statement on IRS guidelines included in section II.C.1.	Reinforces that education reimbursement payments will be processed in accordance with IRS guidelines.

GA.8037: Leave of Absence: This policy outlines the general rules and restrictions applicable to a Leave of Absence (LOA).

Policy Section	Proposed Change	Rationale	Impact
II.E.11	Update to reflect new glossary term, PTO Exhaustion, to define	Provides clarity on term used multiple times in	Provides clarity for term used in multiple policies.

	what constitutes exhausting all PTO accruals.	policy without repeating the definition throughout.	
II.E.16	Minor text edits to clarify information of reproductive loss and align policy with language edits in Employee Handbook.	Provides clarity and consistency.	Provides clarity for staff who experience a reproductive loss event.
III.B	Remove language regarding electing not to use PTO (added to new section below), and update to reflect new glossary term, PTO Exhaustion.	Provides clarity and conciseness. Allows for better consistency in implementing the policy.	Provides clarity and consistency in other policies.
III.C	Add section specific to the use of PTO on leaves, including when it must be used, timing, increments, and coordination with disability benefits.	Sets clear expectations for employees. Allows for better consistency in implementing the policy.	Promotes clear understanding for employees on the use of PTO in relation to leave of absence.
III.D	Add language regarding Flex Holiday hours for those on LOA (on December 31) to be added upon return to active status, or not added if the employee separates employment without returning to active status from their LOA.	For consistency with CalOptima Health Policy GA.8056: Paid Holidays.	Provides consistency with other policies and clarity for employees.
III.E	Move Benefit Income from “not eligible” list to “may be eligible” list of Supplemental Compensation during LOA.	Aligns with practice.	Provides clarity on practice.
III.J.	Section rewritten to (i) encompass Status of Employee Benefits during PDL, FMLA, CFRA, Military Service or Workers’ Compensation LOA, including when an employee is eligible for employer contributions; (ii) outline when the employee is responsible for both employee and employer premium payments for coverage under COBRA; (iii) specify consequences of failure to pay premiums when the employee is responsible for both employee and employer portions; and (iv) reinstatement of benefits after return to work from a LOA.	Sets clear expectations for employees and allows for better consistency in implementing the policy.	Provides clarity and consistency.

X	Add Glossary Term: PTO Exhaustion.	Provides clarity and reduces duplicative text within body of policy.	Provides clarity and consistency with other policies.
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GA.8038: Personal Leave of Absence: This policy outlines CalOptima Health’s Leave of Absence (LOA) guidelines for Personal Leave.

Policy Section	Proposed Change	Rationale	Impact
II.B	Add: “A Personal LOA granted as a disability accommodation is not subject to the ninety (90) day limit.”	Clarifies exception to 90-day limit on Personal LOA to comply with disability accommodation requirements.	Ensures compliance with disability accommodation requirements.
II.D.1	Add California Fair Employment and Housing Act (FEHA) and reference to new CalOptima Health Policy GA.8063: Disability Accommodation.	Provides clarity and aligns with the CalOptima Health Policy GA.8063.	Provides clarity and alignment with other policies.
II.D.3 and II.D.3.a	Add language regarding specifics of use of PTO on Personal LOA, coordination of PTO with Disability Benefits, and clarify that the use of PTO does not adjust the start date of Personal LOA.	Provides clarity on how PTO must be applied and impact of PTO use when on Personal LOA. Allows for better consistency in implementing the policy.	Provides clarity for applying PTO on Personal LOA.
II.D.8 and II.D.8.a	Add additional language of “reaches PTO Exhaustion, or has elected not to utilize accrued PTO while receiving disability benefits” to clarify when CalOptima Health would cease paying for group health insurance premiums. Also, add language regarding benefit coverage when an employee returns to work and then subsequently resumes a Personal LOA.	Provides clarity for employees on what to expect in terms of benefit coverage and premium payments during Personal LOA. Allows for better consistency in implementing the policy.	Sets clear expectations on status of employee benefits while on leave.
II.D.9	Add language clarifying eligibility for Flex Holiday	Provides clarity for employees on what to	Provides clarity on Flex holiday

	hours for employees on Personal LOA on December 31 upon return to active status and ineligibility for those who separate employment without returning to active status.	expect if they are on an approved Personal LOA on December 31. Aligns with CalOptima Health Policy GA.8056.	in relation to leaves.
II.D.10	Add language regarding supplemental compensation eligibility when on a Personal LOA, add Benefit Income as an eligible supplemental compensation, and define “Continuous LOA.”	Aligns with language in CalOptima Health Policy GA.8037: Leave of Absence.	Provides clarity and consistency with other policies.
X	Add Glossary Term: PTO Exhaustion.	Provides clarity and reduces duplicative text within body of policy.	Provides clarity and consistency with other policies.

GA.8044: Telework Program: This policy describes guidelines for a flexible work arrangement that: (1) permits eligible employees to perform their work from Remote Work Locations unless business needs require otherwise; (2) supports recruitment and retention of skilled employees; and (3) promotes a culture of managing by results.

Policy Section	Proposed Change	Rationale	Impact
II.B	Minor text edits in reference to the eligibility list (of job classifications that have been evaluated and identified as eligible for Telework).	To provides clarity within the policy.	Provides clarity.
II.C.	Add that an “An employee working in a telework-eligible job classification may request full or partial telework” contingent on management approval based on a review of business needs.	Strengthens language around management’s ability to evaluate eligibility to meet business and performance needs.	Ensures employees understand that telework is ultimately up to management discretion.
II.E.	Remove section limiting Full Telework up to 50% of budgeted FTE headcount.	Enhances recruitment and retention efforts by removing limit of full telework assignments authorized; better aligns CalOptima Health telework policy with similar agencies who do	Supports CalOptima Health recruitment and retention efforts and aligns the agency with similar agencies.

		not place limits on full telework assignments.	Places focus for eligibility on appropriateness of telework for position and department.
II.E.	Add language regarding out-of-state telework: “Effective May 2024, new out of state Telework assignments will not be authorized. Employees with prior authorization for out of state Telework may continue to work from their approved remote location at the discretion of the CEO.”	Reiterates CalOptima Health’s commitment to hiring from local talent; puts into policy a practice previously incorporated into guidelines. Reduces confusion and provides clear guidance for future out-of-state requests.	Provides clarity and consistency regarding requests for out-of-state telework.

GA.8051: Hiring of Relatives: This policy outlines CalOptima Health’s guidelines for hiring relatives.

Policy Section	Proposed Change	Rationale	Impact
II.A	Replace list of protected characteristics with reference to list in CalOptima Health Policy GA.8025: Equal Employment Opportunity.	Reduces redundancy and aligns to the primary policy for this list. Has potential to reduce future edits as this list changes over time.	Limits future policy changes as updates occur to the list of protected characteristics as described in policy GA.8025.
III.A	Remove or replace language regarding supervisory role: <ul style="list-style-type: none">• Removed: “suspend”.• Replaced: “discharge” with “terminate”; “discipline” with corrective action”; and “responsibility to direct them” with “has responsibility to direct their work.”	Aligns with language used in other CalOptima Health HR policies.	Provides clarity and consistency with other policies.
III.B	Add language regarding applicant/employee disclosing if a position would have them assigned to report to a relative or non-relative of the same residence.	Provides clarity for employee/applicant on their responsibility to promptly disclose this information.	Provides clarity.
III.C	Reduce the amount of time employees have to make a decision	Thirty business days is excessive (6 weeks and	Reduces risk of adverse impact.

	from 30 to 10 business days when (1) a relationship is established after the employees' start employment with CalOptima Health, (2) a determination has been made that the potential for adverse impact does exist, and (3) CalOptima Health has provided the employees with an opportunity to decide which employee shall be reassigned, transferred, or terminated from employment.	reducing the time to resolve the conflict also reduces the potential for adverse impact.	
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GA.8056: Paid Holidays: This policy establishes the paid holiday schedule for CalOptima Health employees.

Policy Section	Proposed Change	Rationale	Impact
II.B – II.B.1	Add holiday pay eligibility requirements regarding working or being paid for scheduled workdays before and after a paid holiday, holidays in relation to LOA entitlements.	To document in the policy practices that are already in place, but originally included in the Employee Handbook. These practices have been removed from the prior Employee Handbook. The handbook is not intended to include all policy detail, but rather to summarize key points.	Provides clarity and documentation of practice.
III.C.	Add language about holiday pay for regular part-time employees.	Provides clarification on the calculation of holiday pay for regular part-time employees.	Provides clarity for holiday pay for regular part-time employees.

Fiscal Impact

The recommended action is operational in nature and has no additional fiscal impact beyond what was incorporated in the CalOptima Health Fiscal Year 2024-25 Operating Budget.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

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Attachments

1. Adopt Resolution No. 24-0905-01 Approving and Adopting Updated CalOptima Health Human Resources Policies
2. GA.8018: Paid Time Off (PTO)
3. GA.8019: Promotions and Transfers
4. GA.8022: Performance and Behavior Standards
5. GA.8025: Equal Employment Opportunity
6. GA.8027: Harassment, Discrimination, and Retaliation Prevention, and Attachment A
7. GA.8036: Education Reimbursement
8. GA.8037: Leave of Absence
9. GA.8038: Personal Leave of Absence
10. GA.8044: Telework Program
11. GA.8051: Hiring of Relatives
12. GA.8056: Paid Holidays

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

RESOLUTION NO. 24-0905-01

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

APPROVE UPDATED CALOPTIMA HEALTH POLICIES

WHEREAS, Section 13.1 of the CalOptima Health Bylaws provides that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices, and policies for, inter alia, hiring employees, and managing personnel;

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

WHEREAS, staff has revised certain policies and now presents those revised policies to the Board of Directors for approval.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board of Directors hereby approves and adopts the following updated CalOptima Health policies:

- GA.8018: Paid Time Off (PTO);
- GA.8019: Promotions and Transfers;
- GA.8022: Performance and Behavior Standards;
- GA.8025: Equal Employment Opportunity;
- GA.8027: Harassment, Discrimination, and Retaliation Prevention, and Attachment A
- GA.8036: Education Reimbursement;
- GA.8037: Leave of Absence;
- GA.8038: Personal Leave of Absence;
- GA.8044: Telework Program;
- GA.8051: Hiring of Relatives; and
- GA.8056: Paid Holidays.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima Health this 5th day of September 2024.

RESOLUTION NO. 24-0905-01

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AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Isabel Becerra, Chair, CalOptima Health Board of Directors

Attest:

/s/ _____

Sharon Dwiers, Clerk of the Board



Policy: GA.8018
Title: **Paid Time Off (PTO)**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 10/27/2011

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy provides managers and supervisors with appropriate guidelines to administer CalOptima Health's Paid Time Off (PTO) benefit.

II. POLICY

- A. CalOptima Health provides PTO, a work-life balance benefit, to all eligible employees to enable them to take time off from work for activities such as rest, recreation, recovery from injury and illness or other personal activities. -CalOptima Health believes this time is valuable for employees in order to enhance productivity and make the work experience more personally satisfying. CalOptima Health provides employees with additional hours of PTO as months of service are accumulated.
- B. Full-Time, Part-Time, and Limited Term Employees who are regularly scheduled to work more than twenty (20) hours per week are eligible to accrue PTO. An eligible employee may use accrued PTO hours to take time off from work for any reason. - CalOptima Health encourages employees to maintain work-life balance by utilizing PTO benefits for rest and recreation throughout the year. Employees who satisfy eligibility requirements set out in CalOptima Health's respective policies and applicable federal and state laws may be granted other types of leaves of absence. -Unless otherwise prohibited by law, such leaves may require employees to use accrued PTO before transitioning to unpaid leave.
- C. California Healthy Workplaces, Healthy Families Act of 2014 ("Paid Sick Leave"), requires CalOptima Health to provide ~~paid sick leave~~Paid Sick Leave to eligible employees. CalOptima Health already provides employees who are eligible to accrue PTO, as specified in Section III.B. above, a sufficient amount of PTO that can be used for sick leave that satisfies the accrual, carryover, and use requirements under the Paid Sick Leave law. For all other employees who are not eligible to accrue PTO as specified in Section II.B. above, such as As-Needed Employees, who work thirty (30) or more days within one (1) year from the start of their date of employment, the following provisions shall apply:
1. For eligible employees, CalOptima Health shall provide the full amount of forty (40) hours, or five (5) days, whichever is greater, of ~~paid sick leave~~Paid Sick Leave at the commencement of employment and then at the beginning of each calendar year thereafter. As such, the employee

will not accrue any additional ~~paid sick leave~~Paid Sick Leave and will not carry over any unused sick leave hours to the following year.

2. Upon satisfying a ninety (90) day employment period, employees may use accrued sick leave for preventative care or diagnosis, and care or treatment of an existing health condition of the employee or the employee's family member. ~~The Paid Sick Leave law defines a "family member" as a Child, Parent, Spouse, Registered Domestic Partner, grandparent, grandchild, sibling or Designated Person. Employees are limited to one Designated Person per twelve (12) month period and shall identify the Designated Person at the time~~ ~~paid sick leave~~Paid Sick Leave is requested. Eligible employees may also use accrued ~~paid sick leave~~Paid Sick Leave for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking.
3. Paid sick leave will not be treated the same as PTO. Upon termination, resignation, retirement, or other separation from employment, CalOptima Health will not pay out employees for unused ~~paid sick leave~~Paid Sick Leave time accrued under the Paid Sick Leave law. ~~In addition, accrued~~ ~~paid sick leave~~Paid Sick Leave time ~~hours is~~are not eligible for cash out. If an employee separates and is then rehired by CalOptima Health within one (1) year from the date of separation, the previously accrued and unused ~~paid sick leave~~Paid Sick Leave time ~~hours (or equivalent PTO if rehired as a regular employee)~~ will be reinstated. ~~An employee rehired within one (1) year from the date of separation may not be subject to the Paid Sick Leave law's ninety (90)-day waiting period, if such condition was previously satisfied, and may use their~~ ~~paid sick leave~~Paid Sick Leave time ~~hours~~ immediately upon rehire, if eligible.

D. **PTO Accrual:** An eligible employee begins accruing PTO on their hire date, based on hours paid each pay period (excluding overtime for Non-Exempt Employees), and months of Continuous Service in accordance with the accrual schedule provided below, with the following exceptions:

1. If an employee is rehired by CalOptima Health within ninety (90) calendar days from the date of separation, the employee's PTO accrual rate will include prior months of Continuous Service. ~~For those employees who are rehired beyond ninety (90) calendar days after separation, the Chief Executive Officer will have the discretion to approve deviations of up to a maximum of eighty (80) accrued hours per year from the date of rehire.~~
2. On rare occasions and on a case-by-case basis, the Chief Executive Officer may approve deviations of up to a maximum of one hundred twenty (120) hours accrued per year from the accrual schedule below.
3. The CEO may authorize one-time PTO of up to a maximum of eight (8) hours per employee per incident, in cases of local emergencies or unforeseen circumstances necessitating time off for the immediate protection, welfare and safety of the employee or CalOptima Health property.

Annual Paid Time Off Benefits Accrual Schedule (Effective the Pay Period that Includes January 2, 2024)

In the accrual table below, the total hours accrued is based on the number of hours paid, prorated for employees who work less than a full-time schedule, and calculated up to a maximum of eighty (80) hours for the biweekly pay period. The increase in PTO accrual will take effect at the end of the pay period following completion of thirty-six (36) months or one hundred twenty (120) months of service as required in the table below.

Months of Continuous Service	Hours of PTO Accrued (Biweekly pay period)	Annual Hourly Accrual
Up to 36 Months	7.0769	184
36+ Months to 120 Months	8.6154	224
120+ Months	10.1538	264

Note: 36 Months = 3 years; 120 months = 10 years

- E. **Maximum Accrual:** -Limits are imposed on the amount of PTO that can be maintained in an employee's PTO account.- If available, PTO is not used by the end of the benefit year [benefit year is the twelve (12) month period from hire date], employees may carry unused time off into subsequent years, up to the maximum accrual amount specified herein. -The maximum amount permitted in an employee's PTO account is equal to two (2) times the employee's Annual Accrual (see chart above). -If an employee reaches their maximum PTO accrual amount, the employee will stop accruing PTO.
- F. **PTO Accrual during Leaves of Absence:** - PTO does not accrue when absent from work in connection with an approved or unapproved unpaid Leave of Absence, including, but not limited to, workers' compensation leave, or short/long term disability. -PTO accruals recommence when the employee returns to work from an unpaid Leave of Absence.
- G. **PTO Scheduling:** -Scheduling of PTO is to be done in a manner compatible with CalOptima Health's operational requirements. -In order to minimize the impact of an employee's absence, planned time off should be submitted by an employee to their immediate supervisor for approval at least two (2) weeks before the requested time off. -Advance approval by the supervisor is subject to the condition that the employee has sufficient time available in the employee's PTO account at the time the employee uses the PTO. -Supervisors have authority to approve or deny PTO requests based on business needs, and CalOptima Health will not be responsible for any expenses incurred by an employee if the request for PTO is not approved. Each department may have special scheduling requirements and procedures for requesting PTO; therefore, employees should check with their immediate supervisor in advance, except for purposes of sick leave. In rare cases, an Executive may authorize the rescission of approved PTO to address urgent, emergent, or emergency situations. Notification to the employee will be made as soon as the need is known.
- H. **PTO for Leaves of Absence Pursuant to Family and Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnancy Disability Leave (PDL), Paid Sick Leave, and Other Leaves:** CalOptima Health is required to provide time off to eligible employees in accordance with applicable laws. Accrued PTO will automatically be used to pay employees for any period of time taken off under the FMLA, and/or the CFRA in accordance with CalOptima Health Policy GA.8040: Family Medical and Care Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence. -Use of PTO for any period of time taken off under PDL is at the discretion of the employee. -Accrued PTO will be automatically used towards ~~paid sick leave~~ Paid Sick Leave for preventative care, or care of an existing health condition for the employee, or a family member as described in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking. ~~In addition, employees may use half of their annual accrued PTO for preventive care, or care of an existing health condition for the employee, or a family member as permitted under Labor Code, Section 233.~~ -Accrued PTO shall also be automatically used for time-off for Child-Related Activities, subject to the limitations under Labor Code, Section 230.8. -At the employee's discretion, PTO may also be used to supplement an

employee's income, up to one hundred percent (100%) if an employee is receiving ~~short/long term disability benefits during an approved unpaid Leave of Absence. Leave rights discussed herein may overlap and shall not create greater rights than permitted under applicable laws. For example, the right of an employee on a Leave of Absence for their own serious health condition, or the serious health condition of their eligible family member, under FMLA and CFRA may coincide with their rights under the Paid Sick Leave law, such that they shall only be entitled to the maximum amount of time off permitted under FMLA/CFRA or the Paid Sick Leave law, whichever is greater. As another example, an employee who has exhausted all of their accrued PTO shall not be entitled to additional paid leave under either Acts or under the Paid Sick Leave law.~~ disability benefits during an approved Leave of Absence. Leave rights discussed herein may overlap.

- I. **Unscheduled PTO:-** Regardless of the reason for an unscheduled absence, an employee shall notify their immediate supervisor in accordance with CalOptima Health Policy GA.8059: Attendance and Timekeeping. -Notification of an unscheduled absence does not make the absence authorized.- An employee shall enter the PTO request into the timekeeping system as soon as reasonably possible, and the employee's PTO account will be deducted accordingly. ~~Excessive use of unscheduled PTO above and beyond what is allowed under the Paid Sick Leave law may result in discipline, up to and including termination.~~ -If an employee is absent for six (6) consecutive days or more on personal and unprotected sick time, a doctor's note is required on the first day back. Excessive use of unscheduled PTO may result in discipline, up to and including termination.
- J. **Holidays Occurring During PTO:-** If an observed CalOptima Health holiday occurs during an employee's scheduled PTO, the employee's PTO account will not be deducted for that holiday day, unless the full-time Non-Exempt Employee is on a 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule. In this case, the employee has the option of using one (1) hour of accrued PTO or making up the time if approved by their supervisor.
- K. **Maximum Annual Cash Out:-** An election period will be held each year at about the same time as CalOptima Health's annual open enrollment period. During this time, each employee may elect, for the following year, to convert to cash PTO hours up to the full amount that the employee will be eligible to accrue at the time of cash out in the next calendar year. Once the election period closes, but in no event after December 31 of the year prior to payment of the cash out, the request for PTO cash out cannot be revoked. Requests for cash out will be paid out once per calendar year as determined by the Human Resources Department, provided that all of the following criteria are met: (1) the employee made the election during the applicable open enrollment period, (2) ~~the employee has actually accrued the requested amount of hours in the same year and by the time the cash out is made, and (3) a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out.~~ -If the employee's election to cash out is for more hours than are eligible, the cash out will be limited to the number of eligible PTO hours at the time the cash out is made. Cashed out PTO will be paid at the employee's current hourly rate at the time the PTO cash out is scheduled to be paid, subject to all applicable taxes and deductions.
- L. **Cash Out for Financial Hardship:-** If during the year an employee experiences a personal financial hardship, the employee can cash out their accrued PTO hours. Cash out for financial hardships are limited to one per calendar year. Documentation verifying the financial hardship must be provided to the Human Resources Department. -The number of hours an employee can request for a financial hardship is subject to the requirement that a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. -Financial hardships must represent an immediate and heavy financial need and there must be no other resources readily available to handle that financial need. -Financial hardships shall be limited to the following reasons:

1. Expenses for, or necessary, to obtain non-reimbursed medical care for employee or immediate family members;
2. Payment for the purchase of a primary residence;
3. Payment of tuition, related education fees, and room and board expenses for postsecondary education for the employee, or the employee's spouse (or ~~registered domestic partner~~, ~~children~~ Registered Domestic Partner), a Child, or dependents;
4. Payments necessary to prevent the employee from eviction or foreclosure;
5. Expenses for the repair of damage to an employee's primary residence for damages from natural disasters; or
6. Expenses for the burial, funeral, or memorial for an employee's deceased Parent, spouse (or Registered Domestic Partner), Child, or dependents.

M. **PTO Pay/Flex Pay on Termination:** -Employees are expected to give at least two (2) weeks' written notice prior to resigning from their employment. -Notice of resignation is expected to be a "working" notice to allow an opportunity for productive work time to complete projects, or train whoever will be assuming the employee's responsibilities. -For that reason, employees should avoid using accrued PTO during the two (2) week period preceding their last scheduled day of work and/or coordinate the use of PTO ~~time~~hours to provide at least two (2) "working" weeks.- In no event shall CalOptima Health permit an employee to use their accrued PTO beyond the last day worked by an employee, unless the employee was on an approved Leave of Absence, or unless otherwise required by law. -Upon termination of employment, the employee is paid all accrued unused PTO and Flex Holiday time at the employee's base rate of pay, subject to all applicable taxes, at the time of the termination. According to California Labor Code, Section 220(b), as a public agency, CalOptima Health is not required to pay wages immediately upon termination. CalOptima Health will pay the employee on the next regularly scheduled pay day.

N. **PTO Donation Program:** -At the discretion of the Human Resources Department, a PTO Donation Program may be implemented.- Employees may donate accrued PTO hours to assist another CalOptima Health employee ("recipient employee") when a recipient employee, or their family member, qualifies as having a Catastrophic Illness or Injury. -Donations are completely voluntary, and donors will remain anonymous to the recipient employee.

1. To be eligible to receive PTO donations, a recipient employee must meet all the following criteria:
 - a. Have a Catastrophic Illness or Injury, which shall mean a medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature or have a family member with such illness, injury or condition, which requires the employee take a Prolonged Absence which will result in a substantial loss of income to the employee because the employee will have ~~exhausted~~ ~~all~~reached PTO ~~available~~-Exhaustion apart from the PTO Donation Program.- Family members referenced above shall include an employee's spouse or Registered Domestic Partner, Child, or Parent;
 - b. Have worked for CalOptima Health for at least ninety (90) days and be eligible to accrue PTO hours under this Policy;

- 1 c. Be in Good Standing (no written warnings or corrective action plans within the last six (6)
2 months, and the most recent performance evaluation shows the employee is meeting the
3 performance standards);
- 4 ~~Exhausted all of their own~~
5 d. ~~Reached~~ PTO ~~time~~Exhaustion;
- 6
7 e. Completed a written request and authorization form including medical documentation to be
8 approved by the Human Resources Department;
- 9
10 f. Have the scheduled time off or Leave of Absence (LOA) approved by CalOptima Health in
11 accordance with CalOptima Health's ~~Leave of Absence~~LOA and Personal ~~Leave of~~
12 ~~Absence~~LOA Policies; and
- 13
14 g. Have not resigned or been terminated from employment prior to or during the employee's
15 time off or Leave of Absence.
- 16
17 2. To donate, a donor Employee must meet all the following criteria:
- 18
19 a. Donate and surrender a minimum of one (1) hour, in increments of one (1) hour.
- 20
21 b. Maintain a minimum balance of one hundred (100) accrued PTO hours in the donor
22 employee's PTO account after donation.
- 23
24 c. Submit a form authorizing the donation and acknowledging that the donated PTO ~~time~~
25 ~~has~~hours have been surrendered to CalOptima Health for the benefit of another employee
26 and is no longer a benefit to the donor employee.
- 27
28 3. PTO donation pay rate. PTO hours donated shall be converted to dollars at the hourly rate of
29 the donor. The dollars shall then be converted to PTO at the hourly rate of the recipient of the
30 donation. For example, if a donor employee is regularly paid \$25.00 per hour and donates eight
31 (8) hours of PTO to a recipient employee who is regularly paid \$20.00 per hour, the recipient
32 employee will receive ten (10) hours of paid leave, paid at \$20.00 per hour (8 hours x \$25.00 =
33 \$200 value, and \$200 value/\$20.00 per hour = 10 hours). The appropriate hours of PTO will
34 then be added to the recipient's PTO account for use during the payroll period(s) in with the
35 employee is in need of catastrophic leave. The recipient employee is responsible for the tax
36 burden of the donation.
- 37
38 4. PTO donation processing. Each donation will be processed in the order received, in which case
39 the first donor employee's PTO would be converted and applied to the recipient employee's
40 PTO bank for the first payroll period in which the donations are being utilized. The second
41 donor employee's PTO may then be used and applied to the recipient employee's PTO bank for
42 the same or next payroll period. Subsequent donations will be similarly processed. If any forms
43 authorizing the donation of hours remain at the end of the recipient employee's catastrophic
44 leave, the unprocessed forms shall be returned to the donor.
- 45
46 5. Disability or workers' compensation. -If a recipient employee is receiving short term or long
47 term disability or workers' compensation benefits, the recipient employee may coordinate the
48 donated PTO hours with these benefits to supplement the recipient employee's income ~~up~~ to
49 receive one hundred percent (100%) of the employee's salary. - For instance, if the recipient
50 employee is receiving sixty percent (60%) of their income from short term disability,
51 CalOptima Health will allow the recipient employee to use the donated PTO hours to

supplement ~~up to~~ the forty percent (40%) difference in compensation, bringing the recipient employee's total monthly income to one hundred percent (100%) of their earnings.

6. The recipient employee must submit an application and all necessary documentation to the Human Resources Department to be a recipient of the donated PTO and must give CalOptima Health permission to issue an all-staff email announcing the opportunity to donate PTO. -The email will identify the recipient employee and any other information expressly authorized by the recipient employee. From the date of sending the announcement, there will be a four (4) week period for donor employees to submit their donations.
7. In submitting an application, the recipient employee will be required to indemnify, defend, and hold CalOptima Health harmless from any claims, liability, or actions concerning the disclosure of health information authorized by the recipient employee.
8. This PTO Donation program is completely voluntary on the part of CalOptima Health and may be amended or terminated by the Human Resources Department at any time at its sole discretion.

III. PROCEDURE

A. PTO ~~or Paid Sick Leave Time~~ Request for Time Off:

Responsible Party	Action
Employee	<ul style="list-style-type: none">Request PTO or paid sick leave at least two (2) weeks in advance, where possible, using CalOptima Health's time-keeping system. If the need for time off is foreseeable, employee must provide reasonable advance notice. If not, the employee must provide notice as soon as practicable. (If using PTO or paid sick leave for illness or preventative treatment, enter time away from work request as PTO Sick).
Supervisor	<ul style="list-style-type: none">Review all requests and approve, or deny, the request.

B. PTO Request to Cash Out:

Responsible Party	Action
Employee	<ul style="list-style-type: none">Request PTO cash out for the following year during the designated election period
Payroll	<ul style="list-style-type: none">Review all requests and approve or deny the request.

C. PTO Request for Donations (Recipient Employee):

Responsible Party	Action
Recipient Employee	<ul style="list-style-type: none">Request a Leave of Absence.Complete a written request and authorization form including supporting medical documentation to be submitted to the Human Resources Department for approval, if eligible.
Human Resources Department	<ul style="list-style-type: none">Receive request and authorization form from recipient employee and review for completeness and eligibility.Within ten (10) days of receipt of all necessary material provide notice to recipient employee whether or not Human Resources approves or rejects the employee's request. Where approved, send out email request to all

Responsible Party	Action
	CalOptima Health employees consistent with permissible information provided by the recipient employee.

D. PTO Request to Donate (Donor Employee):

Responsible Party	Action
Donor Employee	<ul style="list-style-type: none"> Submit a form authorizing the donation and designating the number of hours surrendered to CalOptima Health for the benefit of a recipient employee. Sign an acknowledgement that the donated PTO time hours has been surrendered to CalOptima Health for the benefit of a recipient employee and is no longer a benefit to the donor employee.
Human Resources Department	<ul style="list-style-type: none"> Receive donation form from donor employee and review for completeness and eligibility. Within ten (10) days of receipt of all necessary material provide notice to donor employee whether or not Human Resources approves or rejects the employee's request. Where approved, transfer the convert PTO hour(s) donated PTO hours to <u>dollars at the base rate of pay of the recipient employee on an hour for donor, then convert dollars to PTO hour basis(s) at the recipient employee's recipient's base rate of pay.</u>

E. Reinstatement or Conversion of Paid Sick Leave upon Rehire

Responsible Party	Action
<u>Human Resources Department</u>	<ul style="list-style-type: none"> <u>Identify staff who are rehired within one (1) year from date of separation and previously met the eligibility criteria for Paid Sick Leave.</u> <ul style="list-style-type: none"> <u>If rehired as an employee who continues to meet Paid Sick Leave eligibility criteria, determine if employee has previously accrued and unused Paid Sick Leave time to be reinstated, and follow process for reinstatement.</u> <u>If rehired as a regular employee who is eligible to accrue PTO, determine if employee has previously accrued and unused Paid Sick Leave time to be converted to PTO, and follow process for conversion.</u>

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. California Labor Code, §§230.8, 233-234, and 245-249 *et seq.*
- B. CalOptima Health Employee Handbook
- C. CalOptima Health Policy GA.8037: Leave of Absence
- D. CalOptima Health Policy GA.8038: Personal Leave of Absence
- E. CalOptima Health Policy GA.8040: FMLA and CFRA Leaves of Absence
- F. CalOptima Health Policy GA.8041: Workers' Compensation ~~Leave of Absence~~ Program
- G. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- H. Cash Out PTO for Financial Hardship Request Form
- I. Government Code § 12945.2 *et seq.* (CFRA)

- J. PTO Donation Program –Request and Authorization Form – Recipient Employee
- K. PTO Donation Program –Donation and Authorization Form – Donor Employee
- L. Title 2, California Code of Regulations § 11035 et. seq. (Pregnancy Regulations)
- M. Title 2, California Code of Regulations § 11087 et seq. (CFRA Regulations)
- N. Title 29, Code of Federal Regulations (C.F.R.) Part 825 et seq. (FMLA Regulations)
- O. Title 29, United States Code section 2601 et seq. (FMLA)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTIONS

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
<u>09/05/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	10/27/2011	GA.8018	Paid Time Off (PTO)	Administrative
Revised	03/26/2014	GA.8018	Paid Time Off (PTO)	Administrative
Revised	05/01/2014	GA.8018	Paid Time Off (PTO)	Administrative
Revised	08/07/2014	GA.8018	Paid Time Off (PTO)	Administrative
Revised	06/04/2015	GA.8018	Paid Time Off (PTO)	Administrative
Revised	12/03/2015	GA.8018	Paid Time Off (PTO)	Administrative
Revised	02/02/2017	GA.8018	Paid Time Off (PTO)	Administrative
Revised	12/03/2020	GA.8018	Paid Time Off (PTO)	Administrative
Revised	12/01/2022	GA.8018	Paid Time Off (PTO)	Administrative
Revised	01/01/2024	GA.8018	Paid Time Off (PTO)	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8018</u>	<u>Paid Time Off (PTO)</u>	<u>Administrative</u>

1 IX. GLOSSARY
2

Term	Definition
As-Needed	Employees called to work sporadically on an as-needed basis. These employees may not have regularly scheduled hours and do not earn any benefits. As-Needed employees are employed for an indefinite duration and must work less than one thousand (1,000) hours per fiscal year.
Catastrophic Illness or Injury	A medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature, and expected to preclude the employee from returning to work for an extended period of time. Typically, not covered: common and short-term illness such as colds, flu, allergies, and headaches, or work-related illness or injury covered by Workers' Compensation benefits.
Child	For the purposes of this policy, a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. The definition of child is applicable regardless of age or dependency status.
Child-Related Activities	Participation in activities at child's school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health.
Continuous Service	A period of employment with one (1) employer, which begins with the day on which the employee starts work and ends with the date of resignation or dismissal. All service, regardless of hours worked, counts toward calculating continuous service.
Designated Person	A term used to describe an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship.
Exempt Employee	Employees who are exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA) and state regulations governing wages and salaries. Exempt status is determined by the duties and responsibilities of the position and is defined by Human Resources for each position.
Full-Time Employee	An employee who works sixty (60) to eighty (80) hours per pay period.
Good Standing	The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.
Leave of Absence (LOA)	A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.
Limited Term Employee	Employees who are hired to work a full-time schedule on special-assignments that last a period of less than six (6) months. Limited Term employees do not become regular employees as a result of the passage of time.

Term	Definition
Non-Exempt Employee	Non-Exempt status applies to all employees who are not identified by Human Resources as exempt. -Non-Exempt employees are paid on an hourly basis and are eligible for overtime compensation.- Although an employee's classification may qualify for applicable federal exemptions from the FLSA exemption criteria, the position may nevertheless be designated as non-exempt.
Paid Sick Leave	Paid Sick Leave covers the provisions of the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code §245-249) and Kin Care (California Labor Code §233-234)
<u>Paid Time Off (PTO) Exhaustion</u>	<u>Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.</u>
Parent	For the purposes of this policy, the biological, adoptive, step or foster parent of an employee or the employee's spouse or registered domestic partner <u>Registered Domestic Partner</u> , or an individual who stands or stood in loco parentis to an employee when the employee was a child. California Healthy Workplaces, Healthy Families Act of 2014 also includes parents-in-law.
Part-Time Employees	Employees that regularly work less than thirty (30) hours per week.
Prolonged Absence	Under the PTO Donation Program, a prolonged absence is one that incapacitates the employee or their family member for at least twenty-one (21) consecutive calendar days. -May include intermittent absences that are related to the same illness, injury or condition.
Registered Domestic Partner	Registered domestic partners can be any couples, regardless of their sex. Only domestic partners who have registered with the State of California – or who formed a substantially equivalent legal union in another jurisdiction – qualify as Registered Domestic Partners.

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Policy: GA.8018
Title: **Paid Time Off (PTO)**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 10/27/2011
Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy provides managers and supervisors with appropriate guidelines to administer CalOptima Health's Paid Time Off (PTO) benefit.

II. POLICY

- A. CalOptima Health provides PTO, a work-life balance benefit, to all eligible employees to enable them to take time off from work for activities such as rest, recreation, recovery from injury and illness or other personal activities. CalOptima Health believes this time is valuable for employees in order to enhance productivity and make the work experience more personally satisfying. CalOptima Health provides employees with additional hours of PTO as months of service are accumulated.
- B. Full-Time, Part-Time, and Limited Term Employees who are regularly scheduled to work more than twenty (20) hours per week are eligible to accrue PTO. An eligible employee may use accrued PTO hours to take time off from work for any reason. CalOptima Health encourages employees to maintain work-life balance by utilizing PTO benefits for rest and recreation throughout the year. Employees who satisfy eligibility requirements set out in CalOptima Health's respective policies and applicable federal and state laws may be granted other types of leaves of absence. Unless otherwise prohibited by law, such leaves may require employees to use accrued PTO before transitioning to unpaid leave.
- C. California Healthy Workplaces, Healthy Families Act of 2014 ("Paid Sick Leave"), requires CalOptima Health to provide Paid Sick Leave to eligible employees. CalOptima Health already provides employees who are eligible to accrue PTO, as specified in Section III.B. above, a sufficient amount of PTO that can be used for sick leave that satisfies the accrual, carryover, and use requirements under the Paid Sick Leave law. For all other employees who are not eligible to accrue PTO as specified in Section II.B. above, such as As-Needed Employees, who work thirty (30) or more days within one (1) year from the start of their date of employment, the following provisions shall apply:
1. For eligible employees, CalOptima Health shall provide the full amount of forty (40) hours, or five (5) days, whichever is greater, of Paid Sick Leave at the commencement of employment and then at the beginning of each calendar year thereafter. As such, the employee will not accrue any additional Paid Sick Leave and will not carry over any unused sick leave hours to the following year.

2. Upon satisfying a ninety (90) day employment period, employees may use accrued sick leave for preventative care or diagnosis, and care or treatment of an existing health condition of the employee or the employee's family member. The Paid Sick Leave law defines a "family member" as a Child, Parent, Spouse, Registered Domestic Partner, grandparent, grandchild, sibling or Designated Person. Employees are limited to one Designated Person per twelve (12) month period and shall identify the Designated Person at the time Paid Sick Leave is requested. Eligible employees may also use accrued Paid Sick Leave for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking.
3. Paid sick leave will not be treated the same as PTO. Upon termination, resignation, retirement, or other separation from employment, CalOptima Health will not pay out employees for unused Paid Sick Leave accrued under the Paid Sick Leave law. In addition, accrued Paid Sick Leave hours are not eligible for cash out. If an employee separates and is then rehired by CalOptima Health within one (1) year from the date of separation, the previously accrued and unused Paid Sick Leave hours (or equivalent PTO if rehired as a regular employee) will be reinstated. An employee rehired within one (1) year from the date of separation may not be subject to the Paid Sick Leave law's ninety (90)-day waiting period, if such condition was previously satisfied, and may use their Paid Sick Leave hours immediately upon rehire, if eligible.

D. PTO Accrual: An eligible employee begins accruing PTO on their hire date, based on hours paid each pay period (excluding overtime for Non-Exempt Employees), and months of Continuous Service in accordance with the accrual schedule provided below, with the following exceptions:

1. If an employee is rehired by CalOptima Health within ninety (90) calendar days from the date of separation, the employee's PTO accrual rate will include prior months of Continuous Service. For those employees who are rehired beyond ninety (90) calendar days after separation, the Chief Executive Officer will have the discretion to approve deviations of up to a maximum of eighty (80) accrued hours per year from the date of rehire.
2. On rare occasions and on a case-by-case basis, the Chief Executive Officer may approve deviations of up to a maximum of one hundred twenty (120) hours accrued per year from the accrual schedule below.
3. The CEO may authorize one-time PTO of up to a maximum of eight (8) hours per employee per incident, in cases of local emergencies or unforeseen circumstances necessitating time off for the immediate protection, welfare and safety of the employee or CalOptima Health property.

**Annual Paid Time Off Benefits Accrual Schedule
(Effective the Pay Period that Includes January 2, 2024)**

In the accrual table below, the total hours accrued is based on the number of hours paid, prorated for employees who work less than a full-time schedule, and calculated up to a maximum of eighty (80) hours for the biweekly pay period. The increase in PTO accrual will take effect at the end of the pay period following completion of thirty-six (36) months or one hundred twenty (120) months of service as required in the table below.

Months of Continuous Service	Hours of PTO Accrued (Biweekly pay period)	Annual Hourly Accrual
Up to 36 Months	7.0769	184
36+ Months to 120 Months	8.6154	224

Months of Continuous Service	Hours of PTO Accrued (Biweekly pay period)	Annual Hourly Accrual
120+ Months	10.1538	264

Note: 36 Months = 3 years; 120 months = 10 years

- E. **Maximum Accrual:** Limits are imposed on the amount of PTO that can be maintained in an employee's PTO account. If available, PTO is not used by the end of the benefit year [benefit year is the twelve (12) month period from hire date], employees may carry unused time off into subsequent years, up to the maximum accrual amount specified herein. The maximum amount permitted in an employee's PTO account is equal to two (2) times the employee's Annual Accrual (see chart above). If an employee reaches their maximum PTO accrual amount, the employee will stop accruing PTO.
- F. **PTO Accrual during Leaves of Absence:** PTO does not accrue when absent from work in connection with an approved or unapproved unpaid Leave of Absence, including, but not limited to, workers' compensation leave, or short/long term disability. PTO accruals recommence when the employee returns to work from an unpaid Leave of Absence.
- G. **PTO Scheduling:** Scheduling of PTO is to be done in a manner compatible with CalOptima Health's operational requirements. In order to minimize the impact of an employee's absence, planned time off should be submitted by an employee to their immediate supervisor for approval at least two (2) weeks before the requested time off. Advance approval by the supervisor is subject to the condition that the employee has sufficient time available in the employee's PTO account at the time the employee uses the PTO. Supervisors have authority to approve or deny PTO requests based on business needs, and CalOptima Health will not be responsible for any expenses incurred by an employee if the request for PTO is not approved. Each department may have special scheduling requirements and procedures for requesting PTO; therefore, employees should check with their immediate supervisor in advance, except for purposes of sick leave. In rare cases, an Executive may authorize the rescission of approved PTO to address urgent, emergent, or emergency situations. Notification to the employee will be made as soon as the need is known.
- H. **PTO for Leaves of Absence Pursuant to Family and Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnancy Disability Leave (PDL), Paid Sick Leave, and Other Leaves:** CalOptima Health is required to provide time off to eligible employees in accordance with applicable laws. Accrued PTO will automatically be used to pay employees for any period of time taken off under the FMLA, and/or the CFRA in accordance with CalOptima Health Policy GA.8040: Family Medical and Care Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence. Use of PTO for any period of time taken off under PDL is at the discretion of the employee. Accrued PTO will be automatically used towards Paid Sick Leave for preventative care, or care of an existing health condition for the employee, or a family member as described in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking. Accrued PTO shall also be automatically used for time-off for Child-Related Activities, subject to the limitations under Labor Code, Section 230.8. At the employee's discretion, PTO may also be used to supplement an employee's income, up to one hundred percent (100%) if an employee is receiving disability benefits during an approved Leave of Absence. Leave rights discussed herein may overlap.
- I. **Unscheduled PTO:** Regardless of the reason for an unscheduled absence, an employee shall notify their immediate supervisor in accordance with CalOptima Health Policy GA.8059: Attendance and

Timekeeping. Notification of an unscheduled absence does not make the absence authorized. An employee shall enter the PTO request into the timekeeping system as soon as reasonably possible, and the employee's PTO account will be deducted accordingly. If an employee is absent for six (6) consecutive days or more on personal and unprotected sick time, a doctor's note is required on the first day back. Excessive use of unscheduled PTO may result in discipline, up to and including termination.

- J. **Holidays Occurring During PTO:** If an observed CalOptima Health holiday occurs during an employee's scheduled PTO, the employee's PTO account will not be deducted for that holiday day, unless the full-time Non-Exempt Employee is on a 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule. In this case, the employee has the option of using one (1) hour of accrued PTO or making up the time if approved by their supervisor.
- K. **Maximum Annual Cash Out:** An election period will be held each year at about the same time as CalOptima Health's annual open enrollment period. During this time, each employee may elect, for the following year, to convert to cash PTO hours up to the full amount that the employee will be eligible to accrue at the time of cash out in the next calendar year. Once the election period closes, but in no event after December 31 of the year prior to payment of the cash out, the request for PTO cash out cannot be revoked. Requests for cash out will be paid out once per calendar year as determined by the Human Resources Department, provided that all of the following criteria are met: (1) the employee made the election during the applicable open enrollment period, (2) the employee has actually accrued the requested amount of hours in the same year and by the time the cash out is made, and (3) a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. If the employee's election to cash out is for more hours than are eligible, the cash out will be limited to the number of eligible PTO hours at the time the cash out is made. Cashed out PTO will be paid at the employee's current hourly rate at the time the PTO cash out is scheduled to be paid, subject to all applicable taxes and deductions.
- L. **Cash Out for Financial Hardship:** If during the year an employee experiences a personal financial hardship, the employee can cash out their accrued PTO hours. Cash out for financial hardships are limited to one per calendar year. Documentation verifying the financial hardship must be provided to the Human Resources Department. The number of hours an employee can request for a financial hardship is subject to the requirement that a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. Financial hardships must represent an immediate and heavy financial need and there must be no other resources readily available to handle that financial need. Financial hardships shall be limited to the following reasons:
1. Expenses for, or necessary, to obtain non-reimbursed medical care for employee or immediate family members;
 2. Payment for the purchase of a primary residence;
 3. Payment of tuition, related education fees, and room and board expenses for postsecondary education for the employee, or the employee's spouse (or Registered Domestic Partner), a Child, or dependents;
 4. Payments necessary to prevent the employee from eviction or foreclosure;
 5. Expenses for the repair of damage to an employee's primary residence for damages from natural disasters; or

6. Expenses for the burial, funeral, or memorial for an employee's deceased Parent, spouse (or Registered Domestic Partner), Child, or dependents.

M. PTO Pay/Flex Pay on Termination: Employees are expected to give at least two (2) weeks' written notice prior to resigning from their employment. Notice of resignation is expected to be a "working" notice to allow an opportunity for productive work time to complete projects, or train whoever will be assuming the employee's responsibilities. For that reason, employees should avoid using accrued PTO during the two (2) week period preceding their last scheduled day of work and/or coordinate the use of PTO hours to provide at least two (2) "working" weeks. In no event shall CalOptima Health permit an employee to use their accrued PTO beyond the last day worked by an employee, unless the employee was on an approved Leave of Absence, or unless otherwise required by law. Upon termination of employment, the employee is paid all accrued unused PTO and Flex Holiday time at the employee's base rate of pay, subject to all applicable taxes, at the time of the termination. According to California Labor Code, Section 220(b), as a public agency, CalOptima Health is not required to pay wages immediately upon termination. CalOptima Health will pay the employee on the next regularly scheduled pay day.

N. PTO Donation Program: At the discretion of the Human Resources Department, a PTO Donation Program may be implemented. Employees may donate accrued PTO hours to assist another CalOptima Health employee ("recipient employee") when a recipient employee, or their family member, qualifies as having a Catastrophic Illness or Injury. Donations are completely voluntary, and donors will remain anonymous to the recipient employee.

1. To be eligible to receive PTO donations, a recipient employee must meet all the following criteria:
 - a. Have a Catastrophic Illness or Injury, which shall mean a medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature or have a family member with such illness, injury or condition, which requires the employee take a Prolonged Absence which will result in a substantial loss of income to the employee because the employee will have reached PTO Exhaustion apart from the PTO Donation Program. Family members referenced above shall include an employee's spouse or Registered Domestic Partner, Child, or Parent;
 - b. Have worked for CalOptima Health for at least ninety (90) days and be eligible to accrue PTO hours under this Policy;
 - c. Be in Good Standing (no written warnings or corrective action plans within the last six (6) months, and the most recent performance evaluation shows the employee is meeting the performance standards);
 - d. Reached PTO Exhaustion;
 - e. Completed a written request and authorization form including medical documentation to be approved by the Human Resources Department;
 - f. Have the scheduled time off or Leave of Absence (LOA) approved by CalOptima Health in accordance with CalOptima Health's LOA and Personal LOA Policies; and
 - g. Have not resigned or been terminated from employment prior to or during the employee's time off or Leave of Absence.

2. To donate, a donor Employee must meet all the following criteria:
 - a. Donate and surrender a minimum of one (1) hour, in increments of one (1) hour.
 - b. Maintain a minimum balance of one hundred (100) accrued PTO hours in the donor employee's PTO account after donation.
 - c. Submit a form authorizing the donation and acknowledging that the donated PTO hours have been surrendered to CalOptima Health for the benefit of another employee and is no longer a benefit to the donor employee.
3. PTO donation pay rate. PTO hours donated shall be converted to dollars at the hourly rate of the donor. The dollars shall then be converted to PTO at the hourly rate of the recipient of the donation. For example, if a donor employee is regularly paid \$25.00 per hour and donates eight (8) hours of PTO to a recipient employee who is regularly paid \$20.00 per hour, the recipient employee will receive ten (10) hours of paid leave, paid at \$20.00 per hour (8 hours x \$25.00 = \$200 value, and \$200 value/\$20.00 per hour = 10 hours). The appropriate hours of PTO will then be added to the recipient's PTO account for use during the payroll period(s) in which the employee is in need of catastrophic leave. The recipient employee is responsible for the tax burden of the donation.
4. PTO donation processing. Each donation will be processed in the order received, in which case the first donor employee's PTO would be converted and applied to the recipient employee's PTO bank for the first payroll period in which the donations are being utilized. The second donor employee's PTO may then be used and applied to the recipient employee's PTO bank for the same or next payroll period. Subsequent donations will be similarly processed. If any forms authorizing the donation of hours remain at the end of the recipient employee's catastrophic leave, the unprocessed forms shall be returned to the donor.
5. Disability or workers' compensation. If a recipient employee is receiving short term or long term disability or workers' compensation benefits, the recipient employee may coordinate the donated PTO hours with these benefits to supplement the recipient employee's income to receive one hundred percent (100%) of the employee's salary. For instance, if the recipient employee is receiving sixty percent (60%) of their income from short term disability, CalOptima Health will allow the recipient employee to use the donated PTO hours to supplement the forty percent (40%) difference in compensation, bringing the recipient employee's total monthly income to one hundred percent (100%) of their earnings.
6. The recipient employee must submit an application and all necessary documentation to the Human Resources Department to be a recipient of the donated PTO and must give CalOptima Health permission to issue an all-staff email announcing the opportunity to donate PTO. The email will identify the recipient employee and any other information expressly authorized by the recipient employee. From the date of sending the announcement, there will be a four (4) week period for donor employees to submit their donations.
7. In submitting an application, the recipient employee will be required to indemnify, defend, and hold CalOptima Health harmless from any claims, liability, or actions concerning the disclosure of health information authorized by the recipient employee.
8. This PTO Donation program is completely voluntary on the part of CalOptima Health and may be amended or terminated by the Human Resources Department at any time at its sole discretion.

III. PROCEDURE

A. PTO Request for Time Off:

Responsible Party	Action
Employee	<ul style="list-style-type: none">Request PTO at least two (2) weeks in advance, where possible, using CalOptima Health's time-keeping system. If the need for time off is foreseeable, employee must provide reasonable advance notice. If not, the employee must provide notice as soon as practicable. (If using PTO for illness or preventative treatment, enter time away from work request as PTO Sick).
Supervisor	<ul style="list-style-type: none">Review all requests and approve, or deny, the request.

B. PTO Request to Cash Out:

Responsible Party	Action
Employee	<ul style="list-style-type: none">Request PTO cash out for the following year during the designated election period
Payroll	<ul style="list-style-type: none">Review all requests and approve or deny the request.

C. PTO Request for Donations (Recipient Employee):

Responsible Party	Action
Recipient Employee	<ul style="list-style-type: none">Request a Leave of Absence.Complete a written request and authorization form including supporting medical documentation to be submitted to the Human Resources Department for approval, if eligible.
Human Resources Department	<ul style="list-style-type: none">Receive request and authorization form from recipient employee and review for completeness and eligibility.Within ten (10) days of receipt of all necessary material provide notice to recipient employee whether or not Human Resources approves or rejects the employee's request. Where approved, send out email request to all CalOptima Health employees consistent with permissible information provided by the recipient employee.

D. PTO Request to Donate (Donor Employee):

Responsible Party	Action
Donor Employee	<ul style="list-style-type: none">Submit a form authorizing the donation and designating the number of hours surrendered to CalOptima Health for the benefit of a recipient employee.Sign an acknowledgement that the donated PTO hours has been surrendered to CalOptima Health for the benefit of a recipient employee and is no longer a benefit to the donor employee.

Responsible Party	Action
Human Resources Department	<ul style="list-style-type: none"> Receive donation form from donor employee and review for completeness and eligibility. Within ten (10) days of receipt of all necessary material provide notice to donor employee whether or not Human Resources approves or rejects the employee's request. Where approved, convert PTO hour(s) donated to dollars at the base rate of pay of the donor, then convert dollars to PTO hour(s) at the recipient's base rate of pay.

E. Reinstatement or Conversion of Paid Sick Leave upon Rehire

Responsible Party	Action
Human Resources Department	<ul style="list-style-type: none"> Identify staff who are rehired within one (1) year from date of separation and previously met the eligibility criteria for Paid Sick Leave. <ul style="list-style-type: none"> If rehired as an employee who continues to meet Paid Sick Leave eligibility criteria, determine if employee has previously accrued and unused Paid Sick Leave time to be reinstated, and follow process for reinstatement. If rehired as a regular employee who is eligible to accrue PTO, determine if employee has previously accrued and unused Paid Sick Leave time to be converted to PTO, and follow process for conversion.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. California Labor Code, §§230.8, 233-234, and 245-249 *et seq.*
- B. CalOptima Health Employee Handbook
- C. CalOptima Health Policy GA.8037: Leave of Absence
- D. CalOptima Health Policy GA.8038: Personal Leave of Absence
- E. CalOptima Health Policy GA.8040: FMLA and CFRA Leaves of Absence
- F. CalOptima Health Policy GA.8041: Workers' Compensation Program
- G. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- H. Cash Out PTO for Financial Hardship Request Form
- I. Government Code § 12945.2 *et seq.* (CFRA)
- J. PTO Donation Program –Request and Authorization Form – Recipient Employee
- K. PTO Donation Program –Donation and Authorization Form – Donor Employee
- L. Title 2, California Code of Regulations § 11035 *et. seq.* (Pregnancy Regulations)
- M. Title 2, California Code of Regulations § 11087 *et seq.* (CFRA Regulations)
- N. Title 29, Code of Federal Regulations (C.F.R.) Part 825 *et seq.* (FMLA Regulations)
- O. Title 29, United States Code section 2601 *et seq.* (FMLA)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTIONS

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	10/27/2011	GA.8018	Paid Time Off (PTO)	Administrative
Revised	03/26/2014	GA.8018	Paid Time Off (PTO)	Administrative
Revised	05/01/2014	GA.8018	Paid Time Off (PTO)	Administrative
Revised	08/07/2014	GA.8018	Paid Time Off (PTO)	Administrative
Revised	06/04/2015	GA.8018	Paid Time Off (PTO)	Administrative
Revised	12/03/2015	GA.8018	Paid Time Off (PTO)	Administrative
Revised	02/02/2017	GA.8018	Paid Time Off (PTO)	Administrative
Revised	12/03/2020	GA.8018	Paid Time Off (PTO)	Administrative
Revised	12/01/2022	GA.8018	Paid Time Off (PTO)	Administrative
Revised	01/01/2024	GA.8018	Paid Time Off (PTO)	Administrative
Revised	09/05/2024	GA.8018	Paid Time Off (PTO)	Administrative

1 IX. GLOSSARY
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Term	Definition
As-Needed	Employees called to work sporadically on an as-needed basis. These employees may not have regularly scheduled hours and do not earn any benefits. As-Needed employees are employed for an indefinite duration and must work less than one thousand (1,000) hours per fiscal year.
Catastrophic Illness or Injury	A medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature, and expected to preclude the employee from returning to work for an extended period of time. Typically, not covered: common and short-term illness such as colds, flu, allergies, and headaches, or work-related illness or injury covered by Workers' Compensation benefits.
Child	For the purposes of this policy, a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. The definition of child is applicable regardless of age or dependency status.
Child-Related Activities	Participation in activities at child's school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health.
Continuous Service	A period of employment with one (1) employer, which begins with the day on which the employee starts work and ends with the date of resignation or dismissal. All service, regardless of hours worked, counts toward calculating continuous service.
Designated Person	A term used to describe an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship.
Exempt Employee	Employees who are exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA) and state regulations governing wages and salaries. Exempt status is determined by the duties and responsibilities of the position and is defined by Human Resources for each position.
Full-Time Employee	An employee who works sixty (60) to eighty (80) hours per pay period.
Good Standing	The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.
Leave of Absence (LOA)	A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.
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Term	Definition
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Parent	For the purposes of this policy, the biological, adoptive, step or foster parent of an employee or the employee's spouse or Registered Domestic Partner, or an individual who stands or stood in loco parentis to an employee when the employee was a child. California Healthy Workplaces, Healthy Families Act of 2014 also includes parents-in-law.
Part-Time Employees	Employees that regularly work less than thirty (30) hours per week.
Prolonged Absence	Under the PTO Donation Program, a prolonged absence is one that incapacitates the employee or their family member for at least twenty-one (21) consecutive calendar days. May include intermittent absences that are related to the same illness, injury or condition.
Registered Domestic Partner	Registered domestic partners can be any couples, regardless of their sex. Only domestic partners who have registered with the State of California – or who formed a substantially equivalent legal union in another jurisdiction – qualify as Registered Domestic Partners.



Policy: GA.8019
Title: **Promotions and Transfers**
Department: CalOptima Health Administrative
Section: Human Resources

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ ~~OneCare Connect~~
☐ PACE
☒ Administrative

I. PURPOSE

This policy establishes a consistent method of considering current employees for internal Promotions and Transfers.

II. POLICY

- A. CalOptima Health supports the development and advancement of its employees from within the organization.
- B. CalOptima Health encourages employees to apply for Promotions or Transfers to open positions for which they meet the qualifications and minimum job requirements.
- C. CalOptima Health posts open positions for ~~five (5) business~~ fourteen (14) calendar days before ~~a job offer~~ the selection process can be made ~~begin~~.
- D. To express interest in an open position, current employees must submit a job application with an updated resume and any other supporting documents described in the job posting to CalOptima Health's Applicant Tracking System. An employee may also attach a cover letter.
- E. An employee may be considered for any position for which they apply only if the following conditions are met:
 1. The ~~employee's work~~ employee achieved an overall satisfactory or higher rating on their annual performance is in Good Standing with a minimum of "Fully Meets Expectations" review for the most ~~current~~ recent performance review period.
 2. The employee meets the qualifications and minimum requirements for the position to which the Transfer or Promotion is sought.
 3. The employee is not on a ~~formal~~ Performance Improvement Plan and/or has not received ~~a formal corrective action as described in CalOptima Health Policy GA.8022: Performance Improvement Plan or a written or final warning~~ and Behavior Standards within the last six (6) months.
 4. The employee has been employed in their current position for a minimum of three (3) months.

- F. Qualified internal applicants will be considered using the same selection process followed with external candidates, including, but not limited to, interview questions, bilingual screening, and/or other skills tests, as appropriate.
- G. On rare occasions, there may be situations where: (1) a position is not posted; or (2) a Transfer or Promotion is granted due to a sensitive business need, necessitated by other requirements, or implemented prior to the employee being in the position for three (3) months. Exceptions to the standard recruitment process may only be made if there is: (1) a substantiated and documented need to Transfer or Promote an employee; and (2) sufficient facts to establish that if CalOptima Health followed the standard procedure, it would result in a demonstrated impairment to the organization or a specific time sensitive project. Without such substantiated business need, the exception should not be made. The Chief Executive Officer (CEO) must approve the exception.
- H. If a job offer is extended and accepted by a current employee, the employee may be subject to a background check in accordance with CalOptima Health Policy GA.8030: Background Check and/or any other required medical examinations, prior to the effective date of the new position. The effective start date will be coordinated between Human Resources (HR), the new supervisor, and the current supervisor- which is typically the start of the pay period following two (2) weeks' notice of the pending action. The employee may need to be available to orient and participate in training a replacement following the promotion or transfer.

III. PROCEDURE

Responsible Party	Action
Employee	<ol style="list-style-type: none"> 1. Review the job description and/or job posting and ensure that they meet the qualifications and minimum requirements before submitting an application. 2. In order to express interest in an open position, employees must apply for the opening through CalOptima Health's Applicant Tracking System and attach an updated resume. As a courtesy, it is recommended that employees notify their managers upon applying. <u>If an interview is scheduled with the employee, the employee must notify their current manager at that time.</u> 3. Participate in the same process followed with external candidates, including an interview, bilingual screening, if applicable, and/or other skills tests applicable to the selection process. 4. Cooperate with any background check and/or any other required medical examinations.
Hiring Manager	<ol style="list-style-type: none"> 1. Review <u>all</u> job applications received from HR and notify HR of those candidates who best meet the qualifications to move them forward in the selection process, which may include, but is not limited to, interview questions, bilingual screening, and/or other skills tests. 2. Once a qualified internal applicant has been identified and the Hiring Manager is interested in selecting that applicant to fill an open position, coordinate with HR to complete the hiring process, including but not limited to, <u>reference check</u>, compensation review, offer letter creation, background check, educational verification, licensure verification, etc. <u>The Hiring Manager may not have any discussions with the direct</u>

Responsible Party	Action
	<p><u>supervisor outside of this process regarding the performance of the employee.</u></p> <p>3. Coordinate with HR and the current supervisor to agree upon a start date.</p> <p>4. Complete the new hire/internal transfer form for HR to initiate the internal transfer eTicket.</p>
HR	<p>1. Review applications and resumes for minimum and preferred qualifications.</p> <p>2. Determine Good Standing status of internal applicants.</p> <p>3. If the internal applicant meets the qualifications and minimum requirements, send the application and/or resume to the Hiring Manager. At the request of the Hiring Manager, move the internal candidate forward in the selection process. If the internal applicant is not selected, notify the internal applicant of the decision.</p> <p>4. If an internal applicant is selected to fill an open position, extend an offer, based on application of CalOptima Health's Compensation Program, Compensation Administration Guidelines, and Salary Schedule.</p> <p>5. Initiate the background check in accordance with CalOptima Health Policy GA.8030: Background Check. Coordinate the employee's start date with the current and new supervisors.</p> <p>6. Submit the internal transfer eTicket and process a Personnel Action Form to document the action taking place</p>

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. CalOptima Health Policy GA.8022: Performance and Behavior Standards

A. Personnel Action Form (Sample)

B. CalOptima Health Policy GA.8030: Background Check

C. CalOptima Health Policy GA.8060: Recruitment, Selection, and Hiring

D. Personnel Action Form (Sample)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
12/01/2016	Regular Meeting of the CalOptima Board of Directors
01/05/2012	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors

Date	Meeting
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
<u>09/05/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8019	Promotions and Transfers	Administrative
Revised	08/07/2014	GA.8019	Promotions and Transfers	Administrative
Revised	12/01/2016	GA.8019	Promotions and Transfers	Administrative
Revised	12/03/2020	GA.8019	Promotions and Transfers	Administrative
Revised	12/01/2022	GA.8019	Promotions and Transfers	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8019</u>	<u>Promotions and Transfers</u>	<u>Administrative</u>

For 20240905 BOD Review ONLY

IX. GLOSSARY

Term	Definition
Good Standing	The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.
Hiring Manager	The supervisor or manager responsible for making final hiring decision.
Performance Improvement Plan	A developmental coaching tool A formal action used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Promotion	Occurs when an employee is selected for a job with a higher pay grade.
Transfer	Occurs when an employee moves to a different job title having the same pay grade.



Policy: GA.8019
Title: **Promotions and Transfers**
Department: CalOptima Health Administrative
Section: Human Resources

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy establishes a consistent method of considering current employees for internal Promotions and Transfers.

II. POLICY

- A. CalOptima Health supports the development and advancement of its employees from within the organization.
- B. CalOptima Health encourages employees to apply for Promotions or Transfers to open positions for which they meet the qualifications and minimum job requirements.
- C. CalOptima Health posts open positions for fourteen (14) calendar days before the selection process can begin.
- D. To express interest in an open position, current employees must submit a job application with an updated resume and any other supporting documents described in the job posting to CalOptima Health's Applicant Tracking System. An employee may also attach a cover letter.
- E. An employee may be considered for any position for which they apply only if the following conditions are met:
 1. The employee achieved an overall satisfactory or higher rating on their annual performance review for the most recent performance review period.
 2. The employee meets the qualifications and minimum requirements for the position to which the Transfer or Promotion is sought.
 3. The employee is not on a Performance Improvement Plan and/or has not received formal corrective action as described in CalOptima Health Policy GA.8022: Performance and Behavior Standards within the last six (6) months.
 4. The employee has been employed in their current position for a minimum of three (3) months.

- F. Qualified internal applicants will be considered using the same selection process followed with external candidates, including, but not limited to, interview questions, bilingual screening, and/or other skills tests, as appropriate.
- G. On rare occasions, there may be situations where: (1) a position is not posted; or (2) a Transfer or Promotion is granted due to a sensitive business need, necessitated by other requirements, or implemented prior to the employee being in the position for three (3) months. Exceptions to the standard recruitment process may only be made if there is: (1) a substantiated and documented need to Transfer or Promote an employee; and (2) sufficient facts to establish that if CalOptima Health followed the standard procedure, it would result in a demonstrated impairment to the organization or a specific time sensitive project. Without such substantiated business need, the exception should not be made. The Chief Executive Officer (CEO) must approve the exception.
- H. If a job offer is extended and accepted by a current employee, the employee may be subject to a background check in accordance with CalOptima Health Policy GA.8030: Background Check and/or any other required medical examinations, prior to the effective date of the new position. The effective start date will be coordinated between Human Resources (HR), the new supervisor, and the current supervisor which is typically the start of the pay period following two (2) weeks' notice of the pending action. The employee may need to be available to orient and participate in training a replacement following the promotion or transfer.

III. PROCEDURE

Responsible Party	Action
Employee	<ol style="list-style-type: none"> 1. Review the job description and/or job posting and ensure that they meet the qualifications and minimum requirements before submitting an application. 2. In order to express interest in an open position, employees must apply for the opening through CalOptima Health's Applicant Tracking System and attach an updated resume. As a courtesy, it is recommended that employees notify their managers upon applying. If an interview is scheduled with the employee, the employee must notify their current manager at that time. 3. Participate in the same process followed with external candidates, including an interview, bilingual screening, if applicable, and/or other skills tests applicable to the selection process. 4. Cooperate with any background check and/or any other required medical examinations.
Hiring Manager	<ol style="list-style-type: none"> 1. Review all job applications received from HR and notify HR of those candidates who best meet the qualifications to move them forward in the selection process, which may include, but is not limited to, interview questions, bilingual screening, and/or other skills tests. 2. Once a qualified internal applicant has been identified and the Hiring Manager is interested in selecting that applicant to fill an open position, coordinate with HR to complete the hiring process, including but not limited to, reference check, compensation review, offer letter creation, background check, educational verification, licensure verification, etc. The Hiring Manager may not have any discussions with the direct

Responsible Party	Action
	<p>supervisor outside of this process regarding the performance of the employee.</p> <p>3. Coordinate with HR to agree upon a start date.</p> <p>4. Complete the new hire/internal transfer form for HR to initiate the internal transfer eTicket.</p>
HR	<p>1. Review applications and resumes for minimum and preferred qualifications.</p> <p>2. Determine Good Standing status of internal applicants.</p> <p>3. If the internal applicant meets the qualifications and minimum requirements, send the application and/or resume to the Hiring Manager. At the request of the Hiring Manager, move the internal candidate forward in the selection process. If the internal applicant is not selected, notify the internal applicant of the decision.</p> <p>4. If an internal applicant is selected to fill an open position, extend an offer, based on application of CalOptima Health's Compensation Program, Compensation Administration Guidelines, and Salary Schedule.</p> <p>5. Initiate the background check in accordance with CalOptima Health Policy GA.8030: Background Check. Coordinate the employee's start date with the current and new supervisors.</p> <p>6. Submit the internal transfer eTicket and process a Personnel Action Form to document the action taking place</p>

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Policy GA.8022: Performance and Behavior Standards
- B. CalOptima Health Policy GA.8030: Background Check
- C. CalOptima Health Policy GA.8060: Recruitment, Selection, and Hiring
- D. Personnel Action Form (Sample)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
12/01/2016	Regular Meeting of the CalOptima Board of Directors
01/05/2012	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8019	Promotions and Transfers	Administrative
Revised	08/07/2014	GA.8019	Promotions and Transfers	Administrative
Revised	12/01/2016	GA.8019	Promotions and Transfers	Administrative
Revised	12/03/2020	GA.8019	Promotions and Transfers	Administrative
Revised	12/01/2022	GA.8019	Promotions and Transfers	Administrative
Revised	09/05/2024	GA.8019	Promotions and Transfers	Administrative

1 IX. GLOSSARY

2

Term	Definition
Good Standing	The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.
Hiring Manager	The supervisor or manager responsible for making final hiring decision.
Performance Improvement Plan	A formal action used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Promotion	Occurs when an employee is selected for a job with a higher pay grade.
Transfer	Occurs when an employee moves to a different job title having the same pay grade.

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For 20240905 BOD Review Only

Policy: GA.8022
 Title: **Performance and Behavior Standards**
 Department: ~~CalOptima Health~~ Administrative Human Resources
 Section: ~~Administrative Human Resources~~ Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ ~~OneCare Connect~~
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines an approach that can be used, at CalOptima Health's discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations, and/or fails to follow CalOptima Health's policies and procedures.

II. POLICY

- A. As a public agency, CalOptima Health abides by its core values of Collaboration, Accountability, Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct, excellent service, consistent attendance, positive teamwork, and compliance with CalOptima Health policies and procedures. Appropriate conduct is expected at all times while employees are on duty and/or on CalOptima Health property.
- B. Employment with CalOptima Health is at will. -As at-will employees, CalOptima Health employees may be terminated at any time, with or without cause, and with or without advance notice.
- C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral problem(s), or where the conduct cannot be corrected, ~~prompt~~immediate termination from employment may result.
- D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in certain circumstances at the discretion of CalOptima Health's management, CalOptima Health may elect to informally discuss and coach employees regarding their conduct or performance in order to provide the employee with an opportunity to correct or improve their performance and/or behavior. Corrective action does not apply to all performance issues or undesirable behaviors and will be issued on a case-by-case basis in a fair and consistent manner. CalOptima Health may issue any one of the corrective actions without regard to any particular order, repeat any one of the corrective actions, or ~~skip the entire corrective action process altogether~~immediately terminate employment.

E. CalOptima Health reserves the right to initiate corrective action or termination for various reasons, including, but not limited to: ~~poor job~~

1. Unsatisfactory work quality, or quantity;

2. Failure to meet performance; ~~poor attendance; creating conflict with standards;~~

3. Behavioral-based problems that impact productivity, quality, service, or teamwork;

4. Excessive and/or habitual absenteeism, tardiness, or abuse of break and lunch privileges;

5. Insubordination, dishonesty, or negligence in the performance of duties;

6. Harassment or abusive conduct toward co-workers, supervisors, Members or visitors, or others encountered in the workplace;

7. Failure to return, damaging or unauthorized use of CalOptima Health-owned property or equipment; ~~violation~~

8. Failure to pass a post-employment drug/alcohol, financial/credit, criminal background, or other position required background check;

9. Failure to maintain a license, certification, or educational qualification required by the employee's position;

10. Failure to follow instructions, policies, regulations, laws, or CalOptima Health policies and procedures;

11. Failure to follow established safety regulations;

12. Violation of CalOptima Health's Code of Conduct; and/or ~~violation~~

13. Violation of any other CalOptima Health policy.

E.F. The type of ~~the~~ corrective action will depend on multiple factors, including, but not limited to the nature of the offense, taking into consideration an employee's past performance and employment record, where applicable, and may range from coaching to immediate termination. Corrective action ~~should~~will be assessed in a fair and consistent manner: in partnership with Human Resources (HR).

F.G. Employees are not guaranteed a right to corrective action prior to termination.

G.H. When used, the corrective action process may in some, but not all, cases ~~include~~consist of:

1. Informal Corrective Action, including:

- a. Coaching discussion;
- b. Documented Counseling Memo;

2. Formal Corrective Action, including:

~~e.a.~~ Written Warning;

~~d.b.~~ Performance Improvement Plan;

~~e.c.~~ Final Warning;

~~f.d.~~ Demotion; and/or

~~g.e.~~ Termination-;

~~H.I.~~ Although one (1) or more of these corrective actions may be taken in connection with a particular employee, no formal order or system is necessary. -An employee may, of course, resign at any time. The employee may be demoted as necessary. CalOptima Health may also terminate the employment relationship at any time without following any particular series of corrective actions depending on the individual circumstances surrounding the performance, behavior, or misconduct.

~~I.J.~~ CalOptima Health may place an employee on administrative leave with or without pay while ~~Human Resources (HR)~~ conducts ~~their~~an investigation and/or a final determination is pending. and/or when there is a risk to CalOptima Health if the employee is permitted to continue in their role. -If an employee for any reason represents a danger to themselves or other employees, demonstrates extreme misconduct and/or engages in an egregious act, CalOptima Health has the right to immediately remove the employee ~~pending~~and place them on administrative leave with or without pay prior to initiating an investigation into the alleged misconduct. This will allow HR to conduct a full, fair investigation while minimizing any risks to the organization and others. -An employee may be required to fully reimburse CalOptima Health for any salary provided during their administrative leave, as required, pursuant to California Government Code, Section 53243.

III. PROCEDURE

Responsible Party	Action
Supervisor	<ol style="list-style-type: none">Partner with Human Resources (HR) to discuss the employee issue.Partner with HR to properly document performance and/or behavior issue, and if applicable determine <u>the appropriate</u> corrective action.Discuss issue(s) with employee and make sureensure the employee signs and dates the appropriate <u>corrective action</u> form.Return the signed <u>corrective action</u> form to HR to file in employee's personnel record.Participate in and/or direct staff member(s) to participate in, theany investigation <u>into their performance, behavior, or potential violation of CalOptima Health policy or procedure</u>, where applicable.
Employee	<ol style="list-style-type: none">Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as directed by their supervisors and. <u>They are expected to</u> make immediate and sustained improvement in workperformance and behavior when presented withissued corrective action. Employees are responsible for reviewing, understanding and abiding by CalOptima Health policies, procedures, core values, and Code of Conduct.Employees are required to cooperate and participate in thisgood faith in <u>the corrective action</u> process, so they have a clear understanding

Responsible Party	Action
	<p>regarding where they need to improve, if applicable. of which performance and/or behavioral areas require improvement.</p> <p>3. Employees acknowledge the applicable <u>sign any</u> corrective action form by signing issued to them to acknowledge that the respective issues were discussed and presented to the employee and that they demonstrate a commitment to adhere. <u>After being issued corrective action, employees are required to and correct or improve their performance or behavioral issue. The employee as described in the corrective action. Employees may submit a written rebuttal response for consideration/reconsideration of the corrective action; however, a written rebuttal response does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstration of demonstrate improvement, where applicable.</u></p> <p>4. Employees are required to cooperate in <u>a reasonable administrative investigation by CalOptima Health (if applicable).</u> <u>Any failure to cooperate in good faith in a formal investigation may result in corrective action.</u></p>
Human Resources (HR)	<p>1. Partner with Supervisor to help plan Coaching discussion and counseling <u>appropriate corrective action</u> to address employee's performance/behavior issues.</p> <p>2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable.</p> <p>3. Assist in completing corrective action and/or termination documentation.</p> <p>4. Securely house and file all related forms and written correspondence in employee's personnel record.</p> <p>a. —If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.</p>

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Employee Handbook
- C. California Government Code, §53243
- D. Sample Documented Counseling Memo Template
- E. Sample Written Warning Template
- F. Sample Performance Improvement Plan
- G. Sample Final Warning Template
- H. Sample Termination Communication Memo Template

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
08/02/2018	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
<u>09/05/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8022	Progressive Discipline	Administrative
Revised	08/07/2014	GA.8022	Progressive Discipline	Administrative
Revised	08/02/2018	GA.8022	Performance and Behavior Standards	Administrative
Revised	09/01/2022	GA.8022	Performance and Behavior Standards	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8022</u>	<u>Performance and Behavior Standards</u>	<u>Administrative</u>

IX. GLOSSARY

Term	Definition
Coaching Memo	Oral discussion(s) between supervisor and employee with the purpose of notifying the employee and/or clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the coaching discussion, noting the date and recommended action is completed and held by the supervisor.
Demotion	A change of employee's position to one at a lower Salary Schedule pay grade, whether in the same or a different department. A demotion may be either voluntary or involuntary.
Documented Counseling Memo	A Written Counseling Memo An informal documentation of counseling issued to an employee to formally document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.
Final Warning	Notification A formal notification to an employee that their performance/behavior or violation(s) of CalOptima Health policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.
<u>Formal Corrective Action</u>	<u>A corrective action that places an employee in not good standing status where participation in an action/activity requires good standing eligibility for a period of time described in that policy or procedure.</u>
<u>Informal Corrective Action</u>	<u>A corrective action that does not affect good standing.</u>
Member	A beneficiary enrolled in a CalOptima Health program.
Performance Improvement Plan	The plan is A formal action used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Termination	The end of the employment relationship.
Termination Communication Memo	Documentation of a decision to end the employment relationship from the employee's Department leadership to Human Resources.
Written Warning	A Written Warning formal notification issued to an employee documenting substandard unsatisfactory employee performance/behavior or policy violation.

Policy: GA.8022
Title: **Performance and Behavior Standards**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines an approach that can be used, at CalOptima Health's discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations, and/or fails to follow CalOptima Health's policies and procedures.

II. POLICY

- A. As a public agency, CalOptima Health abides by its core values of Collaboration, Accountability, Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct, excellent service, consistent attendance, positive teamwork, and compliance with CalOptima Health policies and procedures. Appropriate conduct is expected at all times while employees are on duty and/or on CalOptima Health property.
- B. Employment with CalOptima Health is at will. As at-will employees, CalOptima Health employees may be terminated at any time, with or without cause, and with or without advance notice.
- C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral problem(s), or where the conduct cannot be corrected, immediate termination from employment may result.
- D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in certain circumstances at the discretion of CalOptima Health's management, CalOptima Health may elect to informally discuss and coach employees regarding their conduct or performance in order to provide the employee with an opportunity to correct or improve their performance and/or behavior. Corrective action does not apply to all performance issues or undesirable behaviors and will be issued on a case-by-case basis in a fair and consistent manner. CalOptima Health may issue any one of the corrective actions without regard to any particular order, repeat any one of the corrective actions, or immediately terminate employment.
- E. CalOptima Health reserves the right to initiate corrective action or termination for various reasons, including, but not limited to:
1. Unsatisfactory work quality, or quantity;

2. Failure to meet performance standards;
 3. Behavioral-based problems that impact productivity, quality, service, or teamwork;
 4. Excessive and/or habitual absenteeism, tardiness, or abuse of break and lunch privileges;
 5. Insubordination, dishonesty, or negligence in the performance of duties;
 6. Harassment or abusive conduct toward co-workers, supervisors, Members, visitors, or others encountered in the workplace;
 7. Failure to return, damaging or unauthorized use of CalOptima Health-owned property or equipment;
 8. Failure to pass a post-employment drug/alcohol, financial/credit, criminal background, or other position required background check;
 9. Failure to maintain a license, certification, or educational qualification required by the employee's position;
 10. Failure to follow instructions, policies, regulations, laws, or CalOptima Health policies and procedures;
 11. Failure to follow established safety regulations;
 12. Violation of CalOptima Health's Code of Conduct; and/or
 13. Violation of any other CalOptima Health policy
- F. The type of corrective action will depend on multiple factors, including, but not limited to the nature of the offense, taking into consideration an employee's past performance and employment record, where applicable, and may range from coaching to immediate termination. Corrective action will be assessed in a fair and consistent manner in partnership with Human Resources (HR).
- G. Employees are not guaranteed a right to corrective action prior to termination.
- H. When used, the corrective action process may in some, but not all, cases consist of:
1. Informal Corrective Action, including:
 - a. Coaching discussion;
 - b. Documented Counseling Memo;
 2. Formal Corrective Action, including:
 - a. Written Warning;
 - b. Performance Improvement Plan;
 - c. Final Warning;
 - d. Demotion; and/or

e. Termination.

- I. Although one (1) or more of these corrective actions may be taken in connection with a particular employee, no formal order or system is necessary. An employee may, of course, resign at any time. The employee may be demoted as necessary. CalOptima Health may also terminate the employment relationship at any time without following any particular series of corrective actions depending on the individual circumstances surrounding the performance, behavior, or misconduct.
- J. CalOptima Health may place an employee on administrative leave with or without pay while HR conducts an investigation and/or a final determination is pending, and/or when there is a risk to CalOptima Health if the employee is permitted to continue in their role. If an employee for any reason represents a danger to themselves or other employees, demonstrates extreme misconduct and/or engages in an egregious act, CalOptima Health has the right to immediately remove the employee and place them on administrative leave with or without pay prior to initiating an investigation into the alleged misconduct. This will allow HR to conduct a full, fair investigation while minimizing any risks to the organization and others. An employee may be required to fully reimburse CalOptima Health for any salary provided during their administrative leave, as required, pursuant to California Government Code, Section 53243.

III. PROCEDURE

Responsible Party	Action
Supervisor	<ol style="list-style-type: none">1. Partner with HR to discuss the employee issue.2. Partner with HR to properly document performance and/or behavior issue, and if applicable determine the appropriate corrective action.3. Discuss issue(s) with employee and ensure the employee signs and dates the appropriate corrective action form.4. Return the signed corrective action form to HR to file in employee's personnel record.5. Participate in and/or direct staff member(s) to participate in, any investigation into their performance, behavior, or potential violation of CalOptima Health policy or procedure, where applicable.
Employee	<ol style="list-style-type: none">1. Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as directed by their supervisors. They are expected to make immediate and sustained improvement in performance and behavior when issued corrective action. Employees are responsible for reviewing, understanding and abiding by CalOptima Health policies, procedures, core values, and Code of Conduct.2. Employees are required to cooperate and participate in good faith in the corrective action process, so they have a clear understanding of which performance and/or behavioral areas require improvement.3. Employees sign any corrective action form issued to them to acknowledge that the respective issues were discussed. After being issued corrective action, employees are required to correct or improve their performance or behavioral issue as described in the corrective

Responsible Party	Action
	<p>action. Employees may submit a written response for consideration/reconsideration of the corrective action; however, a written response does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstrate improvement.</p> <p>4. Employees are required to cooperate in an administrative investigation by CalOptima Health (if applicable). Any failure to cooperate in good faith in a formal investigation may result in corrective action.</p>
Human Resources (HR)	<p>1. Partner with Supervisor to help plan appropriate corrective action to address employee's performance/behavior issues.</p> <p>2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable.</p> <p>3. Assist in completing corrective action and/or termination documentation.</p> <p>4. Securely house and file all related forms and written correspondence in employee's personnel record.</p> <p>a. If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.</p>

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Employee Handbook
- C. California Government Code, §53243
- D. Sample Documented Counseling Memo Template
- E. Sample Written Warning Template
- F. Sample Performance Improvement Plan
- G. Sample Final Warning Template
- H. Sample Termination Communication Memo Template

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
08/02/2018	Regular Meeting of the CalOptima Board of Directors

09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8022	Progressive Discipline	Administrative
Revised	08/07/2014	GA.8022	Progressive Discipline	Administrative
Revised	08/02/2018	GA.8022	Performance and Behavior Standards	Administrative
Revised	09/01/2022	GA.8022	Performance and Behavior Standards	Administrative
Revised	09/05/2024	GA.8022	Performance and Behavior Standards	Administrative

1 IX. GLOSSARY

2

Term	Definition
Coaching Memo	Oral discussion(s) between supervisor and employee with the purpose of notifying the employee and/or clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the coaching discussion, noting the date and recommended action is completed and held by the supervisor.
Demotion	A change of employee's position to one at a lower Salary Schedule pay grade, whether in the same or a different department. A demotion may be either voluntary or involuntary.
Documented Counseling Memo	An informal documentation of counseling issued to an employee to document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.
Final Warning	A formal notification to an employee that their performance/behavior or violation(s) of CalOptima Health policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.
Formal Corrective Action	A corrective action that places an employee in not good standing status where participation in an action/activity requires good standing eligibility for a period of time described in that policy or procedure.
Informal Corrective Action	A corrective action that does not affect good standing.
Member	A beneficiary enrolled in a CalOptima Health program.
Performance Improvement Plan	A formal action used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Termination	The end of the employment relationship.
Termination Communication Memo	Documentation of a decision to end the employment relationship from the employee's Department leadership to Human Resources.
Written Warning	A formal notification issued to an employee documenting unsatisfactory employee performance/behavior or policy violation.

3



Policy: GA.8025
Title: **Equal Employment Opportunity**
Department: Human Resources~~Administrative~~
Section: Not Applicable~~Human Resources~~

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to:
☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's approach to Equal Employment Opportunity (EEO).

II. POLICY

- A. CalOptima Health is an equal opportunity employer making employment decisions on the basis of merit and strives to employ qualified candidates most likely to succeed in the position.
- B. CalOptima Health prohibits actual or perceived unlawful Discrimination and Harassment against any Employee, applicant for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health based on one or more of the following protected categories:
1. Race (includes hair texture and hairstyles) or color;
 2. Religion (includes religious dress and grooming practices) or religious creed;
 3. National Origin (includes language restrictions and possession of a driver's license issued to undocumented immigrants), ancestry, or citizenship;
 4. Disability (physical, developmental, mental health/psychiatric, HIV and AIDS);
 - 4.5. Marital status or registered domestic partner status;
 - 5.6. Medical condition (includes cancer, record or history of cancer, and genetic characteristics), genetic information, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), or domestic violence victim status;
 - 6.7. Sex (includes pregnancy, childbirth, breastfeeding, reproductive loss event, or related medical conditions), Sex Stereotype, gender, Transitioning status, Gender Identity, Gender Expression, reproductive health decision making, or sexual orientation;
 - 7.8. Age (forty (40) years and over);

8.9. Veteran and/or military status;

9.10. Political affiliation; and

10.11. Any other status protected by federal, state, or local laws.

- C. CalOptima Health also prohibits unlawful Discrimination and Harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has, or is perceived as having, any of those characteristics.
- D. CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected activities.
- E. CalOptima Health is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in CalOptima Health's operations and prohibits unlawful Discrimination and Harassment by any Employee of CalOptima Health.
- F. Equal employment opportunity will be extended to all persons in all aspects of the employer-Employee relationship, including recruitment, or recruitment advertising, hiring, training, promotion, rates of pay or other forms of compensation, benefits, transfer, corrective action, reduction in force, or termination, career development opportunities, and social and recreational programs.
- G. CalOptima Health shall also include equal employment opportunity language in every contract with contractors and vendors requiring such persons and firms doing business with CalOptima Health to comply with all federal, state, and local equal employment opportunity laws.
- H. It is the responsibility of every CalOptima Health Employee to adhere to this Policy.- Any Employee with questions regarding this Policy should discuss it with the Human Resources (HR) Department.

III. PROCEDURE

- A. CalOptima Health Employees, applicants for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health will not be denied employment opportunities in accordance with Section II.B. of this policy.
- B. Complaints
1. All applicants for employment, Employees, temporary Employees, volunteers, and paid and unpaid interns shall immediately report any incidents of Discrimination prohibited by this Policy to their supervisor, manager, and/or Human Resources representative for resolution in accordance with CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention.
 2. All complaints will be handled with confidentiality to the extent possible based on the circumstances and applicable laws. When an investigation is required, the most appropriate confidentiality will be utilized. Responses to complaints will be taken in a timely manner.

3. Supervisors and managers are required to immediately forward all complaints, oral and/or written, alleging violation(s) of this policy to Human Resources.
4. Employees, temporary Employees, volunteers, and paid and unpaid interns who violate this policy shall be subject to corrective action, up to and including termination.

C. Retaliation

1. CalOptima Health prohibits Retaliation against an Employee because the Employee has engaged in protected activity. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy or other applicable laws and/or cooperating in investigations or proceedings arising out of an alleged violation of this policy or other applicable laws.
2. CalOptima Health shall not take any adverse action, based on the Employee's protected activity, that materially affects the terms and conditions of the Employee's employment status or is reasonably likely to deter the Employee from engaging in protected activity. Examples of Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; harassing another Employee for filing a complaint; denying employment opportunities for making a complaint or cooperating in an investigation; changing someone's work assignments; treating people differently such as denying an accommodation; not talking to an Employee when otherwise required by job duties; or otherwise excluding the Employee from job-related activities because of engagement in activities protected under this policy.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Employee Handbook
- B. CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention
- C. Government Code, §12920 and 12940 *et seq.*

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
<u>09/05/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/01/2014	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/02/2017	GA.8025	Equal Employment Opportunity	Administrative
Revised	06/04/2020	GA.8025	Equal Employment Opportunity	Administrative
Revised	09/01/2022	GA.8025	Equal Employment Opportunity	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8025</u>	<u>Equal Employment Opportunity</u>	<u>Administrative</u>

IX. GLOSSARY

Term	Definition
Discrimination	Unfair treatment of a person or group on the basis of a protected class.
Employee	Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.
Gender Expression	A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth.
Gender Identity	Each person's internal understanding of their gender, or the perceptions of a person's <u>Gender Identity</u> , which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or <u>Transgender-</u> .
Harassment	Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.
National Origin	Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a <u>National Origin</u> group; (2) marriage to or association with persons of a <u>National Origin</u> group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a <u>National Origin</u> group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a <u>National Origin</u> group; (6) name that is associated with a <u>National Origin</u> group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code.
Retaliation	Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.
Sex	Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth; breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, <u>Gender Identity</u> , and <u>Gender Expression</u> .
Sex Stereotype	Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, <u>Gender Expression</u> , or <u>Gender Identity</u> , or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's <u>Sex</u> .
Transgender	A general term that refers to a person whose <u>Gender Identity</u> differs from the person's sex assigned at birth. A <u>-Transgender</u> person may or may not have a <u>Gender Expression</u> that is different from the social expectations of the sex assigned at birth. A <u>-Transgender</u> person may or may not identify as "transsexual."
Transitioning	A process some <u>-Transgender</u> people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (e.g., sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.



Policy: GA.8025
Title: **Equal Employment Opportunity**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to:
☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's approach to Equal Employment Opportunity (EEO).

II. POLICY

- A. CalOptima Health is an equal opportunity employer making employment decisions on the basis of merit and strives to employ qualified candidates most likely to succeed in the position.
- B. CalOptima Health prohibits actual or perceived unlawful Discrimination and Harassment against any Employee, applicant for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health based on one or more of the following protected categories:
1. Race (includes hair texture and hairstyles) or color;
 2. Religion (includes religious dress and grooming practices) or religious creed;
 3. National Origin (includes language restrictions and possession of a driver's license issued to undocumented immigrants), ancestry, or citizenship;
 4. Disability (physical, developmental, mental health/psychiatric, HIV and AIDS);
 5. Marital status or registered domestic partner status;
 6. Medical condition (includes cancer, record or history of cancer, and genetic characteristics), genetic information, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), or domestic violence victim status;
 7. Sex (includes pregnancy, childbirth, breastfeeding, reproductive loss event, or related medical conditions), Sex Stereotype, gender, Transitioning status, Gender Identity, Gender Expression, reproductive health decision making, or sexual orientation;
 8. Age (forty (40) years and over);

9. Veteran and/or military status;

10. Political affiliation; and

11. Any other status protected by federal, state, or local laws.

- C. CalOptima Health also prohibits unlawful Discrimination and Harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has, or is perceived as having, any of those characteristics.
- D. CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected activities.
- E. CalOptima Health is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in CalOptima Health's operations and prohibits unlawful Discrimination and Harassment by any Employee of CalOptima Health.
- F. Equal employment opportunity will be extended to all persons in all aspects of the employer-Employee relationship, including recruitment, or recruitment advertising, hiring, training, promotion, rates of pay or other forms of compensation, benefits, transfer, corrective action, reduction in force, or termination, career development opportunities, and social and recreational programs.
- G. CalOptima Health shall also include equal employment opportunity language in every contract with contractors and vendors requiring such persons and firms doing business with CalOptima Health to comply with all federal, state, and local equal employment opportunity laws.
- H. It is the responsibility of every CalOptima Health Employee to adhere to this Policy. Any Employee with questions regarding this Policy should discuss it with the Human Resources (HR) Department.

III. PROCEDURE

- A. CalOptima Health Employees, applicants for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health will not be denied employment opportunities in accordance with Section II.B. of this policy.
- B. Complaints
 - 1. All applicants for employment, Employees, temporary Employees, volunteers, and paid and unpaid interns shall immediately report any incidents of Discrimination prohibited by this Policy to their supervisor, manager, and/or Human Resources representative for resolution in accordance with CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention.
 - 2. All complaints will be handled with confidentiality to the extent possible based on the circumstances and applicable laws. When an investigation is required, the most appropriate confidentiality will be utilized. Responses to complaints will be taken in a timely manner.

- 1 3. Supervisors and managers are required to immediately forward all complaints, oral and/or
2 written, alleging violation(s) of this policy to Human Resources.
3
4 4. Employees, temporary Employees, volunteers, and paid and unpaid interns who violate this
5 policy shall be subject to corrective action, up to and including termination.
6

7 **C. Retaliation**
8

- 9 1. CalOptima Health prohibits Retaliation against an Employee because the Employee has
10 engaged in protected activity. Protected activities may include, but are not limited to, reporting
11 or assisting in reporting suspected violations of this policy or other applicable laws and/or
12 cooperating in investigations or proceedings arising out of an alleged violation of this policy or
13 other applicable laws.
14
15 2. CalOptima Health shall not take any adverse action, based on the Employee's protected activity,
16 that materially affects the terms and conditions of the Employee's employment status or is
17 reasonably likely to deter the Employee from engaging in protected activity. Examples of
18 Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in
19 pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to
20 promote or consider for promotion because of reporting a violation of this policy; harassing
21 another Employee for filing a complaint; denying employment opportunities for making a
22 complaint or cooperating in an investigation; changing someone's work assignments; treating
23 people differently such as denying an accommodation; not talking to an Employee when
24 otherwise required by job duties; or otherwise excluding the Employee from job-related
25 activities because of engagement in activities protected under this policy.
26

27 **IV. ATTACHMENT(S)**
28

29 Not Applicable
30

31 **V. REFERENCE(S)**
32

- 33 A. CalOptima Health Employee Handbook
34 B. CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention
35 C. Government Code, §12920 and 12940 *et seq.*
36

37 **VI. REGULATORY AGENCY APPROVAL(S)**
38

39 None to Date
40

41 **VII. BOARD ACTION(S)**
42

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

1 **VIII. REVISION HISTORY**

2

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/01/2014	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/02/2017	GA.8025	Equal Employment Opportunity	Administrative
Revised	06/04/2020	GA.8025	Equal Employment Opportunity	Administrative
Revised	09/01/2022	GA.8025	Equal Employment Opportunity	Administrative
Revised	09/05/2024	GA.8025	Equal Employment Opportunity	Administrative

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For 20240905 BOD Review ONLY

IX. GLOSSARY

Term	Definition
Discrimination	Unfair treatment of a person or group on the basis of a protected class.
Employee	Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.
Gender Expression	A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth.
Gender Identity	Each person's internal understanding of their gender, or the perceptions of a person's Gender Identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or Transgender.
Harassment	Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.
National Origin	Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a National Origin group; (2) marriage to or association with persons of a National Origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a National Origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a National Origin group; (6) name that is associated with a National Origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code.
Retaliation	Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.
Sex	Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth; breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, Gender Identity, and Gender Expression.
Sex Stereotype	Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, Gender Expression, or Gender Identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's Sex.
Transgender	A general term that refers to a person whose Gender Identity differs from the person's sex assigned at birth. A Transgender person may or may not have a Gender Expression that is different from the social expectations of the sex assigned at birth. A Transgender person may or may not identify as "transsexual."
Transitioning	A process some Transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (e.g., sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.



Policy: GA.8027
Title: **Harassment, Discrimination, and Retaliation Prevention**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's zero tolerance for Discrimination, Harassment, and Retaliation and sets forth a procedure for promptly investigating complaints thereof.

II. POLICY

A. CalOptima Health is committed to providing a professional work environment that is free of Discrimination and Harassment based on one or more protected category(ies), and an environment free from Retaliation for participating in any protected activity(ies) covered by this policy and CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.

A.B. CalOptima Health is committed to providing equal employment opportunities to all Employees and applicants for employment. Accordingly, CalOptima Health has adopted and shall maintain this ~~Harassment, Discrimination, and Retaliation Prevention~~ policy ~~designed~~ to encourage professional and respectful behavior and prevent discriminating, Harassing, or retaliatory conduct in our workplace. CalOptima Health shall implement appropriate corrective action(s), up to and including termination, in response to any violation of this policy ~~CalOptima Health's Harassment, Discrimination, and Retaliation Prevention Policy~~, even if the violation does not rise to the level of unlawful conduct.

B.C. CalOptima Health prohibits Discrimination and Harassment based on the following categories: race, color, hairstyle, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer and genetic characteristics), genetic information, marital status, registered domestic partner status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, gender, transitioning status, gender identity, gender expression, age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, and any other status protected by state or federal law. In addition, CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy in accordance with CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected

activities.

C.D. All Employees are expected to assume responsibility for maintaining a work environment that is free from Discrimination, Harassment and Retaliation. The law prohibits supervisors, managers, and co-workers, as well as third parties with whom CalOptima Health Employees come into contact in the workplace, from engaging in unlawful Discrimination, Harassment and Retaliation. Employees are encouraged to promptly report conduct that they reasonably believe violates this policy so that CalOptima Health shall have an opportunity to address and resolve any concerns. Managers and supervisors are required to promptly report conduct that they believe violates this policy. CalOptima Health is committed to responding to alleged violations of this policy in a timely and fair manner and to taking appropriate action aimed at ending the prohibited conduct.

D.E. Complaints/reports under this policy must be based on a reasonable belief of misconduct and made in good faith. CalOptima Health will not tolerate intentional false accusations of Discrimination, Harassment, or Retaliation. A finding of any intentional false accusations is considered a violation of this policy and may result in corrective action up to and including termination.

E.F. This policy applies to agents, contractors, volunteers, job applicants, and Employees. In addition, this policy extends to conduct with a connection to an Employee's work, even when the conduct takes place away from CalOptima Health's premises, such as a business trip or business-related social function. Harassment, Discrimination, and/or Retaliation can occur between individuals in different work locations including but not limited to in person, working remotely, on virtual platforms, in messaging apps, and after working hours between personal cell phones. Remote work locations, virtual platforms, social media, and text/email communications are considered part of the workplace for purposes of this policy. CalOptima Health's policy prohibiting Discrimination against CalOptima Health Members is addressed in CalOptima Health Policy HH.1104: Complaints of Discrimination.

F.G. CalOptima Health shall take appropriate steps and implement processes to protect Employees from unlawful Discrimination, Harassment and Retaliation in the workplace, including:

1. Employees are encouraged to timely report and file a complaint regarding suspected or actual inappropriate conduct in violation of this policy and/or applicable laws, and, whenever possible, to put the complaint or concern in writing. Employees may designate the report or complaint as confidential, which may remain confidential to the extent possible based on the circumstances and applicable laws, except with respect to the investigation, which may not be completely confidential. Employees can file complaints directly with their immediate supervisor, manager, or the Human Resources Department.
2. Supervisors and managers are required to forward all complaints, oral and/or written, alleging violation(s) of this policy to the Human Resources Department.
3. The Human Resources Department or designee will review any report or complaint of inappropriate conduct in violation of this policy and will complete a timely, thorough, and impartial review and/or investigation, when appropriate, that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected.
4. Impacted parties are required to reasonably participate in the review and/or investigation of complaints alleging inappropriate conduct in violation of this policy.
5. The complainant and respondent will be timely informed of appropriate information related to the progress of the review or investigation, including the findings and closure of an

investigation.

6. If, at the end of the investigation, inappropriate conduct or violation(s) of this policy or applicable law are found, CalOptima Health shall take appropriate remedial measures.
7. Employees reporting inappropriate conduct, along with Employees participating in the investigation as witnesses, shall not be retaliated against for filing a complaint or participating in the investigation process.

G.H. Employees may also file a complaint directly with the United States Equal Employment Opportunity Commission (EEOC) or California Civil Rights Department (CRD) or other appropriate state or federal agency(ies). They may also file a civil action in the appropriate court, subject to applicable laws.

H.I. Prohibited Conduct

1. Discrimination: CalOptima Health prohibits Discrimination based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Discrimination includes unequal treatment based upon the Employee or applicant's association with a member of these protected classes. Discrimination may include but is not necessarily limited to allowing the applicant's or Employee's protected category to be a factor in hiring, promotion, compensation, or other employment related decision, unless otherwise permitted by applicable law; and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or Employees because of their protected category.
2. Harassment: CalOptima Health prohibits Harassing, disrespectful or unprofessional conduct, including Harassing, disrespectful or unprofessional conduct based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Harassment can be verbal (such as slurs, jokes, insults, epithets, gestures, or teasing), visual (such as the posting or distribution of offensive posters, symbols, cartoons, drawings, computer displays, or emails), or physical (such as physically threatening another person, blocking someone's way, making physical contact in an unwelcome manner, etc.).
 - a. Sexual Harassment: CalOptima Health prohibits Discrimination and Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, sexual orientation, gender, gender identity, or gender expression. Sexually Harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal. Sexual Harassment may involve Harassment of a person of the same gender as the harasser, regardless of either person's sexual orientation or gender identity. Prohibited Sexual Harassment falls into two categories: (1) "*quid pro quo*" ("this for that") when someone conditions a job, promotion, or other work benefit based on submission to sexual advances or other conduct based on sex; or (2) "hostile work environment" when unwelcome comments or conduct based on sex unreasonably interferes with your work performance or creates an intimidating, hostile, or offensive work environment. Prohibited Sexual Harassment may include all the actions described above as Harassment, as well as other unwelcome sex-based conduct, such as, but not limited to:
 - i. Unwelcome or unsolicited sexual advances;
 - ii. Offering employment benefits in exchange for sexual favors;

- 1 iii. Leering or gestures;
- 2
- 3 iv. Displaying sexually suggestive objects, pictures, cartoons, or posters;
- 4
- 5 v. Derogatory comments, epithets, slurs, or jokes;
- 6
- 7 vi. Graphic comments, sexually degrading words, conversations regarding sexual
- 8 activities, or suggestive or obscene messages or invitations; or
- 9
- 10 vii. Physical touching or assault, as well as impeding or blocking movements, or other
- 11 verbal or physical conduct of a sexual nature.
- 12
- 13 b. Abusive Conduct: CalOptima Health prohibits conduct of an employer or Employee in
- 14 the workplace, with malice, that a reasonable person would find hostile, offensive, and
- 15 unrelated to an employer's legitimate business interests. Engaging in a pattern of one or
- 16 more of the following behaviors meets the definition of abusive conduct under California
- 17 law. The use of inappropriate language, put-downs, insults and name-calling, taunting,
- 18 teasing, or making jokes about a co-worker when the intent is to embarrass and humiliate.
- 19 Sabotaging another Employee's work or copying, plagiarizing, or stealing work from a
- 20 co-worker and passing it off as one's own.
- 21

- 22 3. Retaliation: CalOptima Health prohibits Retaliation against an Employee because the
- 23 Employee has engaged in protected activity. Protected activities may include, but are not
- 24 limited to, reporting or assisting in reporting suspected violations of this policy, CalOptima
- 25 Health Policy HH.3012: Non-Retaliation for Reporting Violations or other applicable laws
- 26 and/or cooperating in investigations or proceedings arising out of an alleged violation ~~of this~~
- 27 ~~policy~~ or other applicable laws. CalOptima Health shall not take any adverse employment
- 28 action, based on the Employee's protected activity, that materially affects the terms and
- 29 conditions of the Employee's employment status or is reasonably likely to deter the
- 30 Employee from engaging in protected activity. Examples of Retaliation under this policy
- 31 include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of
- 32 a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for
- 33 promotion because of reporting a violation of this policy; Harassing another Employee for
- 34 filing a complaint; denying employment opportunities for making a complaint or cooperating
- 35 in an investigation; changing someone's work assignments; treating people differently such
- 36 as denying an accommodation; not talking to an Employee when otherwise required by job
- 37 duties; or otherwise excluding the Employee from job-related activities because of
- 38 engagement in activities protected under this policy. Actual or threatened Retaliation for
- 39 rejecting sexual advances or complaining about Sexual Harassment is also unlawful and a
- 40 violation of this policy and CalOptima Health Policy HH.3012: Non-Retaliation for
- 41 Reporting Violations.
- 42

43 I.J. CalOptima Health shall disseminate ~~the Harassment, Discrimination, and Retaliation~~

44 ~~Prevention~~ this policy to all Employees and require them to acknowledge electronically that each

45 individual has received and ~~understood~~ understands the policy. All legally required posters shall

46 be posted in a prominent and accessible location in the workplace.

47

48 J.K. Training Requirements

49

- 50 1. All non-management/non-supervisory Employees are required to attend Harassment
- 51 prevention training for Employees (1 hour) within the first six (6) months of hire and at least
- 52 every two (2) years thereafter.
- 53

2. All management/supervisory Employees must complete the Harassment prevention training for leaders (2 hours) within the first six (6) months of hire and at least every two (2) years thereafter. These trainings shall include prevention of abusive conduct in the workplace.

K.L. Addressing and Reporting Violations

1. Any Employee or applicant who experiences behavior that they believe violates this policy is encouraged to immediately tell the offending individual that the behavior is inappropriate and, if they feel comfortable doing so, to tell the offending individual to stop the behavior.
2. Any Employee witnessing Harassment is encouraged to report it. There are five (5) standard methods of intervention that can be used when anyone witnesses Harassment or Discrimination and wants to help. A witness:
 - a. Can interrupt the Harassment by engaging with the individual being Harassed and distracting them from the Harassing behavior;
 - a. Who feels unsafe interrupting on their own can ask a third party to help intervene in the Harassment;
 - b. Can document the Harassment incident to benefit a future investigation;
 - c. Might check in with the person who has been Harassed after the incident, let them know the behavior was not appropriate, and encourage the person to report it; and/or
 - d. If feeling safe, can advise the harasser that the behavior was inappropriate. Effective intervention focuses on de-escalation through words and non-physical actions.
3. The applicant, witness, or Employee should also immediately report the alleged violation to ~~his/her~~their supervisor, manager, or the Human Resources Department. They are free to contact the Human Resources Department and are not required to request supervisor or manager approval to do this. If the alleged offender is the Employee's supervisor or manager, the Employee should report the conduct to any other supervisor or manager or the Human Resources Department. A complaint may be brought forward verbally or in writing. Written complaints can be made using, but not limited to, the Employee Complaint Intake Form.
4. Supervisors or managers who learn of any potential violation of this policy are required to immediately report the matter to Human Resources and must follow instructions provided by Human Resources as to how best to proceed.
5. CalOptima Health shall promptly look into the facts and circumstances of any alleged violation, as appropriate. Even in the absence of a formal complaint, CalOptima Health may initiate an investigation where it has reason to believe that conduct that violates this policy has occurred. Moreover, even where a complainant conveys a request to withdraw their initial formal complaint, CalOptima Health may continue the investigation to ensure that the workplace is free from Harassment. Anonymous complaints shall also be investigated. The method will depend on the details provided in the anonymous complaint. If the complaint is sufficiently detailed, the investigation may be able to proceed in the same manner as any other complaint. If the information is more general, CalOptima Health may need to do an environmental assessment or survey to try to determine if misconduct has occurred. All investigations will be fair, impartial, timely, and completed by qualified personnel.
6. To the extent possible, CalOptima Health shall endeavor to keep the reporting of the applicant

or Employee's concerns confidential; however, complete confidentiality cannot be guaranteed when it interferes with CalOptima Health's ability to fulfill its obligations under this policy. All Employees are required to cooperate fully with any investigation. This includes, but is not limited to, maintaining an appropriate level of discretion regarding the investigation, and disclosing any and all information that may be pertinent to the investigation. Upon completion of the investigation, if misconduct is substantiated, CalOptima Health shall take appropriate corrective and preventive action calculated to end the conduct up to and including formal corrective action where warranted.

L.M. Filing of Complaints Outside of CalOptima Health

1. Employees and applicants may file formal complaints of Discrimination, Harassment, or Retaliation with the agencies listed below. Individuals who wish to pursue filing with these agencies should contact them directly to obtain further information about their processes and time limits.
 - a. **California Civil Rights Department**
2218 Kausen Drive Suite 100
Elk Grove CA 95758
800-884-1684 (voice), 800-700-2320 (TTY) or California's Relay Service at 711
contact.center@calcivilrights.ca.gov <https://calcivilrights.ca.gov/>
 - b. **U.S. Equal Employment Opportunity Commission**
450 Golden Gate Avenue 5 West
P.O Box 36025
San Francisco CA 94102-3661
1-800-669-4000 or 510-735-8909 (Deaf/hard-of-hearing callers only)
<https://www.eeoc.gov/employees>
2. Employees or applicants who believe they have been the subject of Discrimination, Harassment or Retaliation for making a complaint or participating in an investigation of Discrimination or Harassment may file a complaint with the CRD within three (3) years of the last act of Discrimination, Harassment or Retaliation. CRD serves as a neutral factfinder and attempts to help the parties voluntarily resolve disputes. CRD may also file a civil complaint and seek court orders changing the employer's policies and practices, punitive damages, and attorney's fees and costs. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed and a Right-to-Sue Notice has been issued. Training developed by CRD can be accessed at the following link: <https://calcivilrights.ca.gov/>.

III. PROCEDURE

Responsible Party	Action
Employee	<ul style="list-style-type: none">▪ Assume responsibility for a work environment free from Discrimination, Harassment and Retaliation.▪ Report the facts of any incident(s) of Discrimination or Harassment based on a protected characteristic or Retaliation based on a protected activity immediately to your supervisor, manager, or the Human Resources (HR) Department.▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation.

Responsible Party	Action
Supervisor	<ul style="list-style-type: none"> ▪ Gather all relevant facts from reporting Employee and report it immediately to the HR Department. ▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation. ▪ Keep reports or complaints of Discrimination, Harassment, or Retaliation confidential, to the extent possible, and follow HR's direction and guidance.
Human Resources	<ul style="list-style-type: none"> ▪ Upon receipt of a complaint, evaluate the reported misconduct and determine what level of review or investigation is needed and appropriate for the circumstances. ▪ Request supporting documentation and/or additional statements from Employees and potential witnesses, where applicable. ▪ If a determination is made that no further investigation is required, a closure notice shall be issued to the complainant documenting the decision. ▪ If a determination is made that an investigation is required, complete an impartial, timely, and thorough investigation of the complaint, which may include interviewing the complaining party, responding party, and relevant witnesses. Review collected documents, exhibits or other evidence. Analyze the information, make credibility determinations when needed, reach reasonable conclusions based on the evidence collected, and make findings based on a preponderance of the evidence standard. ▪ If misconduct is found, recommend appropriate remedial measures, along with preventive and/or corrective action, when it is warranted, to department leadership. ▪ Timely inform the complainant of the conclusion of the investigation and any findings. ▪ Timely inform the responding party of the conclusion of the investigation, any findings, and the final decision, if applicable, of remedial measures or preventive and/or corrective action. ▪ HR will strive to maintain confidentiality during the investigation, but there is no guarantee of complete confidentiality. Only the parties who need to know shall be involved.

IV. ATTACHMENT(S)

A. Employee Incident / Complaint Intake Form

V. REFERENCE(S)

A. CalOptima Health Policy GA.8044: Telework Program

B. CalOptima Health Policy GA.8062: Social Media Conduct

C. CalOptima Health Policy HH.1104: Complaints of Discrimination

~~C.D.~~ CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations

~~D.E.~~ California Government Code, §§12926, 12935, 12940 *et seq.*, 12950, and 12950.1.

~~E.F.~~ Title 2, California Code of Regulations (C.C.R.), §§11008 *et seq.*, 11023, 11027.1(a) and (b),
and
1030(a)-(f)

~~F.G.~~ Title VII of the Civil Rights Act of 1964 (42, U.S.C., 2000e *et seq.*)

~~G.H.~~ CA Labor Code §§230 and 230.1 Rights of Victims of Domestic Violence, Sexual Assault, and Stalking

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
11/03/2016	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
06/02/2022	Regular Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8027	Unlawful Harassment	Administrative
Revised	04/01/2014	GA.8027	Unlawful Harassment	Administrative
Revised	11/03/2016	GA.8027	Unlawful Harassment	Administrative
Revised	09/06/2018	GA.8027	Unlawful Harassment	Administrative
Revised	06/02/2022	GA.8027	Anti-Harassment	Administrative
Revised	11/02/2023	GA.8027	Harassment, Discrimination and Retaliation Prevention	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.8027</u>	<u>Harassment, Discrimination and Retaliation Prevention</u>	<u>Administrative</u>

IX. GLOSSARY

Term	Definition
Discrimination	Unequal treatment of a person or group on the basis of a protected category.
Employee	Any and all Employees of CalOptima Health, including all permanent and temporary Employees, volunteers, and other employed personnel.
Gender Expression	A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex assigned at birth.
Gender Identity	Each person's internal understanding of their gender, or the perceptions of a person's gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or transgender.
Harassment	Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.
Member	A beneficiary enrolled in a CalOptima Health Program.
National Origin	Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a national origin group; (2) marriage to or association with persons of a national origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a national origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group; (6) name that is associated with a national origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code.
National Origin Group	Includes, but is not limited to, ethnic groups, geographic places of origin, and countries that are not presently in existence.
Retaliation	Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.
Sex	Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth, breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, gender identity, and gender expression.
Sex Stereotype	Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, gender expression, or gender identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's sex.
Sexual Harassment	Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions, sex stereotype, gender, gender identity or gender expression) or conduct of a sexual nature.
Transgender	A general term that refers to a person whose gender identity differs from the person's sex assigned at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."

Term	Definition
Transitioning	A process some transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (<i>e.g.</i> , sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.

For 20240905 BOD Review Only



Policy: GA.8027
Title: **Harassment, Discrimination, and Retaliation Prevention**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's zero tolerance for Discrimination, Harassment, and Retaliation and sets forth a procedure for promptly investigating complaints thereof.

II. POLICY

- A. CalOptima Health is committed to providing a professional work environment that is free of Discrimination and Harassment based on one or more protected category(ies), and an environment free from Retaliation for participating in any protected activity(ies) covered by this policy and CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.
- B. CalOptima Health is committed to providing equal employment opportunities to all Employees and applicants for employment. Accordingly, CalOptima Health has adopted and shall maintain this policy to encourage professional and respectful behavior and prevent discriminating, Harassing, or retaliatory conduct in our workplace. CalOptima Health shall implement appropriate corrective action(s), up to and including termination, in response to any violation of this policy, even if the violation does not rise to the level of unlawful conduct.
- C. CalOptima Health prohibits Discrimination and Harassment based on the following categories: race, color, hairstyle, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer and genetic characteristics), genetic information, marital status, registered domestic partner status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, gender, transitioning status, gender identity, gender expression, age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, and any other status protected by state or federal law. In addition, CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy in accordance with CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected activities.
- D. All Employees are expected to assume responsibility for maintaining a work environment that is

1 free from Discrimination, Harassment and Retaliation. The law prohibits supervisors, managers, and
2 co-workers, as well as third parties with whom CalOptima Health Employees come into contact in
3 the workplace, from engaging in unlawful Discrimination, Harassment and Retaliation. Employees
4 are encouraged to promptly report conduct that they reasonably believe violates this policy so that
5 CalOptima Health shall have an opportunity to address and resolve any concerns. Managers and
6 supervisors are required to promptly report conduct that they believe violates this policy.
7 CalOptima Health is committed to responding to alleged violations of this policy in a timely and
8 fair manner and to taking appropriate action aimed at ending the prohibited conduct.
9

- 10 E. Complaints/reports under this policy must be based on a reasonable belief of misconduct and
11 made in good faith. CalOptima Health will not tolerate intentional false accusations of
12 Discrimination, Harassment, or Retaliation. A finding of any intentional false accusations is
13 considered a violation of this policy and may result in corrective action up to and including
14 termination.
15
- 16 F. This policy applies to agents, contractors, volunteers, job applicants, and Employees. In addition,
17 this policy extends to conduct with a connection to an Employee's work, even when the conduct
18 takes place away from CalOptima Health's premises, such as a business trip or business-related
19 social function. Harassment, Discrimination, and/or Retaliation can occur between individuals in
20 different work locations including but not limited to in person, working remotely, on virtual
21 platforms, in messaging apps, and after working hours between personal cell phones. Remote
22 work locations, virtual platforms, social media, and text/email communications are considered
23 part of the workplace for purposes of this policy. CalOptima Health's policy prohibiting
24 Discrimination against CalOptima Health Members is addressed in CalOptima Health Policy
25 HH.1104: Complaints of Discrimination.
26
- 27 G. CalOptima Health shall take appropriate steps and implement processes to protect Employees
28 from unlawful Discrimination, Harassment and Retaliation in the workplace, including:
29
- 30 1. Employees are encouraged to timely report and file a complaint regarding suspected or actual
31 inappropriate conduct in violation of this policy and/or applicable laws, and, whenever
32 possible, to put the complaint or concern in writing. Employees may designate the report or
33 complaint as confidential, which may remain confidential to the extent possible based on the
34 circumstances and applicable laws, except with respect to the investigation, which may not be
35 completely confidential. Employees can file complaints directly with their immediate
36 supervisor, manager, or the Human Resources Department.
37
 - 38 2. Supervisors and managers are required to forward all complaints, oral and/or written, alleging
39 violation(s) of this policy to the Human Resources Department.
40
 - 41 3. The Human Resources Department or designee will review any report or complaint of
42 inappropriate conduct in violation of this policy and will complete a timely, thorough, and
43 impartial review and/or investigation, when appropriate, that provides all parties appropriate
44 due process and reaches reasonable conclusions based on the evidence collected.
45
 - 46 4. Impacted parties are required to reasonably participate in the review and/or investigation of
47 complaints alleging inappropriate conduct in violation of this policy.
48
 - 49 5. The complainant and respondent will be timely informed of appropriate information related
50 to the progress of the review or investigation, including the findings and closure of an
51 investigation.
52
 - 53 6. If, at the end of the investigation, inappropriate conduct or violation(s) of this policy or

applicable law are found, CalOptima Health shall take appropriate remedial measures.

7. Employees reporting inappropriate conduct, along with Employees participating in the investigation as witnesses, shall not be retaliated against for filing a complaint or participating in the investigation process.

H. Employees may also file a complaint directly with the United States Equal Employment Opportunity Commission (EEOC) or California Civil Rights Department (CRD) or other appropriate state or federal agency(ies). They may also file a civil action in the appropriate court, subject to applicable laws.

I. Prohibited Conduct

1. Discrimination: CalOptima Health prohibits Discrimination based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Discrimination includes unequal treatment based upon the Employee or applicant's association with a member of these protected classes. Discrimination may include but is not necessarily limited to allowing the applicant's or Employee's protected category to be a factor in hiring, promotion, compensation, or other employment related decision, unless otherwise permitted by applicable law; and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or Employees because of their protected category.
2. Harassment: CalOptima Health prohibits Harassing, disrespectful or unprofessional conduct, including Harassing, disrespectful or unprofessional conduct based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Harassment can be verbal (such as slurs, jokes, insults, epithets, gestures, or teasing), visual (such as the posting or distribution of offensive posters, symbols, cartoons, drawings, computer displays, or emails), or physical (such as physically threatening another person, blocking someone's way, making physical contact in an unwelcome manner, etc.).
 - a. Sexual Harassment: CalOptima Health prohibits Discrimination and Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, sexual orientation, gender, gender identity, or gender expression. Sexually Harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal. Sexual Harassment may involve Harassment of a person of the same gender as the harasser, regardless of either person's sexual orientation or gender identity. Prohibited Sexual Harassment falls into two categories: (1) "*quid pro quo*" ("this for that") when someone conditions a job, promotion, or other work benefit based on submission to sexual advances or other conduct based on sex; or (2) "hostile work environment" when unwelcome comments or conduct based on sex unreasonably interferes with your work performance or creates an intimidating, hostile, or offensive work environment. Prohibited Sexual Harassment may include all the actions described above as Harassment, as well as other unwelcome sex-based conduct, such as, but not limited to:
 - i. Unwelcome or unsolicited sexual advances;
 - ii. Offering employment benefits in exchange for sexual favors;
 - iii. Leering or gestures;
 - iv. Displaying sexually suggestive objects, pictures, cartoons, or posters;

- v. Derogatory comments, epithets, slurs, or jokes;
 - vi. Graphic comments, sexually degrading words, conversations regarding sexual activities, or suggestive or obscene messages or invitations; or
 - vii. Physical touching or assault, as well as impeding or blocking movements, or other verbal or physical conduct of a sexual nature.
- b. Abusive Conduct: CalOptima Health prohibits conduct of an employer or Employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests. Engaging in a pattern of one or more of the following behaviors meets the definition of abusive conduct under California law. The use of inappropriate language, put-downs, insults and name-calling, taunting, teasing, or making jokes about a co-worker when the intent is to embarrass and humiliate. Sabotaging another Employee's work or copying, plagiarizing, or stealing work from a co-worker and passing it off as one's own.

3. Retaliation: CalOptima Health prohibits Retaliation against an Employee because the Employee has engaged in protected activity. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy, CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations or other applicable laws and/or cooperating in investigations or proceedings arising out of an alleged violation or other applicable laws. CalOptima Health shall not take any adverse employment action, based on the Employee's protected activity, that materially affects the terms and conditions of the Employee's employment status or is reasonably likely to deter the Employee from engaging in protected activity. Examples of Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; Harassing another Employee for filing a complaint; denying employment opportunities for making a complaint or cooperating in an investigation; changing someone's work assignments; treating people differently such as denying an accommodation; not talking to an Employee when otherwise required by job duties; or otherwise excluding the Employee from job-related activities because of engagement in activities protected under this policy. Actual or threatened Retaliation for rejecting sexual advances or complaining about Sexual Harassment is also unlawful and a violation of this policy and CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.

J. CalOptima Health shall disseminate this policy to all Employees and require them to acknowledge electronically that each individual has received and understands the policy. All legally required posters shall be posted in a prominent and accessible location in the workplace.

K. Training Requirements

- 1. All non-management/non-supervisory Employees are required to attend Harassment prevention training for Employees (1 hour) within the first six (6) months of hire and at least every two (2) years thereafter.
- 2. All management/supervisory Employees must complete the Harassment prevention training for leaders (2 hours) within the first six (6) months of hire and at least every two (2) years thereafter. These trainings shall include prevention of abusive conduct in the workplace.

L. Addressing and Reporting Violations

1. Any Employee or applicant who experiences behavior that they believe violates this policy is encouraged to immediately tell the offending individual that the behavior is inappropriate and, if they feel comfortable doing so, to tell the offending individual to stop the behavior.
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 - a. Can interrupt the Harassment by engaging with the individual being Harassed and distracting them from the Harassing behavior;
 - a. Who feels unsafe interrupting on their own can ask a third party to help intervene in the Harassment;
 - b. Can document the Harassment incident to benefit a future investigation;
 - c. Might check in with the person who has been Harassed after the incident, let them know the behavior was not appropriate, and encourage the person to report it; and/or
 - d. If feeling safe, can advise the harasser that the behavior was inappropriate. Effective intervention focuses on de-escalation through words and non-physical actions.
3. The applicant, witness, or Employee should also immediately report the alleged violation to their supervisor, manager, or the Human Resources Department. They are free to contact the Human Resources Department and are not required to request supervisor or manager approval to do this. If the alleged offender is the Employee's supervisor or manager, the Employee should report the conduct to any other supervisor or manager or the Human Resources Department. A complaint may be brought forward verbally or in writing. Written complaints can be made using, but not limited to, the Employee Complaint Intake Form.
4. Supervisors or managers who learn of any potential violation of this policy are required to immediately report the matter to Human Resources and must follow instructions provided by Human Resources as to how best to proceed.
5. CalOptima Health shall promptly look into the facts and circumstances of any alleged violation, as appropriate. Even in the absence of a formal complaint, CalOptima Health may initiate an investigation where it has reason to believe that conduct that violates this policy has occurred. Moreover, even where a complainant conveys a request to withdraw their initial formal complaint, CalOptima Health may continue the investigation to ensure that the workplace is free from Harassment. Anonymous complaints shall also be investigated. The method will depend on the details provided in the anonymous complaint. If the complaint is sufficiently detailed, the investigation may be able to proceed in the same manner as any other complaint. If the information is more general, CalOptima Health may need to do an environmental assessment or survey to try to determine if misconduct has occurred. All investigations will be fair, impartial, timely, and completed by qualified personnel.
6. To the extent possible, CalOptima Health shall endeavor to keep the reporting of the applicant or Employee's concerns confidential; however, complete confidentiality cannot be guaranteed when it interferes with CalOptima Health's ability to fulfill its obligations under this policy. All Employees are required to cooperate fully with any investigation. This includes, but is not limited to, maintaining an appropriate level of discretion regarding the investigation, and

disclosing any and all information that may be pertinent to the investigation. Upon completion of the investigation, if misconduct is substantiated, CalOptima Health shall take appropriate corrective and preventive action calculated to end the conduct up to and including formal corrective action where warranted.

M. Filing of Complaints Outside of CalOptima Health

1. Employees and applicants may file formal complaints of Discrimination, Harassment, or Retaliation with the agencies listed below. Individuals who wish to pursue filing with these agencies should contact them directly to obtain further information about their processes and time limits.
 - a. **California Civil Rights Department**
2218 Kausen Drive Suite 100
Elk Grove CA 95758
800-884-1684 (voice), 800-700-2320 (TTY) or California's Relay Service at 711
contact.center@calcivilrights.ca.gov <https://calcivilrights.ca.gov/>
 - b. **U.S. Equal Employment Opportunity Commission**
450 Golden Gate Avenue 5 West
P.O Box 36025
San Francisco CA 94102-3661
1-800-669-4000 or 510-735-8909 (Deaf/hard-of-hearing callers only)
<https://www.eeoc.gov/employees>
2. Employees or applicants who believe they have been the subject of Discrimination, Harassment or Retaliation for making a complaint or participating in an investigation of Discrimination or Harassment may file a complaint with the CRD within three (3) years of the last act of Discrimination, Harassment or Retaliation. CRD serves as a neutral factfinder and attempts to help the parties voluntarily resolve disputes. CRD may also file a civil complaint and seek court orders changing the employer's policies and practices, punitive damages, and attorney's fees and costs. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed and a Right-to-Sue Notice has been issued. Training developed by CRD can be accessed at the following link: <https://calcivilrights.ca.gov/>.

III. PROCEDURE

Responsible Party	Action
Employee	<ul style="list-style-type: none">▪ Assume responsibility for a work environment free from Discrimination, Harassment and Retaliation.▪ Report the facts of any incident(s) of Discrimination or Harassment based on a protected characteristic or Retaliation based on a protected activity immediately to your supervisor, manager, or the Human Resources (HR) Department.▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation.

Responsible Party	Action
Supervisor	<ul style="list-style-type: none"> ▪ Gather all relevant facts from reporting Employee and report it immediately to the HR Department. ▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation. ▪ Keep reports or complaints of Discrimination, Harassment, or Retaliation confidential, to the extent possible, and follow HR's direction and guidance.
Human Resources	<ul style="list-style-type: none"> ▪ Upon receipt of a complaint, evaluate the reported misconduct and determine what level of review or investigation is needed and appropriate for the circumstances. ▪ Request supporting documentation and/or additional statements from Employees and potential witnesses, where applicable. ▪ If a determination is made that no further investigation is required, a closure notice shall be issued to the complainant documenting the decision. ▪ If a determination is made that an investigation is required, complete an impartial, timely, and thorough investigation of the complaint, which may include interviewing the complaining party, responding party, and relevant witnesses. Review collected documents, exhibits or other evidence. Analyze the information, make credibility determinations when needed, reach reasonable conclusions based on the evidence collected, and make findings based on a preponderance of the evidence standard. ▪ If misconduct is found, recommend appropriate remedial measures, along with preventive and/or corrective action, when it is warranted, to department leadership. ▪ Timely inform the complainant of the conclusion of the investigation and any findings. ▪ Timely inform the responding party of the conclusion of the investigation, any findings, and the final decision, if applicable, of remedial measures or preventive and/or corrective action. ▪ HR will strive to maintain confidentiality during the investigation, but there is no guarantee of complete confidentiality. Only the parties who need to know shall be involved.

IV. ATTACHMENT(S)

A. Employee Incident / Complaint Intake Form

V. REFERENCE(S)

- A. CalOptima Health Policy GA.8044: Telework Program
- B. CalOptima Health Policy GA.8062: Social Media Conduct
- C. CalOptima Health Policy HH.1104: Complaints of Discrimination
- D. CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations
- E. California Government Code, §§12926, 12935, 12940 *et seq.*, 12950, and 12950.1.
- F. Title 2, California Code of Regulations (C.C.R.), §§11008 *et seq.*, 11023, 11027.1(a) and (b), and 1030(a)-(f)
- G. Title VII of the Civil Rights Act of 1964 (42, U.S.C., 2000e *et seq.*)
- H. CA Labor Code §§230 and 230.1 Rights of Victims of Domestic Violence, Sexual Assault, and Stalking

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
11/03/2016	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
06/02/2022	Regular Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8027	Unlawful Harassment	Administrative
Revised	04/01/2014	GA.8027	Unlawful Harassment	Administrative
Revised	11/03/2016	GA.8027	Unlawful Harassment	Administrative
Revised	09/06/2018	GA.8027	Unlawful Harassment	Administrative
Revised	06/02/2022	GA.8027	Anti-Harassment	Administrative
Revised	11/02/2023	GA.8027	Harassment, Discrimination and Retaliation Prevention	Administrative
Revised	TBD	GA.8027	Harassment, Discrimination and Retaliation Prevention	Administrative

1 IX. GLOSSARY

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Term	Definition
Discrimination	Unequal treatment of a person or group on the basis of a protected category.
Employee	Any and all Employees of CalOptima Health, including all permanent and temporary Employees, volunteers, and other employed personnel.
Gender Expression	A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex assigned at birth.
Gender Identity	Each person's internal understanding of their gender, or the perceptions of a person's gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or transgender.
Harassment	Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.
Member	A beneficiary enrolled in a CalOptima Health Program.
National Origin	Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a national origin group; (2) marriage to or association with persons of a national origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a national origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group; (6) name that is associated with a national origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code.
National Origin Group	Includes, but is not limited to, ethnic groups, geographic places of origin, and countries that are not presently in existence.
Retaliation	Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.
Sex	Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth, breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, gender identity, and gender expression.
Sex Stereotype	Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, gender expression, or gender identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's sex.
Sexual Harassment	Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions, sex stereotype, gender, gender identity or gender expression) or conduct of a sexual nature.
Transgender	A general term that refers to a person whose gender identity differs from the person's sex assigned at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."

Term	Definition
Transitioning	A process some transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (<i>e.g.</i> , sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.

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For 20240905 BOD Review Only

HUMAN RESOURCES**EMPLOYEE INCIDENT/ COMPLAINT INTAKE FORM**

First and Last Name:		Today's Date:	
Department:		Contact #:	
Job Title:		Contact Email:	
Employee ID#:		Supervisor's Name:	

WHAT IS THE SPECIFIC SITUATION THAT BROUGHT YOU TO CONTACT HUMAN RESOURCES TODAY? PLEASE INCLUDE INCIDENT AND DATE:

NAME(S) AND POSITION OF EMPLOYEE(S) CONTRIBUTING OR INVOLVED IN THE REPORTED INCIDENT:

GIVE SPECIFIC EXAMPLES OF THEIR BEHAVIOR/ACTIONS? PLEASE INCLUDE DATES, TIMES, AND LOCATION:

IDENTIFY WHO MAY HAVE WITNESSED OR HAVE KNOWLEDGE OF THE INCIDENTS. PLEASE PROVIDE NAME(S) AND POSITIONS. FOR NON-EMPLOYEES INDICATE RELATIONSHIP AND CONTACT INFORMATION IF AVAILABLE:

DO YOU HAVE ANY RELEVANT DOCUMENTS OR OTHER EVIDENCE TO SUPPORT YOUR CLAIM(S)? IF YES, PLEASE LIST THEM HERE AND ATTACH COPIES WITH THIS FORM.

HAVE YOU REPORTED THIS COMPLAINT TO YOUR DEPARTMENT LEADERSHIP? IF SO, WHAT WAS THE OUTCOME?

ADDITIONAL INFORMATION YOU WOULD LIKE TO SHARE? WHAT OUTCOME DO YOU EXPECT FROM FILING YOUR COMPLAINT?

EMPLOYEE SIGNATURE

TYPE-WRITTEN "SIGNATURE" ACCEPTED WHEN SUBMITTING FROM YOUR CALOPTIMA HEALTH EMAIL:

DATE:

Please submit this form for review: employeerelations@caloptima.org



Policy: GA.8036
Title: **Education Reimbursement**
Department: Human Resources~~CalOptima Administrative~~
Section: Not Applicable~~Human Resources~~

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to:
☐ Medi-Cal
☐ OneCare
☐ ~~OneCare Connect~~
☐ PACE
☒ Administrative

I. PURPOSE

This policy describes ~~CalOptima's~~ CalOptima Health's pre-approval process for the educational reimbursement program established to offer repayment of reasonable educational and professional development expenses to eligible employees for work-related courses and/or programs, including courses offering credits towards professional licensure or certification requirements.

II. POLICY

- A. ~~A.~~ CalOptima Health encourages and assists its employees to enhance their professional skills and knowledge through continued education in areas that will contribute to the improvement of their present job function, or potential advancement— at CalOptima Health. Regular Full-time Time Employees and regular Part-Time ~~employees~~ Employees who have completed their initial one-hundred-eighty (180) calendar days of continuous employment, and are in Good Standing, are eligible to participate.
- B. ~~B.~~ Courses and degree programs eligible for education reimbursement must be either part of an accredited college ~~degree program~~, or provided by credible institutions that meet the following conditions:
1. Educate the employee in concepts and methods in their present assignment; and/or
 2. Help prepare the employee for advancement to other positions available within CalOptima Health.

Note:- While continuing education courses that provide credit towards renewal of a licensure and/or certification may be eligible for reimbursement under this ~~Policy~~ policy, seminars, conferences, or business meetings that do not result in certification or credit towards a licensure and/or certification are not covered under this ~~Policy. policy~~. Seminars, conferences, and business meetings may be eligible for reimbursement through ~~CalOptima's Travel~~ CalOptima Health's travel and ~~Training program. training process~~. The costs of new or renewed licensures or certifications are not covered under this ~~Policy~~ policy. Separately, individual ~~Departments~~ departments may budget and pay for the costs of new and/or renewed licensures or certifications required for a job position if budgeted funds are available through the ~~Department~~ department and at the discretion of the head of the ~~Department~~ department.

- C. ~~C.~~—An employee must submit a request in advance for both ~~supervisor~~department and Human Resources (HR) approval. -CalOptima Health will reimburse eligible ~~full-time employees~~Full-Time Employees for qualifying courses up to five thousand two hundred fifty dollars (\$5,250.00) per fiscal year for tuition expenses only. CalOptima Health will reimburse eligible ~~part-time employees~~Part-Time Employees for qualifying courses up to two thousand six hundred dollars (\$2,600.00) per fiscal year for tuition expenses only. -Reimbursement for books, parking, exams, education subscriptions, and other miscellaneous fees are not covered under this policy. -Reimbursement will not be made until the employee has successfully completed the course with a grade of “C” or better for undergraduate and graduate programs, a “Pass” for courses that are Pass/Fail, or a certificate of successful completion. Employees must still be employed at CalOptima Health after completing the course or program to qualify for reimbursement. No reimbursement shall be made for courses, or other programs, involving sports, games, or hobbies.
1. According to current Internal Revenue Service (IRS) guidelines, reimbursement of up to ~~\$5,250~~ five thousand two hundred fifty dollars (\$5,250.00) per calendar year is not considered to be taxable earnings. Reimbursement that exceeds IRS Guidelines for a specific calendar year is considered taxable earnings and is subject to federal and state income and payroll tax withholdings in accordance with federal and state law. Employees are responsible for any tax liability arising from the receipt of education reimbursement under this policy.
- D. ~~D.~~—Employees are required to manage time for classes outside of scheduled hours and classes must not interfere with their regular job duties.
- E. As a condition of reimbursement and as part of an employee's request for education expense reimbursement, an employee must agree that if the employee voluntarily terminates employment with CalOptima Health within one year of the date of the completion of the course for which the employee has been reimbursed, the employee shall return a pro rata portion of such reimbursement to CalOptima Health by way of a deduction from the employee's last paycheck and/or submit payment directly to CalOptima Health, to the extent permitted by applicable state and federal laws.
- F. Education reimbursement is provided in accordance with this ~~Policy~~policy on a first-come, first-served basis, and only to the extent that budget funds are available. ~~Annual~~The annual maximum for education reimbursement is calculated for each fiscal year (July 1 – June 30~~-~~) based on the course end date. The education reimbursement program is not required to be funded.

III. PROCEDURE

Responsible Party	Action
Employee	<ol style="list-style-type: none"> 1. Complete the Request for Education Expense Reimbursement form and submit <u>it</u> to immediate supervisor prior to start of the course, or certification. <ol style="list-style-type: none"> a. Recommend submission no less than three (3) weeks prior to start date. <u>b. Forms submitted to supervisor after the start of the course will be denied for late submission.</u> 2. Declare major, or certification.

Responsible Party	Action
	<ol style="list-style-type: none"> 3. Obtain approval from direct supervisor and Director, or Chief, and submit completed form to HR. 4. Obtain notification from HR of preliminary approval, or denial, of request. <ol style="list-style-type: none"> a. Request form MUST be received prior to the start of the course in order to be considered. <ol style="list-style-type: none"> i. <u>Forms received late as a result of delayed department approval, will not be considered late for the purposes of this policy.</u> b. Applicant should allow sufficient time for review and preliminary approval prior to start of course or choose to continue to enroll with the understanding it may not be approved by HR. 5. Within sixty (60) calendar days of course completion, submit: <ol style="list-style-type: none"> a. Proof of completion—Transcript: <u>For courses taken at a college or university, proof requires official documentation from the school (examples: a transcript/grade report from the Registrar's office or full document downloaded from the student portal). For all other courses, it should be This may be a transcript, or other official notification showing grades for each course, or a copy of the certificate of completion, or certification.</u> b. A copy <u>Proof of the cost of tuition receipt: This includes tuition fees or costs from the college, university, institution, or certifying board.</u> <u>Proof of payment—Canceled: This may be a canceled check, credit card receipt, or cash receipt, or other document that clearly demonstrates the method of payment made by the employee. For courses taken at a college or university, proof also requires payment confirmation to the institution (examples: payment records from the Bursars/Finance Office, or downloaded account documentation from the student portal).</u> <p>d.c. Additional documentation may be requested to verify eligibility.</p>
Supervisor	<ol style="list-style-type: none"> 1. Provide statement on the Form <u>form</u> to confirm applicability of course and benefit to CalOptima <u>Health</u>. 2. Certify employee <u>has completed at least one hundred eighty (180) days of continuing employment as a Full-Time or Part-Time Employee,</u> is in Good Standing with CalOptima <u>Health</u>, and will complete the education outside scheduled hours. 3. Approve, or deny, request. 4. Forward to Director, or Chief.
Director/Chief	<ol style="list-style-type: none"> 1. Approve, or deny, request.

Responsible Party	Action
	2. Forward to HR.
Human Resources	1. Evaluate request for compliance with this Policy policy, and if applicable, provide preliminary approval. 2. Notify the employee if the request is approved or denied. 3. Hold form until proof of completion is submitted. 4. Upon verification of satisfactory completion consistent with this Policy policy, follow Accounting current procedures for approval and payment of reimbursement.
Accounting	1. Issue reimbursement payment <u>according to IRS guidelines</u> .

IV. ATTACHMENT(S)

Not applicable

V. REFERENCE(S)

- A. CalOptima Employee Handbook
- B. Title 26, United States Code, §127
- C. ~~Sample~~: Education Expense Reimbursement Prior Authorization Request

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
10/05/2012	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
06/02/2022	Regular Meeting of the CalOptima Board of Directors
TBD	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8036	Education Reimbursement	Administrative
Revised	06/04/2015	GA.8036	Education Reimbursement	Administrative
Revised	02/02/2017	GA.8036	Education Reimbursement	Administrative
Revised	02/07/2019	GA.8036	Education Reimbursement	Administrative
Revised	12/20/2021	GA.8036	Education Reimbursement	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	06/02/2022	GA.8036	Education Reimbursement	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.8036</u>	<u>Education Reimbursement</u>	<u>Administrative</u>

For 20240905 BOD Review Only

1 IX. GLOSSARY

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Term	Definition
<u>Full-Time Employees</u>	<u>An employee who works sixty (60) to eighty (80) hours per pay period.</u>
Good Standing	The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.
Part-Time Employees	Employees that regularly work less than thirty (30) hours per week.

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For 20240905 BOD Review Only

Policy: GA.8036
 Title: **Education Reimbursement**
 Department: Human Resources
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

I. PURPOSE

This policy describes CalOptima Health's pre-approval process for the educational reimbursement program established to offer repayment of reasonable educational and professional development expenses to eligible employees for work-related courses and/or programs, including courses offering credits towards professional licensure or certification requirements.

II. POLICY

A. CalOptima Health encourages and assists its employees to enhance their professional skills and knowledge through continued education in areas that will contribute to the improvement of their present job function, or potential advancement at CalOptima Health. Regular Full-Time Employees and regular Part-Time Employees who have completed their initial one-hundred-eighty (180) calendar days of continuous employment, and are in Good Standing, are eligible to participate.

B. Courses and degree programs eligible for education reimbursement must be either part of an accredited college, or provided by credible institutions that meet the following conditions:

1. Educate the employee in concepts and methods in their present assignment; and/or
2. Help prepare the employee for advancement to other positions available within CalOptima Health.

Note: While continuing education courses that provide credit towards renewal of a licensure and/or certification may be eligible for reimbursement under this policy, seminars, conferences, or business meetings that do not result in certification or credit towards a licensure and/or certification are not covered under this policy. Seminars, conferences, and business meetings may be eligible for reimbursement through CalOptima Health's travel and training process. The costs of new or renewed licensures or certifications are not covered under this policy. Separately, individual departments may budget and pay for the costs of new and/or renewed licensures or certifications required for a job position if budgeted funds are available through the department and at the discretion of the head of the department.

C. An employee must submit a request in advance for both department and Human Resources (HR) approval. CalOptima Health will reimburse eligible Full-Time Employees for qualifying courses up to five thousand two hundred fifty dollars (\$5,250.00) per fiscal year for tuition expenses only. CalOptima Health will reimburse eligible Part-Time Employees for qualifying courses up to two thousand six hundred dollars (\$2,600.00) per fiscal year for tuition expenses only. Reimbursement for books,

parking, exams, education subscriptions, and other miscellaneous fees are not covered under this policy. Reimbursement will not be made until the employee has successfully completed the course with a grade of “C” or better for undergraduate and graduate programs, a “Pass” for courses that are Pass/Fail, or a certificate of successful completion. Employees must still be employed at CalOptima Health after completing the course or program to qualify for reimbursement. No reimbursement shall be made for courses, or other programs, involving sports, games, or hobbies.

1. According to current Internal Revenue Service (IRS) guidelines, reimbursement of up to five thousand two hundred fifty dollars (\$5,250.00) per calendar year is not considered to be taxable earnings. Reimbursement that exceeds IRS Guidelines for a specific calendar year is considered taxable earnings and is subject to federal and state income and payroll tax withholdings in accordance with federal and state law. Employees are responsible for any tax liability arising from the receipt of education reimbursement under this policy.

- D. Employees are required to manage time for classes outside of scheduled hours and classes must not interfere with their regular job duties.
- E. As a condition of reimbursement and as part of an employee's request for education expense reimbursement, an employee must agree that if the employee voluntarily terminates employment with CalOptima Health within one year of the date of the completion of the course for which the employee has been reimbursed, the employee shall return a pro rata portion of such reimbursement to CalOptima Health by way of a deduction from the employee's last paycheck and/or submit payment directly to CalOptima Health, to the extent permitted by applicable state and federal laws.
- F. Education reimbursement is provided in accordance with this policy on a first-come, first-served basis, and only to the extent that budget funds are available. The annual maximum for education reimbursement is calculated for each fiscal year (July 1 – June 30) based on the course end date. The education reimbursement program is not required to be funded.

III. PROCEDURE

Responsible Party	Action
Employee	<ol style="list-style-type: none">Complete the Request for Education Expense Reimbursement form and submit it to immediate supervisor prior to start of the course, or certification.<ol style="list-style-type: none">Recommend submission no less than three (3) weeks prior to start date.Forms submitted to supervisor after the start of the course will be denied for late submission.Declare major, or certification.Obtain approval from direct supervisor and Director, or Chief, and submit completed form to HR.Obtain notification from HR of preliminary approval, or denial, of request.<ol style="list-style-type: none">Request form MUST be received prior to the start of the course in order to be considered.

Responsible Party	Action
	<ul style="list-style-type: none"> i. Forms received late as a result of delayed department approval, will not be considered late for the purposes of this policy. b. Applicant should allow sufficient time for review and preliminary approval prior to start of course or choose to continue to enroll with the understanding it may not be approved by HR. <p>5. Within sixty (60) calendar days of course completion, submit:</p> <ul style="list-style-type: none"> a. Proof of completion: For courses taken at a college or university, proof requires official documentation from the school (examples: a transcript/grade report from the Registrar's office or full document downloaded from the student portal). For all other courses, it should be official notification showing grades for each course, a copy of the certificate of completion, or certification. b. Proof of cost of tuition: This includes tuition fees or costs from the college, university, institution, or certifying board. <p>Proof of payment: This may be a canceled check, credit card receipt, cash receipt, or other document that clearly demonstrates the method of payment made by the employee. For courses taken at a college or university, proof also requires payment confirmation to the institution (examples: payment records from the Bursars/Finance Office, or downloaded account documentation from the student portal).</p> <ul style="list-style-type: none"> c. Additional documentation may be requested to verify eligibility.
Supervisor	<ul style="list-style-type: none"> 1. Provide statement on the form to confirm applicability of course and benefit to CalOptima Health. 2. Certify employee has completed at least one hundred eighty (180) days of continuing employment as a Full-Time or Part-Time Employee, is in Good Standing with CalOptima Health, and will complete the education outside scheduled hours. 3. Approve, or deny, request. 4. Forward to Director, or Chief.
Director/Chief	<ul style="list-style-type: none"> 1. Approve, or deny, request. 2. Forward to HR.
Human Resources	<ul style="list-style-type: none"> 1. Evaluate request for compliance with this policy, and if applicable, provide preliminary approval. 2. Notify the employee if the request is approved or denied. 3. Hold form until proof of completion is submitted.

Responsible Party	Action
	4. Upon verification of satisfactory completion consistent with this policy, follow Accounting current procedures for approval and payment of reimbursement.
Accounting	1. Issue reimbursement payment according to IRS guidelines.

IV. ATTACHMENT(S)

Not applicable

V. REFERENCE(S)

- A. CalOptima Employee Handbook
- B. Title 26, United States Code, §127
- C. Education Expense Reimbursement Prior Authorization Request

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
10/05/2012	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
06/02/2022	Regular Meeting of the CalOptima Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8036	Education Reimbursement	Administrative
Revised	06/04/2015	GA.8036	Education Reimbursement	Administrative
Revised	02/02/2017	GA.8036	Education Reimbursement	Administrative
Revised	02/07/2019	GA.8036	Education Reimbursement	Administrative
Revised	12/20/2021	GA.8036	Education Reimbursement	Administrative
Revised	06/02/2022	GA.8036	Education Reimbursement	Administrative
Revised	TBD	GA.8036	Education Reimbursement	Administrative

1 IX. GLOSSARY

2

Term	Definition
Full-Time Employees	An employee who works sixty (60) to eighty (80) hours per pay period.
Good Standing	The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.
Part-Time Employees	Employees that regularly work less than thirty (30) hours per week.

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For 20240905 BOD Review Only



Policy: GA.8037
Title: **Leave of Absence**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to:
☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines the general rules and restrictions applicable to a Leave of Absence (LOA).

II. POLICY

- A. CalOptima Health shall comply with all applicable state and federal LOA laws and regulations and will implement and administer changes to entitlements as required by law.
- B. CalOptima Health will grant a LOA to eligible employees in accordance with CalOptima Health's respective policies and procedures. For leaves specified herein, an employee must submit a Leave of Absence Request Form, available on the InfoNet, to the Human Resources (HR) Department.
- C. An employee's manager may approve up to five (5) scheduled workdays of excused absences for an illness or pre-planned surgery; however, absences of more than five (5) scheduled workdays for illnesses or pre-planned surgery, must be submitted to and approved by HR. Use of Paid Time Off (PTO) for pre-planned vacations does not require HR approval pursuant to CalOptima Health Policy GA.8018: Paid Time Off (PTO).
- D. If an employee requires additional time off work beyond the amount of time authorized herein, and their manager and HR grant a Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence, the Personal LOA will start on the first day after the termination of the LOA granted pursuant to one (1) of the leaves authorized herein.
- E. Types of LOA:

1. Bereavement Leave: An employee may take up to three (3) scheduled workdays off with pay [maximum of twenty-four (24) hours] in the event of a death of an employee's: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law. An employee is entitled to take an additional two (2) workdays off as either PTO or unpaid time off [maximum of sixteen (16) hours]. The first five (5) days of paid or unpaid bereavement leave taken in the three (3) months following the death of the family member are considered protected leave. A Bereavement Leave Request Form, available on the InfoNet, must be submitted to HR within thirty (30) calendar days of leave. The employee's manager may approve up to an additional five (5) workdays off to be taken as either PTO or unpaid time off [maximum of forty (40) hours]. An employee must

submit a Leave of Absence Request Form to HR and request a Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence if the employee plans to take additional PTO or unpaid time off exceeding the additional five (5) scheduled workdays taken as PTO or unpaid time off.

2. Pregnancy Disability Leave (PDL): In accordance with California Pregnancy Regulations, CalOptima Health provides up to four (4) months (calculated based on number of days or hours the employee would normally work within four (4) calendar months) of unpaid PDL per pregnancy to women requiring time off work because of a disability caused by an employee's pregnancy, childbirth, or a related medical condition as described in CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation.
3. Family and Medical Leave Act (FMLA): Under the FMLA, employers must provide eligible employees with up to twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12) month period. In most circumstances, FMLA leave will run at the same time as PDL and/or California Family Rights Act (CFRA) leave (see below), where applicable, and is not in addition to those leaves. FMLA also includes a special leave entitlement for eligible employees to take up to twenty-six (26) weeks of unpaid leave to care for a covered military service member with a qualifying serious injury or illness during a single twelve (12) month period. (See CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence for details.)
4. California Family Rights Act (CFRA) Leave: CFRA provides eligible employees with up to twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12) month period, as detailed in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence.
5. Military Family Leave: Eligible employees may take an unpaid LOA under FMLA and/or CFRA as described in Sections II.D.3. and 4. of this Policy, to care for a qualified family member or due to a qualifying exigency arising out of the fact that the qualified family member is on covered active duty or has been notified of an impending call or order to active duty.
6. Military Service Leave: The Uniformed Services Employment and Reemployment Rights Act (USERRA) is a Federal law that provides a cumulative of five (5) years of leave (with certain exceptions) and re-employment rights for veterans and members of the National Guard and Reserve following qualifying military service. USERRA requires that a person re-employed under its provisions be given credit for any months they would have been employed but for the military service in determining eligibility for FMLA leave. A person re-employed following military service should be given credit for the period of military service towards the months-of-employment eligibility requirement.
 - a. Salary and Compensation for First Thirty (30) Calendar Days for Military Service LOA: Pursuant to Military and Veterans Code, Sections 395.01 and 395.05, an employee may be entitled to their full salary, or compensation, including all appropriate benefits, for the first thirty (30) calendar days of their absence while they are engaged in the performance of ordered duty, active military training, inactive duty training, encampment, naval cruises, special exercises, National Guard active duty, inactive duty training drill periods, or like activity. Pay under this provision is limited to not more than thirty (30) calendar days in any given fiscal year.
 - b. A military leave of absence without pay shall be granted to employee members of reserve military units and the National Guard required to perform inactive duty obligations. Employee may use accrued PTO if sufficient PTO is accrued or may take this time as unpaid.

c. Supplemental Compensation and Continuation of Benefits for Military Service LOA resulting from the National Emergency declared as a Result of the War on Terror: Upon the exhaustion of pay and benefits for the first thirty (30) calendar days, an employee called to active duty or active training duty with the U.S. Armed Forces or National Guard as a result of the National Emergency, may receive supplemental pay in an amount equal to the difference between the amount of the employee's military pay, including any allotments or additional allowances paid to their families, as calculated at the beginning of the employee's leave, and the amount the employee earned as base salary at CalOptima Health in the month prior to the LOA, assuming the amount the employee earned at CalOptima Health is greater than their military pay. -The employee is also authorized to receive a continuation of appropriate benefits, including CalOptima Health payment of the employer cost for applicable health insurance premiums for employees and, if applicable, their dependents. -In the event the employee's military pay is greater than their CalOptima Health base salary, CalOptima Health will continue the employee's eligible benefits, if elected, and pay for the employee's cost of such benefits without seeking reimbursement. In instances where training or service with the U.S. Armed Forces is not mandatory and is not covered by state, or federal law, the LOA will be unpaid.

7. Military Spouse Leave: Pursuant to Military & Veterans Code, Section 395.10, eligible employees may take up to ten (10) scheduled workdays of unpaid leave when their spouse is on leave from active duty in the U.S. Armed forces, Reserves or National Guard. -Employee may use accrued PTO if sufficient PTO is accrued or may take this time as unpaid.

8. Workers' Compensation: In accordance with state law, CalOptima Health provides Workers' Compensation insurance coverage for employees in case of work-related injury or illness. CalOptima Health may grant a LOA subject to any limitations permitted by law for work-related injuries, in accordance with CalOptima Health Policy GA.8041: Workers' Compensation Program.

9. Jury or Witness Duty Leave: -Employees may be granted a LOA with regular pay for those hours that coincide with the employee's regularly scheduled working hours for jury duty. CalOptima Health may grant an employee a LOA with pay to appear as a witness in court, other than as a litigant, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the employee. On days employees are not required to report to court, or on days when the court either dismisses the employee early or requests that the employee report at a later time, whenever practical, the employee must report to work to perform regular duties prior to or after completing jury duty or appearing as a witness, unless the employee's manager approves that the remaining work time is less than reasonable travel time to court and work location. Employees are expected to work with and coordinate with their manager to ensure that their time away from work does not adversely impact business needs, their coworkers, or CalOptima Health members.

10. Parental School Attendance: Pursuant to Labor Code, Section 230.8, employees can take time off up to eight (8) hours in one (1) month or forty (40) hours each year to participate in Child-Related Activities, subject to limitations under applicable laws. -Pursuant to Labor Code, Section 230.7, employees can take time off to appear in the school pursuant to a request made under Education Code, Section 48900.1 (Suspension of Pupil), ~~subject to limitations under applicable laws.~~ Accrued PTO shall automatically be used for time-off for Child-Related Activities and/or to appear in a pupil's school, subject to the limitations under applicable laws. Otherwise, the Employee may take this time as unpaid if there is not enough accrued PTO available in accordance with CalOptima Health Policy GA.8018: Paid Time Off (PTO).

- 1 11. Victims of Crime or Abuse: Subject to the requirements under Labor Code, sections 230 and
2 230.1, an employee who is a victim of a crime or abuse, may, with reasonable advance notice,
3 unless the advance notice is not feasible, request a LOA. For purposes of LOA request
4 eligibility, "victim" includes (1) a victim of stalking, domestic violence, or sexual assault; (2) a
5 victim of a crime that caused physical injury or that caused mental injury and a threat of
6 physical injury; and/or (3) a person whose immediate family member is deceased as the direct
7 result of the crime. Employees may elect to use accrued PTO, if available, when a LOA is
8 granted; however, the PTO cannot be used to adjust the start date and will count as part of the
9 LOA. This type of LOA is limited to twelve (12) weeks in a rolling twelve (12) month period.
10 After an employee ~~exhausts their~~reaches PTO ~~accruals~~Exhaustion, if elected, the remaining
11 time off will be unpaid.- LOAs under this paragraph may be granted for any of the following:
12
13 a. To seek medical attention for injuries caused by crime or abuse;
14
15 b. To obtain services from a domestic violence shelter, program, rape crisis center, or victim
16 services organization or agency as a result of the crime or abuse;
17
18 c. To obtain psychological counseling or mental health services related to an experience of
19 crime or abuse;
20
21 d. To participate in safety planning and take other actions to increase safety from future crime
22 or abuse, including temporary or permanent relocation; and/or
23
24 e. To obtain or attempt to obtain relief, including, but not limited to, a temporary restraining
25 order, restraining order, or other injunctive relief, to help ensure the health, safety, or
26 welfare of the employee, or their child.
27
28 12. Victims of Crime Leave: An employee who is a victim of a crime or whose immediate family
29 member(s) is/are a crime victim may take time off subject to the procedural conditions imposed
30 pursuant to Labor Code, section 230.2, to attend judicial proceedings related to that crime. A
31 copy of the official notice to the victim of each scheduled legal, or judicial, proceeding, or
32 documentation substantiating the employee's attendance at a judicial proceeding is required for
33 this leave. -The employee can elect to use accrued PTO for the absence.
34
35 13. Volunteer Civil Service Leave: A Civil Service LOA for an unlimited duration may be granted
36 for employees who are required to perform emergency duty as a volunteer firefighter, a reserve
37 police officer, or emergency rescue personnel. -An employee who performs duty as a volunteer
38 firefighter, a reserve peace officer, or as emergency rescue personnel is also permitted to take a
39 LOA, not to exceed an aggregate of fourteen (14) scheduled workdays per calendar year for the
40 purpose of fire, law enforcement, or emergency rescue training. LOAs under this paragraph can
41 be unpaid unless the employee elects to use accrued PTO. However, an employee cannot use
42 PTO to adjust the start date of the LOA authorized under this paragraph, and the time covered
43 by the PTO will be counted towards the LOA.
44
45 14. Civil Air Patrol Leave: Employees who have been employed for at least ninety (90) calendar
46 days may request a maximum total of ten (10) scheduled workdays per calendar year (three (3)
47 scheduled workdays maximum for a single emergency operational mission, unless otherwise
48 authorized by HR) for Civil Air Patrol duty. LOAs under this paragraph can be unpaid unless
49 the employee elects to use accrued PTO. However, an employee cannot use PTO to adjust the
50 start date of the LOA authorized under this paragraph, and the time covered by the PTO will be
51 counted towards the LOA.
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15. LOA as a Reasonable Accommodation: Consistent with the requirements under the Americans with Disabilities Act and the California Fair Employment and Housing Act, subject to a good faith interactive process, CalOptima Health may grant an employee a LOA as a reasonable accommodation, if appropriate.
16. Reproductive Loss Leave: An employee who has worked for CalOptima Health for at least thirty (30) days may take up to five (5) scheduled workdays off following a reproductive loss event ~~-. A reproductive loss event means the day of, or for a multiple-days), including day event,~~ the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. ~~-If an employee experiences more than one (1) reproductive loss event within a twelve (12) month period, the employee is only entitled to a total of twenty (20) days of Reproductive Loss Leave within a twelve (12) month period. Eligible employees are, and an employee is~~ required to use their accrued Paid Time Off (PTO), ~~if available,~~ during their leave. The leave need not be taken on consecutive days or immediately following the reproductive loss event but must be taken within three (3) months of the event triggering the leave. A Leave of Absence Request Form, available on the InfoNet, must be submitted to the HR Department within thirty (30) calendar days of leave. If the desired leave exceeds five (5) workdays per event or twenty (20) days in a twelve (12) month period, an employee may submit for consideration a request for Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence.
17. Other Leaves: ~~-See CalOptima Health Policy GA.8038: Personal Leave of Absence.~~
- F. Except as required by federal or state law, or as necessary to protect the employee's safety in the workplace, CalOptima Health management and HR shall reasonably maintain the confidentiality, to the extent possible under the circumstances, of any employee requesting time off pursuant to a LOA described herein.
- G. To the extent that this policy conflicts with CalOptima Health Policies GA.8038: Personal Leave of Absence, GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation, or GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, those specific policies shall supersede.

III. PROCEDURE

- A. Reinstatement: When an employee is placed on a protected LOA, CalOptima Health shall make an effort to hold the employee's position open for the period of the approved leave, with the exception of Personal LOAs in which there is no guarantee of reinstatement. However, to meet business needs, CalOptima Health may need to fill such positions. ~~-If an employee's former position is unavailable when the employee returns promptly to work upon the expiration of an approved LOA, CalOptima Health shall make every effort to place the employee in a comparable position for which the employee is qualified. -If such a position is not available, the employee will be offered the next suitable position for which the employee is qualified that becomes available.-~~ In addition, CalOptima Health will attempt to reasonably accommodate employees who are released for partial or modified duty. ~~-An employee who does not accept a position offered by CalOptima Health is considered to have voluntarily terminated employment, effective the day such refusal is made. Employees returning from a LOA related to the employee's own medical condition must obtain a release to return to work from their health care provider (where applicable) stating that they are able to resume work. -CalOptima Health also reserves the right to require employees to participate in a fitness for duty examination at the expense of CalOptima Health prior to return to work.~~
- B. Paid Time Off (PTO) accruals: ~~-PTO only accrues during the period an employee is on active duty or utilizing PTO for an approved LOA. -Once an employee elects not to use PTO accruals or exhausts Exhaustion- has been reached -within a pay period,~~ all ~~PTO accruals, the~~ remaining time off

~~for~~during an approved LOA shall not be considered time worked for purposes of accruing PTO hours or benefits eligibility.

C. Use of Paid Time Off:- An employee is required to use their accrued Paid Time Off (PTO) during an LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL, receipt of disability benefits, etc.). PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. The use of PTO will not adjust the start date of an LOA.

1. If applicable, an employee may make a one (1) time request to coordinate disability benefits with accrued PTO to receive one hundred percent (100%) of their total pay until PTO Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted.

~~C.D.~~ Holidays: If a paid holiday occurs during the period an employee is on a LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday and the holiday pay will be prorated based on the employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the employee would have been regularly scheduled to work, the holiday will count against the employee's LOA entitlement. -An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.

~~D.E.~~ Supplemental Compensation: An employee on a Continuous LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance, or Benefit Income during their LOA. AnIf applicable, an employee on a Continuous LOA may be eligible for Employer-Paid Member Contribution or Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid out to be eligible to receive the incentive. Continuous LOA is leave that is taken continuously and not broken into separate blocks of time. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.

~~E.F.~~ Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved LOA from CalOptima Health, unless specifically authorized under this Policy, such as for military service.

~~F.G.~~ Documentation : Failure to provide all the required information and/or documentation within the requested or required timeframe may result in a delay in CalOptima Health's approval of the LOA request, CalOptima Health's denial of the employee's request for a LOA, and/or an impact to the employee's ability to take a LOA as requested.

~~G.H.~~ Failure to return promptly: If an employee fails to return to work upon the expiration of an approved LOA and has not submitted required documentation and/or obtained an extension from HR prior to such

1 expiration date, the employee will be considered to have voluntarily resigned. HR will process the
2 employee's voluntary resignation effective three (3) consecutive scheduled workdays following the
3 date the employee failed to return to work, or as soon as reasonably possible given the
4 circumstances. -It is the responsibility of the employee to ensure a request for an extended LOA is
5 submitted timely with all required documentation in support of extending the LOA.
6

7 **H.I. Misrepresentations:** Misrepresenting reasons or information submitted when applying for a LOA
8 may result in corrective action, up to and including termination.
9

10 **H.J. ~~Health benefits for~~Status of Employee Benefits during** PDL, FMLA, CFRA, Military Service or
11 Workers' Compensation Leaves of Absence: ~~Employer contributions towards an employee's health~~
12 ~~benefits (medical, vision, and dental) who is~~ An employee on leave ~~LOA~~ pursuant to PDL, FMLA,
13 CFRA, Military Service, or Workers' Compensation LOAs, ~~will not continue beyond~~ be eligible to
14 receive employer contributions towards their health benefits (medical, vision, and dental).
15 Following the FMLA/CFRA-covered period pursuant to of protected leave, employer contributions
16 will only continue while an employee utilizes accrued PTO. After an employee reaches PTO
17 Exhaustion, or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima
18 Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act
19 (CFRA) Leaves of Absence. Employees may elect to purchase continuation of such will not pay for
20 group health insurance premiums during any remaining portion of leave. -The employee is fully
21 responsible for the employer and employee share of health insurance premiums through a timely
22 election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). -In
23 order to ensure continuation of coverage through COBRA. When an employee returns to work, the
24 eligibility and accrual dates for such benefits may be adjusted to reflect, an employee must timely
25 pay premiums for the period of the LOA, unpaid LOA and coordinate the payments through
26 CalOptima Health's third-party COBRA administrator. -Failure to pay premiums in a timely manner
27 will result in immediate termination of coverage through the remainder of the unpaid LOA.
28 Reinstatement of coverage will occur on the first day of the month following the date the employee
29 returns to work on a part-time or full-time basis. If the employee subsequently returns to an
30 approved LOA, any active benefit coverage will end at the end of the month following the
31 employee's last day worked and PTO Exhaustion.
32

33 K. Other benefits: All other benefits not specified herein, provided by CalOptima Health, shall be
34 administered according to HR procedures.
35

36 L. Eligibility and Specific Leave Requirements: Refer to specific CalOptima Health policies listed
37 below for detailed information about eligibility and other leave requirements:
38

- 39 1. CalOptima Health Policy GA.8018: Paid Time Off (PTO);
- 40 2. CalOptima Health Policy GA.8038: Personal Leave of Absence;
- 41 3. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation
- 42 Accommodation;
- 43 4. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California
- 44 Family Rights Act (CFRA) Leaves of Absence; and/or
- 45 5. CalOptima Health Policy GA.8041: Workers' Compensation Program.

51 IV. ATTACHMENT(S)

52 Not Applicable
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54

V. REFERENCE(S)

- A. Bereavement Leave Request Form
- B. California Code, Education Code, §48900.1
- C. California Code, Government Code, §12945.1 et seq. (CFRA)
- D. California Code, Government Code, §19774-19775 (Military Service Leave)
- E. California Code, Labor Code, §230 et seq. (Jury service and other leaves)
- F. California Code, Military & Veterans Code, §395.10 (Military Service Leave)
- G. CalOptima Health Policy GA.8018: Paid Time Off (PTO)
- H. CalOptima Health Policy GA.8038: Personal Leave of Absence
- I. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation
- J. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
- K. CalOptima Health Policy GA.8041: Workers' Compensation Program
- L. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- M. Leave of Absence Request Form
- N. Title 2, California Code of Regulations (C.C.R.), §7291.2 et seq. (Pregnancy Regulations)
- O. Title 2, California Code of Regulations (C.C.R.), §7293.5 et seq. (Disability Regulations)
- P. Title 29, Code of Federal Regulations (C.F.R.), Part 825 (FMLA Regulations)
- Q. Title 29, United States Code (U.S.C.), §2601 et seq. (FMLA)
- R. Title 38, United States Code (U.S.C.), §4301 et seq. (USERRA)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
08/03/2017	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors
12/07/2023	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8037	Leave of Absence	Administrative
Revised	02/01/2014	GA.8037	Leave of Absence	Administrative
Revised	05/04/2017	GA.8037	Leave of Absence	Administrative
Revised	08/03/2017	GA.8037	Leave of Absence	Administrative
Revised	09/03/2020	GA.8037	Leave of Absence	Administrative
Revised	12/20/2021	GA.8037	Leave of Absence	Administrative
Revised	05/04/2023	GA.8037	Leave of Absence	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	12/07/2023	GA.8037	Leave of Absence	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8037</u>	<u>Leave of Absence</u>	<u>Administrative</u>

For 20240905 BOD Review Only

IX. GLOSSARY

Term	Definition
Child-Related Activities	Participation in activities at child's school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health.
Continuous Leave of Absence (LOA)	Leave that is taken continuously and not broken into separate blocks of time.
Leave of Absence (LOA)	A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.
<u>Paid Time Off (PTO) Exhaustion</u>	<u>Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.</u>



Policy: GA.8037
Title: **Leave of Absence**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

I. PURPOSE

This policy outlines the general rules and restrictions applicable to a Leave of Absence (LOA).

II. POLICY

- A. CalOptima Health shall comply with all applicable state and federal LOA laws and regulations and will implement and administer changes to entitlements as required by law.
- B. CalOptima Health will grant a LOA to eligible employees in accordance with CalOptima Health's respective policies and procedures. For leaves specified herein, an employee must submit a Leave of Absence Request Form, available on the InfoNet, to the Human Resources (HR) Department.
- C. An employee's manager may approve up to five (5) scheduled workdays of excused absences for an illness or pre-planned surgery; however, absences of more than five (5) scheduled workdays for illnesses or pre-planned surgery, must be submitted to and approved by HR. Use of Paid Time Off (PTO) for pre-planned vacations does not require HR approval pursuant to CalOptima Health Policy GA.8018: Paid Time Off (PTO).
- D. If an employee requires additional time off work beyond the amount of time authorized herein, and their manager and HR grant a Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence, the Personal LOA will start on the first day after the termination of the LOA granted pursuant to one (1) of the leaves authorized herein.

E. Types of LOA:

1. Bereavement Leave: An employee may take up to three (3) scheduled workdays off with pay [maximum of twenty-four (24) hours] in the event of a death of an employee's: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law. An employee is entitled to take an additional two (2) workdays off as either PTO or unpaid time off [maximum of sixteen (16) hours]. The first five (5) days of paid or unpaid bereavement leave taken in the three (3) months following the death of the family member are considered protected leave. A Bereavement Leave Request Form, available on the InfoNet, must be submitted to HR within thirty (30) calendar days of leave. The employee's manager may approve up to an additional five (5) workdays off to be taken as either PTO or unpaid time off [maximum of forty (40) hours]. An employee must

1 submit a Leave of Absence Request Form to HR and request a Personal LOA pursuant to
2 CalOptima Health Policy GA.8038: Personal Leave of Absence if the employee plans to take
3 additional PTO or unpaid time off exceeding the additional five (5) scheduled workdays taken
4 as PTO or unpaid time off.
5

- 6 2. Pregnancy Disability Leave (PDL): In accordance with California Pregnancy Regulations,
7 CalOptima Health provides up to four (4) months (calculated based on number of days or hours
8 the employee would normally work within four (4) calendar months) of unpaid PDL per
9 pregnancy to women requiring time off work because of a disability caused by an employee's
10 pregnancy, childbirth, or a related medical condition as described in CalOptima Health Policy
11 GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation.
12
- 13 3. Family and Medical Leave Act (FMLA): Under the FMLA, employers must provide eligible
14 employees with up to twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12)
15 month period. In most circumstances, FMLA leave will run at the same time as PDL and/or
16 California Family Rights Act (CFRA) leave (see below), where applicable, and is not in
17 addition to those leaves. FMLA also includes a special leave entitlement for eligible employees
18 to take up to twenty-six (26) weeks of unpaid leave to care for a covered military service
19 member with a qualifying serious injury or illness during a single twelve (12) month period.
20 (See CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and
21 California Family Rights Act (CFRA) Leaves of Absence for details.)
22
- 23 4. California Family Rights Act (CFRA) Leave: CFRA provides eligible employees with up to
24 twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12) month period, as
25 detailed in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and
26 California Family Rights Act (CFRA) Leaves of Absence.
27
- 28 5. Military Family Leave: Eligible employees may take an unpaid LOA under FMLA and/or
29 CFRA as described in Sections II.D.3. and 4. of this Policy, to care for a qualified family
30 member or due to a qualifying exigency arising out of the fact that the qualified family member
31 is on covered active duty or has been notified of an impending call or order to active duty.
32
- 33 6. Military Service Leave: The Uniformed Services Employment and Reemployment Rights Act
34 (USERRA) is a Federal law that provides a cumulative of five (5) years of leave (with certain
35 exceptions) and re-employment rights for veterans and members of the National Guard and
36 Reserve following qualifying military service. USERRA requires that a person re-employed
37 under its provisions be given credit for any months they would have been employed but for the
38 military service in determining eligibility for FMLA leave. A person re-employed following
39 military service should be given credit for the period of military service towards the months-of-
40 employment eligibility requirement.
41
- 42 a. Salary and Compensation for First Thirty (30) Calendar Days for Military Service LOA:
43 Pursuant to Military and Veterans Code, Sections 395.01 and 395.05, an employee may be
44 entitled to their full salary, or compensation, including all appropriate benefits, for the first
45 thirty (30) calendar days of their absence while they are engaged in the performance of
46 ordered duty, active military training, inactive duty training, encampment, naval cruises,
47 special exercises, National Guard active duty, inactive duty training drill periods, or like
48 activity. Pay under this provision is limited to not more than thirty (30) calendar days in any
49 given fiscal year.
50
- 51 b. A military leave of absence without pay shall be granted to employee members of reserve
52 military units and the National Guard required to perform inactive duty obligations.
53 Employee may use accrued PTO if sufficient PTO is accrued or may take this time as
54 unpaid.

c. Supplemental Compensation and Continuation of Benefits for Military Service LOA resulting from the National Emergency declared as a Result of the War on Terror: Upon the exhaustion of pay and benefits for the first thirty (30) calendar days, an employee called to active duty or active training duty with the U.S. Armed Forces or National Guard as a result of the National Emergency, may receive supplemental pay in an amount equal to the difference between the amount of the employee's military pay, including any allotments or additional allowances paid to their families, as calculated at the beginning of the employee's leave, and the amount the employee earned as base salary at CalOptima Health in the month prior to the LOA, assuming the amount the employee earned at CalOptima Health is greater than their military pay. The employee is also authorized to receive a continuation of appropriate benefits, including CalOptima Health payment of the employer cost for applicable health insurance premiums for employees and, if applicable, their dependents. In the event the employee's military pay is greater than their CalOptima Health base salary, CalOptima Health will continue the employee's eligible benefits, if elected, and pay for the employee's cost of such benefits without seeking reimbursement. In instances where training or service with the U.S. Armed Forces is not mandatory and is not covered by state, or federal law, the LOA will be unpaid.

7. Military Spouse Leave: Pursuant to Military & Veterans Code, Section 395.10, eligible employees may take up to ten (10) scheduled workdays of unpaid leave when their spouse is on leave from active duty in the U.S. Armed forces, Reserves or National Guard. Employee may use accrued PTO if sufficient PTO is accrued or may take this time as unpaid.
8. Workers' Compensation: In accordance with state law, CalOptima Health provides Workers' Compensation insurance coverage for employees in case of work-related injury or illness. CalOptima Health may grant a LOA subject to any limitations permitted by law for work-related injuries, in accordance with CalOptima Health Policy GA.8041: Workers' Compensation Program.
9. Jury or Witness Duty Leave: Employees may be granted a LOA with regular pay for those hours that coincide with the employee's regularly scheduled working hours for jury duty. CalOptima Health may grant an employee a LOA with pay to appear as a witness in court, other than as a litigant, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the employee. On days employees are not required to report to court, or on days when the court either dismisses the employee early or requests that the employee report at a later time, whenever practical, the employee must report to work to perform regular duties prior to or after completing jury duty or appearing as a witness, unless the employee's manager approves that the remaining work time is less than reasonable travel time to court and work location. Employees are expected to work with and coordinate with their manager to ensure that their time away from work does not adversely impact business needs, their coworkers, or CalOptima Health members.
10. Parental School Attendance: Pursuant to Labor Code, Section 230.8, employees can take time off up to eight (8) hours in one (1) month or forty (40) hours each year to participate in Child-Related Activities, subject to limitations under applicable laws. Pursuant to Labor Code, Section 230.7, employees can take time off to appear in the school pursuant to a request made under Education Code, Section 48900.1 (Suspension of Pupil). Accrued PTO shall automatically be used for time-off for Child-Related Activities and/or to appear in a pupil's school, subject to the limitations under applicable laws. Otherwise, the Employee may take this time as unpaid if there is not enough accrued PTO available in accordance with CalOptima Health Policy GA.8018: Paid Time Off (PTO).

- 1 11. Victims of Crime or Abuse: Subject to the requirements under Labor Code, sections 230 and
2 230.1, an employee who is a victim of a crime or abuse, may, with reasonable advance notice,
3 unless the advance notice is not feasible, request a LOA. For purposes of LOA request
4 eligibility, "victim" includes (1) a victim of stalking, domestic violence, or sexual assault; (2) a
5 victim of a crime that caused physical injury or that caused mental injury and a threat of
6 physical injury; and/or (3) a person whose immediate family member is deceased as the direct
7 result of the crime. Employees may elect to use accrued PTO, if available, when a LOA is
8 granted; however, the PTO cannot be used to adjust the start date and will count as part of the
9 LOA. This type of LOA is limited to twelve (12) weeks in a rolling twelve (12) month period.
10 After an employee reaches PTO Exhaustion, if elected, the remaining time off will be unpaid.
11 LOAs under this paragraph may be granted for any of the following:
12
13 a. To seek medical attention for injuries caused by crime or abuse;
14
15 b. To obtain services from a domestic violence shelter, program, rape crisis center, or victim
16 services organization or agency as a result of the crime or abuse;
17
18 c. To obtain psychological counseling or mental health services related to an experience of
19 crime or abuse;
20
21 d. To participate in safety planning and take other actions to increase safety from future crime
22 or abuse, including temporary or permanent relocation; and/or
23
24 e. To obtain or attempt to obtain relief, including, but not limited to, a temporary restraining
25 order, restraining order, or other injunctive relief, to help ensure the health, safety, or
26 welfare of the employee, or their child.
27
28 12. Victims of Crime Leave: An employee who is a victim of a crime or whose immediate family
29 member(s) is/are a crime victim may take time off subject to the procedural conditions imposed
30 pursuant to Labor Code, section 230.2, to attend judicial proceedings related to that crime. A
31 copy of the official notice to the victim of each scheduled legal, or judicial, proceeding, or
32 documentation substantiating the employee's attendance at a judicial proceeding is required for
33 this leave. The employee can elect to use accrued PTO for the absence.
34
35 13. Volunteer Civil Service Leave: A Civil Service LOA for an unlimited duration may be granted
36 for employees who are required to perform emergency duty as a volunteer firefighter, a reserve
37 police officer, or emergency rescue personnel. An employee who performs duty as a volunteer
38 firefighter, a reserve peace officer, or as emergency rescue personnel is also permitted to take a
39 LOA, not to exceed an aggregate of fourteen (14) scheduled workdays per calendar year for the
40 purpose of fire, law enforcement, or emergency rescue training. LOAs under this paragraph can
41 be unpaid unless the employee elects to use accrued PTO. However, an employee cannot use
42 PTO to adjust the start date of the LOA authorized under this paragraph, and the time covered
43 by the PTO will be counted towards the LOA.
44
45 14. Civil Air Patrol Leave: Employees who have been employed for at least ninety (90) calendar
46 days may request a maximum total of ten (10) scheduled workdays per calendar year (three (3)
47 scheduled workdays maximum for a single emergency operational mission, unless otherwise
48 authorized by HR) for Civil Air Patrol duty. LOAs under this paragraph can be unpaid unless
49 the employee elects to use accrued PTO. However, an employee cannot use PTO to adjust the
50 start date of the LOA authorized under this paragraph, and the time covered by the PTO will be
51 counted towards the LOA.
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- 1 15. LOA as a Reasonable Accommodation: Consistent with the requirements under the Americans
2 with Disabilities Act and the California Fair Employment and Housing Act, subject to a good
3 faith interactive process, CalOptima Health may grant an employee a LOA as a reasonable
4 accommodation, if appropriate.
5
- 6 16. Reproductive Loss Leave: An employee who has worked for CalOptima Health for at least
7 thirty (30) days may take up to five (5) scheduled workdays off following a reproductive loss
8 event. A reproductive loss event means the day of, or for a multiple day event, the final day of a
9 failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted
10 reproduction. If an employee experiences more than one (1) reproductive loss event within a
11 twelve (12) month period, the employee is entitled to a total of twenty (20) days of
12 Reproductive Loss Leave within a twelve (12) month period, and an employee is required to use
13 their accrued Paid Time Off (PTO) during their leave. The leave need not be taken on
14 consecutive days or immediately following the reproductive loss event but must be taken within
15 three (3) months of the event triggering the leave. A Leave of Absence Request Form, available
16 on the InfoNet, must be submitted to the HR Department within thirty (30) calendar days of
17 leave. If the desired leave exceeds five (5) workdays per event or twenty (20) days in a twelve
18 (12) month period, an employee may submit for consideration a request for Personal LOA
19 pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence.
20
- 21 17. Other Leaves: See CalOptima Health Policy GA.8038: Personal Leave of Absence.
22
- 23 F. Except as required by federal or state law, or as necessary to protect the employee's safety in the
24 workplace, CalOptima Health management and HR shall reasonably maintain the confidentiality, to
25 the extent possible under the circumstances, of any employee requesting time off pursuant to a LOA
26 described herein.
27
- 28 G. To the extent that this policy conflicts with CalOptima Health Policies GA.8038: Personal Leave of
29 Absence, GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation, or
30 GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA)
31 Leaves of Absence, those specific policies shall supersede.
32

33 **III. PROCEDURE**

- 34
- 35 A. Reinstatement: When an employee is placed on a protected LOA, CalOptima Health shall make an
36 effort to hold the employee's position open for the period of the approved leave, with the exception
37 of Personal LOAs in which there is no guarantee of reinstatement. However, to meet business
38 needs, CalOptima Health may need to fill such positions. If an employee's former position is
39 unavailable when the employee returns promptly to work upon the expiration of an approved LOA,
40 CalOptima Health shall make every effort to place the employee in a comparable position for which
41 the employee is qualified. If such a position is not available, the employee will be offered the next
42 suitable position for which the employee is qualified that becomes available. In addition, CalOptima
43 Health will attempt to reasonably accommodate employees who are released for partial or modified
44 duty. An employee who does not accept a position offered by CalOptima Health is considered to
45 have voluntarily terminated employment, effective the day such refusal is made. Employees
46 returning from a LOA related to the employee's own medical condition must obtain a release to
47 return to work from their health care provider (where applicable) stating that they are able to resume
48 work. CalOptima Health also reserves the right to require employees to participate in a fitness for
49 duty examination at the expense of CalOptima Health prior to return to work.
50
- 51 B. Paid Time Off (PTO) accruals: PTO only accrues during the period an employee is on active duty or
52 utilizing PTO for an approved LOA. Once PTO Exhaustion has been reached within a pay period,
53 all remaining time off during an approved LOA shall not be considered time worked for purposes of
54 accruing PTO hours or benefits eligibility.

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- C. Use of Paid Time Off: An employee is required to use their accrued Paid Time Off (PTO) during an LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL, receipt of disability benefits, etc.). PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. The use of PTO will not adjust the start date of an LOA.
1. If applicable, an employee may make a one (1) time request to coordinate disability benefits with accrued PTO to receive one hundred percent (100%) of their total pay until PTO Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted.
- D. Holidays: If a paid holiday occurs during the period an employee is on a LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday and the holiday pay will be prorated based on the employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the employee would have been regularly scheduled to work, the holiday will count against the employee's LOA entitlement. An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.
- E. Supplemental Compensation: An employee on a Continuous LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance during their LOA. If applicable, an employee on a Continuous LOA may be eligible for Employer-Paid Member Contribution, Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid out to be eligible to receive the incentive. Continuous LOA is leave that is taken continuously and not broken into separate blocks of time. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.
- F. Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved LOA from CalOptima Health, unless specifically authorized under this Policy, such as for military service.
- G. Documentation: Failure to provide all the required information and/or documentation within the requested or required timeframe may result in a delay in CalOptima Health's approval of the LOA request, CalOptima Health's denial of the employee's request for a LOA, and/or an impact to the employee's ability to take a LOA as requested.
- H. Failure to return promptly: If an employee fails to return to work upon the expiration of an approved LOA and has not submitted required documentation and/or obtained an extension from HR prior to such expiration date, the employee will be considered to have voluntarily resigned. HR will process the employee's voluntary resignation effective three (3) consecutive scheduled workdays following the date the employee failed to return to work, or as soon as reasonably possible given the circumstances. It is the responsibility of the employee to ensure a request for an extended LOA is submitted timely with all required documentation in support of extending the LOA.

- I. Misrepresentations: Misrepresenting reasons or information submitted when applying for a LOA may result in corrective action, up to and including termination.
- J. Status of Employee Benefits during PDL, FMLA, CFRA, Military Service or Workers' Compensation Leaves of Absence: An employee on a LOA pursuant to PDL, FMLA, CFRA, Military Service or Workers' Compensation will be eligible to receive employer contributions towards their health benefits (medical, vision, and dental). Following the covered period of protected leave, employer contributions will only continue while an employee utilizes accrued PTO. After an employee reaches PTO Exhaustion, or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima Health will not pay for group health insurance premiums during any remaining portion of leave. The employee is fully responsible for the employer and employee share of health insurance premiums through a timely election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). In order to ensure continuation of coverage, an employee must timely pay premiums for the period of the unpaid LOA and coordinate the payments through CalOptima Health's third-party COBRA administrator. Failure to pay premiums in a timely manner will result in immediate termination of coverage through the remainder of the unpaid LOA. Reinstatement of coverage will occur on the first day of the month following the date the employee returns to work on a part-time or full-time basis. If the employee subsequently returns to an approved LOA, any active benefit coverage will end at the end of the month following the employee's last day worked and PTO Exhaustion.
- K. Other benefits: All other benefits not specified herein, provided by CalOptima Health, shall be administered according to HR procedures.
- L. Eligibility and Specific Leave Requirements: Refer to specific CalOptima Health policies listed below for detailed information about eligibility and other leave requirements:
1. CalOptima Health Policy GA.8018: Paid Time Off (PTO);
 2. CalOptima Health Policy GA.8038: Personal Leave of Absence;
 3. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation;
 4. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence; and/or
 5. CalOptima Health Policy GA.8041: Workers' Compensation Program.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. Bereavement Leave Request Form
- B. California Code, Education Code, §48900.1
- C. California Code, Government Code, §12945.1 et seq. (CFRA)
- D. California Code, Government Code, §19774-19775 (Military Service Leave)
- E. California Code, Labor Code, §230 et seq. (Jury service and other leaves)
- F. California Code, Military & Veterans Code, §395.10 (Military Service Leave)
- G. CalOptima Health Policy GA.8018: Paid Time Off (PTO)
- H. CalOptima Health Policy GA.8038: Personal Leave of Absence

- I. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation
- J. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
- K. CalOptima Health Policy GA.8041: Workers' Compensation Program
- L. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- M. Leave of Absence Request Form
- N. Title 2, California Code of Regulations (C.C.R.), §7291.2 et seq. (Pregnancy Regulations)
- O. Title 2, California Code of Regulations (C.C.R.), §7293.5 et seq. (Disability Regulations)
- P. Title 29, Code of Federal Regulations (C.F.R.), Part 825 (FMLA Regulations)
- Q. Title 29, United States Code (U.S.C.), §2601 et seq. (FMLA)
- R. Title 38, United States Code (U.S.C.), §4301 et seq. (USSERA)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
08/03/2017	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors
12/07/2023	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8037	Leave of Absence	Administrative
Revised	02/01/2014	GA.8037	Leave of Absence	Administrative
Revised	05/04/2017	GA.8037	Leave of Absence	Administrative
Revised	08/03/2017	GA.8037	Leave of Absence	Administrative
Revised	09/03/2020	GA.8037	Leave of Absence	Administrative
Revised	12/20/2021	GA.8037	Leave of Absence	Administrative
Revised	05/04/2023	GA.8037	Leave of Absence	Administrative
Revised	12/07/2023	GA.8037	Leave of Absence	Administrative
Revised	09/05/2024	GA.8037	Leave of Absence	Administrative

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IX. GLOSSARY

Term	Definition
Child-Related Activities	Participation in activities at child’s school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health.
Continuous Leave of Absence (LOA)	Leave that is taken continuously and not broken into separate blocks of time.
Leave of Absence (LOA)	A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.
Paid Time Off (PTO) Exhaustion	Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.

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Policy: GA.8038
Title: **Personal Leave of Absence**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's Leave of Absence (LOA) guidelines for Personal Leave.

II. POLICY

A. Eligibility: All full-time and part-time employees are eligible to request a Personal Leave of Absence (LOA).

B. General Provisions: CalOptima Health may grant a Personal LOA for reasons other than leaves described in CalOptima Health Policy GA.8037: Leave of Absence, for a reasonable period of time of up to a total of ninety (90) days per twelve (12) month period. A Personal LOA granted as a disability accommodation is not subject to the ninety (90) day limit. Personal LOAs are entirely dependent on CalOptima Health's discretion and are only approved when it is determined by the employee's management, in coordination with Human Resources, that granting the leave will not unduly interfere with CalOptima Health's operations. Requests for Personal LOAs are considered on the basis of responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact or potential hardship of the leave on the employer.

C. ~~Expired~~Extended Leave of Absence: If an employee exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, but is not ready to return to work, the employee may request a Personal LOA to extend their time away from work. It is the employee's responsibility to request a Personal LOA and provide sufficient documentation in a timely manner prior to the date the employee is scheduled to return to work. CalOptima Health will consider the request in accordance with this Policy. Once an employee ~~exhausts~~exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, their position is no longer considered protected unless otherwise required by applicable laws. Failure to request a Personal LOA to extend an employee's time away from work and failure to report to work following a permitted LOA shall be considered as the employee's voluntary resignation of their position. Reinstatement may be considered in special circumstances where a timely request or return to work may not be feasible.

D. Other Provisions:

1. Personal LOA requests related to an employee's qualifying disability under the Americans with Disabilities Act (ADA) ~~will be handled pursuant to the requirements of ADA, where applicable.~~, and the California Fair Employment and Housing Act (FEHA) will be handled in accordance

1 with CalOptima Health Policy GA.8063: Disability Accommodation. Human Resources will
2 require timely submission of adequate medical documentation and engage in the Interactive
3 Process to work with the employee and the employee's management to determine whether a
4 Personal LOA is a reasonable accommodation based on individual circumstances, whether there
5 are alternative reasonable accommodations that might be effective and enable the employee to
6 perform the essential functions of their job, and/or whether the Personal LOA will create undue
7 hardship.
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- 10 2. Employees are required to maintain regular contact with Human Resources and provide timely
11 updates regarding the employee's expected return to work date or anticipated extension of a
12 Personal LOA. Employees who fail to timely request an extended ~~leave of absence~~ Personal
13 LOA or submit adequate medical documentation in support of an extended Personal LOA may
14 be separated from CalOptima Health as provided in Section II.D.7. of this Policy.
- 15 3. ~~An employee must use Paid Time Off (PTO) during the Personal LOA unless the employee is~~
16 ~~receiving disability payments or CalOptima Health grants special approval.~~ Use of Paid Time
17 Off: An employee is required to use their accrued Paid Time Off (PTO) during the Personal
18 LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL,
19 receipt of disability benefits, etc.).- PTO must be used on consecutive calendar days within each
20 pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO
21 will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less
22 than a full day of PTO is available. The use of PTO will not adjust the start date of the Personal
23 LOA. The time covered by PTO will still count as part of the Personal LOA. PTO only accrues
24 during the period an employee is on active duty or utilizing PTO for an approved Personal
25 LOA. Once the employee's all PTO has accruals have been exhausted within a pay period, all
26 remaining time off during the approved Personal LOA shall not be considered time worked for
27 purposes of accruing PTO hours. The use of PTO will not adjust the start date of the Personal
28 LOA, so time covered by PTO will still count as part of the Personal LOA, or benefits
29 eligibility.
- 30
- 31 a. If applicable, an employee may make a one (1) time request to coordinate disability benefits
32 with accrued PTO to receive one hundred percent (100%) of their total pay until PTO
33 Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within
34 each pay period, in accordance with the employee's assigned work schedule, until exhausted.
35
- 36 4. An employee must request the Personal LOA at least thirty (30) calendar days in advance,
37 except in cases of emergency, wherein, the employee has five (5) calendar days, commencing
38 from the start of the Personal LOA, to submit the request, along with any supporting
39 documentation to HR. Limited exceptions to this requirement will be evaluated and considered
40 on a case-by-case basis, with consideration based on the nature of the request and the
41 circumstances surrounding any delay.
- 42
- 43 5. Except where required by law, CalOptima Health does not guarantee that an employee's
44 position will remain vacant while the employee is on an approved Personal LOA. ~~CalOptima~~
45 ~~Health may fill the employee's position for business reasons or where undue hardship results~~
46 ~~from the employee's Personal LOA in accordance with the ADA and FEHA, if applicable.~~
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- 48 6. If an employee's position is filled while they are on an approved Personal LOA for reasons
49 other than disability, the employee may be terminated, and at the conclusion of their scheduled
50 leave, the employee may apply for any open position for which they are qualified at CalOptima
51 Health. ~~However, there is no such guarantee that a position for which the employee is qualified~~
52 ~~will be available or that the employee will be placed in that open position. If the employee was~~
53 ~~on Personal LOA due to a qualifying disability, and their position was filled while on leave as a~~
54 ~~result of undue hardship, CalOptima Health may reassign the employee to the next suitable~~

position for which the employee is qualified, if such a position is available pursuant to the ADA and FEHA.

7. If an employee's position is not filled during their Personal LOA, the employee is expected to return to work at the scheduled conclusion of their Personal LOA. -If an employee fails to do so, CalOptima Health will treat the employee as having voluntarily resigned from their employment with CalOptima Health.

8. Status of Employee Benefits during Personal Leave: After an employee ~~exhausts all PTO accruals~~ reaches PTO Exhaustion or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima Health will not pay for group health insurance premiums during any remaining portion of a Personal LOA. The employee is fully responsible for the employer and employee share of health insurance premiums through a timely election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) during the remaining portion of the Personal LOA. -In order to ensure continuation of coverage, an employee must timely pay premiums for the period of the Personal LOA and coordinate the payments through CalOptima Health's third-party COBRA administrator. -Failure to pay premiums in a timely manner will result in immediate termination of coverage through the remainder of the Personal LOA. However, reinstatement ~~Reinstatement~~ of coverage will occur on the first day of the month following the date the employee returns to work- on a part-time or full-time basis. If the employee subsequently returns to a Personal LOA, any active benefit coverage will end at the end of the month following the employee's last day worked and PTO Exhaustion.

- a. If the employee returns to work from a Personal LOA, and then resumes a Personal LOA within the same month, the most recent employment status will determine benefits eligibility. For example, if the employee returns to work on January 1, but then resumes a Personal LOA on January 15, and exhausts PTO on January 17, benefits will not be reinstated on February 1 and the employee will maintain their existing health coverage through COBRA, if applicable. All other benefits not specified herein provided by CalOptima Health shall be administered according to HR procedures.

8.9. Holidays:- If a paid holiday occurs during the period an employee is on a Personal LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday. -The holiday pay will be prorated based on the employee's full-time or part-time status as was in effect prior to the LOA. -An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved LOA, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.

9.10. Supplemental Compensation: An employee on a Personal LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance during their LOA. ~~An~~ If applicable, an employee on a ~~Continuous~~ Personal LOA may be eligible for Employer-Paid Member Contribution ~~or~~, Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid ~~for eligibility~~ out to be eligible to receive the incentive. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.

~~10.11.~~ Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved Personal LOA from CalOptima Health, unless specifically authorized under CalOptima Health Policy GA.8037: Leave of Absence.

~~11.12.~~ Misrepresentations: Misrepresenting reasons or information submitted when applying for a Personal LOA may result in corrective action, up to and including termination.

~~12.13.~~ To the extent that this policy conflicts with CalOptima Health Policies, GA.8037: Leave of Absence, GA.8039: Pregnancy Disability Leave of Absence ~~or~~ and Related Workplace Accommodation, GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or GA.8041: Workers' Compensation Program, those specific policies shall supersede.

III. PROCEDURE

Responsible Party	Action
Employee	<ol style="list-style-type: none">1. Request a Personal LOA at least thirty (30) calendar days in advance, except in emergencies, wherein, the employee has five (5) calendar days, commencing from the start of the Personal LOA, by completing the Leave of Absence Request Form and submitting it, along with all supporting documentation, to HR.2. If applicable, submit timely health insurance premium payments to CalOptima <u>Health, or CalOptima</u> Health's third-party administrator for continuation of health coverage (COBRA) upon exhaustion of once PTO. <u>Exhaustion has been reached.</u>3. Maintain regular communication with HR regarding the status of the LOA or return to work, as applicable, and if an extension is needed, provide adequate medical documentation in support of an extended Personal LOA prior to the scheduled end date of an approved Personal LOA.4. Engage in an Interactive Process with Human Resources staff and department management, where applicable.5. Return to work on the agreed upon return-to-work date if the position is still available.
Human Resources	<ol style="list-style-type: none">1. Process appropriate forms with the employee.2. Discuss the request for Personal LOA with the employee's management to evaluate and determine if a request for Personal LOA can be granted, what the impact will be to the department, including undue hardship(s) that will arise in the absence of the employee.3. Work closely with the employee's management to determine if there is an alternate reasonable accommodation(s) that might be effective in allowing an employee to return to work, to prevent the need to take a Personal LOA, if applicable.4. Upon management approval, designate the employee's Personal LOA and provide information regarding the status of employee benefits during Personal LOA.5. Maintain regular contact with the employee and the employee's management while the employee is on Personal LOA.6. Help the employee with a plan to transition back to work, when applicable.7. Engage in an Interactive Process with the employee, where applicable.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Policy GA.8037: Leave of Absence
- B. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and LactationRelated Workplace Accommodation
- C. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
- D. CalOptima Health Policy GA.8041: Workers' Compensation Program
- E. CalOptima Health Policy GA.8063: Disability Accommodation
- D.F. Leave of Absence Request Form
- E.G. Title 29, Code of Federal Regulations (C.F.R.), § 1630.9

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
<u>09/05/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8038	Discretionary Leave of Absence	Administrative
Revised	02/01/2014	GA.8038	Personal Leave of Absence	Administrative
Revised	06/07/2018	GA.8038	Personal Leave of Absence	Administrative
Revised	12/20/2021	GA.8038	Personal Leave of Absence	Administrative
Revised	11/02/2023	GA.8038	Personal Leave of Absence	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8038</u>	<u>Personal Leave of Absence</u>	<u>Administrative</u>

IX. GLOSSARY

Term	Definition
Interactive Process	A term used to describe the ongoing, good faith meeting with an employee to determine whether reasonable accommodation can be made to an employee with a known disability. The Interactive Process is the way in which employees, supervisors, and their departments determine whether reasonable accommodation can be made to an employee pursuant to the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA).
Leave of Absence (LOA)	A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.
<u>Paid Time Off (PTO) Exhaustion</u>	<u>Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.</u>



Policy: GA.8038
Title: **Personal Leave of Absence**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's Leave of Absence (LOA) guidelines for Personal Leave.

II. POLICY

- A. Eligibility: All full-time and part-time employees are eligible to request a Personal Leave of Absence (LOA).
- B. General Provisions: CalOptima Health may grant a Personal LOA for reasons other than leaves described in CalOptima Health Policy GA.8037: Leave of Absence, for a reasonable period of time of up to a total of ninety (90) days per twelve (12) month period. A Personal LOA granted as a disability accommodation is not subject to the ninety (90) day limit. Personal LOAs are entirely dependent on CalOptima Health's discretion and are only approved when it is determined by the employee's management, in coordination with Human Resources, that granting the leave will not unduly interfere with CalOptima Health's operations. Requests for Personal LOAs are considered on the basis of responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact or potential hardship of the leave on the employer.
- C. Extended Leave of Absence: If an employee exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, but is not ready to return to work, the employee may request a Personal LOA to extend their time away from work. It is the employee's responsibility to request a Personal LOA and provide sufficient documentation in a timely manner prior to the date the employee is scheduled to return to work. CalOptima Health will consider the request in accordance with this Policy. Once an employee exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, their position is no longer considered protected unless otherwise required by applicable laws. Failure to request a Personal LOA to extend an employee's time away from work and failure to report to work following a permitted LOA shall be considered as the employee's voluntary resignation of their position. Reinstatement may be considered in special circumstances where a timely request or return to work may not be feasible.
- D. Other Provisions:
1. Personal LOA requests related to an employee's qualifying disability under the Americans with Disabilities Act (ADA), and the California Fair Employment and Housing Act (FEHA) will be handled in accordance with CalOptima Health Policy GA.8063: Disability Accommodation. Human Resources will require timely submission of adequate medical documentation and

engage in the Interactive Process to work with the employee and the employee's management to determine whether a Personal LOA is a reasonable accommodation based on individual circumstances, whether there are alternative reasonable accommodations that might be effective and enable the employee to perform the essential functions of their job, and/or whether the Personal LOA will create undue hardship.

2. Employees are required to maintain regular contact with Human Resources and provide timely updates regarding the employee's expected return to work date or anticipated extension of a Personal LOA. Employees who fail to timely request an extended Personal LOA or submit adequate medical documentation in support of an extended Personal LOA may be separated from CalOptima Health as provided in Section II.D.7. of this Policy.
3. Use of Paid Time Off: An employee is required to use their accrued Paid Time Off (PTO) during the Personal LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL, receipt of disability benefits, etc.). PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. The use of PTO will not adjust the start date of the Personal LOA. The time covered by PTO will still count as part of the Personal LOA. PTO only accrues during the period an employee is on active duty or utilizing PTO for an approved Personal LOA. Once all PTO accruals have been exhausted within a pay period, all remaining time off during the approved Personal LOA shall not be considered time worked for purposes of accruing PTO hours or benefits eligibility.
 - a. If applicable, an employee may make a one (1) time request to coordinate disability benefits with accrued PTO to receive one hundred percent (100%) of their total pay until PTO Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted.
4. An employee must request the Personal LOA at least thirty (30) calendar days in advance, except in cases of emergency, wherein, the employee has five (5) calendar days, commencing from the start of the Personal LOA, to submit the request, along with any supporting documentation to HR. Limited exceptions to this requirement will be evaluated and considered on a case-by-case basis, with consideration based on the nature of the request and the circumstances surrounding any delay.
5. Except where required by law, CalOptima Health does not guarantee that an employee's position will remain vacant while the employee is on an approved Personal LOA. CalOptima Health may fill the employee's position for business reasons or where undue hardship results from the employee's Personal LOA in accordance with the ADA and FEHA, if applicable.
6. If an employee's position is filled while they are on an approved Personal LOA for reasons other than disability, the employee may be terminated, and at the conclusion of their scheduled leave, the employee may apply for any open position for which they are qualified at CalOptima Health. However, there is no such guarantee that a position for which the employee is qualified will be available or that the employee will be placed in that open position. If the employee was on Personal LOA due to a qualifying disability, and their position was filled while on leave as a result of undue hardship, CalOptima Health may reassign the employee to the next suitable position for which the employee is qualified, if such a position is available pursuant to the ADA and FEHA.
7. If an employee's position is not filled during their Personal LOA, the employee is expected to return to work at the scheduled conclusion of their Personal LOA. If an employee fails to do so,

CalOptima Health will treat the employee as having voluntarily resigned from their employment with CalOptima Health.

8. Status of Employee Benefits during Personal Leave: After an employee reaches PTO Exhaustion or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima Health will not pay for group health insurance premiums during any remaining portion of a Personal LOA. The employee is fully responsible for the employer and employee share of health insurance premiums through a timely election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) during the remaining portion of the Personal LOA. In order to ensure continuation of coverage, an employee must timely pay premiums for the period of the Personal LOA and coordinate the payments through CalOptima Health's third-party COBRA administrator. Failure to pay premiums in a timely manner will result in immediate termination of coverage through the remainder of the Personal LOA. Reinstatement of coverage will occur on the first day of the month following the date the employee returns to work on a part-time or full-time basis. If the employee subsequently returns to a Personal LOA, any active benefit coverage will end at the end of the month following the employee's last day worked and PTO Exhaustion.
 - a. If the employee returns to work from a Personal LOA, and then resumes a Personal LOA within the same month, the most recent employment status will determine benefits eligibility. For example, if the employee returns to work on January 1, but then resumes a Personal LOA on January 15, and exhausts PTO on January 17, benefits will not be reinstated on February 1 and the employee will maintain their existing health coverage through COBRA, if applicable. All other benefits not specified herein provided by CalOptima Health shall be administered according to HR procedures.
9. Holidays: If a paid holiday occurs during the period an employee is on a Personal LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday. The holiday pay will be prorated based on the employee's full-time or part-time status as was in effect prior to the LOA. An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved LOA, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.
10. Supplemental Compensation: An employee on a Personal LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance during their LOA. If applicable, an employee on a Personal LOA may be eligible for Employer-Paid Member Contribution, Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid out to be eligible to receive the incentive. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.
11. Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved Personal LOA from CalOptima Health, unless specifically authorized under CalOptima Health Policy GA.8037: Leave of Absence.
12. Misrepresentations: Misrepresenting reasons or information submitted when applying for a Personal LOA may result in corrective action, up to and including termination.

13. To the extent that this policy conflicts with CalOptima Health Policies, GA.8037: Leave of Absence, GA.8039: Pregnancy Disability Leave of Absence and Related Workplace Accommodation, GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or GA.8041: Workers' Compensation Program, those specific policies shall supersede.

III. PROCEDURE

Responsible Party	Action
Employee	<ol style="list-style-type: none"> 1. Request a Personal LOA at least thirty (30) calendar days in advance, except in emergencies, wherein, the employee has five (5) calendar days, commencing from the start of the Personal LOA, by completing the Leave of Absence Request Form and submitting it, along with all supporting documentation, to HR. 2. If applicable, submit timely health insurance premium payments to CalOptima Health, or CalOptima Health's third-party administrator for continuation of health coverage (COBRA) upon once PTO Exhaustion has been reached. 3. Maintain regular communication with HR regarding the status of the LOA or return to work, as applicable, and if an extension is needed, provide adequate medical documentation in support of an extended Personal LOA prior to the scheduled end date of an approved Personal LOA. 4. Engage in an Interactive Process with Human Resources staff and department management, where applicable. 5. Return to work on the agreed upon return-to-work date if the position is still available.
Human Resources	<ol style="list-style-type: none"> 1. Process appropriate forms with the employee. 2. Discuss the request for Personal LOA with the employee's management to evaluate and determine if a request for Personal LOA can be granted, what the impact will be to the department, including undue hardship(s) that will arise in the absence of the employee. 3. Work closely with the employee's management to determine if there is an alternate reasonable accommodation(s) that might be effective in allowing an employee to return to work, to prevent the need to take a Personal LOA, if applicable. 4. Upon management approval, designate the employee's Personal LOA and provide information regarding the status of employee benefits during Personal LOA. 5. Maintain regular contact with the employee and the employee's management while the employee is on Personal LOA. 6. Help the employee with a plan to transition back to work, when applicable. 7. Engage in an Interactive Process with the employee, where applicable.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- CalOptima Health Policy GA.8037: Leave of Absence
- CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Related Workplace Accommodation

- C. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
D. CalOptima Health Policy GA.8041: Workers' Compensation Program
E. CalOptima Health Policy GA.8063: Disability Accommodation
F. Leave of Absence Request Form
G. Title 29, Code of Federal Regulations (C.F.R.), §1630.9

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8038	Discretionary Leave of Absence	Administrative
Revised	02/01/2014	GA.8038	Personal Leave of Absence	Administrative
Revised	06/07/2018	GA.8038	Personal Leave of Absence	Administrative
Revised	12/20/2021	GA.8038	Personal Leave of Absence	Administrative
Revised	11/02/2023	GA.8038	Personal Leave of Absence	Administrative
Revised	09/05/2024	GA.8038	Personal Leave of Absence	Administrative

1 IX. GLOSSARY
2

Term	Definition
Interactive Process	A term used to describe the ongoing, good faith meeting with an employee to determine whether reasonable accommodation can be made to an employee with a known disability. The Interactive Process is the way in which employees, supervisors, and their departments determine whether reasonable accommodation can be made to an employee pursuant to the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA).
Leave of Absence (LOA)	A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.
Paid Time Off (PTO) Exhaustion	Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.

3



Policy: GA.8044
Title: **Telework Program**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 03/01/2012

Revised Date: 09/05/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

I. PURPOSE

This policy describes guidelines for a flexible work arrangement that: 1) permits eligible employees to perform their work from Remote Work Locations unless business needs require otherwise; 2) supports recruitment and retention of skilled employees; and 3) promotes a culture of managing by results.

II. POLICY

A. Telework is a workplace arrangement in which eligible employees may voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.

1. Full Teleworkers elect to work their entire work schedule away from the Central Worksite at a Remote Work Location unless business needs require otherwise. Full Teleworkers may not elect to routinely work a portion of their scheduled days at the Central Worksite and the remainder from the Remote Work Location. Full Teleworkers will not have dedicated workspaces at the Central Worksite.
2. Partial Teleworkers elect a pre-established consistent weekly work schedule, which will include two (2) or more full days in the Central Worksite, and the remainder of full days at the Remote Work Location, subject to management approval. Partial Teleworkers' regular workdays cannot be broken up with part of the day at the Central Worksite and part of the day at the Remote Work Location.
3. Community Workers perform fifty-one percent (51%) or more of their duties in field locations such as provider offices, Members' homes, and at community outreach events. Community Workers will not have dedicated workspaces at the Central Worksite and are not counted in the Full Telework positions. They may reserve hotel stations at the Central Worksite, as needed.
4. Temporary Teleworkers work up to their entire work schedule away from the Central Worksite on a temporary basis, as an accommodation for their disability or to provide care to a family or household member who has a serious health condition or disability. The care provided to the family or household member occurs outside of the Temporary Teleworkers' normal work schedule (e.g., before or after work or while on a meal break). Temporary Telework to provide care for a family or household member is limited to less than six (6) months in duration in a calendar year. Temporary Teleworkers are not counted in the Full Telework positions.

- 1 B. The Human Resources Department (HR) maintains a list of job classifications that have been
2 evaluated and identified as eligible for Telework, ~~which~~ herein referred to as the eligibility list. This
3 list may be updated from time-to-time based on business needs. For all other job classifications not
4 on the eligibility list ~~maintained by HR~~, supervisors and managers can recommend approval of a
5 request for Telework by an employee, group, or department that meet the eligibility criteria set forth
6 in the Telework Program Guidelines maintained by HR. ~~Requests should be submitted to HR for~~
7 ~~review and approval/denial. Appeals of HR decisions can be submitted by the supervisor's or~~
8 ~~manager's Executive to the Chief Executive Officer (CEO) for final determination.~~
9
10 C. Telework is not a universal employee benefit or entitlement, and there is no guarantee that an
11 employee will be permitted to Telework. An employee working in a telework-eligible job
12 classification may request full or partial telework, however, CalOptima Health reserves the right to
13 deny, revoke, or remove Telework for any employee, group, or department, based on business
14 needs, failure to meet performance expectations, and/or as deemed appropriate by management.
15 Management will evaluate eligibility for each employee, position, group or department, based on
16 clear criteria and standards maintained by HR.
17
18 D. Full and Partial Telework is not available for Executive Level Positions unless the position is
19 classified as a difficult to recruit and/or retain position, and the position is appropriate for telework
20 as determined by the Chief Human Resources Officer (CHRO), with the approval of the CEO.
21 ~~E. Full Telework positions can account for up to fifty percent (50%) of the budgeted Full Time~~
22 ~~Equivalent (FTE) headcount at any given time. Partial Telework positions are unlimited.~~
23
24 E. Effective May 2024, new out-of-state Telework assignments will not be authorized. Employees with
25 prior authorization for out-of-state Telework may continue to work from their approved remote
26 location at the discretion of the CEO.
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28 F. An employee's manager has the discretion to allow an employee in a non-Telework position to
29 work from a Remote Work Location on an occasional basis subject to the conditions set forth in the
30 Telework Program Guidelines maintained by HR. The employee's manager shall ensure that the
31 nature of work assignments and job responsibilities can be performed effectively away from the
32 Central Worksite.
33
34 G. CalOptima Health's policies, rules and practices applicable at the Central Worksite are applicable to
35 a Teleworker while working at the Remote Work Location, including, but not limited to,
36 confidentiality, privacy and security, internal communications, communications with the public,
37 public records requests, employee rights and responsibilities, attendance and timekeeping,
38 scheduled work hours, facilities and equipment management, financial management, information
39 resource management, purchasing of property and services, unlawful harassment, drug and alcohol,
40 and safety.
41
42 H. Requirements specific to Telework are set out more fully in the Telework Program Guidelines,
43 which each employee authorized for Telework must read, acknowledge, and sign prior to the
44 employee's first day of Telework.
45
46 I. Failure to comply with the requirements of this policy, the Telework Program Guidelines, or
47 CalOptima Health's policies, rules, and procedures may result in termination of the employee's
48 Telework arrangement and/or corrective action, up to and including termination of employment.
49 Certain violations of this policy, the Telework Program Guidelines, other applicable CalOptima
50 Health policies, and/or state and federal laws may also result in criminal or civil prosecution or
51 penalties, where applicable.
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53 J. Authority

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1. HR will manage CalOptima Health's Telework Program and maintain guidelines for eligibility, selection criteria, work schedule requirements, and other Telework-related requirements not otherwise specified in this policy. The CHRO, with approval of the CEO, may authorize amendments to the Telework Program Guidelines.
2. In cases of local emergencies or unforeseen circumstances necessitating Telework for the immediate protection, welfare, and safety of the employee and/or CalOptima Health property, the CEO may authorize amendments to this policy including, but not limited to, increasing the number of Full Telework positions for the duration of the local emergency or unforeseen circumstances necessitating Telework.

III. PROCEDURE

The procedure for requesting, approving, and appealing a request for Telework is set forth in the Telework Program Guidelines maintained by HR.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. Telework Program Guidelines

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/06/2013	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
02/01/2018	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	03/01/2012	GA.8044	Telework Program	Administrative
Revised	06/06/2013	GA.8044	Telework Program	Administrative
Revised	05/01/2014	GA.8044	Telework Program	Administrative
Revised	12/03/2015	GA.8044	Telework Program	Administrative
Revised	02/01/2018	GA.8044	Telework Program	Administrative
Revised	12/20/2021	GA.8044	Telework Program	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	11/02/2023	GA.8044	Telework Program	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8044</u>	<u>Telework Program</u>	<u>Administrative</u>

For 20240905 BOD Review Only

IX. GLOSSARY

Term	Definition
Central Worksite	CalOptima Health's primary physical location of business applicable to the employee, which is either CalOptima Health's administration building at 505 City Parkway West, the PACE building or other CalOptima Health operated location.
Community Worker	An employee in a position that performs fifty-one percent (51%) or more of their duties in field locations such as provider offices, members' homes, and at community outreach events.
Executive Level Position	The position of Executive Director or above.
Full Teleworker	An eligible employee who is approved to routinely work their entire regularly scheduled work hours from a Remote Work Location unless business needs require otherwise.
Partial Teleworker	An eligible employee who is approved to work a pre-established consistent weekly work schedule split between two (2) or more full days per week at the Central Worksite, and the remainder of full days at the Remote Work Location.
Remote Work Location	The Employee's home office or other designated pre-approved work location that is not the Central Worksite.
Telework	A workplace arrangement in which eligible employees voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.
Temporary Teleworker	An eligible employee who works up to their entire work schedule away from the Central Worksite on a temporary basis, up to six months, as an accommodation for their disability, or to provide care to a family or household member who has a serious health condition.

Policy: GA.8044
 Title: **Telework Program**
 Department: Human Resources
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 03/01/2012

Revised Date: 09/05/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

I. PURPOSE

This policy describes guidelines for a flexible work arrangement that: 1) permits eligible employees to perform their work from Remote Work Locations unless business needs require otherwise; 2) supports recruitment and retention of skilled employees; and 3) promotes a culture of managing by results.

II. POLICY

A. Telework is a workplace arrangement in which eligible employees may voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.

1. Full Teleworkers elect to work their entire work schedule away from the Central Worksite at a Remote Work Location unless business needs require otherwise. Full Teleworkers may not elect to routinely work a portion of their scheduled days at the Central Worksite and the remainder from the Remote Work Location. Full Teleworkers will not have dedicated workspaces at the Central Worksite.
2. Partial Teleworkers elect a pre-established consistent weekly work schedule, which will include two (2) or more full days in the Central Worksite, and the remainder of full days at the Remote Work Location, subject to management approval. Partial Teleworkers' regular workdays cannot be broken up with part of the day at the Central Worksite and part of the day at the Remote Work Location.
3. Community Workers perform fifty-one percent (51%) or more of their duties in field locations such as provider offices, Members' homes, and at community outreach events. Community Workers will not have dedicated workspaces at the Central Worksite and are not counted in the Full Telework positions. They may reserve hotel stations at the Central Worksite, as needed.
4. Temporary Teleworkers work up to their entire work schedule away from the Central Worksite on a temporary basis, as an accommodation for their disability or to provide care to a family or household member who has a serious health condition or disability. The care provided to the family or household member occurs outside of the Temporary Teleworkers' normal work schedule (e.g., before or after work or while on a meal break). Temporary Telework to provide care for a family or household member is limited to less than six (6) months in duration in a calendar year. Temporary Teleworkers are not counted in the Full Telework positions.

- 1 B. The Human Resources Department (HR) maintains a list of job classifications that have been
2 evaluated and identified as eligible for Telework, herein referred to as the eligibility list. This list
3 may be updated from time-to-time based on business needs. For all other job classifications not on
4 the eligibility list, supervisors and managers can recommend approval of a request for Telework by
5 an employee, group, or department that meet the eligibility criteria set forth in the Telework
6 Program Guidelines maintained by HR. Requests should be submitted to HR for review and
7 approval/denial. Appeals of HR decisions can be submitted by the supervisor's or manager's
8 Executive to the Chief Executive Officer (CEO) for final determination.
9
- 10 C. Telework is not a universal employee benefit or entitlement, and there is no guarantee that an
11 employee will be permitted to Telework. An employee working in a telework-eligible job
12 classification may request full or partial telework, however, CalOptima Health reserves the right to
13 deny, revoke, or remove Telework for any employee, group, or department, based on business
14 needs, failure to meet performance expectations, and/or as deemed appropriate by management.
15 Management will evaluate eligibility for each employee, position, group or department, based on
16 clear criteria and standards maintained by HR.
17
- 18 D. Full and Partial Telework is not available for Executive Level Positions unless the position is
19 classified as a difficult to recruit and/or retain position, and the position is appropriate for telework
20 as determined by the Chief Human Resources Officer (CHRO), with the approval of the CEO.
21
- 22 E. Effective May 2024, new out-of-state Telework assignments will not be authorized. Employees with
23 prior authorization for out-of-state Telework may continue to work from their approved remote
24 location at the discretion of the CEO.
25
- 26 F. An employee's manager has the discretion to allow an employee in a non-Telework position to
27 work from a Remote Work Location on an occasional basis subject to the conditions set forth in the
28 Telework Program Guidelines maintained by HR. The employee's manager shall ensure that the
29 nature of work assignments and job responsibilities can be performed effectively away from the
30 Central Worksite.
31
- 32 G. CalOptima Health's policies, rules and practices applicable at the Central Worksite are applicable to
33 a Teleworker while working at the Remote Work Location, including, but not limited to,
34 confidentiality, privacy and security, internal communications, communications with the public,
35 public records requests, employee rights and responsibilities, attendance and timekeeping,
36 scheduled work hours, facilities and equipment management, financial management, information
37 resource management, purchasing of property and services, unlawful harassment, drug and alcohol,
38 and safety.
39
- 40 H. Requirements specific to Telework are set out more fully in the Telework Program Guidelines,
41 which each employee authorized for Telework must read, acknowledge, and sign prior to the
42 employee's first day of Telework.
43
- 44 I. Failure to comply with the requirements of this policy, the Telework Program Guidelines, or
45 CalOptima Health's policies, rules, and procedures may result in termination of the employee's
46 Telework arrangement and/or corrective action, up to and including termination of employment.
47 Certain violations of this policy, the Telework Program Guidelines, other applicable CalOptima
48 Health policies, and/or state and federal laws may also result in criminal or civil prosecution or
49 penalties, where applicable.
50
- 51 J. Authority
52

1. HR will manage CalOptima Health's Telework Program and maintain guidelines for eligibility, selection criteria, work schedule requirements, and other Telework-related requirements not otherwise specified in this policy. The CHRO, with approval of the CEO, may authorize amendments to the Telework Program Guidelines.
2. In cases of local emergencies or unforeseen circumstances necessitating Telework for the immediate protection, welfare, and safety of the employee and/or CalOptima Health property, the CEO may authorize amendments to this policy including, but not limited to, increasing the number of Full Telework positions for the duration of the local emergency or unforeseen circumstances necessitating Telework.

III. PROCEDURE

The procedure for requesting, approving, and appealing a request for Telework is set forth in the Telework Program Guidelines maintained by HR.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. Telework Program Guidelines

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/06/2013	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
02/01/2018	Regular Meeting of the CalOptima Board of Directors
12/20/2021	Special Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	03/01/2012	GA.8044	Telework Program	Administrative
Revised	06/06/2013	GA.8044	Telework Program	Administrative
Revised	05/01/2014	GA.8044	Telework Program	Administrative
Revised	12/03/2015	GA.8044	Telework Program	Administrative
Revised	02/01/2018	GA.8044	Telework Program	Administrative
Revised	12/20/2021	GA.8044	Telework Program	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	11/02/2023	GA.8044	Telework Program	Administrative
Revised	09/05/2024	GA.8044	Telework Program	Administrative

1

For 20240905 BOD Review Only

1 IX. GLOSSARY

2

Term	Definition
Central Worksite	CalOptima Health's primary physical location of business applicable to the employee, which is either CalOptima Health's administration building at 505 City Parkway West, the PACE building or other CalOptima Health operated location.
Community Worker	An employee in a position that performs fifty-one percent (51%) or more of their duties in field locations such as provider offices, members' homes, and at community outreach events.
Executive Level Position	The position of Executive Director or above.
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Partial Teleworker	An eligible employee who is approved to work a pre-established consistent weekly work schedule split between two (2) or more full days per week at the Central Worksite, and the remainder of full days at the Remote Work Location.
Remote Work Location	The Employee's home office or other designated pre-approved work location that is not the Central Worksite.
Telework	A workplace arrangement in which eligible employees voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.
Temporary Teleworker	An eligible employee who works up to their entire work schedule away from the Central Worksite on a temporary basis, up to six months, as an accommodation for their disability, or to provide care to a family or household member who has a serious health condition.

3



Policy: GA.8051
Title: **Hiring of Relatives**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2014

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's guidelines for hiring ~~of~~ relatives.

II. POLICY

A. CalOptima Health shall not discriminate in its employment and personnel actions with respect to its ~~employees~~Employees. Hiring and promotion decisions are competitive, based on merit, and are not made with regard to ~~political affiliation, race, color, religion, creed, ancestry, national origin, sex (pregnancy or gender), sexual orientation, gender identity and expression, medical condition, genetic information, marital status, age (forty (40) and over), mental and physical disability, military or veteran status, or other protected characteristics or activities.~~any protected characteristics as listed in CalOptima Health Policy GA.8025: Equal Employment Opportunity. Notwithstanding this policy, CalOptima Health retains the right to refuse to appoint a person to a position in the same department or division, wherein their relationship to another ~~employee~~Employee has the potential for creating real or perceived serious conflicts, a conflict of interest (direct or indirect), or an adverse impact on supervision, safety, security, or ~~employee~~Employee morale.

III. PROCEDURE

A. CalOptima Health shall consider the hiring of relatives, or non-relatives of the same residence (housemate), only if (1) the applicant will not be working directly for, or directly supervising, an existing ~~employee~~Employee, or (2) a determination can be made by the department head, with concurrence by the Chief Human Resources Officer, that a potential for adverse impact on supervision, safety, security, or ~~employee~~Employee morale does not exist. ~~Supervising means having authority in the interest of CalOptima Health to hire, transfer, suspend, layoff, recall, promote, discharge, terminate, assign, reward, or discipline other employees issue corrective action, or has responsibility to direct them their work.~~

B. Employees and job applicants are required to promptly disclose to their management, and/or the Human Resources Department if they would be hired, transferred, promoted, or otherwise be assigned to report to a relative or non-relative of the same residence, in accordance with CalOptima Health Policy GA.8012: Conflicts of Interest.

B.C. If the relationship is established after the ~~employees'~~Employees' employment with CalOptima Health has commenced (e.g., two (2) existing ~~employees~~Employees marry, or become housemates or relatives), and a determination has been made that the potential for adverse impact does exist, the

department head in conjunction with the Human Resources Department, shall make reasonable efforts to minimize problems of supervision, safety, security, or morale, through reassignment of duties, relocation, or transfer to another position for which one (1) of the ~~employees~~ Employees is qualified, if such position is available. -If no reassignment or transfer is practical, CalOptima Health will terminate one (1) of the ~~employees~~ Employees from employment. -The decision as to which ~~employee~~ Employee will be reassigned, transferred, or terminated will be at the discretion of CalOptima Health with consideration of CalOptima Health's business needs. - In certain situations, and at CalOptima Health's sole discretion, CalOptima Health may provide the ~~employees~~ Employees with an opportunity to decide which ~~employee~~ Employee shall be reassigned, transferred, or terminated from employment. -If the ~~employees~~ Employees do not make a decision within ~~thirty (30)~~ ten (10) business days, CalOptima Health shall automatically reassign or transfer one (1) of the ~~employees~~ Employees, if practical, or terminate one (1) of the ~~employees~~ Employees from employment.

C.D. This policy applies to individuals who are related by birth, marriage, adoption, domestic partner status, or legal guardianship including, but not limited to, the following relationships: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law. (collectively, "relatives"). -In implementing this Policy, an applicant may be asked to state whether they have a relative or housemate, presently employed by CalOptima Health, but such information may not be used as a basis for an employment decision except as stated herein.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. CalOptima Health Policy GA.8012: Conflicts of Interest

B. CalOptima Health Policy GA.8025: Equal Employment Opportunity

A.C. Government Code, §12920 *et seq.*

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
12/01/2016	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2014	GA.8051	Hiring of Relatives	Administrative
Revised	12/01/2016	GA.8051	Hiring of Relatives	Administrative
Revised	09/06/2018	GA.8051	Hiring of Relatives	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	03/01/2021	GA.8051	Hiring of Relatives	Administrative
Revised	11/02/2023	GA.8051	Hiring of Relatives	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8051</u>	<u>Hiring of Relatives</u>	<u>Administrative</u>

For 20240905 BOD Review Only

1 **IX. GLOSSARY**

2
3 **Not Applicable**

4

<u>Term</u>	<u>Definition</u>
<u>Employee</u>	<u>For purposes of this policy, any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.</u>

For 20240905 BOD Review Only



Policy: GA.8051
Title: **Hiring of Relatives**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2014

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines CalOptima Health's guidelines for hiring relatives.

II. POLICY

- A. CalOptima Health shall not discriminate in its employment and personnel actions with respect to its Employees. Hiring and promotion decisions are competitive, based on merit, and are not made with regard to any protected characteristics as listed in CalOptima Health Policy GA.8025: Equal Employment Opportunity. Notwithstanding this policy, CalOptima Health retains the right to refuse to appoint a person to a position in the same department or division, wherein their relationship to another Employee has the potential for creating real or perceived serious conflicts, a conflict of interest (direct or indirect), or an adverse impact on supervision, safety, security, or Employee morale.

III. PROCEDURE

- A. CalOptima Health shall consider the hiring of relatives, or non-relatives of the same residence (housemate), only if (1) the applicant will not be working directly for, or directly supervising, an existing Employee, or (2) a determination can be made by the department head, with concurrence by the Chief Human Resources Officer, that a potential for adverse impact on supervision, safety, security, or Employee morale does not exist. Supervising means having authority in the interest of CalOptima Health to hire, transfer, layoff, recall, promote, terminate, assign, reward, or issue corrective action, or has responsibility to direct their work.
- B. Employees and job applicants are required to promptly disclose to their management, and/or the Human Resources Department if they would be hired, transferred, promoted, or otherwise be assigned to report to a relative or non-relative of the same residence, in accordance with CalOptima Health Policy GA.8012: Conflicts of Interest.
- C. If the relationship is established after the Employees' employment with CalOptima Health has commenced (*e.g.*, two (2) existing Employees marry, or become housemates or relatives), and a determination has been made that the potential for adverse impact does exist, the department head in conjunction with the Human Resources Department, shall make reasonable efforts to minimize problems of supervision, safety, security, or morale, through reassignment of duties, relocation, or transfer to another position for which one (1) of the Employees is qualified, if such position is available. If no reassignment or transfer is practical, CalOptima Health will terminate one (1) of the

Employees from employment. The decision as to which Employee will be reassigned, transferred, or terminated will be at the discretion of CalOptima Health with consideration of CalOptima Health's business needs. In certain situations, and at CalOptima Health's sole discretion, CalOptima Health may provide the Employees with an opportunity to decide which Employee shall be reassigned, transferred, or terminated from employment. If the Employees do not make a decision within ten (10) business days, CalOptima Health shall automatically reassign or transfer one (1) of the Employees, if practical, or terminate one (1) of the Employees from employment.

- D. This policy applies to individuals who are related by birth, marriage, adoption, domestic partner status, or legal guardianship including, but not limited to, the following relationships: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law (collectively, "relatives"). In implementing this Policy, an applicant may be asked to state whether they have a relative or housemate, presently employed by CalOptima Health, but such information may not be used as a basis for an employment decision except as stated herein.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Policy GA.8012: Conflicts of Interest
- B. CalOptima Health Policy GA.8025: Equal Employment Opportunity
- C. Government Code, §12920 *et seq.*

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
12/01/2016	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
11/02/2023	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2014	GA.8051	Hiring of Relatives	Administrative
Revised	12/01/2016	GA.8051	Hiring of Relatives	Administrative
Revised	09/06/2018	GA.8051	Hiring of Relatives	Administrative
Revised	03/01/2021	GA.8051	Hiring of Relatives	Administrative
Revised	11/02/2023	GA.8051	Hiring of Relatives	Administrative
Revised	09/05/2024	GA.8051	Hiring of Relatives	Administrative

1 IX. GLOSSARY
2
3

Term	Definition
Employee	For purposes of this policy, any and all employees of CalOptima Health, including all permanent and temporary employees, and other employed personnel.

For 20240905 BOD Review Only

Policy: GA.8056
Title: **Paid Holidays**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 04/01/2014

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy establishes the paid holiday schedule for CalOptima Health Employees.

II. POLICY

A. The following holidays shall be observed by CalOptima Health:

1. New Year's Day
2. Martin Luther King Jr's Birthday
3. Lincoln's Birthday
4. Washington's Birthday
5. Memorial Day
6. Independence Day
7. Labor Day
8. Indigenous Peoples' Day
9. Veterans Day
10. Thanksgiving Day
11. Day after Thanksgiving
12. Christmas Day
13. One Flex Holiday (credited on January 1)

B. To receive holiday pay, Employees must work, or be paid for the regularly scheduled workdays preceding and following the CalOptima Health holiday.

1. If a paid holiday occurs during the period an Employee is on a Leave of Absence (LOA), the Employee may be eligible for the holiday pay if Paid Time Off (PTO) is being used for the LOA the day before and the day after the holiday, and the holiday pay will be prorated based on the Employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the Employee would have been regularly scheduled to work, the holiday will count against the Employee's LOA entitlement.

~~B.C.~~ A holiday that falls on a Saturday or Sunday can be observed on the preceding Friday or the following Monday. Holiday observances will be noted on the annual payroll schedule. Employees will be provided notice of any changes to the published schedule.

~~C.D.~~ Employees in active status on December 31st are eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) each calendar year on January 1st. Limits are imposed on the number of Flex Holiday hours that can be maintained in an Employee's Flex Holiday account. A maximum of twelve (12) hours, prorated based on scheduled work hours, may be maintained in an Employee's Flex Holiday account as of January 1st of each year. In the event that available Flex Holiday hours are not used by the last pay period of the calendar year, Employees may carry unused Flex Holiday hours into subsequent years and may accrue additional hours up to the maximum of eight (8) hours, prorated based on scheduled work hours. If an Employee reached the maximum amount of twelve (12) hours on January 1st, prorated based on scheduled work hours, the Employee will stop accruing Flex Holiday hours. Flex Holiday hours are not eligible for annual cash out applicable to Paid Time Off (PTO) hours. The Chief Executive Officer (CEO) may assign a specific date for the Flex Holiday for business reasons and/or needs. Assignment of the Flex Holiday will be announced in advance. Otherwise, Employees may take the Flex Holiday on any day elected by the Employee, subject to approval by the Employee's manager. If an Employee separates from CalOptima Health and has unused Flex Holiday hours, the unused Flex Holiday hours will be paid out at the same time and in the same manner as unused PTO hours upon termination.

1. Employees on an approved leave of absence on December 31st will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status.
2. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the ~~employee~~Employee will not be eligible to receive the Flex Holiday.

~~D.E.~~ Regular full-time and regular part-time Employees shall be paid their ~~regular~~ base rate of pay for the holidays specified in this Policy.

~~E.F.~~ CalOptima Health may, in its discretion, amend the list of paid holidays and/or require an Employee to work on one or more of the observed holidays.

~~F.G.~~ From time to time, at the discretion of the CEO, the CEO, or their Designee, may authorize managers, at their discretion, to release Employees early, up to a maximum of two (2) hours, with pay, on the workday immediately preceding a holiday, as long as departments ensure critical areas are covered for the entire business day. The release of Employees early as provided herein is intended to benefit only those Employees who are working on the workday immediately preceding a holiday. Employees who are ~~on PTO or not scheduled to work~~ the day Employees are permitted to leave early, due to PTO or 9/80 day off, are not entitled to any credit or future early release.

III. PROCEDURE

- A. CalOptima Health will note holiday observances annually on its payroll schedule. In the event of a change to the published schedule, CalOptima Health will provide prompt notice to all Employees.
- B. When a holiday falls on a regular nine (9) hour workday for a full-time non-exempt Employee on a 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule, the Employee has the option of using one (1) hour of accrued PTO or making up the time if approved by their supervisor. For Employees on the 9/80 Work Schedule, should a holiday fall on an Employee's scheduled day off, the Employee will be permitted to take another day off in the same workweek.
- C. Regular part-time Employees will receive pro-rated holiday hours based on their budgeted Full Time Equivalency (FTE), not to exceed eight (8) hours per holiday. For example, if a part-time Employee is assigned to a 0.75 FTE, they will receive six (6) hours for the holiday.
- C.D. All regular, non-exempt, full-time ~~employees~~ Employees who are eligible for paid holidays but who may be required to work on a holiday observed by CalOptima Health will receive Holiday Premium Pay in accordance with CalOptima Health Policy GA.8042: Supplemental Compensation. If a regular, non-exempt part-time Employee is required to work a scheduled holiday, they will receive their regular base rate of pay for the holiday, in addition to their regular compensation for the hours of actual work performed.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Policy GA.8020: 9/80 Work Schedule
B. CalOptima Health Policy GA.8042: Supplemental Compensation

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
04/07/2016	Regular Meeting of the CalOptima Board of Directors
04/05/2018	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
06/06/2024	Regular Meeting of the CalOptima Health Board of Directors
<u>09/05/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	04/01/2014	GA.8056	Paid Holidays	Administrative
Revised	04/07/2016	GA.8056	Paid Holidays	Administrative
Revised	04/05/2018	GA.8056	Paid Holidays	Administrative
Revised	02/01/2021	GA.8056	Paid Holidays	Administrative
Revised	12/01/2022	GA.8056	Paid Holidays	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	06/06/2024	GA.8056	Paid Holidays	Administrative
<u>Revised</u>	<u>09/05/2024</u>	<u>GA.8056</u>	<u>Paid Holidays</u>	<u>Administrative</u>

For 20240905 BOD Review Only

1 IX. GLOSSARY
2

Term	Definition
Employee	For the purposes of this policy, employees include regular full-time and regular part-time CalOptima Health employees who are regularly scheduled to work twenty (20) or more hours per week.
<u>Leave of Absence (LOA)</u>	<u>A term used to describe a scheduled period of time off longer than five (5) days that an employee is to be away from his or her primary job, while maintaining the status of employee.</u>
<u>9/80 Work Schedule</u>	<u>The 9/80 alternate work schedule consists of eight (8) business days of nine (9) hours per day and one (1) business day of eight (8) hours, for a total of eighty (80) hours during two (2) consecutive workweeks. The eight (8) hour work day must be on the same day of the week as the employee's regularly scheduled day off. Therefore, under the 9/80 work schedule, one (1) calendar week will consist of forty-four (44) hours (four (4) nine (9)-hour days and one (1) eight (8)-hour day) and the alternating calendar week will consist of thirty-six (36) hours (four (4) nine (9)-hour days and one (1) day off). However, each workweek will only consist of forty (40) hours, in accordance with the 9/80 Fair Labor Standards Act (FLSA) Workweek.</u>

3

For 20240905 BOD Review

Policy: GA.8056
Title: **Paid Holidays**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 04/01/2014

Revised Date: 09/05/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy establishes the paid holiday schedule for CalOptima Health Employees.

II. POLICY

A. The following holidays shall be observed by CalOptima Health:

1. New Year's Day
2. Martin Luther King Jr's Birthday
3. Lincoln's Birthday
4. Washington's Birthday
5. Memorial Day
6. Independence Day
7. Labor Day
8. Indigenous Peoples' Day
9. Veterans Day
10. Thanksgiving Day
11. Day after Thanksgiving
12. Christmas Day
13. One Flex Holiday (credited on January 1)

B. To receive holiday pay, Employees must work, or be paid for the regularly scheduled workdays preceding and following the CalOptima Health holiday.

1. If a paid holiday occurs during the period an Employee is on a Leave of Absence (LOA), the Employee may be eligible for the holiday pay if Paid Time Off (PTO) is being used for the LOA the day before and the day after the holiday, and the holiday pay will be prorated based on the Employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the Employee would have been regularly scheduled to work, the holiday will count against the Employee's LOA entitlement.
- C. A holiday that falls on a Saturday or Sunday can be observed on the preceding Friday or the following Monday. Holiday observances will be noted on the annual payroll schedule. Employees will be provided notice of any changes to the published schedule.
- D. Employees in active status on December 31st are eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) each calendar year on January 1st. Limits are imposed on the number of Flex Holiday hours that can be maintained in an Employee's Flex Holiday account. A maximum of twelve (12) hours, prorated based on scheduled work hours, may be maintained in an Employee's Flex Holiday account as of January 1st of each year. In the event that available Flex Holiday hours are not used by the last pay period of the calendar year, Employees may carry unused Flex Holiday hours into subsequent years and may accrue additional hours up to the maximum of eight (8) hours, prorated based on scheduled work hours. If an Employee reached the maximum amount of twelve (12) hours on January 1st, prorated based on scheduled work hours, the Employee will stop accruing Flex Holiday hours. Flex Holiday hours are not eligible for annual cash out applicable to Paid Time Off (PTO) hours. The Chief Executive Officer (CEO) may assign a specific date for the Flex Holiday for business reasons and/or needs. Assignment of the Flex Holiday will be announced in advance. Otherwise, Employees may take the Flex Holiday on any day elected by the Employee, subject to approval by the Employee's manager. If an Employee separates from CalOptima Health and has unused Flex Holiday hours, the unused Flex Holiday hours will be paid out at the same time and in the same manner as unused PTO hours upon termination.
 1. Employees on an approved leave of absence on December 31st will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status.
 2. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the Employee will not be eligible to receive the Flex Holiday.
- E. Regular full-time and regular part-time Employees shall be paid their base rate of pay for the holidays specified in this Policy.
- F. CalOptima Health may, in its discretion, amend the list of paid holidays and/or require an Employee to work on one or more of the observed holidays.
- G. From time to time, at the discretion of the CEO, the CEO, or their Designee, may authorize managers, at their discretion, to release Employees early, up to a maximum of two (2) hours, with pay, on the workday immediately preceding a holiday, as long as departments ensure critical areas are covered for the entire business day. The release of Employees early as provided herein is intended to benefit only those Employees who are working on the workday immediately preceding a holiday. Employees who are not scheduled to work the day Employees are permitted to leave early, due to PTO or 9/80 day off, are not entitled to any credit or future early release.

III. PROCEDURE

- 1 A. CalOptima Health will note holiday observances annually on its payroll schedule. In the event of a
2 change to the published schedule, CalOptima Health will provide prompt notice to all Employees.
3
4 B. When a holiday falls on a regular nine (9) hour workday for a full-time non-exempt Employee on a
5 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule, the Employee
6 has the option of using one (1) hour of accrued PTO or making up the time if approved by their
7 supervisor. For Employees on the 9/80 Work Schedule, should a holiday fall on an Employee's
8 scheduled day off, the Employee will be permitted to take another day off in the same workweek.
9
10 C. Regular part-time Employees will receive pro-rated holiday hours based on their budgeted Full
11 Time Equivalency (FTE), not to exceed eight (8) hours per holiday. For example, if a part-time
12 Employee is assigned to a 0.75 FTE, they will receive six (6) hours for the holiday.
13
14 D. All regular, non-exempt, full-time Employees who are eligible for paid holidays but who may be
15 required to work on a holiday observed by CalOptima Health will receive Holiday Premium Pay in
16 accordance with CalOptima Health Policy GA.8042: Supplemental Compensation. If a regular, non-
17 exempt part-time Employee is required to work a scheduled holiday, they will receive their regular
18 base rate of pay for the holiday, in addition to their regular compensation for the hours of actual
19 work performed.
20

21 **IV. ATTACHMENT(S)**

22 Not Applicable
23
24

25 **V. REFERENCE(S)**

- 26
27 A. CalOptima Health Policy GA.8020: 9/80 Work Schedule
28 B. CalOptima Health Policy GA.8042: Supplemental Compensation
29

30 **VI. REGULATORY AGENCY APPROVAL(S)**

31 None to Date
32
33

34 **VII. BOARD ACTION(S)**

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
04/07/2016	Regular Meeting of the CalOptima Board of Directors
04/05/2018	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
06/06/2024	Regular Meeting of the CalOptima Health Board of Directors
09/05/2024	Regular Meeting of the CalOptima Health Board of Directors

36 **VIII. REVISION HISTORY**
37
38

Action	Date	Policy	Policy Title	Program(s)
Effective	04/01/2014	GA.8056	Paid Holidays	Administrative
Revised	04/07/2016	GA.8056	Paid Holidays	Administrative
Revised	04/05/2018	GA.8056	Paid Holidays	Administrative
Revised	02/01/2021	GA.8056	Paid Holidays	Administrative
Revised	12/01/2022	GA.8056	Paid Holidays	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	06/06/2024	GA.8056	Paid Holidays	Administrative
Revised	09/05/2024	GA.8056	Paid Holidays	Administrative

1

For 20240905 BOD Review Only

1 IX. GLOSSARY
2

Term	Definition
Employee	For the purposes of this policy, employees include regular full-time and regular part-time CalOptima Health employees who are regularly scheduled to work twenty (20) or more hours per week.
Leave of Absence (LOA)	A term used to describe a scheduled period of time off longer than five (5) days that an employee is to be away from his or her primary job, while maintaining the status of employee.
9/80 Work Schedule	The 9/80 alternate work schedule consists of eight (8) business days of nine (9) hours per day and one (1) business day of eight (8) hours, for a total of eighty (80) hours during two (2) consecutive workweeks. The eight (8) hour work day must be on the same day of the week as the employee's regularly scheduled day off. Therefore, under the 9/80 work schedule, one (1) calendar week will consist of forty-four (44) hours (four (4) nine (9)-hour days and one (1) eight (8)-hour day) and the alternating calendar week will consist of thirty-six (36) hours (four (4) nine (9)-hour days and one (1) day off). However, each workweek will only consist of forty (40) hours, in accordance with the 9/80 Fair Labor Standards Act (FLSA) Workweek.

3

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

6. Authorize Budget Reallocation of Fiscal Year 2024-25 Operating Budget Funds for Information Services Expenditure

Contact

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Actions

Authorize the reallocation of \$600,000 from “Medi-Cal: Other Operating Expenses: Business Continuity Plan Software” to expense category “Medi-Cal: Professional Fees” for the Business Continuity Plan professional service implementation.

Background

Pursuant to CalOptima Health Policy GA.5003: Budget and Operations Forecasting, budget allocation changes that are not otherwise specifically delegated to the Chief Executive Officer require approval of the Board of Directors. Under CalOptima Health Policy GA.3202: CalOptima Health Signature Authority, for an expenditure to be authorized, it must appear in a budget line item as part of the Operating Budget or by way of an individual Board of Directors’ action.

Discussion

When the operating budget was developed in June 2024, staff used the most accurate information available at the time. The Fiscal Year (FY) 2024-25 Operating Budget approved by the Board on June 6, 2024, included a budget item of \$1.0 million for Business Continuity Plan (BCP) software.

The proposed change reflects more current information available. Staff is planning to use the funds for the BCP. However, the proposed reallocation will allow for the use of budgeted funds for both professional service implementation and software rather than just software. Professional service implementation is estimated not to exceed \$600,000, and new software to manage the new BCP workflow is estimated not to exceed \$200,000. To ensure compliance with CalOptima Health policies, staff requests approval of the budget reallocation of \$600,000 to fund BCP professional service implementation.

Fiscal Impact

The recommended action is budget neutral. Unspent budgeted funds from expense category “Medi-Cal: Other Operating Expenses: Business Continuity Plan Software” approved in the FY 2024-25 Operating Budget will fund the budget reallocation of \$600,000 for this action.

Rationale for Recommendation

Reallocation of these operating expense line items will ensure CalOptima Health stays compliant with its BCP and proactively tests, maintains, and activates the BCP when business continuity is required.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

7. Authorize the Chief Executive Officer to Execute a Contract Amendment with Ankura Consulting Group, LLC to Implement Recommendations, Develop a Grant Close-Out Review Process, and Complete Close-Out Reviews

Contact

John Tanner, Chief Compliance Officer, (657) 235-6997

Recommended Action

Authorize the Chief Executive Officer to execute a contract amendment with Ankura Consulting Group, LLC to expand the scope of work to complete the work of grants close-out and review processes.

Background

At the October 2023 meeting, the CalOptima Health Board of Directors (Board) approved amending the contract with Ankura Consulting Group, LLC (Ankura Consulting) to conduct grant funds review for compliance and audit readiness. The scope for the initial phase of the project was to identify opportunities for improvement around grants administration and oversight and begin the process of reviewing grants upon completion (Phase I Scope of Work). The Phase I Scope of Work produced several recommendations that are in the process of being implemented.

The current contract with Ankura Consulting is effective through July 31, 2025.

Discussion

Staff seeks to expand the scope of work with Ankura Consulting to assist with the build-out of the Phase I Scope of Work recommendations and perform ongoing monitoring and close-out reviews of grants as they move through the grants' lifecycle (Phase II Scope of Work). Consistent with applicable federal and state healthcare program laws, regulations, and guidance, the Chief Compliance Officer, with the support of the Office of Compliance staff, has prepared the Phase II Scope of Work, which is included as Attachment 1.

Ankura Consulting is best-suited to assist CalOptima Health with implementation of the recommendations in the most time-efficient and cost-effective manner. Engaging a different consultant for the Phase II Scope of Work would require additional time to acquire a comparable level of knowledge as Ankura Consulting. This would result in delayed implementation of the recommendations and increased project cost. Therefore, staff recommends expanding the scope of work for Ankura Consulting to perform the Phase II Scope of Work.

To complete the implementation, staff seeks Board approval of the recommended action to amend the Ankura Consulting contract without competitive bidding.

Fiscal Impact

Funding for the recommended action is a budgeted item under the CalOptima Health Fiscal Year 2024-25 Operating Budget approved by the Board on June 6, 2024.

Rationale for Recommendation

To ensure CalOptima Health's continuing commitment to protecting financial interests in awarding Board-approved grants and validating that funds are appropriated and used for their intended purpose, CalOptima Health staff recommends that the Board approve and adopt the proposed Scope of Work.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [SOW Grants Management Review 9.5.24 FINAL.pdf](#)
2. [AA.1400__Policy_v.20230504-BOD_CEO20230504.pdf](#) (Grant Management Policy)
3. [Entities Covered by this Recommended Action](#)

Board Actions

Board Meeting Dates	Action	Term	Not to Exceed Amount
October 5, 2023	Board approved Report Item #12	Through 6/30/2024	\$200,000
April 6, 2023	Board approved Report Item #16#	Through 6/30/2023	\$200,000

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

SCOPE OF WORK

I. Objective for Grants Management Administration and Close-Out Review

The objective of this engagement is to:

- Assist CalOptima Health with the buildout and implementation of recommendations developed by Ankura Consulting for improving the effective administration and oversight of Board-approved grants and internal initiatives funded through surplus operating reserves.
- Assist CalOptima Health with the development and implementation of an improved monitoring and close-out review process to provide oversight for the effective and appropriate use of funds.
- Assist CalOptima Health by conducting close-out reviews of Board-approved grants and initiatives upon completion to assess compliance with grant/program/project requirements, achievement of objectives, and appropriate use of disbursed funds.

CONSULTANT shall support CalOptima Health's Board-approved grants and initiatives process through the following efforts:

- CONSULTANT shall assist with design and buildout of the opportunities for improvement ("recommendations") outlined in the Ankura Consulting Final Report dated March 15, 2024.
- CONSULTANT shall advance grants management, reporting, policy and playbook concepts that are based on industry standards and commonly accepted best practices.
- CONSULTANT shall provide guidance on the appropriate level of staffing and separation of duties to ensure adequate resources exist to avoid conflicts of interest.
- CONSULTANT shall help design and implement internal controls into the grants management process to prevent other potential risks and deficiencies.
- CONSULTANT shall help design and conduct an improved close-out review process as grants, programs or projects are completed. The close-out review process shall assess the achievement of stated objectives, use of funds, budget control, adherence to grant agreement, adequacy of reporting, and proper exercise of management reviews and approvals throughout the grant lifecycle.
- CONSULTANT shall transition close-out review process to CalOptima Health by June 30, 2025.

II. Consultant Eligibility Requirements

CONSULTANT shall have a minimum of five years of subject matter expertise in the following areas:

- Familiarity with all stages of the grant lifecycle, including but not limited to: pre-award, award and post-award phases.
- Experience with project and program management, including operating and capital budgets.
- Generally Accepted Accounting Principles (GAAP).
- Public entities and related governance and operating procedures.

III. Consultant's Responsibilities

CONSULTANT shall:

- Perform full Scope of Work according to industry and professional standards and in a manner satisfactory to CalOptima Health by the engagement end date.
- Assign sufficient resources and personnel with requisite subject matter expertise and experience to satisfy the requirements outlined in Scope of Work.
- Provide development tools, outlines, templates, guidelines, or create new resources as needed.
- Under the direction of appointed CalOptima Health staff, schedule and conduct all necessary discovery interviews, collect and review relevant documents and information, compile work product and analysis consistent with Scope of Work, and present relevant findings and recommendations to CalOptima Health leadership.
- Work with CalOptima Health staff to schedule and facilitate discovery meetings/interviews with specified department leaders and provide agendas and other preparatory materials as needed.
- Be available for routine conference calls and meetings with CalOptima Health leadership and staff, including after-hours daily debriefs, to report on the status of work performed, including any hinderances to achieving Scope of Work, for the duration of the project.
- Provide an agreed-upon frequency of written and verbal updates on status of work performed, potential findings, and risks with mitigation to CalOptima Health leadership.
- Prepare and present written reports, in an agreed upon format, of design considerations, findings, deficiencies, discovery of best practices, and opportunities for improvement to CalOptima Health leadership throughout and upon completion of the engagement.

IV. CalOptima Health's Responsibilities

CalOptima Health shall:

- Identify and assign individuals from CalOptima Health to provide direction, approval(s), assistance with discovery and information gathering, and coordination of meetings.
- Provide timely access to requested data, documents, files, policies and procedures, and other information necessary to accomplish Scope of Work.
- Provide facilities and other resources for meetings, interviews, reviews and presentations.
- Act in good faith to complete the project in a timely and cost-effective manner and ensure all deadlines are met.
- Assist CONSULTANT, as requested, on any preparedness efforts related to Scope of Work.

IV. Engagement Timeline

- CalOptima Health shall enter into a contract, or contract extension, with CONSULTANT to last through July 31, 2025.
- CalOptima Health shall utilize CONSULTANT's services to complete the Scope of Work on an as-needed basis throughout the term of the contract.
- CalOptima Health shall provide CONSULTANT with a minimum of three (3) days prior notice before scheduling any meeting of three or more people expected to last 30 minutes or longer. CONSULTANT may accept meetings with shorter notice at CONSULTANT's discretion.
- CONSULTANT shall transition the close-out review process to CalOptima Health on or before June 30, 2025.

V. Deliverables

CONSULTANT shall:

- Prepare grant management, oversight, pre-award, award and post-award deliverables in an agreed-upon format.
- Upon completion of Close-out Review Reports, CONSULTANT shall prepare an Executive Summary suitable for live presentation to CalOptima Health leadership, in an agreed upon format. CONSULTANT shall also be available to present the report to CalOptima Health leadership and address any questions.



Policy: AA.1400
Title: **Grant Management**
Department: Strategic Development
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 05/04/2023

Effective Date: 05/04/2023
Revised Date: Not Applicable

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy outlines the criteria and expectations to ensure consistency and accountability in managing discretionary Grant funding disbursed by CalOptima Health.

II. POLICY

A. Approach

1. When resources permit, CalOptima Health may designate authorized funds specifically for CalOptima Health Board of Directors (hereinafter, 'Board')-approved Grants to eligible external organizations with the goal of improving the health of CalOptima Health's Members.
2. CalOptima Health shall ensure the distribution of Grant funds is reflective of CalOptima Health's mission, consistent with CalOptima Health's Strategic Plan, any Board-approved fund allocation plan, and/or any funding source legal parameters and funding restrictions. CalOptima Health shall uphold the following tenets when awarding Grants:
 - a. CalOptima Health shall consider Proposals from external organizations that provide services for programs or projects aligned with CalOptima Health's mission, Strategic Plan, and/or any Board-approved fund allocation plan and directly serve CalOptima Health Members.
 - b. Each Grant application shall receive a thorough, unbiased evaluation and review including an assessment of organizational experience, capacity, fiscal soundness, alignment with CalOptima Health's mission, Strategic Plan, and/or Board-approved fund allocation plan, demonstrated need, benefit to CalOptima Health Members, and feasibility.
 - c. CalOptima Health shall strive for timely application approval and payment of award and shall regularly evaluate the application process to identify areas for greater efficiency.
 - d. Reporting requirements for Grant awards shall align with section III.B. of this policy and shall be commensurate with the amount of funds being awarded and with the nature of the funding opportunity.

III. PROCEDURE

A. Pre-Award Assessment:

1. Grant objectives shall be in alignment with organizational strategic priorities.
2. Grant outcomes shall improve or address critical needs of CalOptima Health Members.

B. Award Grant: Establishing Goals and Metrics

1. CalOptima Health will work with Grantees to ensure that all Grants have established one or more goals that direct the use of Grant funds.
2. CalOptima Health will work with all Grantees to ensure that Grants align with one or more metrics signifying the successful accomplishment of its goal or goals. These metrics will be the basis for monitoring and reporting outcomes and successes.

C. Post-Award: Grant Monitoring and Reporting Requirements

1. CalOptima Health Operations department and/or other internal subject matter experts shall monitor a Grantee's compliance and progress towards achieving the goals presented in the Grantee's Proposal by reviewing the Grant Progress Reports.
 - a. Unless otherwise specified in the Grant contract, Grantees shall submit semi-annual Grant Progress Reports, detailing Grant activities, along with any required supporting materials.
 - i. The format and specific details of the Grant Progress Report shall be mutually agreed upon by CalOptima Health and the Grantee.
 - b. The semi-annual Grant Progress Reports may require a breakdown of funding utilization by category as mutually agreed upon by CalOptima Health and the Grantee.
2. CalOptima Health may also utilize Grant Progress Reports to provide updates to CalOptima Health's executives and the CalOptima Health Board about its Grant funding activities.
3. Grantees shall also submit a final closeout report as stipulated in the Grant contract, summarizing the actions taken by the Grantee over the course of the entire Grant contract term.
 - a. The final closeout report will include a breakdown by category of the funds used, and a reconciliation to indicate all funds were used according to the intended purpose.
4. As part of CalOptima Health's due diligence, CalOptima Health's designated representative(s) may also elect to conduct site visits to a Grantee's business premises and/or site(s) of Grant-funded service delivery during the Grant contract term for the following actions including, but not limited to:
 - a. Meet the Grantee's senior leadership, as well as the Grantee's staff or volunteers with primary responsibility for conducting the funded activities;
 - b. Engage in dialogue with the Grantee about progress toward project milestones and objectives, notable successes, implementation challenges, and early lessons learned;

- c. Learn of any anticipated requests for scope or budget changes, or no-cost extensions; and
 - d. See program services/activities first-hand, if applicable and feasible.
5. Grant payments may be delayed or withheld if site visits and/or Grant Progress Reports reveal Grantees are not making sufficient progress towards stated goals or are not meeting other Grant contract requirements.
- a. If sufficient progress is not being made toward Grant contract goals and metrics, CalOptima Health will work with Grantees to understand why metrics were not achieved and work with the Grantee to realign metrics if deemed appropriate.
6. CalOptima Health may conduct audits of the Grantee and/or of the related CalOptima Health operational areas and financial data during the course of the Grant and/or at the conclusion of the Grant.
- a. The audits will be conducted to confirm reported expenditures, performance measures, compliance with key Grant requirements, and other relevant factors as applicable to the specific Grant.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. CalOptima Health Strategic Plan

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	05/04/2023	AA.1400	Grant Management	Administrative

IX. GLOSSARY

Term	Definition
Grantee	A recipient of a grant.
Grants	A financial award given by CalOptima Health to an eligible recipient to achieve a particular purpose or project. Grants are generally not expected to be repaid by the recipient when appropriately used for an approved grant project.
Member	A beneficiary enrolled in a CalOptima Health program.
Proposal	An application submitted to CalOptima Health used to formally request funding for a specific project.
Strategic Plan	CalOptima Health's strategic priorities, objectives, and action plans.

ATTACHMENT #1

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Ankura Consulting Group, LLC	485 Lexington Ave., 10th Floor	New York	NY	10017

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

8. Approve Action Related to Purchasing Contract Templates

Contact

Nancy Huang, Chief Financial Officer, (657) 235-6935

Recommended Actions

Authorize the Chief Executive Officer or designee, with the assistance of legal counsel, to approve changes to existing and any future purchasing contract templates to comply with evolving statutory and regulatory requirements and to support operations.

Background

At the August 4, 2022, meeting, the Board of Directors (Board) approved vendor management contract templates and authorized their use to execute new contracts with vendors beginning August 5, 2022, consistent with CalOptima Policy GA.5002: Purchasing Policy and the Board-approved budget. The four contract templates approved were: (1) Public works; (2) Software; (3) Broker; and (4) Generic vendor.

Discussion

Staff requests that the Board authorize the Chief Executive Officer or designee, with the assistance of legal counsel, to approve changes to existing and future purchasing contract templates to ensure compliance with statutory and regulatory requirements and CalOptima Health's operational needs. Templates revised under this authority will be used consistently with CalOptima Health Policy GA.5002: Purchasing.

As CalOptima Health undertakes increasingly diverse activities, it encounters challenges and issues not previously considered. Staff has found that each project is unique and that requires flexibility to accommodate specific needs. For example, depending on the size and scope of the contract, certain mandatory language must be included or required components need to be addressed in the final contract.

Fiscal Impact

The recommended action has no additional fiscal impact to the CalOptima Health Fiscal Year 2024-25 Operating Budget.

Rationale for Recommendation

The recommended actions will ensure compliance with current and future statutory and regulatory requirements, as well as internal policies, to support CalOptima Health operations.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

CalOptima Health Board Action Agenda Referral
Approve Action Related to Purchasing Contract
Templates
Page 2

Attachments

None

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

9. Authorize Extension of Contracts Related to CalOptima Health's Key Operational Systems

Contact

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Actions

Authorize the Chief Executive Officer to:

1. Extend the contracts with the following vendors through the dates indicated in Tables 1 and 2 in Attachment 1:
 - a. Cognizant TriZetto Software Group, Inc.;
 - b. Catalyst Solutions, LLC;
 - c. Edifecs, Inc.;
 - d. Imagenet, LLC;
 - e. LexisNexis Risk Solutions FL Inc.;
 - f. InfoCrossing, A WIPRO Company;
 - g. Intuitive Technology Group, Inc.; and
 - h. Lumen Technologies.
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in Tables 1 and 2 of Attachment 1.

Background

CalOptima Health contracts with several vendors that provide a variety of software solutions to support CalOptima Health's overall business model. The core operations system Facets is central to CalOptima Health's infrastructure, while many other supporting solutions surround it.

It is standard practice within the managed care industry to have multiple supporting systems because no commercially available single solution meets the demands for all necessary functions. The trending approach of CalOptima Health and virtually all other local health plans is to utilize each core application for what that system manages best, and to use specialty solutions to supplement the core.

On October 7, 2021, the Board of Directors (Board) approved an extension of 3 or 3.5 years on all of the listed vendor solutions.

Primary and supporting systems include:

- a. **Cognizant TriZetto Software Group, Inc. (Cognizant)** provides Facets, which is CalOptima Health's core business system that manages membership/eligibility data, customer service, claims, and provider dispute requests. In following Gartner's recommendation to consider procuring supplemental systems to offset specific functionality gaps within the core system presented to the Board on October 7, 2021, CalOptima Health is initiating implementation of a Provider Lifecycle Management System. This system will integrate provider data, contract management data, and credentialing data into one system. The integration will reduce work

CalOptima Health Board Action Agenda Referral
Authorize Extension of Contracts Related to CalOptima
Health's Key Operational Systems
Page 2

redundancies and increase efficiency in workflow. Along with the provide data enhancement, CalOptima Health will initiate Customer Relationship Management (CRM) to improve efficiency with the current Customer Service System functionality. Both initiatives are major enhancements to supporting CalOptima Health's members and providers. With this in progress, and until both initiatives are fully live, staff is requesting to extend the Cognizant contract currently set to terminate on June 30, 2025, for another 4 years to June 30, 2029. This extension will allow time to complete a request for proposal (RFP), select a vendor, and convert and implement a new system if the selection is different than the current vendor.

- b. **Catalyst Solutions, LLC** (Catalyst Solutions) is a vendor utilized for technical support for Facets. This vendor has consistently supported CalOptima Health's Facets upgrades over the years. Due to the vendor's extensive knowledge of CalOptima Health's infrastructure and the Facets application, this contract was extended by the Board on October 7, 2021, in line with the Facets extension to June 30, 2025. Staff recommends continuing the Catalyst Solutions contract for an additional 4 years to June 30, 2029, in alignment with the Facets contract term.
- c. **Edifecs, Inc.** (Edifecs) provides XEngine, which is a software tool that supports data quality for CalOptima Health. The data translation tool supports and ensures data accuracy and compliance with regulatory transaction standards and streamlines operational efficiency. CalOptima Health has built a tight integration with this software solution to Facets, the core system. The current Edifecs contract will expire on June 30, 2025, and staff is requesting to extend the contract for one additional year through June 30, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- d. **Imagenet, LLC** (Imagenet) provides imaging, scanning, data lift, and document archive solutions. Multiple departments utilize Imagenet scanning and image data lift to provide data files for claims and enrollment selection processes. Imagenet also provides the electronic data imaging archives for provider documents, medication therapy management letter documentation, and historical grievance and appeals documentation. In 2023, a new provider dispute resolution (PDR) intake automation was added to improve efficiency with the PDR workload. Tight integrations have been built with this software solution to Facets, CalOptima Health's core system. The current Imagenet contract expires on June 30, 2025, and staff is requesting to extend the contract for one additional year through June 30, 2026. This extension will allow time to review the market, execute an RFP, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- e. **LexisNexis Risk Solutions FL Inc. (Lexis Nexis)** provide essential services to CalOptima Health to verify provider information, such as demographic data and identifying providers on federal exclusion lists. As CalOptima Health implements a new Provider Lifecycle Management System, the immediate focus is on its successful rollout. To ensure continuity and effective planning, staff recommends extending the current LexisNexis contract by 2 years, to expire on October 31, 2026. This extension will allow sufficient time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.

- f. **InfoCrossing, A WIPRO Company**, (WIPRO) is a CMS third-party vendor that supports CalOptima Health's process for submitting enrollment and disenrollment updates to CMS along with several other regulatory data file requirements. The vendor provides CMS data files for membership reconciliation for OneCare and PACE. WIPRO supports file transfers between CalOptima Health and CMS and has maintained stability to process regulatory file requirements. With the 2025 calendar year implementation of a second benefit plan package for OneCare, CalOptima Health aims to maintain data transmission stability on the existing vendor solution. The current contract expires October 28, 2024, and staff recommends extending the contract for an additional 2 years and 2 months through December 31, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- g. **Intuitive Technology Group, Inc.** (Intuitive Technology Group) is a reseller for Tableau, which is an enterprise-wide reporting and analysis tool that provides staff with the capability to review and analyze clinical, financial, and other data to monitor and improve performance. In addition to costs associated with selecting and implementing a new tool, replacing a system like Tableau would require staff to use a new tool for data analysis and to be re-trained to recreate approximately 400 reports and dashboards developed over the last four years. Furthermore, CalOptima Health will soon embark on a Data Strategy Initiative, and it would be prudent to avoid overlapping this transition project with changes to the underlying database layer. The current Intuitive Technology Group contract expires on November 28, 2024; staff recommends extending the contract for an additional 2 years through November 28, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- h. **Lumen Technologies** is CalOptima Health's carrier for telecommunications (voice) as well as internet connectivity (internal/external network and cloud network). This vendor provides full support in this area of the County and has provided stable connectivity and quality of service for years. CalOptima Health has not experienced any major incidents with this vendor. Network connectivity is the essential foundation of CalOptima Health's technical infrastructure, and changes to carriers, of this extent, can take in excess of 12 months to fully and successfully complete. The current contract expires December 31, 2024, and staff recommends extending the contract for an additional 2 years through December 31, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, develop a comprehensive strategy that includes the entirety of CalOptima Health's technical landscape, and execute on a phased implementation.

Discussion

The contracts for the solutions provided by the vendors listed above all expire in 2024 or 2025. Replacing any of these solutions in the short term would require substantial additional investment, time commitment, and significant disruption to operations. Many of these solutions are tightly embedded and integrated into Facets (CalOptima Health's core operations system). The vendors, contract terms, and costs for each vendor are outlined in in Tables 1 and 2 of Attachment 1, Tables of Proposed Contract Extension:

CalOptima Health Board Action Agenda Referral
Authorize Extension of Contracts Related to CalOptima
Health's Key Operational Systems
Page 4

- I. Attachment 1: Table 1. Unless core systems are replaced, replacing the technical consultant is not feasible without substantial investment and significant disruption to the operations.
- II. Attachment 1: Table 2. This table lists the solutions that provide support to CalOptima Health's operations and infrastructure and stability for Facets and CalOptima Health's infrastructure. Extending these vendor solution contracts will allow additional time to complete market research or an RFP to select and implement a replacement vendor solution.

Fiscal Impact

The CalOptima Health Fiscal Year 2024–25 Operating Budget, approved by the Board on June 6, 2024, includes the annual fees for the listed contracted vendors related to CalOptima Health's core and supporting systems through June 30, 2025. Management will include expenses for the recommended contract extension periods on or after July 1, 2025, in future CalOptima Health operating budgets. Procurement will request amendments with existing contract terms and will continue to allow market rate adjustments as agreed upon in the existing contracts.

Rationale for Recommendation

Extending the contracts for the systems listed above will ensure there is no disruption to the services provided by each of the solutions and allow continuity of operations throughout the organization that impact CalOptima Health's member and provider community. The extensions will allow the implementation of the Provider Lifecycle Management and Customer Relations Management systems to complete and stabilize, allow time to research alternative solutions, and complete an RFP and execute implementation.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Tables of Proposed Contract Extensions](#)
2. [Entities Covered by this Recommended Board Action](#)
3. [Appendix: Summary of Contract History](#)
4. [Board Action dated October 7, 2021: Consider Approval Contract Extensions](#)

Board Action

Board Meeting Dates	Action	Term	Not to Exceed Amount
October 7, 2021	Approved	Extending all contracts to 3 or 3.5 years	Attached COBAR grid per contracted vendor.

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

Attachment 1 — Proposed Contract Extensions

Table 1 — Solutions tightly integrated with our core system (Facets)

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2024-25 Budget
a. Cognizant TriZetto Software Group, Inc.	Core business applications supporting Membership, Claims	2/22/2000	06/30/2025	06/30/2029	\$2,453,000
b. Catalyst Solutions, LLC	Technical Consultant support for Facets	04/21/2014	06/30/2025	06/30/2029	\$175,000

Table 2 — Technical & Governance solutions that maintain service level consistency.

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2024-25 Budget
c. Edifecs, Inc - XEngine	Electronic transaction standardization Software	03/09/2011	06/30/2025	06/30/2026	\$145,000
d. Imagenet, LLC	Archiving & Document Imaging Services	11/21/2017	06/30/2025	06/30/2026	\$574,500
e. LexisNexis Risk Solutions FL Inc, and Enclarity, Inc.	Provider Exclusion Software	05/01/2015	10/31/2024	10/31/2026	\$343,000
f. InfoCrossing, A WIPRO Company	CMS Enrollment/Eligibility Verification and CMS File Reconciliation	05/01/2005	10/28/2024	12/31/2026	\$96,000
g. Intuitive Technology Group, Inc.	Business Intelligence Software Tableau	11/22/2017	11/28/2024	11/28/2026	\$350,000
h. Lumen Technologies	Internet Connectivity	02/15/2012	12/31/2024	12/31/2026	\$984,000

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Cognizant Trizetto Software Group, Inc.	300 Frank W Burr Blvd.	Teaneck	NJ	07666
Catalyst Solutions, LLC	6400 S. Fiddlers Green Circle	Greenwood Village	CO	80111
Edifecs, Inc	1756 114 th Ave. SE	Bellevue	WA	98004
Imagenet, LLC	5401 W. Kennedy Blvd.	Tampa	FL	33609
LexisNexis Risk Solutions FL Inc.	1105 N Market St, Ste 501	Wilmington	DE	19801
InfoCrossing, A WIPRO Company	2 Tower Center	East Brunswick	NJ	08816
Intuitive Technology Group, Inc.	4530 W 77th Street, Suite 255	Edina	MN	55435
Lumen Technologies	100 CenturyLink Dr.	Monroe	LA	71203

APPENDIX TO AGENDA ITEM 9

Summary of Contract History.

Vendor	Contract Number(s)	History of Contract Changes (Summary)	Last Approval
a. Cognizant TriZetto Software Group, Inc.	00-849-2197	There have been 55 amendments to the contract. These amendments have included time extensions, functional enhancements to support changes to regulatory and business requirements over the years, and administrative changes. Staff have conducted multiple RFIs to survey the market for claims processing and customer service systems. Most recently at the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended to stay with our current core system and to consider supplemental functions to fill the gap. In the October 2021 Board, this was approved for a 3 year extension.	Board Approval October 7, 2021
b. Catalyst Solutions, LLC	14005	There have been 13 amendments to the contract. The amendments included date extensions along with technical support for system configuration changes required to meet regulatory and business requirements.	Board Approval October 7, 2021
c. Edifecs, Inc. — XEngine	19-10650-005	It has been extended 10 times. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.	Board Approval October 7, 2021
d. Imagenet, LLC	18-10184	There have been 7 amendments to the contract. The amendments include service additions to accommodate changes to regulatory and business requirements and exercising options to extend the contract that was included in the original contract.	Budget Approval October 7, 2021
e. LexisNexis Risk Solutions FL Inc, and Enclarity, Inc.	15-0964 / 15-0973	There have been 6 amendments to the contract. The amendments include date	Budget Approval October 7, 2021

Vendor	Contract Number(s)	History of Contract Changes (Summary)	Last Approval
		extensions, administrative changes and pricing updates.	
f. InfoCrossing, A WIPRO Company	PO 06195	There have been 8 amendments to the contract. The amendments included date extensions along with services modifications required to meet CMS regulatory requirements.	Budget Approval October 7, 2021
g. Intuitive Technology Group, Inc.	18-10487	There have been 2 amendments to the contract. The amendments include additional licenses to support organizational growth and exercising options to extend the contract that was included in the original contract.	Budget Approval October 7, 2021
h. Lumen Technologies		There have been 8 extensions to the contract. The extensions supported organizational growth.	Board Approval October 7, 2021

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken October 7, 2021

Regular Meeting of the CalOptima Board of Directors

Report Item

16. Consider Authorizing Extension of Contracts Related to CalOptima's Key Operational Systems

Contacts

Ladan Khamseh, Chief Operations Officer, (714) 246-8866
Nora Onishi, Director, Information Services, (714) 246-8630

*Rev 10/7/21: All contracts below
extended for 3 years, except c. and d.
were extended for 3.5 years.*

Recommended Actions

Authorize the Chief Executive Officer (CEO) to:

*Rev. 10/7/21: Option for one-year extensions
exercisable at the Board's discretion.*

1. Extend the contracts with the following vendors through the dates indicated in the attached Tables 1, 2 and 3:
 - a. Cognizant TriZetto Software Group, Inc.
 - b. Catalyst Solutions, LLC
 - c. Edifecs, Inc.
 - d. Imagenet, LLC
 - e. LexisNexis Risk Solutions FL Inc, and Enclarity, Inc.
 - f. Symplr
 - g. Change Healthcare Technologies, LLC
 - h. Ceridian Corporation
 - i. Silk Road Technology, Inc.
 - j. Varis, LLC
 - k. SmartComms, LLC
 - l. InfoCrossing, A WIPRO Company
 - m. Intuitive Technology Group, Inc.
 - n. Lumen Technologies
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in the attached Tables 1, 2 and 3.

Background

CalOptima contracts with several vendors that provide a variety of software solutions to support CalOptima's overall business model. There are two core systems, Facets and Guiding Care, that are central to CalOptima's infrastructure while many other supporting solutions surround them.

Within the managed care industry, it is standard practice to have multiple systems because no commercially available single solution can meet the demands of the industry for all necessary functions. The trend over the past ten years or more has been to utilize each core application for what that system handle best, and to use specialty solutions to supplement the core. CalOptima, along with virtually all other local health plans in the state, use this approach.

Primary and supporting systems include:

- a. **Cognizant TriZetto Software Group, Inc.** – Facets is CalOptima's core business system that manages Membership/eligibility data, Customer Service, Claims and Provider Dispute

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*Rev. 10/7/21: Option for one-year extensions
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Requests. In 2018, CalOptima initiated a Request for Information (RFI) to review available systems within the industry to determine whether it would make sense for CalOptima to replace the current system. There is no one system that handles everything well, and although we identified systems that can perform some functions better than CalOptima's current core system, there are trade-offs to consider. To replace a core system like this would require a minimum of two to three years to issue a Request for Proposal (RFP), enter into a contract and implement the transition. In addition, the cost would be at a minimum of \$10–15 million (based on information from other county organized health systems (COHS) that have recently gone through this process). In further review and discussion with Gartner¹, the recommendation was to consider procuring supplemental systems to offset some of the functionality gaps within the core system. At the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended staying with our current core system and to consider supplemental functions to fill any gaps. One such supplemental initiative include the Provider Data Management System RFP that is currently in progress. Staff recommends approval of extending the Facets contract for three additional years with the options to extend the agreement for two additional one-year terms (through June 2027) in order to provide staff with sufficient time to implement supplemental systems and re-evaluate whether the functional gaps have been fully addressed.

- b. **Catalyst Solutions, LLC** is a vendor utilized for technical support for Facets. This vendor has supported many of our Facets upgrades over the years. The vendor is extremely familiar with our infrastructure and the Facets product. Catalyst Solutions' contract was extended by the Board on December 6, 2018, in line with the Facets Core System extension, due to the vendor's knowledge of CalOptima's infrastructure and the application. Staff recommends extending the contract for three additional years with the options to extend the agreement for two additional one-year terms (through June 2027) in alignment with the Facets contract.
- c. **Edifecs, Inc.** is a software tool that supports quality for the CalOptima Facets Claims processes. XEngine through Edifecs is a tool that validates and ensures compliance with regulatory transaction standards and streamlines operational efficiency. This vendor has provided solutions that are tightly integrated with our core system. Staff recommends approval of extending the contract for three and a half additional years with the option to add two one-year extensions (through June 2027) to match the extension date of the Facets contract.
- d. **Imagenet, LLC** is the vendor that provides imaging, scanning, data lift and document archive solutions. Multiple departments utilize their scanning and image data lift to provide data files for claims and enrollment selection processes. Along with that, Imagenet provides the electronic data imaging archives for provider documents and Medication Therapy Management (MTM) letter documentation, as well as historical Grievance and Appeals documentation. This vendor has provided solutions that are tightly integrated with our core system. Staff recommends approval of extending the contract for three and a half additional years with the option to add two one-year extensions (through June 2027) to match the extension date of the Facets contract.
- e. **LexisNexis Risk Solutions FL Inc. and Enclarity, Inc.** provides a solution to validate Provider Data used at CalOptima, including demographic data and identification of providers that are on Federal exclusion lists. This software is tightly integrated to the core system. Staff

¹ Gartner is a leading technical research and advisory company that provides senior CalOptima leaders with the indispensable business insights and advice to achieve the mission-critical priorities.

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recommends approval of extending the contract for an additional two years and eight months with the option to add three one-year extensions (through June 2027) to match the extension date of the Facets contract.

Provider Credentialing and Contracting Systems:

The following two contracts are for provider credentialing (Symplr) and provider contracting (Change Healthcare Technologies). Staff is currently in the RFP process to select and implement an integrated solution for Provider Data Management, Contracting and Credentialing. This integrated solution will potentially replace the current Credentialing and Contracting systems if new vendor(s) are selected consistent with the Board-approved Purchasing policy. Due to the complexity of this effort, staff estimates that the integrated solution implementation will be completed by the end of 2024. Staff recommends approval of extending both contracts annually for up to two additional years (through December 2024) to allow sufficient time for completion of the RFP and implementation of the selected system.

- a. **Symplr** provides provider credentialing software. As noted above, staff plans to complete the RFP process and implement a new solution by the end of 2024. Staff recommends approval of extending the contract for one additional year and sixteen days with an option for two additional one year extensions.(through December 2024).
- b. **Change Healthcare Technologies, LLC** is a provider contract management software system. As noted above, staff plans to complete the RFP process and implement a new solution by the end of 2024. Staff recommends approval of extending the contract for an additional one year and one day with an option for two additional one year extensions (through December 2024).

Human Capital Management (HCM) Systems:

The following three systems support our Human Resources (HR) function. CalOptima's HR Department currently utilizes several disparate systems to assist in managing employee information and applicant tracking. The RFP planned for FY 2019–2020 to replace these three systems was deferred due to other priorities related to the COVID pandemic. Staff is currently preparing a Human Capital Management (HCM) solution RFP to be issued in Fall 2021 to review products in the marketplace. This RFP seeks an integrated solution to support several HR and Finance functions, including, but not limited to, core HR functions, benefits, workforce management, payroll, applicant tracking and recruitment, and performance management, which are currently provided by several different systems. By allowing a one-year extension to these three systems below, staff will have time to complete the RFP, contract with the successful vendor, and implement a new solution for HCM.

- a. **Ceridian Corporation-** Dayforce is the primary HR and Finance system handling employee benefits and payroll. As noted above, by allowing a one-year extension to this contract, staff will have sufficient time to complete the HCM RFP and implement a new solution. Staff recommends approval of extending the contract for one additional year (through January 6th 2023).
- b. **Silk Road Technology, Inc.-** OpenHire is the current HR applicant tracking and recruitment system. WingSpan is the current employee performance management system where all CalOptima staff performance evaluations are created and stored. As noted above, by allowing a one-year extension to this contract, staff will have sufficient time to complete the HCM RFP and implement a new solution. Staff recommends approval of extending the contract for one additional year (through December 2022).

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exercisable at the Board's discretion.*

Other Systems

- a. **Varis LLC** provides overpayment identification and post-payment recovery services of potential overpayment of services that utilized Diagnosis Related Group (DRG) for Inpatient Medicare and Medi-Cal and Outpatient or Ambulatory Payment Classification (APC) payment guidelines to determine the claims payment amount. To summarize the audit review process, Varis conducts the data and clinical analysis based on CalOptima's paid files and review of medical records, as needed, and identifies the dollar recovery amounts based on their audit findings. By allowing a one-year extension, staff will have time to complete the RFP process, and if the same vendor is not selected, it will allow sufficient time to contract and implement a new solution. Staff recommends approval of extending the contract for one additional year (through September 24th, 2023).
- b. **SmartComms, LLC** provides system generated letters for claims requests as well as claims denials. This solution was originally selected to support the Care Management vendor solution. With the decision to process a RFP to select a Care Management solution, the letter generating solution may change with that direction. Staff recommends approval of extending the contract for one additional year (through December 30th, 2022) to allow time to complete the Care Management System RFP which will impact the letter communication system.
- c. **InfoCrossing, A WIPRO Company** is a CMS third party vendor that supports our process to submit enrollment and disenrollment updates to CMS. The vendor provides CMS data files for membership reconciliation for OneCare, OneCare Connect, and PACE. WIPRO supports file transfers between CalOptima and CMS. This vendor has maintained our stability to process regulatory file requirements to CMS. With the Duals Demonstration coming to an end and the transition of member planning in progress, it would be best to stay with the existing vendor to assure stability in transition. Staff recommends approval of extending the contract for an additional three years, two months and three days, to cover the period of the transition and the first year thereafter (through December 31st, 2024). Post transition, staff will issue an RFP to review the available systems in the market.
- d. **Intuitive Technology Group, Inc.** Tableau is an enterprise-wide reporting and analysis tool that provides staff with the capability to review and analyze clinical, financial, and other data to monitor and improve performance. In addition to costs associated with selecting and implementing a new tool, to replace a system like this, it would require the use of a new tool for staff to perform data analysis and to be re-trained to re-create the many reports and dashboards developed over the last four years. Staff's recommendation is to approve extending the contract for three additional years (through November 28th, 2024).
- e. **Lumen Technologies** is CalOptima's carrier for telecommunications as well as Internet connectivity. This vendor supports this particular area of the County. Internet and telecommunication stability during the pandemic has been essential to keep our communications functioning. We have not experienced any major issues with the vendor during the pandemic. Staff's recommendation is to approve extending the contract for three additional years (through 12/31/2024).

Discussion

The vendors listed above and in the attached tables represent the solutions described and contracts expiring in 2021 and 2022. Replacing any of these solutions in the short term would require substantial additional investment, time commitment, as well as significant disruption to operations.

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exercisable at the Board's discretion.*

Many of these solutions are tightly embedded and integrated into either Facets or Guiding Care (the core systems):

- I. Table 1. Unless core systems are replaced, replacing these tightly integrated solutions is not feasible without substantial investment and significant disruption to the operations. Some of the vendors also represent the most viable solution considering CalOptima's operating environment.
- II. Table 2. The vendors in this category have expiring contracts, but due to the complications related to the COVID-19 pandemic during the past 18 months, staff needs additional time to complete the RFP processes and selection of new vendors. Extending these contracts as proposed will allow sufficient time for selection and implementation of new systems and avoid potential gaps in services.
- III. Table 3. This table lists the technical solutions that provide support to the infrastructure and stability for the above systems. Extending these vendor solution contracts will allow additional time to complete the other RFP processes and determine whether an RFP to change technical directions is needed.

Fiscal Impact

The CalOptima Fiscal Year 2021–22 Operating Budget, approved by the Board on June 3, 2021 includes the annual fees for the listed contracted vendors related to CalOptima's core and supporting systems through June 30, 2022. Management will include expenses for the recommended contract extension periods on or after July 1, 2022, in future CalOptima operating budgets.

Rationale for Recommendation

Extension of the contracts for these systems will ensure there is no disruption to the services provided by each of the solutions and allows continuity of operations throughout the organization that impact CalOptima's member and provider community.

Concurrence

Gary Crockett, Chief Counsel

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were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions
exercisable at the Board's discretion.*

Attachments

1. Tables of Proposed Contract Extensions
2. Entities Covered by this Recommended Board Action
3. Appendix: Summary of Contract History
4. Board Action dated June 3, 2021: Consider Approval of the CalOptima Fiscal Year 2021–22 Operating Budget
5. Board Action dated March 5, 2020: Consider Authorization of Expenditures in the CalOptima Fiscal Year 2019–20 Operating Budget for Claims Editing Solution and Recovery Services
6. Board Action dated December 6, 2018: Consider Extension of Contract Related to CalOptima's Core System, Facets
7. Board Action dated December 6, 2018: Consider Extension of Contracts Related to CalOptima's Key Operational and Human Resource Systems
8. Board Action dated September 1, 2016: Consider Extension of Contracts Related to CalOptima's Core Systems

/s/ Richard Sanchez
Authorized Signature

09/29/2021
Date

Tables — Proposed Contract Extensions

Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.

Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.

Table 1 — Solutions tightly integrated with the two core systems (Facets and/or Altruista)

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2021–22 Budget
a. Cognizant TriZetto Software Group, Inc.	Core business applications supporting membership, claims	2/22/2000	6/30/2022	6/30/2027	\$1,915,000
b. Catalyst Solutions, LLC	Technical consultant support for Facets	4/21/2014	6/30/2022	6/30/2027	\$28,000
c. Edifecs, Inc.	Electronic transaction standardization software	03/09/2011	12/31/2021	6/30/2027	\$114,100
d. Imagenet, LLC	Archiving and document imaging services	11/21/2017	12/31/2021	6/30/2027	\$350,000
e. Lexis Nexis Risk Solutions FI Inc. and Enclarity, Inc.	Provider exclusion software	5/01/2015	10/31/2021	6/30//2027	\$324,000

Table 2 — Solutions defined as essential systems with contracts that need extending to allow time for RFP selection and contract negotiation with implementation of the selected vendor to replace existing systems, and to assure there are no gaps in service.

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2021–22 Budget
f. Symplr	Credentialling system	11/29/2011	12/15/2021	12/31/2024	\$119,000
g. Change Healthcare Technologies, LLC	Contract management software system	12/30/2016	12/30/2021	12/31/2024	\$355,000
h. Ceridian Corporation	Employee payroll	6/29/2008	1/06/2022	1/06/2023	\$384,000
i. Silk Road Technology, Inc.	HR recruitment tracking (Open Hire) and HR performance management (Wingspan)	06/19/2009	12/31/2021	12/31/2022	\$81,000
j. Varis LLC	High dollar and forensic claims review	9/25/2017	9/24/2022	9/24/2023	\$1,450,000
k. SmartComms, LLC	Letter generation software	12/31/2016	12/30/2021	12/30/2022	\$145,000
l. InfoCrossing, A WIPRO Company	CMS enrollment/eligibility verification and CMS file reconciliation	05/01/2005	10/28/2021	12/31/2024	\$24,000

Tables — Proposed Contract Extensions

Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.

Table 3 — Technical solutions that maintain service level consistency.

Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2021–22 Budget
m. Intuitive Technology Group, Inc.	Business intelligence software — Tableau	11/22/2017	11/28/2021	11/28/2024	\$238,505
n. Lumen Technologies	Internet connectivity	02/15/2012	12/31/2021	12/31/2024	\$984,000

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Cognizant Trizetto Software Group, Inc.	300 Frank W Burr Blvd.	Teaneck	NJ	07666
Catalyst Solutions, LLC	6400 S. Fiddlers Green Circle	Greenwood Village	CO	80111
Edifecs, Inc	1756 114 th Ave. SE	Bellevue	WA	98004
Imagenet, LLC	5401 W. Kennedy Blvd.	Tampa	FL	33609
LexisNexis Risk Solutions FL Inc. and Enclarity, Inc.	1105 N Market St, Ste 501	Wilmington	DE	19801
Symplr	315 Capitol St., Suite 100	Houston	TX	77002
Change Healthcare Technologies, LLC	100 Airpark Center Drive East	Nashville	TN	37217
Ceridian Corporation	3311 E Old Shakopee Rd	Minneapolis	MN	55425
Silk Road Technology, Inc	100 S. Wacker Dr, Suite 425	Chicago	IL	60606
Varis, LLC	3915 Security Park Dr, Ste B	Rancho Cordova	CA	95742
SmartComms, LLC	250 Commercial Street	Manchester	NH	03101
InfoCrossing, A WIPRO Company	2 Tower Center	East Brunswick	NJ	08816
Intuitive Technology Group, Inc.	4530 W 77th Street, Suite 255	Edina	MN	55435
Lumen Technologies	100 CenturyLink Dr.	Monroe	LA	71203

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.
Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.

Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.

APPENDIX TO AGENDA ITEM 16

Summary of Contract History

Vendor	Contract Number(s)	History of Contract Changes (Summary)	Last Approval
a. Cognizant TriZetto Software Group, Inc.	00-849-2197	There have been 48 amendments to the contract. These amendments have included time extensions, functional enhancements to support changes to regulatory and business requirements over the years, and administrative changes. Staff conducted multiple RFIs to survey the market for claims processing and customer service systems. Most recently, at the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended to stay with our current core systems and to consider supplemental functions to fill the gap.	Board Approval December 6, 2018
b. Catalyst Solutions, LLC	14005	There have been 9 amendments to the contract. The amendments included date extensions along with technical support for system configuration changes required to meet regulatory and business requirements.	Board Approval December 6, 2018
c. Edifecs, Inc.	MC 01759	This contract has been extended 10 times. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.	Board Approval December 6, 2018
d. Imagenet, LLC	18-10184	There have been 7 amendments to the contract. The amendments include service additions to accommodate changes to regulatory and business requirements and the exercise of options to extend the contract that was included in the original contract.	Budget Approval June 3, 2021
e. Lexis Nexis Risk Solutions FL Inc. and Enclarity, Inc.	15-0964/ 15-0973	There have been 6 amendments to the contract. The amendments include date extensions, administrative changes and pricing updates.	Budget Approval June 3, 2021

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.
Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

Vendor	Contract Number(s)	History of Contract Changes (Summary)	Last Approval
f. Symplr	MC 01611	There have been 9 extensions to the contract. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.	Budget Approval June 3, 2021
g. Change Healthcare Technologies, LLC	17-10538	There have been 2 amendments to the contract. The amendments include technical support services related to the implementation and upgrade of the software.	Budget Approval June 3, 2021
h. Ceridian Corporation	MC 03232	There have been 12 extensions to the contract. The extensions have included software license modifications and technical support services related to the implementation and upgrade required to meet regulatory and business requirements.	Board Approval December 6, 2018
i. Silk Road Technology, Inc.	MC 02042	There have been 10 extensions to the contract. The extensions have included technical support services related to the implementation and upgrade of the software.	Board Approval December 6, 2018
j. Varis, LLC	17-10537	There have been 2 amendments to the contract. The amendments were for date extensions.	Board Approval March 5, 2020
k. SmartComms, LLC	17-10511	There have been 2 amendments to the contract. The amendments include technical service additions to support implementation and the exercise of options to extend the contract that was included in the original contract.	Budget Approval June 3, 2021
l. InfoCrossing, A WIPRO Company	PO 06195	There have been 8 amendments to the contract. The amendments included date extensions along with service modifications required to meet CMS regulatory requirements.	Budget Approval June 3, 2021
m. Intuitive Technology Group, Inc.	18-10487	There have been 2 amendments to the contract. The amendments include additional licenses to support organizational growth and the exercise of options to extend the contract that was included in the original contract.	Budget Approval June 3, 2021

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

10. Appoint the Chairs and Vice Chairs of the CalOptima Health Board of Directors' Member Advisory Committee and Provider Advisory Committee

Contacts

Ladan Khamseh, Executive Director, Operations, (714) 246-8866

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Actions

1. Appoint the following individuals as Chair and Vice Chair of the Member Advisory Committee (MAC):
 - A. Christine Tolbert as MAC Chair for a two-year term ending September 2, 2026; and
 - B. Meredith Chillemi as MAC Vice Chair for a two-year term ending September 2, 2026.
2. Appoint the following individuals as Chair and Vice Chair of the Provider Advisory Committee (PAC):
 - A. John Nishimoto, O.D., as PAC Chair for a two-year term ending September 2, 2026; and
 - B. Gio Corzo as PAC Vice Chair for a two-year term ending September 2, 2026.

Background

The CalOptima Health Board of Directors established the MAC and PAC by resolution on February 14, 1995, to serve solely in an advisory capacity, providing input and recommendations concerning CalOptima Health programs. The MAC is comprised of 17 voting members, including one standing member from the Orange County Social Services Agency. The PAC is comprised of 15 voting members, including one standing member from the Orange County Health Care Agency.

Pursuant to Resolution Nos. 95-0214, 16-0804, and 20-0806, the CalOptima Health Board of Directors is responsible for appointing the MAC and PAC Chairs and Vice Chairs biennially from among appointed members. The Chair and Vice Chair may serve a two-year term and commences on date of Board appointment.

Discussion

In the months leading up to the August 8, 2024, joint MAC and PAC meeting, members of the MAC and PAC were asked to submit letters of interest for the Chair and Vice Chair positions to the advisory committees' officer positions. For the MAC, Christine Tolbert submitted a letter of interest for Chair, and Meredith Chillemi submitted a letter of interest for Vice Chair. At the August 8, 2024, meeting, MAC members voted to recommend Christine Tolbert as Chair and Meredith Chillemi as Vice Chair.

For the PAC, John Nishimoto, O.D., submitted a letter of interest for Chair, and Gio Corzo submitted a letter of interest for Vice Chair. At the August 8, 2024, meeting, PAC members voted to recommend John Nishimoto, O.D., as Chair and Gio Corzo as Vice Chair.

The recommended candidates for MAC Chair and Vice Chair are as follows, with information from their letters of interest:

MAC Chair Candidate

Christine Tolbert's current work for the State Council on Developmental Disabilities has allowed her to advocate for thousands of people dealing with an expansive number of medical and/or special needs conditions. She has helped transition people from the state hospital into the community, helping them access health care services through managed care. Ms. Tolbert currently holds the Persons with Special Needs seat and is the current MAC Chair having assumed the duties from past chair Maura Byron, who was appointed to the Board of Directors in December 2023.

MAC Vice Chair Candidate

Meredith Chillemi is the LeadingAge California Vice President of Regulatory Affairs where she manages relationships with state agencies and departments and engages with the State on the implementation of numerous initiatives, including CalAIM. Ms. Chillemi has a background working in various social service and health care settings, including Life Plan Communities, a managed care plan and programs funded by the Older Americans Act, including home delivered meals, shared housing, and case management. Most recently, she served as the Director of Medicaid and Home and Community-Based Services Policy for LeadingAge. Prior to joining LeadingAge, Meredith served as Director of Supportive and Health Services at LifeSTEPS, overseeing the organization's affordable housing Aging in Place initiatives, long term services and supports collaborations, and the award-winning Older Adult RN Coaching Program. Ms. Chillemi holds masters' degrees in Gerontology and Health Administration from the University of Southern California. She is also a graduate of the UCLA Health Care Executive Program and the LeadingAge California Emerge Leadership Program. Ms. Chillemi has served on the MAC since 2021 and was a former member of the OneCare Connect Member Advisory Committee where she served as the Long-Term Services and Support Representative until 2022.

The recommended candidates for PAC Chair and Vice Chair are as follows, with information from their letters of interest:

PAC Chair Candidate

John Nishimoto, O.D., is currently a professor and senior associate dean for Professional Affairs at Marshall B. Ketchum University and Southern California College of Optometry. Dr. Nishimoto has active engagements with the leadership of the California Optometric Association (COA), the COA Health Care Delivery Systems Committee, and the leadership of the American Academy of Optometry and the California Academy of Physician Assistants. He is the chair for the Board of Integrated Health Care Solutions, which includes collaborative organizations such as Giving Children Hope and the Illumination Foundation. Dr. Nishimoto has served on the PAC

since 2016, most recently as the Allied Health Services Representative. Dr. Nishimoto previously served as the PAC Chair from 2018-2020 and as the Vice Chair from 2020-2022.

PAC Vice Chair Candidate

Gio Corzo is the Vice President of Home & Care Services for Meals on Wheels. He has more than 20 years of health care experience and expertise in strategic planning, development, and operations of multiple health facilities, including community-based adult services (CBAS) centers, day programs, and residential long-term care facilities. Mr. Corzo was instrumental in working on the state transition of adult day health care to CBAS. Mr. Corzo also served as the Chair on the OneCare Connect Member Advisory Committee. Mr. Corzo has been a PAC member since 2021.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The MAC and PAC held open nominations at the August 8, 2024, joint MAC and PAC meeting based on the letters of interest received, as per policies AA.1219a and AA. 1219b. There were no additional nominations from the floor. The MAC and PAC forward the recommended Chairs and Vice Chairs to the Board of Directors for consideration and appointment.

Concurrence

Member Advisory Committee

Provider Advisory Committee

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

11. Appoint the Social Services Agency Representative to the CalOptima Health Board of Directors' Member Advisory Committee

Contacts

Ladan Khamseh, Executive Director, Operations, (714) 246-8866

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Action

Appoint Shirley Valencia as the Social Services Agency Representative to the Member Advisory Committee, as nominated by the Social Services Agency.

Background

Since CalOptima Health's inception, the CalOptima Health Board of Directors has benefited from stakeholder involvement in the form of advisory committees. The CalOptima Health Board of Directors established the Member Advisory Committee (MAC) by resolution on February 14, 1995, to provide input to the Board of Directors. The MAC is comprised of seventeen voting members. MAC members serve three-year terms, except for the one standing seat for a representative from the Social Services Agency (SSA). The CalOptima Health Board of Directors is responsible for appointing all MAC members.

Discussion

Upon notice from the SSA of the reassignment of Brian Nelson, the SSA Representative on the MAC, CalOptima Health staff requested the agency nominate a representative to serve as a voting member on the MAC.

SSA recommended the following candidate:

Shirley Valencia

Shirley Valencia began her career with the SSA in April 2007. In December 2020, Ms. Nelson was promoted to Human Services Manager with the Business Functions Support Team overseeing Task Management including the transition of SSA's ancillary systems into the California Statewide Automated Welfare System. In November 2023, she accepted a rotational transfer to the Medi-Cal policy and operations team where she supports the Non-Modified Adjust Gross Income (Non-MAGI) Medi-Cal programs. Ms. Valencia provides oversight for the Community Legal Aid SoCal (CLA) liaisons and helps facilitate resolutions of customer issues brought forth by CLA. These inquiries are often complex and require attention to detail to ensure the customers issues are fully addressed. Ms. Valencia also works closely with Child Support, the Orange County Health Care Agency, and the Community Health Initiative of Orange County to establish and maintain a data sharing agreement to support customer outreach. In addition, as a Human Services Manager she assists staff and community partners when customers need assistance with questions on their benefits and/or complex situations.

Ms. Valencia has a bachelor's degree in Social Work and a master's degree in Public Administration from Cal State Long Beach.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The SSA Representative on the MAC is a standing seat and not subject to the three (3)-year term. The nominee has been recommended for appointment to the MAC seat by the SSA, per CalOptima Health policy.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date



CalOptima Health

Financial Summary

July 31, 2024

Board of Directors Meeting
September 5, 2024

Nancy Huang, Chief Financial Officer

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

By 2027, remove barriers to health care access for our members, implement same-day treatment authorizations and real-time claims payments for our providers, and annually assess members' social determinants of health.

Financial Highlights: July 2024

July 2024	Actual	Budget	\$ Variance	% Variance
Member Months	910,928	906,722	4,206	0.5%
Revenues	364,495,576	357,511,618	6,983,958	2.0%
Medical Expenses	368,942,408	356,629,323	(12,313,085)	(3.5%)
Administrative Expenses	18,922,484	24,574,716	5,652,232	23.0%
Operating Margin	(23,369,316)	(23,692,421)	323,105	1.4%
Non-Operating Income (Loss)				
Net Investment Income/Expense	27,743,765	6,666,660	21,077,105	316.2%
Net Rental Income/Expense	(32,539)	(117,280)	84,741	72.3%
Net MCO Tax	2,309	-	2,309	100.0%
Grant Expense	(1,953,924)	(198,333)	(1,755,591)	(885.2%)
Total Non-Operating Income (Loss)	25,759,611	6,351,047	19,408,564	305.6%
Change in Net Assets	2,390,296	(17,341,374)	19,731,670	113.8%
<i>Medical Loss Ratio</i>	101.2%	99.8%	1.5%	
<i>Administrative Loss Ratio</i>	5.2%	6.9%	1.7%	
<i>Operating Margin Ratio</i>	<u>(6.4%)</u>	<u>(6.6%)</u>	0.2%	
<i>Total Operating</i>	100.0%	100.0%		

Financial Highlights Notes: July 2024

- Notable events/items in July 2024
 - \$526.2 million of Board-approved Medi-Cal (MC) Provider Rate Increases effective July 2024 through December 2026
 - \$1.9 million of Provider Workforce Development payments

FY 2024-25: Management Summary

- Change in Net Assets Surplus or (Deficit)
 - Month To Date (MTD) July 2024: \$2.4 million, favorable to budget \$19.7 million or 113.8% driven primarily by net investment income
- Enrollment
 - MTD: 910,928 members, favorable to budget 4,206 or 0.5%
- Revenue
 - MTD: \$364.5 million, favorable to budget \$7.0 million or 2.0% driven by the MC Line of Business (LOB) due to prior year revenue

FY 2024-25: Management Summary (cont.)

○ Medical Expenses

- MTD: \$368.9 million, unfavorable to budget \$12.3 million or 3.5% driven by MC LOB
 - Primarily due to higher-than-expected utilization in Facilities, Professional and Managed Long-Term Services and Supports (MLTSS) claims

○ Administrative Expenses

- MTD: \$18.9 million, favorable to budget \$5.7 million or 23.0%

○ Non-Operating Income (Loss)

- MTD: \$25.8 million, favorable to budget \$19.4 million or 305.6% due to net investment income

FY 2024-25: Key Financial Ratios

- Medical Loss Ratio (MLR)
 - MTD: Actual 101.2%, Budget 99.8%
- Administrative Loss Ratio (ALR)
 - MTD: Actual 5.2%, Budget 6.9%
- Balance Sheet Ratios
 - Current ratio*: 1.8
 - Board Designated Reserve level: 2.86
 - Statutory Designated Reserve level: 1.03
 - Net-position: \$2.4 billion, including required Tangible Net Equity (TNE) of \$129.6 million

*Current ratio compares current assets to current liabilities. It measures CalOptima Health's ability to pay short-term obligations

Enrollment Summary:

July 2024

Enrollment (by Aid Category)	Actual	Budget	\$ Variance	% Variance
SPD	145,255	135,811	9,444	7.0%
TANF Child	271,982	274,183	(2,201)	(0.8%)
TANF Adult	127,866	138,427	(10,561)	(7.6%)
LTC	2,458	2,628	(170)	(6.5%)
MCE	335,825	328,242	7,583	2.3%
WCM	9,725	9,607	118	1.2%
Medi-Cal Total	893,111	888,898	4,213	0.5%
OneCare	17,311	17,356	(45)	(0.3%)
PACE	506	468	38	8.1%
MSSP	473	568	(95)	(16.7%)
CalOptima Health Total	910,928	906,722	4,206	0.5%

*CalOptima Health Total does not include MSSP

[Back to Agenda](#)

Consolidated Revenue & Expenses: July 2024 MTD

	Medi-Cal	OneCare	PACE	MSSP	Consolidated
MEMBER MONTHS	893,111	17,311	506	473	910,928
REVENUES					
Capitation Revenue	\$ 326,646,004	\$ 33,315,969	\$ 4,320,741	\$ 212,862	\$ 364,495,576
Total Operating Revenue	326,646,004	33,315,969	4,320,741	212,862	364,495,576
MEDICAL EXPENSES					
Provider Capitation	112,974,612	14,999,872			127,974,484
Claims	149,062,758	5,586,521	1,114,619		155,763,898
MLTSS	51,350,595		15,508	30,890	51,396,993
Prescription Drugs		8,289,213	634,005		8,923,217
Case Mgmt & Other Medical	22,482,005	969,642	1,250,071	182,097	24,883,815
Total Medical Expenses	335,869,970	29,845,248	3,014,203	212,987	368,942,408
Medical Loss Ratio	102.8%	89.6%	69.8%	100.1%	101.2%
GROSS MARGIN	(9,223,966)	3,470,721	1,306,538	(125)	(4,446,832)
ADMINISTRATIVE EXPENSES					
Salaries & Benefits	11,571,376	1,136,812	163,155	93,808	12,965,151
Non-Salary Operating Expenses	2,418,415	229,979	67,009	1,417	2,716,820
Depreciation & Amortization	710,234		939		711,172
Other Operating Expenses	2,133,818	7,561	8,399	6,037	2,155,814
Indirect Cost Allocation, Occupancy	(668,667)	1,020,480	14,383	7,330	373,526
Total Administrative Expenses	16,165,175	2,394,832	253,885	108,591	18,922,484
Administrative Loss Ratio	4.9%	7.2%	5.9%	51.0%	5.2%
Operating Income/(Loss)	(25,389,141)	1,075,889	1,052,652	(108,716)	(23,369,316)
Investments and Other Non-Operating	2,309				25,759,611
CHANGE IN NET ASSETS	\$ (25,386,832)	\$ 1,075,889	\$ 1,052,652	\$ (108,716)	\$ 2,390,296
BUDGETED CHANGE IN NET ASSETS	(22,217,025)	(1,176,133)	(182,466)	(116,797)	(17,341,374)
Variance to Budget - Fav/(Unfav)	\$ (3,169,807)	\$ 2,252,022	\$ 1,235,118	\$ 8,081	\$ 19,731,670

Balance Sheet: As of July 2024

ASSETS

Current Assets	
Operating Cash	\$431,456,858
Short-term Investments	1,811,449,506
Receivables & Other Current Assets	531,318,992
Total Current Assets	2,774,225,356
Capital Assets	
Capital Assets	178,801,723
Less Accumulated Depreciation	(82,894,426)
Capital Assets, Net of Depreciation	95,907,297
Other Assets	
Restricted Deposits	300,000
Board Designated Reserves	1,018,259,764
Statutory Designated Reserves	133,879,815
Total Other Assets	1,152,439,579
TOTAL ASSETS	4,022,572,232
Deferred Outflows	75,899,007
TOTAL ASSETS & DEFERRED OUTFLOWS	4,098,471,239

LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$89,909,675
Medical Claims Liability	1,165,395,882
Capitation and Withholds	161,546,335
Other Current Liabilities	145,355,165
Total Current Liabilities	1,562,207,057
Other Liabilities	
GASB 96 Subscription Liabilities	16,754,820
Postemployment Health Care Plan	17,409,087
Net Pension Liabilities	45,981,359
Total Other Liabilities	80,145,266
TOTAL LIABILITIES	1,642,352,323
Deferred Inflows	8,646,445
Net Position	
Required TNE	129,641,346
Funds in Excess of TNE	2,317,831,124
TOTAL NET POSITION	2,447,472,470
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	4,098,471,239

Board Designated Reserve and TNE Analysis: As of July 2024

Board Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	509,254,219				
MetLife Tier One	509,005,545				
Board Designated Reserves	1,018,259,764	890,364,243	1,068,437,092	127,895,520	(50,177,328)
<i>Current Reserve Level</i>	<i>2.86</i>	<i>2.50</i>	<i>3.00</i>		

Statutory Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier Two	67,111,406				
MetLife Tier Two	66,768,409				
Statutory Designated Reserves	133,879,815	129,641,346	142,605,481	4,238,469	(8,725,666)
<i>Current Reserve Level</i>	<i>1.03</i>	<i>1.00</i>	<i>1.10</i>		

Spending Plan: As of July 2024

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
Total Net Position @ 7/31/2024		\$2,447.5			100.0%
Resources Assigned	Board Designated Reserve ¹	\$1,018.3			41.6%
	Statutory Designated Reserve ¹	\$133.9			5.5%
	Capital Assets, net of Depreciation	\$95.9			3.9%
Resources Allocated ²	Homeless Health Initiative ³	\$17.0	\$61.7	44.7	0.7%
	Housing and Homelessness Incentive Program ³	22.5	87.4	64.9	0.9%
	Intergovernmental Transfers (IGT)	59.9	111.7	51.8	2.4%
	Digital Transformation and Workplace Modernization ⁴	58.1	100.0	41.9	2.4%
	CalFresh Outreach Strategy	0.2	2.0	1.8	0.0%
	CalFresh and Redetermination Outreach Strategy	1.9	6.0	4.1	0.1%
	Coalition of Orange County Community Health Centers Grant	30.0	50.0	20.0	1.2%
	OneCare Member Health Rewards and Incentives	0.2	0.5	0.3	0.0%
	General Awareness Campaign	1.3	4.7	3.4	0.1%
	Member Health Needs Assessment	1.1	1.3	0.2	0.0%
	Five-Year Hospital Quality Program Beginning MY 2023	135.7	153.5	17.9	5.5%
	Medi-Cal Annual Wellness Initiative	2.5	3.8	1.3	0.1%
	Skilled Nursing Facility Access Program	10.0	10.0	0.0	0.4%
	In-Home Care Pilot Program with the UCI Family Health Center	2.0	2.0	0.0	0.1%
	National Alliance for Mental Illness Orange County Peer Support Program Grant	4.0	5.0	1.0	0.2%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.7%
	Wellness & Prevention Program Grant	2.1	2.7	0.6	0.1%
	CalOptima Health Provider Workforce Development Fund Grant	45.6	50.0	4.4	1.9%
	Distribution Event- Naloxone Grant	2.3	15.0	12.7	0.1%
	Garden Grove Bldg. Improvement	10.0	10.5	0.5	0.4%
	Post-Pandemic Supplemental	9.6	107.5	97.9	0.4%
	CalOptima Health Community Reinvestment Program	37.1	38.0	0.9	1.5%
	Outreach Strategy for newly eligible Adult Expansion members	4.3	5.0	0.7	0.2%
	Quality Initiatives from unearned Pay for Value Program	23.3	23.3	0.0	1.0%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy	0.7	1.0	0.3	0.0%
	Medi-Cal Provider Rate Increases	508.7	526.2	17.5	20.8%
	Subtotal:	\$1,007.7	\$1,396.8	\$389.1	41.2%
Resources Available for New Initiatives	Unallocated/Unassigned ¹	\$191.7			7.8%

¹ Total Designated Reserves and unallocated reserve amount can support approximately 108 days of CalOptima Health's current operations

² Initiatives that have been paid in full in the previous year are omitted from the list of Resources Allocated

³ See HHI and HHIP summaries and Allocated Funds for list of Board approved initiatives. Amount reported includes only portion funded by reserves

⁴ On June 6, 2024, the Board of Directors approved an update to the Digital Transformation Strategy which will impact these figures beginning July 2024

Homeless Health Initiative and Allocated Funds: As of July 2024

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus	11,400,000	11,400,000	-
Recuperative Care	6,194,190	6,194,190	-
Medical Respite	250,000	250,000	-
Day Habilitation (County for HomeKey)	2,500,000	2,500,000	-
Clinical Field Team Start-up & Federally Qualified Health Center (FQHC)	1,600,000	1,600,000	-
CalOptima Health Homeless Response Team	1,681,734	1,681,734	-
Homeless Coordination at Hospitals	10,000,000	9,956,478	43,522
CalOptima Health Days, Homeless Clinical Access Program (HCAP) and FQHC Administrative Support	963,261	800,678	162,583
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,421,240	6,467,675
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine ¹	10,076,652	7,079,766	2,996,886
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) ²	40,100,000	-	40,100,000
Subtotal of Approved Initiatives	\$101,800,000	\$44,960,637	\$56,839,364
Transfer of funds to HHIP ²	(40,100,000)	-	(40,100,000)
Program Total	\$61,700,000	\$44,960,637	\$16,739,364

Notes:

¹On March 7, 2024, CalOptima Health's Board of Directors approved \$5M. \$3.2 million remaining from Street Medicine Initiative (from the HHI reserve) and \$1.8 million from existing reserves to fund 2-year agreements to Healthcare in Action and Celebrating Life Community Health Center

²On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1M from HHI to HHIP

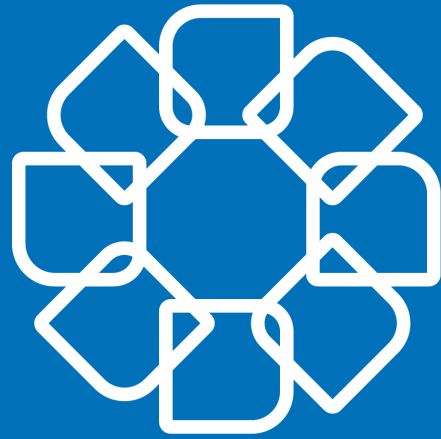
Housing and Homelessness Incentive Program As of July 2024

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for New Initiatives
DHCS HHIP Funds	72,931,189	35,200,994	25,812,256	9,388,738	37,730,195 ¹
Existing Reserves & HHI Transfer	87,384,530	87,384,530	64,873,947	22,510,583	-
Total	160,315,719	122,585,524	90,686,203	31,899,321	37,730,195

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funding Source(s)
Office of Care Coordination	2,200,000	2,200,000	-	HHI
Pulse For Good	800,000	431,300	368,700	HHI
Consultant	600,000	-	600,000	HHI
Equity Grants for Programs Serving Underrepresented Populations	4,021,311	3,271,805	749,507	HHI & DHCS
Infrastructure Projects	5,832,314	5,391,731	440,583	HHI
Capital Projects	98,247,369	77,195,575	21,051,794	HHI, DHCS & Existing Reserves
System Change Projects	10,184,530	1,863,856	8,320,674	DHCS
Non-Profit Healthcare Academy	700,000	331,935	368,065	DHCS
Total of Approved Initiatives	\$122,585,524¹	\$90,686,202	\$31,899,322	

Notes:

¹Total funding \$160.3 million: \$40.1 million Board-approved reallocation from HHI, \$47.2 million from CalOptima Health existing reserves and \$73.0 million from DHCS HHIP incentive payments



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UNAUDITED FINANCIAL STATEMENTS

July 31, 2024

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**CalOptima Health - Consolidated
Financial Highlights
For the One Month Ending July 31, 2024**

	July 2024			
	Actual	Budget	\$ Variance	% Variance
Member Months	910,928	906,722	4,206	0.5%
Revenues	364,495,576	357,511,618	6,983,958	2.0%
Medical Expenses	368,942,408	356,629,323	(12,313,085)	(3.5%)
Administrative Expenses	18,922,484	24,574,716	5,652,232	23.0%
Operating Margin	(23,369,316)	(23,692,421)	323,105	1.4%
Non-Operating Income (Loss)				
Net Investment Income/Expense	27,743,765	6,666,660	21,077,105	316.2%
Net Rental Income/Expense	(32,539)	(117,280)	84,741	72.3%
Net MCO Tax	2,309	-	2,309	100.0%
Grant Expense	(1,953,924)	(198,333)	(1,755,591)	(885.2%)
Total Non-Operating Income (Loss)	25,759,611	6,351,047	19,408,564	305.6%
Change in Net Assets	2,390,296	(17,341,374)	19,731,670	113.8%
<i>Medical Loss Ratio</i>	<i>101.2%</i>	<i>99.8%</i>	<i>1.5%</i>	
<i>Administrative Loss Ratio</i>	<i>5.2%</i>	<i>6.9%</i>	<i>1.7%</i>	
<i>Operating Margin Ratio</i>	<i>(6.4%)</i>	<i>(6.6%)</i>	<i>0.2%</i>	
<i>Total Operating</i>	<i>100.0%</i>	<i>100.0%</i>		

**CalOptima Health - Consolidated
Full Time Employee Data
For the One Month Ending July 31, 2024**

Total FTE's MTD			
	Actual	Budget	Fav/Unfav
Medi-Cal	1,286	1,361	75
OneCare	170	186	16
PACE	107	113	6
MSSP	20	25	5
Total	1,583	1,685	101

MM per FTE MTD			
	Actual	Budget	Fav/Unfav
Medi-Cal	694	653	(41)
OneCare	102	93	(8)
PACE	5	4	(1)
MSSP	24	23	(1)
Consolidated	575	538	(37)

Open FTE			
	Total	Medical	Admin
Medi-Cal	76	32	44
OneCare	9	6	3
PACE	3	2	1
MSSP	2	1	1
Total	90	41	49

CalOptima Health - Consolidated - Month to Date
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024

MEMBER MONTHS	910,928		906,722		4,206	
	Actual		Budget		Variance	
REVENUE	\$	PMPM	\$	PMPM	\$	PMPM
Medi-Cal	\$326,646,004	\$365.74	\$318,214,555	\$357.99	\$8,431,449	\$7.75
OneCare	33,315,969	1,924.55	35,149,566	2,025.21	(1,833,597)	(100.66)
PACE	4,320,741	8,539.01	3,893,980	8,320.47	426,761	218.54
MSSP	212,862	450.03	253,517	446.33	(40,655)	3.70
Total Operating Revenue	364,495,576	400.14	357,511,618	394.29	6,983,958	5.85
MEDICAL EXPENSES						
Medi-Cal	335,869,970	376.07	319,488,435	359.42	(16,381,535)	(16.65)
OneCare	29,845,248	1,724.06	33,126,880	1,908.67	3,281,632	184.61
PACE	3,014,203	5,956.92	3,773,267	8,062.54	759,064	2,105.62
MSSP	212,987	450.29	240,741	423.84	27,754	(26.45)
Total Medical Expenses	368,942,408	405.02	356,629,323	393.32	(12,313,085)	(11.70)
GROSS MARGIN	(4,446,832)	(4.88)	882,295	0.97	(5,329,127)	(5.85)
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	12,965,151	14.23	13,980,048	15.42	1,014,897	1.19
Professional Fees	528,414	0.58	1,486,776	1.64	958,362	1.06
Purchased Services	2,007,164	2.20	2,879,158	3.18	871,994	0.98
Printing & Postage	181,242	0.20	843,997	0.93	662,755	0.73
Depreciation & Amortization	711,172	0.78	1,027,958	1.13	316,786	0.35
Other Expenses	2,155,814	2.37	3,913,336	4.32	1,757,522	1.95
Indirect Cost Allocation, Occupancy	373,526	0.41	443,443	0.49	69,917	0.08
Total Administrative Expenses	18,922,484	20.77	24,574,716	27.10	5,652,232	6.33
NET INCOME (LOSS) FROM OPERATIONS	(23,369,316)	(25.65)	(23,692,421)	(26.13)	323,105	0.48
INVESTMENT INCOME						
Interest Income	15,667,507	17.20	6,666,660	7.35	9,000,847	9.85
Realized Gain/(Loss) on Investments	(150,398)	(0.17)	-	-	(150,398)	(0.17)
Unrealized Gain/(Loss) on Investments	12,226,656	13.42	-	-	12,226,656	13.42
Total Investment Income	27,743,765	30.46	6,666,660	7.35	21,077,105	23.11
NET RENTAL INCOME/EXPENSE	(32,539)	(0.04)	(117,280)	(0.13)	84,741	0.09
NET MCO TAX	2,309	-	-	-	2,309	-
GRANT EXPENSE	(1,953,924)	(2.14)	(198,333)	(0.22)	(1,755,591)	(1.92)
CHANGE IN NET ASSETS	2,390,296	2.62	(17,341,374)	(19.13)	19,731,670	21.75
MEDICAL LOSS RATIO	101.2%		99.8%		1.5%	
ADMINISTRATIVE LOSS RATIO	5.2%		6.9%		1.7%	

CalOptima Health - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ending July 31, 2024

	Medi-Cal	OneCare	PACE	MSSP	Consolidated
MEMBER MONTHS	893,111	17,311	506	473	910,928
REVENUES					
Capitation Revenue	\$ 326,646,004	\$ 33,315,969	\$ 4,320,741	\$ 212,862	\$ 364,495,576
Total Operating Revenue	326,646,004	33,315,969	4,320,741	212,862	364,495,576
MEDICAL EXPENSES					
Provider Capitation	112,974,612	14,999,872			127,974,484
Claims	149,062,758	5,586,521	1,114,619		155,763,898
MLTSS	51,350,595		15,508	30,890	51,396,993
Prescription Drugs		8,289,213	634,005		8,923,217
Case Mgmt & Other Medical	22,482,005	969,642	1,250,071	182,097	24,883,815
Total Medical Expenses	335,869,970	29,845,248	3,014,203	212,987	368,942,408
<i>Medical Loss Ratio</i>	<i>102.8%</i>	<i>89.6%</i>	<i>69.8%</i>	<i>100.1%</i>	<i>101.2%</i>
GROSS MARGIN	(9,223,966)	3,470,721	1,306,538	(125)	(4,446,832)
ADMINISTRATIVE EXPENSES					
Salaries & Benefits	11,571,376	1,136,812	163,155	93,808	12,965,151
Non-Salary Operating Expenses	2,418,415	229,979	67,009	1,417	2,716,820
Depreciation & Amortization	710,234		939		711,172
Other Operating Expenses	2,133,818	7,561	8,399	6,037	2,155,814
Indirect Cost Allocation, Occupancy	(668,667)	1,020,480	14,383	7,330	373,526
Total Administrative Expenses	16,165,175	2,394,832	253,885	108,591	18,922,484
<i>Administrative Loss Ratio</i>	<i>4.9%</i>	<i>7.2%</i>	<i>5.9%</i>	<i>51.0%</i>	<i>5.2%</i>
Operating Income/(Loss)	(25,389,141)	1,075,889	1,052,652	(108,716)	(23,369,316)
Investments and Other Non-Operating	2,309				25,759,611
CHANGE IN NET ASSETS	\$ (25,386,832)	\$ 1,075,889	\$ 1,052,652	\$ (108,716)	\$ 2,390,296
BUDGETED CHANGE IN NET ASSETS	(22,217,025)	(1,176,133)	(182,466)	(116,797)	(17,341,374)
Variance to Budget - Fav/(Unfav)	\$ (3,169,807)	\$ 2,252,022	\$ 1,235,118	\$ 8,081	\$ 19,731,670

CalOptima Health

Unaudited Financial Statements as of July 31, 2024

MONTHLY RESULTS:

- Change in Net Assets is \$2.4 million, favorable to budget \$19.7 million
- Operating deficit is \$23.4 million, with a surplus in non-operating income of \$25.8 million

Change in Net Assets by Line of Business (LOB) (\$ millions):

	July 2024		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Medi-Cal	(25.4)	(22.2)	(3.2)
OneCare	1.1	(1.2)	2.3
PACE	1.1	(0.2)	1.2
<u>MSSP</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>0.0</u>
Total Operating Income (Loss)	(23.4)	(23.7)	0.3
Non-Operating Income (Loss)			
Net Investment Income/Expense	27.7	6.7	21.1
Net Rental Income/Expense	0.0	(0.1)	0.1
Net Operating Tax	0.0	0.0	0.0
Grant Expense	(2.0)	(0.2)	(1.8)
Net QAF & IGT Income/Expense	0.0	0.0	0.0
<u>Other Income/Expense</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Non-Operating Income/(Loss)	25.8	6.4	19.4
TOTAL	2.4	(17.3)	19.7

**CalOptima Health - Consolidated
Enrollment Summary
For the One Month Ending July 31, 2024**

July 2024				
Enrollment (by Aid Category)	Actual	Budget	\$ Variance	% Variance
SPD	145,255	135,811	9,444	7.0%
TANF Child	271,982	274,183	(2,201)	(0.8%)
TANF Adult	127,866	138,427	(10,561)	(7.6%)
LTC	2,458	2,628	(170)	(6.5%)
MCE	335,825	328,242	7,583	2.3%
WCM	9,725	9,607	118	1.2%
Medi-Cal Total	893,111	888,898	4,213	0.5%
OneCare	17,311	17,356	(45)	(0.3%)
PACE	506	468	38	8.1%
MSSP	473	568	(95)	(16.7%)
CalOptima Health Total	910,928	906,722	4,206	0.5%

Enrollment (by Network)				
HMO	292,966	305,473	(12,507)	(4.1%)
PHC	178,523	180,244	(1,721)	(1.0%)
Shared Risk Group	142,978	135,868	7,110	5.2%
Fee for Service	278,644	267,313	11,331	4.2%
Medi-Cal Total	893,111	888,898	4,213	0.5%
OneCare	17,311	17,356	(45)	(0)
PACE	506	468	38	8.1%
MSSP	473	568	(95)	(16.7%)
CalOptima Health Total	910,928	906,722	4,206	0.5%

Note:* Total membership does not include MSSP

CalOptima Health
Enrollment Trend by Network
Fiscal Year 2025

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD Actual	YTD Budget	Variance
HMOs															
SPD	17,150												17,150	16,304	846
TANF Child	66,405												66,405	69,075	(2,670)
TANF Adult	54,590												54,590	63,200	(8,610)
LTC	2												2		2
MCE	153,578												153,578	155,514	(1,936)
WCM	1,241												1,241	1,380	(139)
Total	292,966												292,966	305,473	(12,507)
PHCs															
SPD	4,906												4,906	4,511	395
TANF Child	140,053												140,053	142,491	(2,438)
TANF Adult	3,994												3,994	4,894	(900)
LTC													0		0
MCE	22,999												22,999	21,872	1,127
WCM	6,571												6,571	6,476	95
Total	178,523												178,523	180,244	(1,721)
Shared Risk Groups															
SPD	7,270												7,270	6,479	791
TANF Child	32,783												32,783	31,890	893
TANF Adult	27,519												27,519	29,230	(1,711)
LTC													0	1	(1)
MCE	74,704												74,704	67,531	7,173
WCM	702												702	737	(35)
Total	142,978												142,978	135,868	7,110
Fee for Service (Dual)															
SPD	100,293												100,293	93,850	6,443
TANF Child													0	2	(2)
TANF Adult	1,145												1,145	1,816	(671)
LTC	2,178												2,178	2,346	(168)
MCE	4,008												4,008	8,996	(4,988)
WCM	6												6	9	(3)
Total	107,630												107,630	107,019	611
Fee for Service (Non-Dual - Total)															
SPD	15,636												15,636	14,667	969
TANF Child	32,741												32,741	30,725	2,016
TANF Adult	40,618												40,618	39,287	1,331
LTC	278												278	281	(3)
MCE	80,536												80,536	74,329	6,207
WCM	1,205												1,205	1,005	200
Total	171,014												171,014	160,294	10,720
Grand Totals															
SPD	145,255												145,255	135,811	9,444
TANF Child	271,982												271,982	274,183	(2,201)
TANF Adult	127,866												127,866	138,427	(10,561)
LTC	2,458												2,458	2,628	(170)
MCE	335,825												335,825	328,242	7,583
WCM	9,725												9,725	9,607	118
Total MediCal MM	893,111												893,111	888,898	4,213
OneCare	17,311												17,311	17,356	(45)
PACE	506												506	468	38
MSSP	473												473	568	(95)
Grand Total	910,928												910,928	906,722	4,206

Note:* Total membership does not include MSSP

ENROLLMENT:

Overall, July enrollment was 910,928

- Favorable to budget 4,206 or 0.5%
- Decreased 8,124 or 0.9% from Prior Month (PM) (June 2024)
- Decreased 77,788 or 7.9% from Prior Year (PY) (July 2023)

Medi-Cal enrollment was 893,111

- Favorable to budget 4,213 or 0.5%
- Seniors and Persons with Disabilities (SPD) favorable to budget 9,444
- Medi-Cal Expansion (MCE) favorable to budget 7,583
- Whole Child Model (WCM) favorable to budget 118
- Temporary Assistance for Needy Families (TANF) unfavorable to budget 12,762
- Long-Term Care (LTC) unfavorable to budget 170
- Decreased 8,192 from PM

OneCare enrollment was 17,311

- Unfavorable to budget 45 or 0.3%
- Increased 58 from PM

PACE enrollment was 506

- Favorable to budget 38 or 8.1%
- Increased 10 from PM

MSSP enrollment was 473

- Unfavorable to budget 95 or 16.7% due to MSSP currently being understaffed. There is a staff to member ratio that must be met.
- Decreased 10 from PM

**CalOptima Health
Medi-Cal
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024**

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
893,111	888,898	4,213	0.5%	Member Months	893,111	888,898	4,213	0.5%
				Revenues				
326,646,004	318,214,555	8,431,449	2.6%	Medi-Cal Capitation Revenue	326,646,004	318,214,555	8,431,449	2.6%
326,646,004	318,214,555	8,431,449	2.6%	Total Operating Revenue	326,646,004	318,214,555	8,431,449	2.6%
				Medical Expenses				
112,974,612	112,577,048	(397,564)	(0.4%)	Provider Capitation	112,974,612	112,577,048	(397,564)	(0.4%)
73,446,035	65,769,075	(7,676,960)	(11.7%)	Facilities Claims	73,446,035	65,769,075	(7,676,960)	(11.7%)
75,616,723	70,725,416	(4,891,307)	(6.9%)	Professional Claims	75,616,723	70,725,416	(4,891,307)	(6.9%)
51,350,595	49,034,014	(2,316,581)	(4.7%)	MLTSS	51,350,595	49,034,014	(2,316,581)	(4.7%)
11,890,148	10,275,560	(1,614,588)	(15.7%)	Incentive Payments	11,890,148	10,275,560	(1,614,588)	(15.7%)
8,094,011	9,277,113	1,183,102	12.8%	Medical Management	8,094,011	9,277,113	1,183,102	12.8%
2,497,847	1,830,209	(667,638)	(36.5%)	Other Medical Expenses	2,497,847	1,830,209	(667,638)	(36.5%)
335,869,970	319,488,435	(16,381,535)	(5.1%)	Total Medical Expenses	335,869,970	319,488,435	(16,381,535)	(5.1%)
(9,223,966)	(1,273,880)	(7,950,086)	(624.1%)	Gross Margin	(9,223,966)	(1,273,880)	(7,950,086)	(624.1%)
				Administrative Expenses				
11,571,376	12,438,819	867,443	7.0%	Salaries, Wages & Employee Benefits	11,571,376	12,438,819	867,443	7.0%
526,591	1,374,418	847,827	61.7%	Professional Fees	526,591	1,374,418	847,827	61.7%
1,759,037	2,363,425	604,388	25.6%	Purchased Services	1,759,037	2,363,425	604,388	25.6%
132,787	575,522	442,735	76.9%	Printing & Postage	132,787	575,522	442,735	76.9%
710,234	1,026,358	316,124	30.8%	Depreciation & Amortization	710,234	1,026,358	316,124	30.8%
2,133,818	3,771,034	1,637,216	43.4%	Other Operating Expenses	2,133,818	3,771,034	1,637,216	43.4%
(668,667)	(606,431)	62,236	10.3%	Indirect Cost Allocation, Occupancy	(668,667)	(606,431)	62,236	10.3%
16,165,175	20,943,145	4,777,970	22.8%	Total Administrative Expenses	16,165,175	20,943,145	4,777,970	22.8%
				Non-Operating Income (Loss)				
2,309	-	2,309	100.0%	Net Operating Tax	2,309	-	2,309	100.0%
2,309	-	2,309	100.0%	Total Non-Operating Income (Loss)	2,309	-	2,309	100.0%
(25,386,832)	(22,217,025)	(3,169,807)	(14.3%)	Change in Net Assets	(25,386,832)	(22,217,025)	(3,169,807)	(14.3%)
				Medical Loss Ratio				
102.8%	100.4%	2.4%		Admin Loss Ratio	102.8%	100.4%	2.4%	
4.9%	6.6%	1.6%			4.9%	6.6%	1.6%	

MEDI-CAL INCOME STATEMENT– JULY MONTH:

REVENUES of \$326.6 million are favorable to budget \$8.4 million driven by:

- Favorable volume related variance of \$1.5 million
- Favorable price related variance of \$6.9 million due primarily to prior year retroactive enrollment

MEDICAL EXPENSES of \$335.9 million are unfavorable to budget \$16.4 million driven by:

- Unfavorable volume related variance of \$1.5 million
- Unfavorable price related variance of \$14.9 million due to:
 - Facilities Claims expenses unfavorable variance of \$7.4 million due to higher-than-expected utilization
 - Professional Claims expense unfavorable variance of \$4.6 million due to higher-than-expected utilization
 - Managed Long-Term Services and Supports (MLTSS) expense unfavorable variance of \$2.1 million
 - Incentive Payments expense unfavorable variance of \$1.6 million
 - Offset by net remaining expenses favorable variance of \$0.7 million

ADMINISTRATIVE EXPENSES of \$16.2 million are favorable to budget \$4.8 million driven by:

- Non-Salary expenses favorable to budget \$3.9 million
- Salaries, Wages & Employee Benefits expense favorable to budget \$0.9

CHANGE IN NET ASSETS is **(\$25.4)** million, unfavorable to budget \$3.2 million

**CalOptima Health
OneCare
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024**

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
17,311	17,356	(45)	(0.3%)	Member Months	17,311	17,356	(45)	(0.3%)
				Revenues				
23,960,704	25,788,529	(1,827,825)	(7.1%)	Medicare Part C Revenue	23,960,704	25,788,529	(1,827,825)	(7.1%)
9,355,265	9,361,037	(5,772)	(0.1%)	Medicare Part D Revenue	9,355,265	9,361,037	(5,772)	(0.1%)
33,315,969	35,149,566	(1,833,597)	(5.2%)	Total Operating Revenue	33,315,969	35,149,566	(1,833,597)	(5.2%)
				Medical Expenses				
14,999,872	15,747,648	747,776	4.7%	Provider Capitation	14,999,872	15,747,648	747,776	4.7%
3,681,966	4,777,677	1,095,711	22.9%	Inpatient	3,681,966	4,777,677	1,095,711	22.9%
1,904,556	1,740,596	(163,960)	(9.4%)	Ancillary	1,904,556	1,740,596	(163,960)	(9.4%)
8,289,213	8,934,171	644,959	7.2%	Prescription Drugs	8,289,213	8,934,171	644,959	7.2%
(21,905)	513,556	535,461	104.3%	Incentive Payments	(21,905)	513,556	535,461	104.3%
991,547	1,413,232	421,685	29.8%	Medical Management	991,547	1,413,232	421,685	29.8%
29,845,248	33,126,880	3,281,632	9.9%	Total Medical Expenses	29,845,248	33,126,880	3,281,632	9.9%
3,470,721	2,022,686	1,448,035	71.6%	Gross Margin	3,470,721	2,022,686	1,448,035	71.6%
				Administrative Expenses				
1,136,812	1,249,499	112,687	9.0%	Salaries, Wages & Employee Benefits	1,136,812	1,249,499	112,687	9.0%
406	102,083	101,677	99.6%	Professional Fees	406	102,083	101,677	99.6%
181,345	455,700	274,355	60.2%	Purchased Services	181,345	455,700	274,355	60.2%
48,228	243,950	195,722	80.2%	Printing & Postage	48,228	243,950	195,722	80.2%
7,561	121,504	113,943	93.8%	Other Operating Expenses	7,561	121,504	113,943	93.8%
1,020,480	1,026,083	5,603	0.5%	Indirect Cost Allocation, Occupancy	1,020,480	1,026,083	5,603	0.5%
2,394,832	3,198,819	803,987	25.1%	Total Administrative Expenses	2,394,832	3,198,819	803,987	25.1%
1,075,889	(1,176,133)	2,252,022	191.5%	Change in Net Assets	1,075,889	(1,176,133)	2,252,022	191.5%
				Medical Loss Ratio				
89.6%	94.2%	(4.7%)		Admin Loss Ratio	89.6%	94.2%	(4.7%)	
7.2%	9.1%	1.9%			7.2%	9.1%	1.9%	

ONECARE INCOME STATEMENT – JULY MONTH:

REVENUES of \$33.3 million are unfavorable to budget \$1.8 million driven by:

- Unfavorable volume related variance of \$0.1 million
- Unfavorable price related variance of \$1.7 million

MEDICAL EXPENSES of \$29.8 million are favorable to budget \$3.3 million driven by:

- Favorable volume related variance of \$0.1 million
- Favorable price related variance of \$3.2 million

ADMINISTRATIVE EXPENSES of \$2.4 million are favorable to budget \$0.8 million driven by:

- Non-Salary expenses favorable to budget \$0.7 million
- Salaries, Wages & Employee Benefits expense favorable to budget \$0.1 million

CHANGE IN NET ASSETS is \$1.1 million, favorable to budget \$2.3 million

CalOptima Health
PACE
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
506	468	38	8.1%	Member Months	506	468	38	8.1%
				Revenues				
3,235,072	2,938,645	296,427	10.1%	Medi-Cal Capitation Revenue	3,235,072	2,938,645	296,427	10.1%
724,030	719,822	4,208	0.6%	Medicare Part C Revenue	724,030	719,822	4,208	0.6%
361,639	235,513	126,126	53.6%	Medicare Part D Revenue	361,639	235,513	126,126	53.6%
4,320,741	3,893,980	426,761	11.0%	Total Operating Revenue	4,320,741	3,893,980	426,761	11.0%
				Medical Expenses				
1,250,071	1,408,289	158,218	11.2%	Medical Management	1,250,071	1,408,289	158,218	11.2%
417,350	737,096	319,746	43.4%	Facilities Claims	417,350	737,096	319,746	43.4%
485,349	811,288	325,939	40.2%	Professional Claims	485,349	811,288	325,939	40.2%
634,005	537,206	(96,799)	(18.0%)	Prescription Drugs	634,005	537,206	(96,799)	(18.0%)
15,508	18,941	3,433	18.1%	MLTSS	15,508	18,941	3,433	18.1%
211,920	260,447	48,527	18.6%	Patient Transportation	211,920	260,447	48,527	18.6%
3,014,203	3,773,267	759,064	20.1%	Total Medical Expenses	3,014,203	3,773,267	759,064	20.1%
1,306,538	120,713	1,185,825	982.4%	Gross Margin	1,306,538	120,713	1,185,825	982.4%
				Administrative Expenses				
163,155	179,157	16,002	8.9%	Salaries, Wages & Employee Benefits	163,155	179,157	16,002	8.9%
-	8,858	8,858	100.0%	Professional Fees	-	8,858	8,858	100.0%
66,782	60,033	(6,749)	(11.2%)	Purchased Services	66,782	60,033	(6,749)	(11.2%)
227	24,525	24,298	99.1%	Printing & Postage	227	24,525	24,298	99.1%
939	1,600	661	41.3%	Depreciation & Amortization	939	1,600	661	41.3%
8,399	12,548	4,149	33.1%	Other Operating Expenses	8,399	12,548	4,149	33.1%
14,383	16,458	2,075	12.6%	Indirect Cost Allocation, Occupancy	14,383	16,458	2,075	12.6%
253,885	303,179	49,294	16.3%	Total Administrative Expenses	253,885	303,179	49,294	16.3%
1,052,652	(182,466)	1,235,118	676.9%	Change in Net Assets	1,052,652	(182,466)	1,235,118	676.9%
69.8%	96.9%	(27.1%)		Medical Loss Ratio	69.8%	96.9%	(27.1%)	
5.9%	7.8%	1.9%		Admin Loss Ratio	5.9%	7.8%	1.9%	

CalOptima Health
Multipurpose Senior Services Program
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
473	568	(95)	(16.7%)	Member Months	473	568	(95)	(16.7%)
				Revenues				
212,862	253,517	(40,655)	(16.0%)	Revenue	212,862	253,517	(40,655)	(16.0%)
212,862	253,517	(40,655)	(16.0%)	Total Operating Revenue	212,862	253,517	(40,655)	(16.0%)
				Medical Expenses				
182,097	207,784	25,687	12.4%	Medical Management	182,097	207,784	25,687	12.4%
30,890	32,957	2,067	6.3%	Waiver Services	30,890	32,957	2,067	6.3%
182,097	207,784	25,687	12.4%	Total Medical Management	182,097	207,784	25,687	12.4%
30,890	32,957	2,067	6.3%	Total Waiver Services	30,890	32,957	2,067	6.3%
212,987	240,741	27,754	11.5%	Total Program Expenses	212,987	240,741	27,754	11.5%
(125)	12,776	(12,901)	(101.0%)	Gross Margin	(125)	12,776	(12,901)	(101.0%)
				Administrative Expenses				
93,808	112,573	18,765	16.7%	Salaries, Wages & Employee Benefits	93,808	112,573	18,765	16.7%
1,417	1,417	0	0.0%	Professional Fees	1,417	1,417	0	0.0%
6,037	8,250	2,213	26.8%	Other Operating Expenses	6,037	8,250	2,213	26.8%
7,330	7,333	3	0.0%	Indirect Cost Allocation, Occupancy	7,330	7,333	3	0.0%
108,591	129,573	20,982	16.2%	Total Administrative Expenses	108,591	129,573	20,982	16.2%
(108,716)	(116,797)	8,081	6.9%	Change in Net Assets	(108,716)	(116,797)	8,081	6.9%
100.1%	95.0%	5.1%		Medical Loss Ratio	100.1%	95.0%	5.1%	
51.0%	51.1%	0.1%		Admin Loss Ratio	51.0%	51.1%	0.1%	

CalOptima Health
Building - 505 City Parkway
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	0.0%	Total Operating Revenue	-	-	-	0.0%
				Administrative Expenses				
46,628	22,905	(23,723)	(103.6%)	Purchased Services	46,628	22,905	(23,723)	(103.6%)
180,300	195,000	14,700	7.5%	Depreciation & Amortization	180,300	195,000	14,700	7.5%
24,795	26,654	1,859	7.0%	Insurance Expense	24,795	26,654	1,859	7.0%
97,187	181,186	83,999	46.4%	Repair & Maintenance	97,187	181,186	83,999	46.4%
79,313	56,824	(22,489)	(39.6%)	Other Operating Expenses	79,313	56,824	(22,489)	(39.6%)
(428,223)	(482,569)	(54,346)	(11.3%)	Indirect Cost Allocation, Occupancy	(428,223)	(482,569)	(54,346)	(11.3%)
-	-	-	0.0%	Total Administrative Expenses	-	-	-	0.0%
-	-	-	0.0%	Change in Net Assets	-	-	-	0.0%

CalOptima Health
Building - 500 City Parkway
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
156,423	135,866	20,557	15.1%	Rental Income	156,423	135,866	20,557	15.1%
156,423	135,866	20,557	15.1%	Total Operating Revenue	156,423	135,866	20,557	15.1%
				Administrative Expenses				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
26,470	9,330	(17,140)	(183.7%)	Purchased Services	26,470	9,330	(17,140)	(183.7%)
34,573	51,000	16,427	32.2%	Depreciation & Amortization	34,573	51,000	16,427	32.2%
8,135	8,746	611	7.0%	Insurance Expense	8,135	8,746	611	7.0%
38,832	94,592	55,760	58.9%	Repair & Maintenance	38,832	94,592	55,760	58.9%
48,022	25,978	(22,044)	(84.9%)	Other Operating Expenses	48,022	25,978	(22,044)	(84.9%)
-	-	-	0.0%	Indirect Cost Allocation, Occupancy	-	-	-	0.0%
156,033	189,646	33,613	17.7%	Total Administrative Expenses	156,033	189,646	33,613	17.7%
391	(53,780)	54,171	100.7%	Change in Net Assets	391	(53,780)	54,171	100.7%

CalOptima Health
Building - 7900 Garden Grove Blvd
Statement of Revenues and Expenses
For the One Month Ending July 31, 2024

Month to Date					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
8,000	-	8,000	100.0%	Rental Income	8,000	-	8,000	100.0%
8,000	-	8,000	100.0%	Total Operating Revenue	8,000	-	8,000	100.0%
				Administrative Expenses				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
26,107	42,500	16,393	38.6%	Purchased Services	26,107	42,500	16,393	38.6%
9,397	21,000	11,603	55.3%	Depreciation & Amortization	9,397	21,000	11,603	55.3%
4,415	-	(4,415)	(100.0%)	Insurance Expense	4,415	-	(4,415)	(100.0%)
298	-	(298)	(100.0%)	Repair & Maintenance	298	-	(298)	(100.0%)
713	-	(713)	(100.0%)	Other Operating Expenses	713	-	(713)	(100.0%)
-	-	-	0.0%	Indirect Cost Allocation, Occupancy	-	-	-	0.0%
40,930	63,500	22,570	35.5%	Total Administrative Expenses	40,930	63,500	22,570	35.5%
(32,930)	(63,500)	30,570	48.1%	Change in Net Assets	(32,930)	(63,500)	30,570	48.1%

OTHER PROGRAM INCOME STATEMENTS – JULY MONTH:

PACE

- **CHANGE IN NET ASSETS** is \$1.1 million, favorable to budget \$1.2 million driven primarily by lower-than-expected utilization

MSSP

- **CHANGE IN NET ASSETS** is **(\$108,716)**, favorable to budget \$8,081 due to lower-than-expected enrollment and utilization

NON-OPERATING INCOME STATEMENTS – JULY MONTH

BUILDING 500

- **CHANGE IN NET ASSETS** is \$391, favorable to budget \$54,171
 - Net of \$156,423 in rental income and \$156,033 in expenses

BUILDING 7900

- **CHANGE IN NET ASSETS** is **(\$32,930)**, favorable to budget \$30,570

INVESTMENT INCOME

- Favorable variance of \$21.1 million due to \$9.0 million of interest income and \$12.1 million of realized and unrealized gain on investments

CalOptima Health
Balance Sheet
July 31, 2024

	<u>July-24</u>	<u>June-24</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	431,456,858	527,999,317	(96,542,460)	(18.3%)
Short-term Investments	1,811,449,506	1,777,895,940	33,553,566	1.9%
Premiums due from State of CA and CMS	519,060,585	554,686,484	(35,625,898)	(6.4%)
Prepaid Expenses and Other	12,258,407	11,169,119	1,089,288	9.8%
Total Current Assets	2,774,225,356	2,871,750,860	(97,525,504)	(3.4%)
Board Designated Assets				
Board Designated Reserves	1,018,259,764	1,005,885,164	12,374,600	1.2%
Statutory Designated Reserves	133,879,815	131,878,274	2,001,541	1.5%
Total Designated Assets	1,152,139,579	1,137,763,438	14,376,141	1.3%
Restricted Deposit	300,000	300,000	-	0.0%
Capital Assets, Net	95,907,297	96,560,808	(653,511)	(0.7%)
Total Assets	4,022,572,232	4,106,375,106	(83,802,874)	(2.0%)
Deferred Outflows of Resources				
Advance Discretionary Payment	49,999,717	49,999,717	-	0.0%
Net Pension	24,549,290	24,549,290	-	0.0%
Other Postemployment Benefits	1,350,000	1,350,000	-	0.0%
Total Deferred Outflows of Resources	75,899,007	75,899,007	-	0.0%
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	4,098,471,239	4,182,274,113	(83,802,874)	(2.0%)
LIABILITIES				
Current Liabilities				
Medical Claims Liability	1,156,284,351	1,144,332,594	11,951,757	1.0%
Provider Capitation and Withholds	161,546,335	176,233,694	(14,687,359)	(8.3%)
Accrued Reinsurance Costs to Providers	9,111,531	7,511,531	1,600,000	21.3%
Unearned Revenue	15,773,081	15,261,163	511,918	3.4%
Accounts Payable and Other	89,909,675	172,319,606	(82,409,932)	(47.8%)
Accrued Payroll and Employee Benefits and Other	22,030,992	25,886,668	(3,855,676)	(14.9%)
Other Current Liabilities	107,551,092	106,693,306	857,786	0.8%
Total Current Liabilities	1,562,207,057	1,648,238,562	(86,031,505)	(5.2%)
GASB 96 Subscription Liabilities	16,754,820	16,955,572	(200,752)	(1.2%)
Postemployment Health Care Plan	17,409,087	17,370,000	39,087	0.2%
Net Pension Liability	45,981,359	45,981,359	-	0.0%
Total Liabilities	1,642,352,323	1,728,545,493	(86,193,170)	(5.0%)
Deferred Inflows of Resources				
Net Pension	2,248,445	2,248,445	-	0.0%
Other Postemployment Benefits	6,398,000	6,398,000	-	0.0%
Total Deferred Inflows of Resources	8,646,445	8,646,445	-	0.0%
Net Position				
Required TNE	129,641,346	127,852,909	1,788,438	1.4%
Funds in excess of TNE	2,317,831,124	2,317,229,266	601,858	0.0%
Total Net Position	2,447,472,470	2,445,082,175	2,390,296	0.1%
TOTAL LIABILITIES & DEFERRED INFLOWS & NET POSITION	4,098,471,239	4,182,274,113	(83,802,874)	(2.0%)

CalOptima Health
Board Designated Reserve and TNE Analysis
as of July 31, 2024

Board Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	509,254,219				
MetLife Tier One	509,005,545				
Board Designated Reserves	1,018,259,764	890,364,243	1,068,437,092	127,895,520	(50,177,328)
<i>Current Reserve Level</i>	<i>2.86</i>	<i>2.50</i>	<i>3.00</i>		

Statutory Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier Two	67,111,406				
MetLife Tier Two	66,768,409				
Statutory Designated Reserves	133,879,815	129,641,346	142,605,481	4,238,469	(8,725,666)
<i>Current Reserve Level</i>	<i>1.03</i>	<i>1.00</i>	<i>1.10</i>		

CalOptima Health
Statement of Cash Flow
July 31, 2024

	<u>July 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	2,390,296
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation & Amortization	935,443
Changes in assets and liabilities:	
Prepaid expenses and other	(1,089,288)
Capitation receivable	35,625,898
Medical claims liability	13,551,757
Deferred revenue	511,918
Payable to health networks	(14,687,359)
Accounts payable	(82,409,932)
Accrued payroll	(3,816,589)
Other accrued liabilities	657,035
Net cash provided by/(used in) operating activities	<u>(48,330,821)</u>
 GASB 68, GASB 75 and Advance Discretionary Payment Adjustments	 -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Net Asset transfer from Foundation	-
Net cash provided by (used in) in capital and related financing activities	<u>-</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Change in Investments	(33,553,566)
Change in Property and Equipment	(281,932)
Change in Restricted Deposit & Other	-
Change in Board designated reserves	(14,376,141)
Change in Homeless Health Reserve	-
Net cash provided by/(used in) investing activities	<u>(48,211,639)</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 (96,542,460)
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$527,999,317</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u>431,456,858</u>

BALANCE SHEET – JULY MONTH:

ASSETS of \$4.1 billion decreased \$83.8 million from June or 2.0%

- Operating Cash and Short-term Investments net decrease of \$63.0 million is due to variable monthly MC capitation receipts and decrease in Provider capitation payments due to WCM retrospective risk corridor reconciliation
- Premiums due from State of California (CA) and Centers for Medicare & Medicaid Services (CMS) decreased \$35.6 million due to timing of capitation payments, Calendar Year (CY) 2024 OneCare Risk Adjustment Factor (RAF)
- Total Designated Assets increased \$14.4 million due to interest income, realized gains and change in unrealized gains in long-term investments less outflow

LIABILITIES of \$1.6 billion decreased \$86.2 million from June or 5.0%

- Accounts Payable and other decreased \$82.4 million due to Managed Care Organization (MCO) tax payments
- Provider Capitation and Withholds decreased \$14.7 million due primarily due to PY Targeted Rate Increase (TRI) capitation payment
- Medical Claims Liabilities increased \$12.0 million due to timing of claim payments

NET ASSETS of \$2.4 billion, increased \$2.4 million from June or 0.1%

CalOptima Health
Spending Plan
For the One Month Ending July 31, 2024

Category	Item Description	Total Net Position @ 7/31/2024	Amount (millions) \$2,447.5	Approved Initiative	Expense to Date	% 100.0%
Resources Assigned	Board Designated Reserve ¹		\$1,018.3			41.6%
	Statutory Designated Reserve ¹		\$133.9			5.5%
	Capital Assets, net of Depreciation		\$95.9			3.9%
Resources Allocated²	Homeless Health Initiative ³		\$17.0	\$61.7	44.7	0.7%
	Housing and Homelessness Incentive Program ³		22.5	87.4	64.9	0.9%
	Intergovernmental Transfers (IGT)		59.9	111.7	51.8	2.4%
	Digital Transformation and Workplace Modernization ⁴		58.1	100.0	41.9	2.4%
	CalFresh Outreach Strategy		0.2	2.0	1.8	0.0%
	CalFresh and Redetermination Outreach Strategy		1.9	6.0	4.1	0.1%
	Coalition of Orange County Community Health Centers Grant		30.0	50.0	20.0	1.2%
	OneCare Member Health Rewards and Incentives		0.2	0.5	0.3	0.0%
	General Awareness Campaign		1.3	4.7	3.4	0.1%
	Member Health Needs Assessment		1.1	1.3	0.2	0.0%
	Five-Year Hospital Quality Program Beginning MY 2023		135.7	153.5	17.9	5.5%
	Medi-Cal Annual Wellness Initiative		2.5	3.8	1.3	0.1%
	Skilled Nursing Facility Access Program		10.0	10.0	0.0	0.4%
	In-Home Care Pilot Program with the UCI Family Health Center		2.0	2.0	0.0	0.1%
	National Alliance for Mental Illness Orange County Peer Support Program Grant		4.0	5.0	1.0	0.2%
	Community Living and PACE center (previously approved for project located in Tustin)		17.6	18.0	0.4	0.7%
	Wellness & Prevention Program Grant		2.1	2.7	0.6	0.1%
	CalOptima Health Provider Workforce Development Fund Grant		45.6	50.0	4.4	1.9%
	Distribution Event- Naloxone Grant		2.3	15.0	12.7	0.1%
	Garden Grove Bldg. Improvement		10.0	10.5	0.5	0.4%
	Post-Pandemic Supplemental		9.6	107.5	97.9	0.4%
	CalOptima Health Community Reinvestment Program		37.1	38.0	0.9	1.5%
	Outreach Strategy for newly eligible Adult Expansion members		4.3	5.0	0.7	0.2%
	Quality Initiatives from unearned Pay for Value Program		23.3	23.3	0.0	1.0%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy		0.7	1.0	0.3	0.0%
	Medi-Cal Provider Rate Increases		508.7	526.2	17.5	20.8%
	Subtotal:		\$1,007.7	\$1,396.8	\$389.1	41.2%
Resources Available for New Initiatives	Unallocated/Unassigned ¹		\$191.7			7.8%

¹ Total Designated Reserves and unallocated reserve amount can support approximately 108 days of CalOptima Health's current operations

² Initiatives that have been paid in full in the previous year are omitted from the list of Resources Allocated




³ See HHI and HHIP summaries and Allocated Funds for list of Board approved initiatives. Amount reported includes only portion funded by reserves

⁴ On June 6, 2024, the Board of Directors approved an update to the Digital Transformation Strategy which will impact these figures beginning July 2024

CalOptima Health
Key Financial Indicators
As of July 31, 2024

	Item Name	July 2024			
		Actual	Budget	Variance	%
Income Statement	<i>Member Months</i>	910,928	906,722	4,206	0.5%
	<i>Operating Revenue</i>	364,495,576	357,511,618	6,983,958	2.0%
	<i>Medical Expenses</i>	368,942,408	356,629,323	(12,313,085)	(3.5%)
	<i>General and Administrative Expense</i>	18,922,484	24,574,716	5,652,232	23.0%
	<i>Non-Operating Income/(Loss)</i>	25,759,611	6,351,047	19,408,564	305.6%
	Summary of Income & Expenses	2,390,296	(17,341,374)	19,731,670	113.8%
Ratios	Medical Loss Ratio (MLR)	Actual	Budget	Variance	
	<i>Consolidated</i>	101.2%	99.8%	1.5%	
	Administrative Loss Ratio (ALR)	Actual	Budget	Variance	
	<i>Consolidated</i>	5.2%	6.9%	1.7%	

Key:

> 0%	
> -20%, < 0%	
< -20%	

	Investment Balance (excluding CCE)	Current Month	Prior Month	Change	%
		@ 7/31/2024	2,875,867,220	38,455,603	1.3%
Investment	Unallocated/Unassigned Reserve Balance	Current Month	Fiscal Year Ending	Change	%
		@ July 2024	June 2024		
	<i>Consolidated</i>	191,737,595	187,643,914	4,093,680	2.2%
	<i>Days Cash On Hand*</i>	108			

CalOptima Health
Digital Transformation Strategy (\$100 million total reserve)
Funding Balance Tracking Summary
For the One Month Ending July 31, 2024

	July 2024				FY 2025 Year-to-Date				All Time to Date			
	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %
Capital Assets (Cost, Information Only):												
Total Capital Assets	483,576	404,167	(79,409)	-19.6%	483,576	404,167	(79,409)	-19.6%	8,926,436	24,404,876	15,478,440	63.4%
Operating Expenses:												
Salaries, Wages & Benefits	578,516	589,848	11,332	1.9%	578,516	589,848	11,332	1.9%	11,584,783	11,596,115	11,332	0.1%
Professional Fees	276,212	522,875	246,663	47.2%	276,212	522,875	246,663	47.2%	2,037,275	2,283,938	246,663	10.8%
Purchased Services	22,848	142,000	119,153	83.9%	22,848	142,000	119,153	83.9%	172,848	292,000	119,153	40.8%
GASB 96 Amortization Expenses	46,878	293,417	246,539	84.0%	46,878	293,417	246,539	84.0%	2,018,081	2,264,620	246,539	10.9%
Other Expenses	680,919	747,888	66,969	9.0%	680,919	747,888	66,969	9.0%	14,210,411	14,277,380	66,969	0.5%
Medical Management	229,257	-	(229,257)	0.0%	229,257	-	(229,257)	0.0%	2,980,335	2,751,078	(229,257)	-8.3%
Total Operating Expenses	1,834,629	2,296,028	461,399	20.1%	1,834,629	2,296,028	461,399	20.1%	33,003,733	33,465,131	461,399	1.4%

Funding Balance Tracking:	Approved Budget	Actual Spend	Variance
Beginning Funding Balance	100,000,000	100,000,000	-
Less:			
Capital Assets ¹	31,525,709	8,926,436	22,599,273
FY2023 Operating Budget ²	8,381,011	8,381,011	-
FY2024 Operating Budget	22,788,092	22,788,092	-
FY2025 Operating Budget	27,552,335	1,834,629	25,717,706
Ending Funding Balance	9,752,853	58,069,832	
Add: Prior year unspent Operating Budget	-		
Total available Funding	9,752,853		
¹ Staff will continue to monitor the project status of DTS' Capital Assets ² Unspent budget from this period is added back to available DTS funding ³ On June 6, 2024, the Board of Directors approved an update to the Digital Transformation Strategy which will impact these figures beginning July 2024.			

Note: Report includes applicable transactions for GASB 96, Subscription.

CalOptima Health
Summary of Homeless Health Initiatives (HHI) and Allocated Funds
As of July 31, 2024

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus	11,400,000	11,400,000	-
Recuperative Care	6,194,190	6,194,190	-
Medical Respite	250,000	250,000	-
Day Habilitation (County for HomeKey)	2,500,000	2,500,000	-
Clinical Field Team Start-up & Federally Qualified Health Center (FQHC)	1,600,000	1,600,000	-
CalOptima Health Homeless Response Team	1,681,734	1,681,734	-
Homeless Coordination at Hospitals	10,000,000	9,956,478	43,522
CalOptima Health Days, Homeless Clinical Access Program (HCAP) and FQHC Administrative Support	963,261	800,678	162,583
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,421,240	6,467,675
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine ¹	10,076,652	7,079,766	2,996,886
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) ²	40,100,000	-	40,100,000
Subtotal of Approved Initiatives	\$101,800,000	\$44,960,637	\$56,839,364
Transfer of funds to HHIP ²	(40,100,000)	-	(40,100,000)
Program Total	\$61,700,000	\$44,960,637	\$16,739,364

Notes:

¹On March 7, 2024, CalOptima Health's Board of Directors approved \$5M. \$3.2 million remaining from Street Medicine Initiative (from the HHI reserve) and \$1.8 million from existing reserves to fund 2-year agreements to Healthcare in Action and Celebrating Life Community Health Center

²On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1M from HHI to HHIP

CalOptima Health
Summary of Housing and Homelessness Incentive Program (HHIP) and Allocated Funds
As of July 31, 2024

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for New Initiatives
DHCS HHIP Funds	72,931,189	35,200,994	25,812,256	9,388,738	37,730,195 ¹
Existing Reserves & HHI Transfer	87,384,530	87,384,530	64,873,947	22,510,583	-
Total	160,315,719	122,585,524	90,686,203	31,899,321	37,730,195

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funding Source(s)
Office of Care Coordination	2,200,000	2,200,000	-	HHI
Pulse For Good	800,000	431,300	368,700	HHI
Consultant	600,000	-	600,000	HHI
Equity Grants for Programs Serving Underrepresented Populations	4,021,311	3,271,805	749,507	HHI & DHCS
Infrastructure Projects	5,832,314	5,391,731	440,583	HHI
Capital Projects	98,247,369	77,195,575	21,051,794	HHI, DHCS & Existing Reserves
System Change Projects	10,184,530	1,863,856	8,320,674	DHCS
Non-Profit Healthcare Academy	700,000	331,935	368,065	DHCS
Total of Approved Initiatives	\$122,585,524¹	\$90,686,202	\$31,899,322	

Notes:

¹Total funding \$160.3 million: \$40.1 million Board-approved reallocation from HHI, \$47.2 million from CalOptima Health existing reserves and \$73.0 million from DHCS HHIP incentive payments

CalOptima Health
Budget Allocation Changes
Reporting Changes as of July 31, 2024

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	ITS - Applications Management - System Development Enhancement for CalAIM	ITS - Applications Management - Care Management System - ZeOmega JIVA	\$249,000	To reallocate funds from ITS - Applications Management - System Development Enhancement for CalAIM to Care Management System - ZeOmega JIVA for reporting post Go Live.	2024-25
July	Medi-Cal	ITS - Infrastructure - Other Operating Expenses - Maintenance HW/SW - Server - VMWare	ITS - Infrastructure - Other Operating Expenses - Maintenance HW/SW - DocuSign	\$32,650	To repurpose funds from ITS - Infrastructure - Maintenance HW/SW - VMWare to Maintenance HW/SW - DocuSign to provide funding for additional signatures needed to avoid overage fees.	2024-25
July	Medi-Cal	Accounting - Purchased Services	Accounting - Printing and Postage	\$20,000	To reallocate funds from Accounting - Purchased Services to Accounting - Printing and Postage to provide additional funding for toner purchase.	2024-25

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$250,000.
This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.



Board of Directors Meeting September 5, 2024

Monthly Compliance Report

The purpose of this report is to provide compliance updates to CalOptima Health's Board of Directors including, but not limited to, updates on internal and health network monitoring and audits conducted by CalOptima Health's Delegation Oversight and Internal Audit departments, regulatory audits, privacy updates, fraud, waste, and abuse (FWA) updates, and any notices of non-compliance or enforcement action issued by regulators.

A. Updates on Regulatory Audits

1. Medicare

- **2024 Centers for Medicare & Medicaid Services (CMS) Program/Focused Audit Readiness (*applicable to OneCare*):**

Update:

- CalOptima Health Regulatory Affairs and Compliance (RAC) Medicare initiated the corrective action plans process for the audit findings noted.

Background:

- On October 24, 2023, CMS announced it is adding a new Utilization Management (UM) focused audit, which is limited to ODAG (Organization Determinations Appeals and Grievances) and CPE (Compliance Program Effectiveness) for Plans who do not have 2024 routine scheduled program audits.
- This new focused audit is designed to specifically target compliance with the coverage and UM policies finalized in CMS-4201-F, which was effective January 1, 2024.
- CalOptima Health Compliance has confirmed implementation of new requirements from CMS-4201-F.
- CalOptima Health anticipates receiving a targeted audit engagement letter between January through July 2024.
- CalOptima Health engaged an external auditor to conduct a mock audit for readiness for a CMS UM Focused audit.
- The Final Audit Findings report was received on June 28, 2024.
 - There are a total of 2 observations, 6 observations requiring corrective action (ORCA), 4 corrective actions required (CAR), and 1 immediate corrective action required (ICAR).

- **2024 Compliance Program Effectiveness (CPE) Audit:**

Update:

- CalOptima Health RAC Medicare is currently preparing for the audit by reviewing and finalizing the CPE audit deliverables.

- Below are key updates for the audit:
 - Kick off meeting scheduled for August 28, 2024
 - Audit Webinar Week is October 15, 2024 – October 21, 2024

Background:

- CalOptima Health is required to conduct an independent audit on the effectiveness of its Compliance program on an annual basis, and to share the results with its governing body.
- CalOptima Health engaged an independent consultant to conduct the audit to ensure that its Compliance Program is administering the elements of an effective compliance program as outlined in the CMS Medicare Parts C and D Program Audit Protocols.
- The audit will start in early August and continue through November 2024.
- The audit review period will be from February 1, 2024, through August 1, 2024.

2. Medi-Cal

- **2024 Department of Health Care Services (DHCS) Routine Medical Audit:**

Update:

- On July 24, 2024, DHCS provided CalOptima Health with the draft audit findings report.
- The DHCS Routine Medical Audit consists of DHCS’s review of both the Primary (aka “Main Contract”) and Secondary contracts (aka “State Supported Services”). The findings are as follows:
 - Primary/Main Contract
 - Draft Report Identified **10 Findings**
 - Secondary Contract - State Supported Services (SSS)
 - Draft Report Identified **No Findings**
- The 10 findings on the Primary/Main contract were across 4 audit categories, as follows:

Category #	Audit Area	Finding
1	Utilization Management (UM)	3 Findings
2	Case Management and Coordination of Care	2 Findings
3	Access and Availability of Care	4 Findings
4	Members’ Rights	1 Finding
5	Quality Management	No Findings
6	Administrative and Organizational Capacity	No Findings

- **Exit Conference & Rebuttal Period:** Exit Conference was held on July 30, 2024.
 - CalOptima will have 15 calendar days to provide feedback on the content of the draft report, if necessary. Feedback is due to DHCS on August 14, 2024.
- **Final Report & Corrective Action Plan (CAP):** DHCS has up to 15 calendar days to review CalOptima Health’s feedback and finalize the draft report. The formal request for CAP will accompany the Final Report.

- **CAP Response:** Medi-Cal RAC anticipates that CalOptima Health will have thirty (30) calendar days from date of receipt, to respond to the formal CAP request.
 - RAC Medi-Cal has met with the impacted business areas and confirmed remedial efforts are underway. RAC Medi-Cal anticipates a timely CAP submission.
- **2023 DHCS Routine Medical Audit (Focused Scope):**

Update:

- As of July 30, 2024, CalOptima Health awaits the issuance of the final audit report and formal request for correction action plan.

Background:

- In 2022, DHCS notified all Medi-Cal managed care health plans (MCPs) that it would be conducting focused audits to assess performance in certain identified high-risk areas. DHCS scheduled these focused audits concurrently with the routine annual medical audit. CalOptima Health's annual audit was conducted in February-March 2023 and the corresponding CAP was closed on 12/29/23; however, findings for the *focused audit* were not issued until 6/19/24.
- CalOptima Health submitted its response to DHCS on Tuesday, July 9, 2024, and did not dispute the contents of the draft report.
 - Next, DHCS is expected to finalize its draft report and provide CalOptima Health with a final report and formal request for corrective action.
- CalOptima Health has commenced work internally to remediate the findings.
- The areas reviewed and results are as follows:

<ul style="list-style-type: none"> ▪ Audit Period: 2/1/22-1/31/23 ▪ Audit Dates: 2/27/23-3/10/23 ▪ Draft Report Date: 6/19/24 	
<ul style="list-style-type: none"> ▪ Transportation <ul style="list-style-type: none"> ○ Non-Emergency Medical Transportation (NEMT) ○ Non-Medical Transportation (NMT) 	No findings
<ul style="list-style-type: none"> ▪ Behavioral Health <ul style="list-style-type: none"> ○ Specialty Mental Health Services (SMHS) ○ Non-Specialty Mental Health Services (NSMHS) ○ Substance Use Disorder Services (SUDS) 	Two Findings

- **California State Audit (CSA):**

Update:

- As of July 30, 2024, CalOptima Health awaits a response from CSA to its 1-year response.

Background:

- As directed by the Joint Legislative Audit Committee, the California State Auditor (CSA) conducted an audit of certain aspects of CalOptima Health's budget, services and programs, and organizational changes.

B. Regulatory Notices of Non-Compliance

- CalOptima Health did not receive any notices of non-compliance from its regulators for the month of July.

C. Updates on Health Network Monitoring and Audits

- **Health Network Audits:**
 - CalOptima Health's Delegation Oversight (DO) department completed annual audits on the following delegated health networks to assess their capabilities and performance with delegated activities:
 - No updates for this month

D. Internal Audit Updates

- The following annual audits have concluded:
 - 2023 Grievance and Appeals (Medi-Cal) Annual Audit
 - CAP accepted and closed on July 3, 2024.
 - To be presented to the Compliance Committee at the August meeting.
 - 2024 PACE Annual Audit
 - CAP accepted and closed on June 18, 2024.
 - To be presented to the Compliance Committee at the August meeting.
- The following annual audits are currently in progress:
 - 2024 Customer Service (OneCare) Annual Audit
 - 2024 Customer Service (Medi-Cal) Annual Audit
 - 2024 Grievances and Appeals (OneCare) Annual Audit
- The following are in Ad-hoc review (Internal CAP Request)
 - FWA Privacy
 - CAP accepted and closed on July 12, 2024.
 - To be presented to the Compliance Committee at the August meeting.
 - Claims Department
 - CAP accepted and closed on July 12, 2024.
 - To be presented to the Compliance Committee at the August meeting.
- **Board-Approved Initiatives Review:**

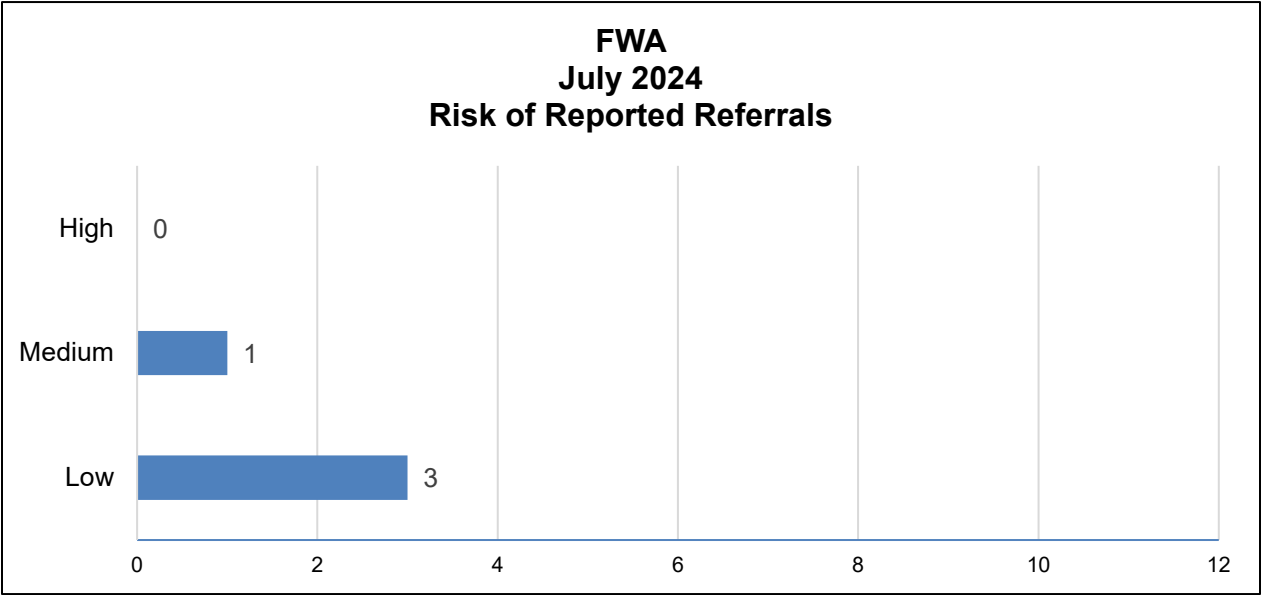
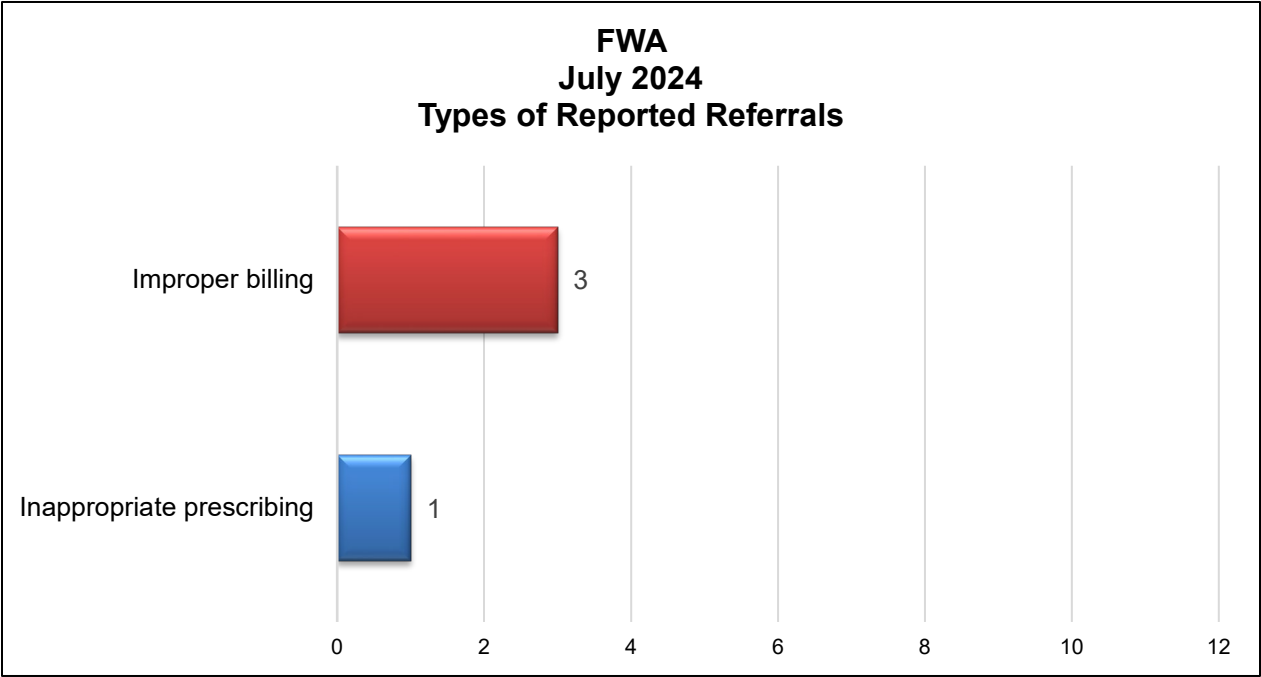
Update:

- Implementation of consultant's recommendations has started with development of the Grants Policy and Playbook by the Strategic Development department.
- Consultant has completed close out reviews for the following completed grants
 - Be Well/Mind OC, Irvine
 - Be Well/Mind OC, Orange
 - Close-out reviews to be presented to internal leadership on August 16

Background:

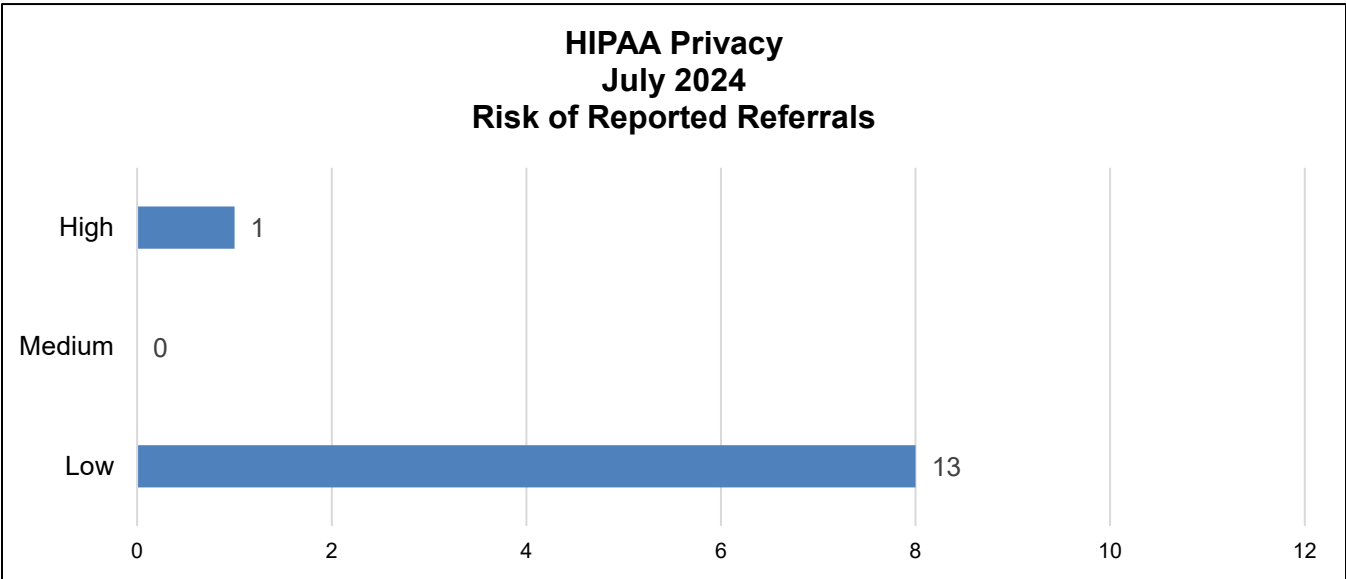
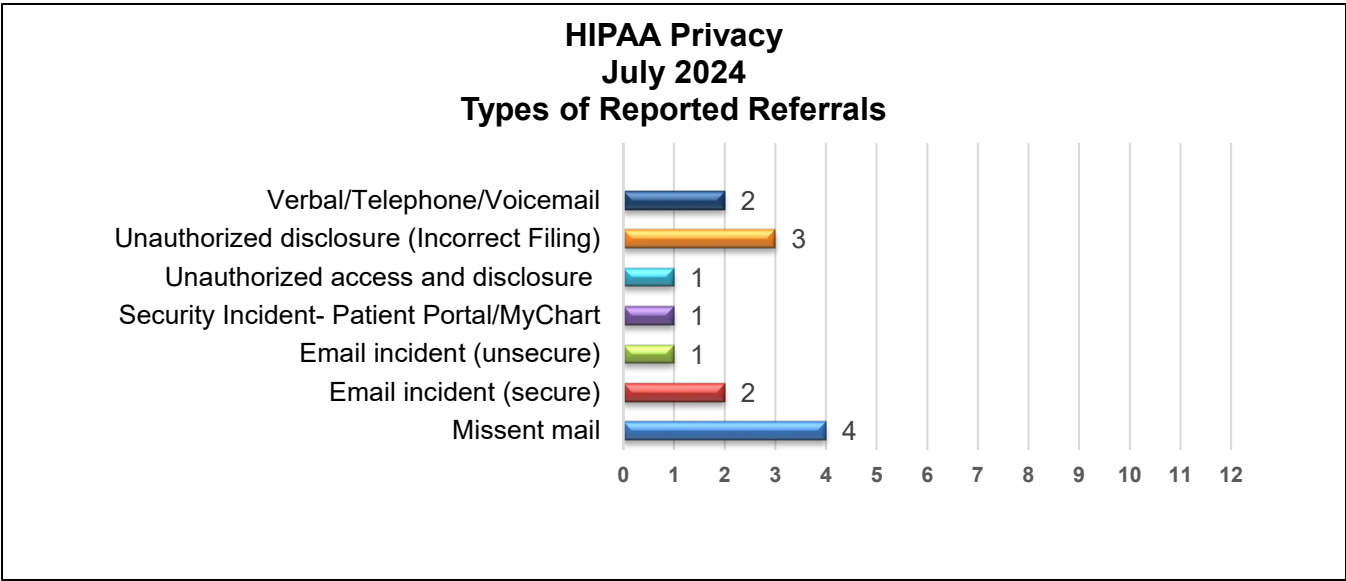
- CalOptima Health's Internal Audit department is currently in the process of reviewing CalOptima Health's Board-approved initiatives. Internal Audit's goal is to identify opportunities to strengthen the oversight of the fund's surplus expenditure management process, including the structure for reviewing and signing off on grant programs and initiatives as they are completed.

E. Fraud, Waste & Abuse (FWA) Investigations (July 2024)



Total Number of New Cases Referred to DHCS (State)	4
Total Number of New Cases Referred to DHCS and CMS*	3
Total Number of Referrals (Subjects) Reported to Regulatory Agencies	4

F. Privacy Update (July 2024)



Total Number of Referrals Reported to DHCS (State)	14
Total Number of Referrals / Breaches Reported to DHCS and Office for Civil Rights (OCR)	0

MEMORANDUM

TO: CalOptima Health
Board of Directors

FROM: Chamber Hill Strategies

DATE: August 27, 2024

SUBJECT: September Board of Directors Report

Chamber Hill Strategies Continues Outreach to Orange County Congressional Delegation, Connecting on Behavioral Health Workforce Request, Pursuing Opportunities for Collaboration

Following meetings in July, Chamber Hill Strategies (CHS) continued to be in contact with the offices of California's U.S. Senators and the 6 offices of Orange County's members of the House of Representatives. This outreach included thanking offices for their support of funding for CalOptima Health's Safety Net Behavioral Health Workforce Program as well as updating them that the legislation to fund the Departments of Labor, Health & Human Services, Education, and Related Agencies (Labor-HHS), as considered and approved by the Senate Appropriations Committee, did not include funding for the program. In addition, CHS also initiated outreach to raise awareness of CalOptima Health events and activities and to identify potential opportunities for collaboration with members of the delegation as well.

Outreach to Senator Laphonza Butler (D-CA), Senator Alex Padilla (D-CA), and Representative Katie Porter (D-CA-47) included highlighting the Costa Mesa Street Medicine Launch Event for staff, which is in the 47th Congressional District. In addition, CHS met with staff to Representatives Young Kim (R-CA-40), Michelle Steel (R-CA-45), Linda Sanchez (D-CA-38), Lou Correa (D-CA-46), and Mike Levin (D-CA-49) to explore further opportunities for collaboration.

Specific opportunities identified include, but are not limited to, the following:

- Rep. Steel's interest in improving access to language services for non-English speakers to help improve patient outcomes, increasing access to behavioral health services for Medicare beneficiaries, and providing reimbursement for medical services provided outside traditional settings such as an office, clinic, or hospital.
- Rep. Kim's leadership on maternal health issues as the lead Republican Co-Chair of the Maternal Health Caucus in the House of Representatives.
- Rep. Sanchez's support for efforts to improve diagnosis and care for individuals and families facing the challenges of Alzheimer's and dementia.
- Rep. Correa's interest in and support for CalOptima Health's service to underserved populations, including the Street Medicine program and efforts to care for unhoused residents of Orange County.
- Rep. Levin's support for addressing a range of safety net issues, including addressing hunger and promoting pandemic preparedness efforts.

- In addition, it is important to note that Reps. Steel and Sanchez both serve on the House Ways & Means Committee, which shares House oversight of the Medicare program with the Energy & Commerce Committee, and both stand to play a significant role in health legislation considered by the Ways & Means Committee.

CHS also is in contact with the offices of Representatives Raul Ruiz, MD (D-CA-25) and Jay Obernolte (R-CA-23) to discuss shared interests and priorities in the remainder of 2024 and looking ahead to 2025. While neither represents Orange County, both are members of the House Energy & Commerce Committee and the Committee's Health Subcommittee; as a result, both are well-positioned to impact legislation affecting Medicaid and Medicare. In addition, CHS also shared CalOptima Health's August Community Update with each of the delegation offices and utilized the opportunity to highlight specific CalOptima Health activities and initiatives that may be of interest to the individual Senators and Representatives.

Congressional Outlook

Keeping with tradition, the House of Representatives and Senate both took a break from legislative activity for the month of August. Congress is out of session through September 9, and there are only three remaining weeks of legislative activity scheduled before the House and Senate are scheduled to break at the end of September. A rumor has also started to circulate the House may break the week of September 16, meaning that the House may only be in for two weeks in September; and after September, the two chambers are not scheduled to return to legislative work until after the 2024 elections.

Also, complicating matters in the House and Senate is the need to pass appropriations bills to fund the government for Fiscal Year 2025 (FY2025). Funding for FY2024 expires on September 30. It is expected that the House will spend one of its weeks in September approving legislation, referred to as a continuing resolution, to continue funding many government programs for FY2025, including Labor-HHS, at FY2024 levels past September 30. While passing a continuing resolution will keep federal programs operating and avert a government shutdown, it still means Congress will need to pass legislation to fund government programs for the remainder of FY2025 later this year—only adding to the work it must complete following the election.

With such a short window of time in September, it is not clear what health legislation, if any, might move before the election. Prior to breaking for August, it had been rumored that the House could move several health bills in July—but that rumor never came to fruition. It now appears that even health legislation that enjoys largely bipartisan support, such as extending telehealth flexibilities or reigning in the practices of pharmacy benefit managers (PBMs), is expected to slip until after the election. It is expected that these bipartisan measures will be included in what will likely be a larger health package that will also be viewed as “must pass” because it will extend certain expiring health programs past December of 2024.

While larger health legislation is not expected, the House or Senate may move a handful of noncontroversial health-related bills in September. In addition, some legislative action by various committees is likely, and it is rumored that the House Ways & Means Committee may vote to move some health legislation before the month's end. In addition, the Energy & Commerce Committee could potentially consider its version of legislation to extend telehealth flexibility, but again, as noted, it is not expected that the full House will take up telehealth legislation prior to the election.

Regulatory Outlook

It has also been a quiet August on the regulatory front as most of the rules that were viewed as either innovative or potentially controversial were released prior to the end of April. This upfront release was intentional to make it more difficult for Congress to invoke the Congressional Review Act which could be used to overturn rules should the upcoming election lead to significant changes in Congress and the White House. With the Centers for Medicare & Medicaid Services (CMS) releasing several proposed rules earlier this summer, the release of the final rules for physician, home health, and hospital outpatient prospective payments are not

expected until at least late October or early November. Also of note, included in the physician rule are many of the updates for accountable care organizations (ACOs) as well. Later this fall, it is expected that CMS will release the proposed rule on Medicare Advantage and Part D rates in November. While there have been calls for CMS to address mental health parity requirements this year as well, CMS is expected to remain largely quiet on any other rule releases.

CALOPTIMA HEALTH – STATE LEGISLATIVE REPORT

August 26, 2024

General Update

The legislature reconvened from summer recess on August 5 for the final month of this two-year legislative session and provided the fiscal committees with over 800 bills for consideration. The Assembly and Senate Appropriations Committee held their final “suspense file” hearings on August 15 where about 300 bills with a fiscal impact quietly died after being held without discussion.

The Assembly Appropriations Committee dispensed with about 32% of the Senate bills, well above the typical 25% rate of bills held. The Senate Appropriations Committee disposed of approximately 34% of the Assembly’s bills. Over 500 bills survived the appropriations process, leaving about 1,000 total bills (including non-fiscal bills) for the legislature to vote on before session ends on August 31.

Budget Update

There are seven bills, just released in print, that are anticipated to be the final August budget cleanup bills. Both houses of the legislature are expected to pass these on to the Governor in this final week of the legislative session. At this point, there are no big surprises in health care, and the bills reflect the final agreements between the Governor and the legislature. The Governor will have the month of September to sign or veto these and all other bills presented to him.

Managed Care Organization (MCO) Tax – The budget included many Medi-Cal provider rate increases from last year’s MCO Tax Coalition agreement; however, there were significant changes. The investments are decreased, partially redistributed, and delayed to 2025 or 2026, and additional provider types will receive a portion of the monies (reducing the overall funding for the original provider types). Several provisions of the budget’s MCO tax agreement will become inoperable if voters approve the related MCO Tax Initiative (Proposition 35) on the November 5th ballot.

Health Care Worker \$25/Hour Minimum Wage Increase – Under the budget agreement, the minimum wage increase for health care workers will be implemented once one of the following occurs: 1) the state determines that in the first quarter of the fiscal year cash receipts are 3% higher than what was projected at the time of budget passage; or 2) when DHCS notifies the Joint Legislative Budget Committee that it is seeking CMS approval to increase hospital quality assurance fees to support more revenue for Medi-Cal to offset costs. The wage increase is estimated to be implemented no earlier than October 1, 2024, and no later than January 1, 2025.

Key Legislation Update

SB 516 (Skinner): Prior Authorization – This bill mandates that Department of Managed Health Care (DMHC) and California Department of Insurance (CDI) issue instructions to health plans and insurers to provide specific information about the use of prior authorizations. The bill gives the departments the authority to remove prior authorization for certain services based on the evaluation of the data they receive from health plans and to issue guidelines on when and how prior authorization can be reinstated.

This bill was originally a “gut and amend” bill at the end of the 2023 session when the original bill (SB 598) was held in the Assembly Appropriations Committee. This bill had been inactive for the past year but became active again on August 7, 2024, and was subsequently amended to exempt Medi-Cal plans in a win for CalOptima Health.

SB 1120 (Becker): Utilization Review for Health Care — Sponsored by doctors, this bill mandates that health plans using AI for utilization review and utilization management decisions comply with specified requirements. This includes that those decisions be based on medical history, individual clinical circumstances, and be fairly and equitably applied. Willful violations could constitute a crime.

The Department of Finance is opposed to the bill because of its ongoing costs. The bill has cleared the Senate and is scheduled for a final Assembly Floor vote this week.

Propositions and Initiatives

Proposition 1: Behavioral Health Transformation (BHT) — Approved by voters in March, this is an overhaul of California’s mental health funding system and a \$6.4 billion bond for facilities. The request for applications for Round 1 of bond funding (\$3.3 billion) was released in July and applications are due in December, with a required pre-application consultation in October.

DHCS is utilizing the previously authorized Behavioral Health Continuum Infrastructure Program (BHCIP) for the release of bond funds. Counties, cities, tribes, non-profits, and for-profits are eligible to apply. DHCS prioritizes collaborative partnerships and campus-type models. County mental health departments must support the proposed projects and matching funds/collateral are required.

Proposition 35: “Protect Access to Health Care Act of 2024” (MCO Tax) — Passage of this initiative would be the first time this tax, which leverages federal reimbursement dollars, is made a permanent tax on health plans. The Governor and legislature have previously used this tax administratively to balance the budget. If this initiative passes, which specifies that the monies must be used for health care, the Department of Finance estimates it will amount to a \$12 billion decrease in funds that the state had planned to balance the budget through 2027.

The Governor has expressed his aversion to Proposition 35 since it takes away a budget balancing tool. However, he has not formally come out in opposition. Planned Parenthood, SEIU, California Medical Association and California Hospital Association are working to keep the Governor comfortable with the plan should it pass. The MCO Tax deal in the current budget will become inoperable should Proposition 35 succeed. The campaign in support has raised over \$8 million.

2023–24 Legislative Tracking Matrix

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Behavioral Health			
<u>S. 3430</u> Wyden (OR) Crapo (ID)	<p>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act: Would expand access to behavioral health services, reduce prescription drugs costs through pharmacy benefit manager (PBM) reforms and extend certain expiring provisions of the Medicare and Medicaid programs. Specific notable elements include but are not limited to the following:</p> <ul style="list-style-type: none"> Increasing all Medicare physician fee schedule payments by 2.5% (rather than 1.25%) for 2024 services. Increasing Medicare physician fee schedule payments for certain behavioral health integration services in primary care settings during 2026–28. Increasing Medicare bonus payments to providers that furnish mental health and substance use disorder (SUD) services in health professional shortage areas; expanding such bonus payments to include non-physician health care professionals. Expanding access to behavioral telehealth services across state lines and for those with limited English proficiency. Medicaid funding of up to seven days for services delivered to incarcerated individuals diagnosed with an SUD and pending disposition of charges. Eliminating cuts to Medicaid disproportionate share hospital payments through September 30, 2025. <p>Additionally, would include provisions from S. 3059, the Requiring Enhanced & Accurate Lists of (REAL) Health Providers Act, to require accurate provider directories on public websites updated every 90 days.</p> <p>Potential CalOptima Health Impact: Increased access to behavioral health services for CalOptima Health members; increased funding for contracted providers; increased staff oversight of CalOptima Health's OneCare provider directory.</p>	12/07/2023 Introduced; referred to Senate Finance Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>S. 923</u> Bennet (CO)	<p>Better Mental Health Care for Americans Act: Would require parity for mental health services in Medicaid, Medicare Advantage (MA) and Medicare Part D. Would also enhance Medicaid and Medicare payments for integrating mental health and SUD services with physical care. Finally, would create a 54-month Medicaid demonstration project to increase state funding for enhanced access to mental health services for children.</p> <p>In addition, would require MA plans to verify and update provider directories at least every 90 days and remove a non-participating provider within two business days of notification.</p> <p><i>Potential CalOptima Health Impact:</i> Increased access to behavioral health services for CalOptima Health members; increased funding for contracted providers; increased staff oversight of OneCare provider directory.</p>	03/22/2023 Introduced; referred to Senate Finance Committee	CalOptima Health: Watch
<u>S. 1378</u> Cortez Masto (NV)	<p>Connecting Our Medical Providers with Links to Expand Tailored and Effective (COMPLETE) Care Act: Would improve access to timely, effective mental health care in the primary care setting by increasing Medicare payments to providers for implementing integrated care models.</p> <p><i>Potential CalOptima Health Impact:</i> Increased resources and access to behavioral health services for CalOptima Health OneCare members; increased funding for contracted providers.</p>	04/27/2023 Introduced; referred to Senate Finance Committee	CalOptima Health: Watch
<u>SB 363</u> Eggman	<p>Behavioral Health Facilities Database: No later than January 1, 2026, would require the California Department of Health Care Services (DHCS) to develop a real-time, internet-based database to display information about beds in certain facilities, including chemical dependency recovery hospitals, acute psychiatric hospitals and mental health rehabilitation centers, to identify the availability of inpatient and residential mental health or SUD treatment.</p> <p><i>Potential CalOptima Health Impact:</i> Increased resources and access to behavioral health services for CalOptima Health Medi-Cal members.</p>	<p>08/16/2024 Died in Assembly Appropriations Committee</p> <p>06/13/2023 Passed Assembly Health Committee</p> <p>05/24/2023 Passed Senate floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 492</u> Pellerin	<p>Reproductive and Behavioral Health Integration Pilot Programs: Would provide grants, incentive payments or other financial support to Medi-Cal managed care plans (MCPs) to partner with providers for the development and implementation of behavioral health integration pilot programs to improve access to services. Partnering providers must be enrolled in the Family Planning, Access, Care, and Treatment (Family PACT) program and provide reproductive health services.</p> <p><i>Potential CalOptima Health Impact:</i> Increased funding and access to reproductive and behavioral health services.</p>	<p>07/03/2024 Died in Senate Health Committee</p> <p>05/31/2023 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 512</u> Waldron	<p>Behavioral Health Facilities Database: Would require the California Health and Human Services Agency (CalHHS) to create a committee to study how to develop a real-time, internet-based system, usable by hospitals, clinics, law enforcement, paramedics and emergency medical technicians, and other health care providers to display information about available beds in inpatient psychiatric facilities, crisis stabilization units, residential community mental health facilities and residential alcoholism or substance abuse treatment facilities in order to identify available facilities for the temporary treatment of individuals experiencing a mental health or SUD crisis.</p> <p><i>Potential CalOptima Health Impact:</i> Increased efficiency and timeliness of facility referrals; decreased visits to the emergency department.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>03/14/2023 Passed Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 940</u> Villapudua	<p>Eating Disorder Treatment: Would expand the approved facilities for inpatient treatment of eating disorders to include psychiatric health facilities.</p> <p><i>Potential CalOptima Health Impact:</i> Increased access to treatment for eating disorders.</p>	<p>01/12/2024 Died in Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 1316</u> Irwin	<p>Psychiatric Emergency Medical Conditions: Would require the Medi-Cal program to cover emergency services and care necessary to treat a psychiatric emergency medical condition, including post-stabilization care services, emergency room professional services, and facility charges for emergency room visits — regardless of whether the beneficiary was voluntarily or involuntarily admitted.</p> <p><i>Potential CalOptima Health Impact:</i> Increased scope of behavioral health services for CalOptima Health Medi-Cal members.</p>	<p>06/24/2024 Re-referred to Senate floor</p> <p>06/12/2024 Passed Senate Health Committee; referred to Senate Appropriations Committee</p> <p>01/25/2024 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1470</u> Quirk-Silva	<p>Behavioral Health Documentation Standards: Would require DHCS to standardize data elements relating to documentation requirements, including medically necessary criteria and develop standard forms containing information necessary to properly adjudicate claims. No later than July 1, 2025, regional personnel training on documentation should be completed along with the exclusive use of the standard forms.</p> <p><i>Potential CalOptima Health Impact:</i> New data requirements; additional training for CalOptima Health behavioral health staff on new documentation.</p>	<p>08/15/2024 Assembly concurred in amendments; ordered to the Governor</p> <p>09/12/2023 Passed Senate floor</p> <p>06/01/2023 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 1936</u> Cervantes	<p>Maternal Mental Health Screenings: Would require a health plan's maternal mental health program to consist of at least one maternal mental health screening during pregnancy, at least one additional screening during the first six weeks of the postpartum period, and additional postpartum screenings, if determined medically necessary and clinically appropriate, to improve treatment and referrals to other maternal mental health services, including coverage for doulas.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded Medi-Cal benefit for CalOptima Health Medi-Cal members.</p>	<p>08/21/2024 Passed Senate floor; referred to Assembly for concurrence in amendments</p> <p>05/09/2024 Passed Assembly floor</p>	CalOptima Health: Watch
Budget			
<u>H.R. 2872</u> Graves (LA)	<p>Further Additional Continuing Appropriations and Other Extensions Act, 2024: Enacts a third Continuing Resolution (CR) to further extend Fiscal Year (FY) 2023 federal spending levels from January 19, 2024, through March 1, 2024, for certain agencies, and from February 2, 2024, through March 8, 2024, for other agencies.</p> <p><i>Potential CalOptima Health Impact:</i> Continuation of current federal spending on programs impacting CalOptima Health members.</p>	<p>01/19/2024 Signed into law</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 2882</u> Ciscomani (AZ)	<p>Further Consolidated Appropriations Act, 2024: Enacts the remaining six FY 2024 appropriations bills, as follows, to fund several federal departments and agencies in the amount of \$1.2 trillion through September 30, 2024:</p> <ul style="list-style-type: none"> • Department of Defense Appropriations Act, 2024 • Financial Services and General Government Appropriations Act, 2024 • Department of Homeland Security Appropriations Act, 2024 • Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2024 • Legislative Branch Appropriations Act, 2024 • Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 <p>Of note, funding for the U.S. Department of Health and Human Services (HHS) remains relatively flat with only a 1% increase compared to FY 2023. However, approximately \$4.3 billion in unspent COVID-19 relief funding is rescinded.</p> <p>Potential CalOptima Health Impact: Adjusted but broadly sustained funding for federal programs impacting CalOptima Health members.</p>	03/23/2024 Signed into law	CalOptima Health: Watch
<u>H.R. 4366</u> Carter (TX)	<p>Consolidated Appropriations Act, 2024: Enacts six of the 12 regular FY 2024 appropriations bills, as follows, to fund several federal departments and agencies in the amount of \$459 billion through September 30, 2024:</p> <ul style="list-style-type: none"> • Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 • Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2024 • Commerce, Justice, Science, and Related Agencies Appropriations Act, 2024 • Energy and Water Development and Related Agencies Appropriations Act, 2024; • Department of the Interior, Environment, and Related Agencies Appropriations Act, 2024 • Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2024 <p>In addition, extends several expiring programs and authorities, including several public health programs.</p> <p>Potential CalOptima Health Impact: Adjusted but broadly sustained funding for federal programs impacting CalOptima Health members.</p>	03/09/2024 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 7463</u> Granger (TX)	<p>Extension of Continuing Appropriations and Other Matters Act, 2024: Enacts a fourth CR to further extend FY 2023 federal spending levels from March 1, 2024, through March 8, 2024, for federal agencies through March 8, 2024, and through March 22, 2024, for other agencies.</p> <p>Potential CalOptima Health Impact: Continuation of current federal spending on programs impacting CalOptima Health members.</p>	03/01/2024 Signed into law	CalOptima Health: Watch
<u>SB 136</u> Committee on Budget and Fiscal Review	<p>Managed Care Organization (MCO) Provider Tax Amendment Trailer Bill I: Subject to approval by the Centers for Medicare and Medicaid Services (CMS), increases the Medi-Cal per enrollee tax amount on health plans in Medi-Cal taxing tier II to \$205 during the 2024, 2025 and 2026 calendar years.</p> <p>Potential CalOptima Health Impact: Increased tax liability on CalOptima Health to be reimbursed at an approximately equivalent amount; increased funding for Medi-Cal programs and provider rates.</p>	03/25/2024 Signed into law	CalOptima Health: Watch
<u>SB 159</u> Committee on Budget and Fiscal Review	<p>Health Trailer Bill: Consolidates and enacts certain budget trailer bill language containing the policy changes needed to implement health-related expenditures in the FY 2024-25 state budget.</p> <p>Potential CalOptima Health Impact: Impacts are discussed in the enclosed analysis of the FY 2024–25 Enacted State Budget.</p>	06/29/2024 Signed into law	CalOptima Health: Watch
<u>AB 106</u> Gabriel	<p>Budget Acts of 2022 and 2023: Amends the Budget Act of 2022 and the Budget Act of 2023 to support appropriations for FYs 2023–24 as part of the early action agreement that includes a combination of \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the General Fund to other state funds. Significant health care provisions include the following:</p> <ul style="list-style-type: none"> • Behavioral Health Continuum Infrastructure Program: \$140.4 million delay • Behavioral Health Bridge Housing: \$235 million delay • MCO Provider Tax: \$3.8 billion in revenue borrowing <p>Potential CalOptima Health Impact: Adjusted but broadly sustained funding for behavioral health programs impacting CalOptima Health members.</p>	04/03/2024 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 107</u> Gabriel <u>SB 108</u> Wiener	Budget Act of 2024: Makes appropriations for the government of the State of California for FY 2024–25. Total spending is \$293 billion, of which \$211.5 billion is from the General Fund. <i>Potential CalOptima Health Impact:</i> Impacts are discussed in the enclosed analysis of the FY 2024–25 Enacted State Budget.	6/29/2024 Signed into law	CalOptima Health: Watch
<u>AB 160</u> Committee on Budget	MCO Provider Tax Amendment Trailer Bill II: Subject to approval by CMS, further increases the Medi-Cal per enrollee tax amount on health plans in Medi-Cal taxing tier II from \$205 to \$274 during the 2024, 2025 and 2026 calendar years. <i>Potential CalOptima Health Impact:</i> Impacts are discussed in the enclosed analysis of the FY 2024–25 Enacted State Budget.	06/29/2024 Signed into law	CalOptima Health: Watch
California Advancing and Innovating Medi-Cal (CalAIM)			
<u>AB 586</u> Calderon	Community Support: Climate Change or Environmental Remediation Devices: Would add “climate change or environmental remediation devices” as a Medi-Cal Community Support option, defined as the coverage and installation of devices to address health-related complications, barriers or other factors linked to extreme weather, poor air quality or other climate events, including air conditioners, electric heaters, air filters and backup power sources. <i>Potential CalOptima Health Impact:</i> New services available for CalOptima Health Medi-Cal members to address social determinants of health (SDOH).	01/19/2024 Died in Assembly Appropriations Committee 04/11/2023 Passed Assembly Health Committee	CalOptima Health: Watch
<u>AB 1338</u> Petrie-Norris	Community Support: Fitness: Would add fitness, physical activity, or recreational sports programs, activities, or memberships as a Medi-Cal Community Support option. <i>Potential CalOptima Health Impact:</i> New services available for CalOptima Health Medi-Cal members to address SDOH.	01/19/2024 Died in Assembly Appropriations Committee 04/18/2023 Passed Assembly Health Committee	CalOptima Health: Watch
Covered Benefits			
<u>SB 324</u> Limón	Endometriosis: Would add any clinically indicated treatment for endometriosis as a covered benefit without prior authorization or other utilization review. <i>Potential CalOptima Health Impact:</i> Expanded covered benefit for CalOptima Health Medi-Cal members.	08/16/2024 Died in Assembly Appropriations Committee 06/27/2023 Passed Assembly Health Committee 05/24/2023 Passed Senate floor	CalOptima Health: Watch CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 339</u> Wiener	<p>Human Immunodeficiency Virus (HIV) Preexposure Prophylaxis (PrEP) and Postexposure Prophylaxis (PEP): Increases Medi-Cal coverage of PrEP and PEP furnished by a <i>pharmacist</i> from a 60-day maximum course to a 90-day maximum course, which could be further extended under certain conditions.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded Medi-Cal Rx benefit for CalOptima Health Medi-Cal members.</p>	02/06/2024 Signed into law	CalOptima Health: Watch CAHP: Oppose
<u>SB 953</u> Menjivar	<p>Menstrual Products: Would add menstrual products as covered Medi-Cal benefits.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefits for CalOptima Health Medi-Cal members.</p>	<p>05/17/2024 Died in Senate Appropriations Committee</p> <p>03/20/2024 Passed Senate Health Committee</p>	CalOptima Health: Watch
<u>SB 1180</u> Ashby	<p>Emergency Medical Services: Would add services provided by a community paramedicine program, triage to alternate destination program, or mobile integrated health program as covered Medi-Cal benefits, subject to an appropriation by the Legislature.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>	<p>08/15/2024 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/18/2024 Passed Assembly Health Committee</p> <p>05/21/2024 Passed Senate floor</p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 47</u> Boerner	<p>Pelvic Floor Physical Therapy: Beginning January 1, 2024, would require health plans to provide coverage for pelvic floor physical therapy after pregnancy.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health Medi-Cal members.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>AB 365</u> Aguilar-Curry	<p>Continuous Glucose Monitors (CGMs): Would add CGMs and related supplies as a covered Medi-Cal benefit for the treatment of diabetes when medically necessary, subject to utilization controls. Would also allow DHCS to require a manufacturer of CGMs to enter into a rebate agreement with DHCS.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>	<p>08/21/2023 Re-referred to Senate floor</p> <p>06/21/2023 Passed Senate Health Committee; referred to Senate Appropriations Committee</p> <p>05/31/2023 Passed Assembly floor</p>	CalOptima Health: Watch CalPACE: Support

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1036</u> Bryan	<p>Emergency Medical Transportation: Would require a physician to certify upon patient arrival at an emergency room via emergency medical transportation whether an emergency medical condition existed and required emergency medical transportation. If certified, would require a health plan to provide coverage for emergency medical transportation.</p> <p><i>Potential CalOptima Health Impact:</i> Increased CalOptima Health costs for reimbursement of emergency transportation services.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 1975</u> <u>(AB 1644)</u> Bonta	<p>Medically Supportive Food: No sooner than July 1, 2026, and subject to an appropriation by the Legislature, would add medically supportive food and nutrition intervention plans as covered Medi-Cal benefits, when determined to be medically necessary to a patient's medical condition by a provider or plan. The benefit would be based in part on the following Community Support offered through CalAIM: Medically Tailored Meals.</p> <p><i>Potential CalOptima Health Impact:</i> Formalization and expansion of certain Community Support services as covered benefits for eligible CalOptima Health Medi-Cal members.</p>	<p>08/15/2024 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/12/2024 Passed Senate Health Committee</p> <p>05/21/2024 Passed Assembly floor</p> <p>01/30/2024 Re-introduced as AB 1975</p> <p>01/19/2024 Died in Assembly Appropriations Committee as AB 1644</p>	CalOptima Health: Watch LHPC: Support CAHP: Support
<u>AB 2105</u> <u>(AB 907)</u> Lowenthal	<p>PANDAS and PANS: Beginning January 1, 2025, would require a health plan to provide coverage for prophylaxis, diagnosis and treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS), prescribed or ordered by a provider as medically necessary.</p> <p><i>Potential CalOptima Health Impact:</i> Continued covered benefit for pediatric CalOptima Health Medi-Cal members.</p>	<p>06/24/2024 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>05/21/2024 Passed Assembly floor</p> <p>02/05/2024 Re-introduced as AB 2105</p> <p>10/07/2023 Vetoed as AB 907 (see veto message)</p>	CalOptima Health: Watch CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2446</u> Ortega	<p>Diapers: Would add diapers as a covered Medi-Cal benefit for the following individuals, contingent upon an appropriation by the Legislature:</p> <ul style="list-style-type: none"> Children greater than three years of age diagnosed with a condition that contributes to incontinence Other individuals under 21 years of age to address a condition pursuant to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) standards <p><i>Potential CalOptima Health Impact:</i> New covered benefit for pediatric CalOptima Health Medi-Cal members.</p>	<p>08/15/2024 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/26/2024 Passed Senate Health Committee</p> <p>05/21/2024 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 2668</u> Berman	<p>Cranial Prostheses: Beginning January 1, 2025, would add cranial prostheses as a covered Medi-Cal benefit as part of a prescribed course of treatment for individuals experiencing permanent or temporary medical hair loss. Coverage would be limited to a maximum of \$750 for each instance, no more than once per year.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefit for CalOptima Health Medi-Cal members.</p>	<p>05/17/2024 Died in Assembly Appropriations Committee</p> <p>04/23/2024 Passed Assembly Health Committee</p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 2843</u> Petrie-Norris	<p>Rape and Sexual Assault Care: Beginning July 1, 2025, would require a health plan to provide coverage without cost-sharing for emergency room medical care and follow-up treatment following a rape or sexual assault. Would also prohibit a health plan from requiring members to provide a police report or press charges for rape or sexual assault in order to receive care.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>	<p>08/05/2024 Re-referred to Senate floor</p> <p>07/03/2024 Passed Senate Health Committee; referred to Senate Appropriations Committee</p> <p>05/16/2024 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Medi-Cal Eligibility and Enrollment			
<u>S. 423</u> Van Hollen (MD) <u>H.R. 1113</u> Bera (CA)	<p>Easy Enrollment in Health Care Act: To streamline and increase enrollment into public health insurance programs, would allow taxpayers to request their federal income tax returns include a determination of eligibility for Medicaid, the Children's Health Insurance Program (CHIP) or advance premium tax credits to purchase insurance through a health plan exchange. Taxpayers could also consent to be automatically enrolled into any such program or plan if they were subject to a zero net premium. Would also make individuals eligible for Medicaid or CHIP based on a prior finding of eligibility for the Temporary Assistance for Needy Families program or the Supplemental Nutrition Assistance Program.</p> <p>Potential CalOptima Health Impact: Expanded eligibility standards and procedures for enrollment of CalOptima Health members.</p>	02/14/2023 Introduced; referred to committees	CalOptima Health: Watch
<u>SB 1289</u> Roth	<p>Medi-Cal Call Center Data: Beginning on January 1, 2026, would require county Medi-Cal call centers to collect and submit monthly data metrics to DHCS. Beginning on May 15, 2026, would require DHCS to prepare a publish online a quarterly report on submitted call center.</p> <p>Potential CalOptima Health Impact: Increased resources for CalOptima Health members; increased number of CalOptima Health members as a result of additional new enrollments and fewer disenrollments.</p>	08/15/2024 Passed Assembly Appropriations Committee; referred to Assembly floor 06/04/2024 Passed Assembly Health Committee 05/21/2024 Passed Senate floor	CalOptima Health: Watch
<u>AB 1608</u> Patterson	<p>Regional Center Clients: Would exempt from mandatory Medi-Cal MCP enrollment any dual-eligible and non-dual-eligible Medi-Cal beneficiaries who receive services from a regional center and use the Medi-Cal fee-for-service (FFS) delivery system as secondary form of health coverage.</p> <p>Potential CalOptima Health Impact: Decreased number of CalOptima Health members.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 1783</u> Essayli	<p>Unsatisfactory Immigration Status: States the intent of the Legislature to enact legislation to prohibit state funding of health care benefits for individuals with unsatisfactory immigration status.</p> <p>Potential CalOptima Health Impact: Decreased number of CalOptima Health members</p>	05/03/2024 Died without referral to committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2956</u> Boerner	<p>Adult Continuous Eligibility and Redetermination: Would require DHCS to seek federal approval to extend continuous Medi-Cal eligibility to individuals over 19 years of age. Would also require a county to attempt communication through all additional available channels before completing a redetermination and to conduct an additional review of information in an attempt to renew eligibility without needing a response., Would require counties to accept self-attested information from beneficiary for the purpose of income verification during a redetermination.</p> <p>Potential CalOptima Health Impact: Expanded eligibility standards and procedures for enrollment and re-enrollment of CalOptima Health members.</p>	<p>05/17/2024 Died in Assembly Appropriations Committee</p> <p>04/16/2024 Passed Assembly Health Committee</p>	CalOptima Health: Watch LHPC: Support
Medi-Cal Operations and Administration			
<u>H.R. 2811</u> Arrington (TX)	<p>Limit, Save, Grow Act of 2023: Would require Medicaid beneficiaries ages 19–55 without dependents to work, complete community service and/or participate in a work training program for at least 80 hours per month for at least three months per year. Exemptions would be provided for those who are pregnant, physically or mentally unfit for employment, complying with work requirements under a different federal program, participating in a drug or alcohol treatment program, or enrolled in school at least half-time.</p> <p>HHS estimates that 294,981 Medi-Cal beneficiaries in Orange County would be subject to the proposed work requirements without an exemption.</p> <p>Potential CalOptima Health Impact: Disenrollment of certain CalOptima Health Medi-Cal members, especially those who experience homelessness, who are not exempt from work requirements.</p>	<p>04/26/2023 Passed House floor; referred to Senate Budget Committee</p>	CalOptima Health: Concerns ACAP: Oppose
<u>SB 1120</u> Becker	<p>Artificial Intelligence (AI) in Utilization Review: Would require a health plan’s use of algorithms, AI, and other software tools for utilization management (UM) purposes to comply with specified fairness and equity requirements and to be based on individual clinical history and circumstances.</p> <p>Potential CalOptima Health Impact: Implementation of new UM procedures</p>	<p>08/15/2024 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>07/02/2024 Passed Assembly Privacy and Consumer Protection Committee</p> <p>06/18/2024 Passed Assembly Health Committee</p> <p>05/23/2024 Passed Senate floor</p>	CalOptima Health: Watch CAHP: Oppose unless amended

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1690</u> Kalra	<p>Universal Health Care Coverage: States the intent of the Legislature to guarantee accessible, affordable, equitable and high-quality health care for all Californians through a comprehensive universal single-payer health care program.</p> <p>Potential CalOptima Health Impact: Unknown but potentially significant impacts to the Medi-Cal and commercial health care delivery systems, including changes to administration, covered benefits, financing and organization.</p>	<p>01/19/2024 Died without referral to committee</p>	CalOptima Health: Watch
<u>AB 2200</u> Kalra	<p>Guaranteed Health Care for All: Would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of California.</p> <p>Potential CalOptima Health Impact: Unknown but potentially significant impacts to the Medi-Cal and commercial health care delivery systems, including changes to administration, covered benefits, financing and organization.</p>	<p>05/17/2024 Died in Assembly Appropriations Committee</p> <p>04/23/2024 Passed Assembly Health Committee</p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 2340</u> Bonta	<p>EPSDT Informational Materials: Would require DHCS to standardize informational materials that effectively explain and clarify the scope and nature of EPSDT services that are available under the Medi-Cal program, including content designed for youth. Would require a Medi-Cal MCP to provide the informational materials to EPSDT-eligible beneficiaries and their parents within a certain period (as determined by DHCS) of initial enrollment into the MCP and annually thereafter.</p> <p>Potential CalOptima Health Impact: Standardization and increased number of mailings to certain CalOptima Health Medi-Cal members.</p>	<p>08/21/2024 Passed Senate floor; referred to Assembly for concurrence in amendments</p> <p>05/16/2024 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 2466</u> Carrillo	<p>Network Adequacy Standards: Would deem a Medi-Cal MCP out of compliance with appointment time standards if either of the following are true:</p> <ul style="list-style-type: none"> Fewer than 85% of network providers had an appointment available within the standards DHCS receives information establishing that the plan was unable to deliver timely, available or accessible health care services <p>Would also require health plans to submit an annual renewal request for alternative access standards, describing the efforts made in the previous 12 months to mitigate or eliminate circumstances that justify the use of an alternative access standard.</p> <p>Potential CalOptima Health Impact: Increased network analysis and reporting to DHCS.</p>	<p>05/17/2024 Died in Assembly Appropriations Committee</p> <p>04/16/2024 Passed Assembly Health Committee</p>	CalOptima Health: Watch LHPC: Oppose CAHP: Oppose

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 3260</u> Pellerin	<p>Utilization Reviews and Grievances: Would require health plans to complete utilization review decisions within 72 hours. If a plan fails to meet such deadline, the plan must automatically open a grievance on behalf of the affected beneficiary. Additionally, would require plans to review urgent grievances, as determined by the provider, within 72 hours.</p> <p>Potential CalOptima Health Impact: Expedited and modified UM and Grievance procedures for covered Medi-Cal benefits.</p>	<p>08/16/2024 Died in Senate Appropriations Committee</p> <p>06/26/2024 Passed Senate Health Committee</p> <p>05/21/2024 Passed Assembly floor</p>	CalOptima Health: Watch CAHP: Oppose
Older Adult Services			
<u>S. 1002</u> Cassidy (LA)	<p>No Unreasonable Payments, Coding, or Diagnoses for the Elderly (No UPCODE) Act: Would modify the MA risk adjustment model to prevent overpayment to MA plans, as follows:</p> <ul style="list-style-type: none"> Utilization of two years instead of one of diagnostic data Exclusion of outdated diagnoses solely included on health risk assessments Coding adjustment to account for other payment differences between MA and Medicare FFS <p>Potential CalOptima Health Impact: Decreased reimbursement rates from the CMS for CalOptima Health OneCare members.</p>	<p>03/28/2023 Introduced; referred to Senate Finance Committee</p>	CalOptima Health: Watch
<u>S. 1703</u> Carper (DE) <u>H.R. 3549</u> Wenstrup (OH)	<p>Program of All-Inclusive Care for the Elderly (PACE) Part D Choice Act of 2023: Would allow a Medicare-only PACE participant to opt out of drug coverage provided by the PACE program and instead enroll in a standalone Medicare Part D prescription drug plan that results in equal or lesser out-of-pocket costs. PACE programs would be required to educate their participants about this option.</p> <p>Potential CalOptima Health Impact: Increased enrollment into CalOptima Health PACE by Medicare-only beneficiaries due to decreased out-of-pocket costs.</p>	<p>05/18/2023 Introduced; referred to committees</p>	<p>08/30/2023 CalOptima Health: SUPPORT</p> <p>NPA: Support</p>
<u>S. 3950</u> Cassidy (LA)	<p>Delivering Unified Access to Lifesaving Services (DUALS) Act of 2024: Would require each state to develop and implement a comprehensive, integrated health plan for beneficiaries dually eligible for Medicaid and Medicare. Would also expand PACE coverage nationwide to individuals under the age of 55 as well as allow PACE enrollment at any time of the month.</p> <p>Potential CalOptima Health Impact: Increased coordination and benefits for dually eligible CalOptima Health members; increased enrollment into CalOptima Health PACE.</p>	<p>03/14/2024 Introduced; referred to Senate Finance Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1022</u> Mathis	<p>PACE Rates and Assessments: Would require PACE capitation rates to also reflect the frailty level and risk associated with participants. In addition, would expand a PACE organization's authority to use video telehealth to conduct all assessments.</p> <p><i>Potential CalOptima Health Impact:</i> Increased capitation rates for CalOptima Health PACE participants; expanded use of video telehealth assessments.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 1223</u> Hoover	<p>PACE Audits: Would require DHCS to perform program audits of PACE organizations and to develop and maintain standards, rules and auditing protocols, including related to data collection, technical assistance, formal decisions and enforcement of non-compliance.</p> <p><i>Potential CalOptima Health Impact:</i> Modified audit protocols for CalOptima Health PACE.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 1230</u> Valencia	<p>Special Needs Plans (SNPs): No later than January 1, 2025, would require DHCS to offer contracts to health plans for Highly Integrated Dual Eligible Special Needs Plans (HIDE-SNPs) and Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs) to provide care to dual eligible beneficiaries.</p> <p><i>Potential CalOptima Health Impact:</i> Increased number of SNPs in Orange County; decreased number of CalOptima Health OneCare members.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch LHPC: Oppose
Providers			
<u>S. 3059</u> Bennet (CO)	<p>Requiring Enhanced & Accurate Lists of (REAL) Health Providers Act: Effective plan year 2026, would require MA plans to update and ensure accurate provider directory information at least once every 90 days. If a plan is unable to verify such information for a specific provider, a disclaimer indicating that the information may not be up to date is required. Would also require the removal of a provider from a directory within five business days if the plan determines they are no longer participating in the network.</p> <p><i>Potential CalOptima Health Impact:</i> Increased staff oversight of CalOptima Health's OneCare provider directory.</p>	10/17/2023 Introduced; referred to Senate Finance Committee	CalOptima Health: Watch
<u>H.R. 497</u> Duncan (SC)	<p>Freedom for Health Care Workers Act: would repeal the rule issued by CMS on November 5, 2021, that requires health care providers participating in the Medicare and Medicaid programs to ensure staff are fully vaccinated against COVID-19.</p> <p><i>Potential CalOptima Health Impact:</i> Elimination of COVID-19 vaccination mandate for CalOptima Health PACE staff and contracted providers.</p>	01/31/2023 Passed House floor; referred to Senate Finance Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 7149</u> Steel (CA)	<p>Equal Access to Specialty Care Everywhere (EASE) Act of 2024: Would use existing Center for Medicare and Medicaid Innovation funds to test a virtual specialty network dedicated to providing a range of virtual modalities in partnership with primary care providers in underserved and rural communities, including Federally Qualified Health Centers (FQHCs).</p> <p><i>Potential CalOptima Health Impact:</i> Expanded telehealth access for CalOptima Health members.</p>	01/30/2024 Introduced; referred to House Energy and Commerce Committee	CalOptima Health: Watch
<u>SB 819</u> Eggman	<p>Medi-Cal Mobile Health Care Site Enrollment: Would exempt intermittent or mobile health care sites from enrolling in Medi-Cal as a separate provider if operated by a government-operated clinic that is exempt from licensure by the California Department of Public Health (CDPH).</p> <p><i>Potential CalOptima Health Impact:</i> Expansion of intermittent and mobile health care sites; increased access to care for CalOptima Health members.</p>	<p>08/16/2023 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>07/11/2023 Passed Assembly Health Committee</p> <p>05/04/2023 Passed Senate floor</p>	CalOptima Health: Watch
<u>SB 1268</u> Nguyen, J.	<p>Medi-Cal Safety Net Provider Contracts: Would require a Medi-Cal MCP to offer and maintain a network provider contract with each safety net provider operating within the MCP's geographic service areas unless the safety net provider cannot provide necessary scope of services due to specified, covered reasons. Would prohibit a Medi-Cal MCP from initiating a contract termination for any reason.</p> <p><i>Potential CalOptima Health Impact:</i> Revision of current provider contract language; decreased oversight and accountability of contracted providers.</p>	04/26/2024 Died in Senate Health Committee	<p><u>04/15/2024</u> CalOptima Health: OPPOSE</p> <p>LHPC: Oppose CAHP: Oppose</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 236</u> Holden	<p>Provider Directory Audits: Would require health plans to annually verify and delete inaccurate listings from its provider directories. Would also require a provider directory to be 60% accurate by July 1, 2025, with increasing percentage accuracy each year until the directories are 95% accurate by July 1, 2028. In addition, plans would be subject to penalties for failure to meet the prescribed benchmarks and for each inaccurate listing in its directories. Further, beginning July 1, 2025, would require plans to delete a provider from its directory if a plan has not reimbursed the provider in the prior year. Would also require a plan to arrange care for all covered health services provided to a beneficiary who reasonably relied on inaccurate, incomplete or misleading information contained in a plan's provider directory as well as require the plan reimburse the provider the contracted amount for those services.</p> <p>Potential CalOptima Health Impact: Increased oversight of CalOptima Health provider directory; increased coordination with contracted providers; increased penalty payments to DHCS.</p>	<p>08/16/2024 Died in Senate Appropriations Committee</p> <p>06/26/2024 Passed Senate Health Committee</p> <p>01/30/2024 Passed Assembly floor</p>	CalOptima Health: Watch LHPC: Oppose CAHP: Oppose
<u>AB 564</u> Villapudua	<p>Medi-Cal Claim Signatures: Would allow Medi-Cal providers to submit electronic signatures for claims and remittance forms.</p> <p>Potential CalOptima Health Impact: Reduced administrative burden for CalOptima Health contracted providers.</p>	<p>07/03/2024 Died in Senate Health Committee</p> <p>05/31/2023 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 2110</u> Arambula	<p>Adverse Childhood Experiences (ACEs) Trauma Screenings: Would include Medi-Cal enrolled community-based organizations and local health jurisdictions that provide health services through community health workers and doulas as providers qualified to provide and eligible to receive payments for ACEs trauma screenings.</p> <p>Potential CalOptima Health Impact: Increased access to care for eligible CalOptima Health Medi-Cal members; additional provider contracting and credentialing.</p>	<p>05/17/2024 Died in Assembly Appropriations Committee</p> <p>04/09/2024 Passed Assembly Health Committee</p>	CalOptima Health: Watch LHPC: Support
<u>AB 2129</u> Petrie-Norris	<p>Immediate Postpartum Contraception: No later than January 1, 2025, would authorize a provider to separately bill for devices, implants or professional services, or a combination of both, associated with immediate postpartum contraception if the birth takes place in a general acute care hospital or licensed birth center.</p> <p>Potential CalOptima Health Impact: Modified Claims procedures for a covered Medi-Cal benefit.</p>	<p>08/20/2024 Passed Senate floor; referred to Assembly for concurrence in amendments</p> <p>05/02/2024 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2339</u> Aguilar-Curry	<p>Medi-Cal Asynchronous Telehealth: Would expand telehealth capabilities to include asynchronous electronic transmission initiated directly by patients, including through mobile telephone applications. Would also authorize a health care provider to establish a new patient relationship using asynchronous store and forward when the visit is related to sensitive services.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded telehealth capabilities for CalOptima Health Medi-Cal members.</p>	<p>07/01/2024 Re-referred to Senate floor</p> <p>06/19/2024 Passed Senate Health Committee; referred to Senate Appropriations Committee</p> <p>05/21/2024 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 2726</u> Flora	<p>Telehealth and Specialty Care Networks: Would require CalHHS to establish a demonstration project for a grant program aimed at facilitating telehealth and other virtual services specialty care network for patients of certain safety-net providers, including community health centers and critical access hospitals. The project would focus on increasing access to behavioral and maternal health services as well as other specialties prioritized by CalHHS.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded telehealth capabilities and virtual specialty networks.</p>	<p>05/17/2024 Died in Assembly Appropriations Committee</p> <p>04/23/2024 Passed Assembly Health Committee</p>	CalOptima Health: Watch
Rates & Financing			
<u>S. 570</u> Cardin (MD) <u>H.R. 1342</u> Barragan (CA)	<p>Medicaid Dental Benefit Act of 2023: Would require state Medicaid programs to cover dental and oral health services for adults. Would also increase the Federal Medical Assistance Percentage (FMAP) (i.e., federal matching rate) for such services. CMS would be required to develop oral health quality and equity measures and conduct outreach relating to dental and oral health coverage.</p> <p><i>Potential CalOptima Health Impact:</i> Increased payments to CalOptima Health and contracted providers; additional quality metrics.</p>	<p>02/28/2023 Introduced; referred to committees</p>	CalOptima Health: Watch
<u>S. 1038</u> Welch (VT) <u>H.R. 1613</u> Carter (GA)	<p>Drug Price Transparency in Medicaid Act of 2023: Would prohibit “spread pricing” for payment arrangements with PBMs under Medicaid. Would also require a pass-through pricing model that focuses on cost-based pharmacy reimbursement and dispensing fees.</p> <p><i>Potential CalOptima Health Impact:</i> Lower costs and increased transparency in drug prices under the Medi-Cal Rx program,</p>	<p>03/29/2023 Introduced; referred to committees</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>S. 3578</u> Cassidy (LA)	<p>Protect Medicaid Act: Would prohibit federal funding for the administrative costs of providing Medicaid benefits to individuals with unsatisfactory immigration status. If states choose to self-fund such costs, this bill would require states to submit a report describing its funding methods as well as the process utilized to bifurcate its expenditures on administrative costs.</p> <p><i>Potential CalOptima Health Impact:</i> New financial reporting requirements.</p>	01/11/2024 Introduced; referred to Senate Finance Committee	CalOptima Health: Watch
<u>H.R. 485</u> McMorris (WA)	<p>Protecting Health Care for All Patients Act of 2023: Would prohibit all federally funded health care programs from using quality-adjusted life years (i.e., measures that discount the value of a life based on disability) to determine coverage and payment determinations for treatments and prescription drugs.</p> <p><i>Potential CalOptima Health Impact:</i> Modified authorization limits for certain CalOptima Health members.</p>	<p>02/07/2024 Passed House; referred to Senate Finance Committee</p> <p>03/24/2023 Passed House Energy and Commerce Committee; referred to House floor</p>	CalOptima Health: Watch
<u>SB 282</u> Eggman	<p>FQHCs and Rural Health Clinic (RHC) Same-Day Visits: Would authorize reimbursement for a maximum of two separate visits that take place on the same day at a single FQHC or RHC site, whether through a face-to-face or telehealth-based encounter (e.g., a medical visit and dental visit on the same day). In addition, would add a licensed acupuncturist within those health care professionals covered under the definition of a “visit.”</p> <p><i>Potential CalOptima Health Impact:</i> Timelier access to services at CalOptima Health’s contracted FQHCs.</p>	<p>08/16/2024 Died in Assembly Appropriations Committee</p> <p>07/11/2023 Passed Assembly Health Committee</p> <p>05/25/2023 Passed Senate floor</p>	CalOptima Health: Watch LHPC: Support
<u>SB 340</u> Eggman	<p>Eyeglasses Reimbursement: Would authorize a provider to purchase eyeglasses from a private entity instead of from the Prison Industry Authority for the purpose of Medi-Cal reimbursement for covered optometric services.</p> <p><i>Potential CalOptima Health Impact:</i> Timelier access to prescription eyeglasses for CalOptima Health Medi-Cal members.</p>	<p>07/03/2024 Died in Assembly Health Committee and Assembly Public Safety Committee</p> <p>05/25/2023 Passed Senate floor</p>	CalOptima Health: Watch
<u>SB 828</u> Durazo	<p>Health Care Workers Minimum Wage Delay: Would delay the minimum wage adjustments enacted pursuant to SB 525 (2023) by one month from June 1, 2024, to July 1, 2024, effective immediately as an urgency statute.</p> <p><i>Potential CalOptima Health Impact:</i> No expected impact since CalOptima Health previously increased its minimum wage.</p>	5/31/2024 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 870</u> Caballero	<p>MCO Tax: Would renew the MCO tax on health plans, which expired on January 1, 2023, to an unspecified future date. Would also modify the tax rates to unspecified percentages that are based on the Medi-Cal membership of the health plan.</p> <p>Potential CalOptima Health Impact: Increased tax liability on CalOptima Health.</p>	<p>01/19/2024 Died in Senate Appropriations Committee</p> <p>04/26/2023 Passed Senate Health Committee</p>	CalOptima Health: Watch
<u>SB 1423</u> Dahle	<p>Rural Hospital Technical Advisory Group: Would require DHCS to convene a Rural Hospital Technical Advisory Group — including representatives from Medi-Cal MCPs and their state associations — to analyze the ability of small, rural and critical access hospitals to remain financially viable under existing Medi-Cal reimbursement methodologies and to provide related recommendations by March 31, 2026.</p> <p>Potential CalOptima Health Impact: CalOptima Health representation on DHCS committee; consideration of modified payments to CalOptima Health contracted critical access hospitals.</p>	<p>08/15/2024 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/25/2024 Passed Assembly Health Committee</p> <p>05/22/2024 Passed Senate floor</p>	CalOptima Health: Watch
<u>SB 1492</u> Menjivar	<p>Private Duty Nursing Rate Increases: Would add private duty services, which are provided to a child under 21 years of age by a home health agency, as an eligible category for the purpose of Medi-Cal rate increases from MCO tax revenue.</p> <p>Potential CalOptima Health Impact: Increased payments to CalOptima Health contracted home health agencies.</p>	<p>05/17/2024 Died in Senate Appropriations Committee</p> <p>04/24/2024 Passed Senate Health Committee</p>	CalOptima Health: Watch
<u>AB 55</u> Rodriguez	<p>Ground Ambulance Transportation: Effective January 1, 2024, would require Medi-Cal MCPs to implement a value-based purchasing model that increases reimbursement to ground ambulance transportation providers who meet certain workforce standards.</p> <p>Potential CalOptima Health Impact: Increased financial stability for CalOptima Health's contracted transportation providers; increased costs for CalOptima Health.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>04/25/2023 Passed Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 488</u> Nguyen, S.	<p>Vision Loss: Would modify the Skilled Nursing Facility (SNF) Workforce and Quality Incentive Program measures and milestones to include program access, staff training and capital improvement measures aimed at addressing the needs of SNF residents with vision loss.</p> <p>Potential CalOptima Health Impact: Modified payments to CalOptima Health contracted SNFs; increased data collection, tracking and reporting requirements; improved quality of life for certain members with vision loss.</p>	<p>01/12/2024 Died in Assembly Health Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1549</u> Carrillo	<p>FQHC and RHC Rates: Would require that DHCS's per-visit rates to FQHCs and RHCs account for costs that are reasonable and related to the provision of covered services, including staffing, the intensity of activities taking place in an average visit, the length or duration of a visit, and the number of activities provided during a visit.</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health's contracted FQHCs.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>04/25/2023 Passed Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 1698</u> Wood	<p>Medi-Cal Funding: States the intent of the Legislature to enact future legislation to increase overall funding and reimbursement for the Medi-Cal program.</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health and its contracted providers.</p>	<p>01/19/2024 Died without referral to committee</p>	CalOptima Health: Watch
<u>AB 2043</u> <u>(AB 719)</u> Boerner	<p>Public Transit Contracts: Would authorize DHCS to direct Medi-Cal MCPs to reimburse public paratransit service operators, who are enrolled as Medi-Cal providers, at the Medi-Cal FFS rates for nonmedical transportation (NMT) and nonemergency medical transportation (NEMT) services that are not on fixed routes. Would also direct DHCS to issue updated guidance by June 1, 2026, to ensure that the financial burden of these services is not unfairly placed on such operators.</p> <p><i>Potential CalOptima Health Impact:</i> Increased payments to public paratransit operations for NMT and NEMT services.</p>	<p>08/16/2024 Died in Senate Appropriations Committee</p> <p>06/12/2024 Passed Senate Health Committee</p> <p>05/21/2024 Passed Assembly floor</p> <p>02/01/2024 Re-introduced as AB 2043</p> <p>10/07/2023 Vetoed as AB 719 (see veto message)</p>	CalOptima Health: Watch LHPC: Oppose CAHP: Oppose
<u>AB 2303</u> Carrillo	<p>Minimum Wage Add-On Payment: Would require DHCS to develop a minimum wage add-on as an alternative payment methodology to increase rates of payment to community health centers, in order to accommodate increased labor costs resulting from recently enacted minimum wage increases pursuant to SB 525 (2023).</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health contracted community health centers.</p>	<p>04/26/2024 Died in Assembly Health Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2342</u> Lowenthal	<p>Island-Based Critical Access Hospitals: Would require DHCS to provide an annual supplemental payment for covered Medi-Cal services to each critical access hospital that operates on an island that is located more than 10 miles offshore of the mainland coasts of the state but is still within the jurisdiction of the state.</p> <p>Potential CalOptima Health Impact: Increased payments to certain critical access facilities for Medi-Cal services.</p>	04/26/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 2428</u> Calderon	<p>Community-Based Adult Services (CBAS) Rates: Would require Medi-Cal MCPs to reimburse contracted CBAS provider at an amount equal to or greater than the Medi-Cal FFS rate.</p> <p>Potential CalOptima Health Impact: Increased payments to CalOptima Health contracted CBAS providers.</p>	<p>08/22/2024 Assembly concurred in amendments; ordered to the Governor</p> <p>08/20/2024 Passed Senate floor</p> <p>05/21/2024 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 3275</u> Soria	<p>Claim Reimbursement: Beginning January 1, 2026, would require health plans to reimburse, contest or deny a complete claim within 30 calendar days after receipt of the claim, or otherwise be subject to current 15% per annum interest requirements. If a plan does not automatically include any accrued interest in its payment, this bill would increase the penalty fee from \$10 to the greater of \$15 or 10% of accrued interest.</p> <p>In addition, would require health plans to treat a complaint from an enrollee about the delay or denial of a claim payment to be treated as a grievance, regardless of whether the term grievance is used.</p> <p>Potential CalOptima Health Impact: Decreased claim review time for CalOptima Health staff; increased number of member grievances; increased interest and penalty payments to CalOptima Health contracted providers.</p>	<p>08/15/2024 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/26/2024 Passed Senate Health Committee</p> <p>05/21/2024 Passed Assembly floor</p>	CalOptima Health: Watch LHPC: Oppose CAHP: Oppose
Social Determinants of Health			
<u>H.R. 1066</u> Blunt Rochester (DE)	<p>Collecting and Analyzing Resources Integral and Necessary for Guidance (CARING) for Social Determinants Act of 2023: Would require CMS to update guidance at least once every three years to help states address SDOH under Medicaid and CHIP.</p> <p>Potential CalOptima Health Impact: Increased opportunities for CalOptima Health to address SDOH.</p>	02/17/2023 Introduced; referred to House Energy and Commerce Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 257</u> Hoover	<p>Encampment Restrictions: Would prohibit a person from sitting, lying, sleeping or placing personal property in any street, sidewalk or other public property within 500 feet of a school, daycare center, park or library.</p> <p>Potential CalOptima Health Impact: Increased outreach and support services for unsheltered CalOptima Health Medi-Cal members.</p>	<p>01/19/2024 Died in Assembly Public Safety Committee</p> <p>03/07/2023 Failed passage in Assembly Public Safety Committee</p>	CalOptima Health: Watch
<u>AB 2250</u> <u>(AB 85)</u> Weber	<p>SDOH Screenings: Would add SDOH screenings as a covered Medi-Cal benefit on or after January 1, 2027, contingent upon an appropriation by the Legislature. Would also require health plans to provide primary care providers with adequate access to community health workers, social workers and peer support specialists. In addition, would require FQHCs and RHCs to be reimbursed for these services at the Med-Cal FFS rate.</p> <p>Potential CalOptima Health Impact: New covered benefits for CalOptima Health Medi-Cal members.</p>	<p>08/15/2024 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/05/2024 Passed Senate Health Committee</p> <p>05/21/2024 Passed Assembly floor</p> <p>02/08/2024 Re-introduced as AB 2250</p> <p>10/07/2023 Vetoed as AB 85 (see veto message)</p>	CalOptima Health: Watch LHPC: Support

2023 Signed Bills

- H.R. 3746 (McHenry [NC])
- H.R. 5860 (Granger [TX])
- H.R. 6363 (Granger [TX])
- SB 43 (Eggman)
- SB 101 (Skinner)
- SB 311 (Eggman)
- SB 326 (Eggman)
- SB 525 (Durazo)
- SB 496 (Limón)
- SB 770 (Wiener)
- AB 102 (Ting)
- AB 271 (Quirk-Silva)
- AB 557 (Hart)
- AB 118 (Committee on Budget)
- AB 119 (Committee on Budget)
- AB 531 (Irwin)
- AB 425 (Alvarez)
- AB 847 (Rivas, L.)
- AB 904 (Calderon)
- AB 1481 (Boerner)
- AB 1241 (Weber)

2023 Vetoed Bills

- SB 257 (Portantino)
- SB 694 (Eggman)
- AB 608 (Schiavo)
- AB 1060 (Ortega)
- AB 1202 (Lackey)
- AB 931 (Irwin)
- AB 576 (Weber)
- AB 1085 (Maienschein)
- AB 1451 (Jackson)

Information in this document is subject to change as bills proceed through the legislative process.

ACAP: Association for Community Affiliated Plans
CAHP: California Association of Health Plans
CalPACE: California PACE Association
LHPC: Local Health Plans of California
NPA: National PACE Association
SNP Alliance: Special Needs Plan Alliance

Last Updated: August 25, 2024

2024 Federal Legislative Dates

January 8	118th Congress, 2nd Session convenes
August 5–September 6	Summer recess
September 30–November 11	Fall recess
December 20	118th Congress adjourns

Source: Floor Calendars, United States Congress: <https://www.congress.gov/calendars-and-schedules>

2024 State Legislative Dates

January 3	Legislature reconvenes
January 10	Proposed budget must be submitted by Governor
January 12	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2023
January 19	Last day for any committee to hear and report to the floor any bill introduced in that house in 2023
January 31	Last day for each house to pass bills introduced in that house in 2023
February 16	Last day for legislation to be introduced in 2024
March 21–March 30	Spring recess
April 26	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2024
May 3	Last day for policy committees to hear and report to the Floor any non-fiscal bills introduced in that house in 2024
May 17	Last day for fiscal committees to hear and report to the Floor any bills introduced in that house in 2024
May 20–24	Floor session only
May 24	Last day for each house to pass bills introduced in that house in 2024
June 15	Budget bill must be passed by midnight
July 3	Last day for policy committees to hear and report bills in their second house to fiscal committees or the Floor
July 3–August 4	Summer recess
August 16	Last day for fiscal committees to report bills in their second house to the Floor
August 19–31	Floor session only
August 23	Last day to amend bills on the Floor
August 31	Last day for each house to pass bills; final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature

Source: 2024 Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

About CalOptima Health

CalOptima Health is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities. As Orange County's community health plan, our mission is to serve member health with excellence and dignity, respecting the value and needs of each person. We provide coverage through three major programs: Medi-Cal, OneCare (HMO D-SNP) and the Program of All-Inclusive Care for the Elderly (PACE).

Fiscal Year 2024–25 Enacted State Budget

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Background

On January 10, Gov. Gavin Newsom unveiled his Fiscal Year (FY) 2024–25 Proposed State Budget. With a spending plan of \$291.5 billion (\$223.6 billion General Fund [GF]), the governor predicted a budget deficit of \$37.9 billion – about half the \$68 billion initially projected by the Legislative Analyst’s Office last year. Gov. Newsom attributed the past two years’ shortfall to stock market declines in 2022, driving down revenue and delays in income tax collection. Most proposed budget solutions included reserve withdrawals, loans, fund shifts, and spending delays and deferrals.

To immediately address some of the budget deficit, the administration and California State Legislature attempted to minimize \$17.3 billion of the overall shortfall by taking “early action” in April via a limited budget agreement that included some spending cuts that largely avoided health care programs.

Despite efforts in the early budget deal, revenues continued to come in below projections and further increase the deficit by an estimated \$7 billion for a new remaining total of \$27.6 billion. On May 10, Gov. Newsom released his May Revision to the Proposed State Budget, which largely reversed an agreement to fund Medi-Cal provider rate increases using Managed Care Organization (MCO) tax dollars. The May Revision also proposed several additional spending reductions to health care programs to address both the near-term budget deficit and look beyond FY 2024-25 in hopes of achieving positive operating reserves in the future. On May 29, leaders from both houses of the Legislature released a joint counterproposal to the May Revision, which would have instead delayed future rate increases funded by MCO tax revenues by one-year year from January 1, 2025, to January 1, 2026, rather than eliminate them. On June 13, the State Senate and State Assembly both passed its counterproposal (Assembly Bill [AB] 107) as a placeholder budget to meet the constitutional deadline while negotiations with the governor remained ongoing.

On June 22, Gov. Newsom and legislative leaders announced that a final budget agreement had been reached. After both houses of the Legislatures passed the agreed-upon budget revisions as Senate Bill (SB) 108 on June 26, Gov. Newsom signed both AB 107 and SB 108 into law. Additionally, the governor signed the MCO Tax Trailer Bill (AB 160) and consolidated Health Trailer Bill (SB 159) on June 29, containing policy changes needed to implement health-related budget expenditures. Together, these bills represent the FY 2024-25 Enacted State Budget.

Overview

The final budget agreement includes obligations to support further resilience by adding financial protection so that the state doesn't overcommit anticipated revenues until it has been completely realized. The enacted budget eliminates the projected FY 2024-25 shortfall of approximately \$45 billion and the FY 2025-26 shortfall of over \$30 billion through a combination of spending cuts, fund shifts, delays, deferrals and reserves, including utilizing approximately half of the Rainy Day Fund over the next two budget years. Another goal of the final budget agreement is to strengthen the Rainy Day Fund by increasing the maximum limit from 10% to 20% of GF tax revenue, subject to future voter approval, and creating a new "Projected Surplus Temporary Holding Account."

The final Medi-Cal budget includes \$161 billion (\$35 billion GF) to cover a projected 14.5 million beneficiaries in FY 2024-25 – more than one-third of the state's population.

MCO Provider Tax

The FY 2024-25 Enacted Budget restores several MCO tax investments for future Medi-Cal provider rate increases that were proposed to be eliminated in the governor's May Revision. The final agreement includes \$133 million in FY 2024-25, \$728 million in FY 2025-26 and \$1.2 billion in FY 2026-27 in addition to the approximately \$300 million in provider rate increases that already became effective January 1, 2024, and will be maintained. However, total investments are less and partially redistributed compared with the original agreement reached with the MCO tax coalition last year. Some increases will still be effective on January 1, 2025, some will be delayed until January 1, 2026, and others have been eliminated. Additional provider types not included in the MCO tax coalition will now also receive a portion of the investments, further reducing total funding for the originally included provider types.

Effective **January 1, 2025**, Medi-Cal rate increases apply to:

- Emergency Department Physician Services (\$100 million)
- Abortion Care and Family Planning (\$90 million)
- Ground Emergency Medical Transportation (\$50 million)
- Air Emergency Medical Transportation (\$8 million)

- Community-Based Adult Services (\$8 million)
- Congregate Living Health Facilities (\$8 million)
- Pediatric Day Health Centers (\$3 million)
- Community Health Workers to achieve 100 percent of Medicare rate

Effective **January 1, 2026**, Medi-Cal rate increases apply to:

- Physician/Non-Physician Professional Health Services (\$753 million)
 - » Evaluation & Management Codes for Primary Care and Specialist Office Visits, Preventative Services and Care Management (95% of Medicare rate)
 - » Obstetric Services (95% of Medicare rate)
 - » Non-Specialty Mental Health Services (87.5% of Medicare rate)
 - » Vaccine Administration (87.5% of Medicare rate)
 - » Vision (Optometric Services (87.5% of Medicare rate)
 - » Other Evaluation & Management Codes (80% of Medicare rate)
 - » Other Procedure Codes commonly utilized by Primary Care, Specialist and Emergency Department Providers (80% of Medicare rate)
- Private Duty Nursing (\$62 million)
- Federally Qualified Health Centers (FQHCs)/Rural Health Clinics (RHCs) (\$50 million)
- Non-Emergency Medical Transportation (\$25 million)

The final agreement allows the California Department of Health Care Services (DHCS) to develop specific rate increase methodologies and supplemental payment amounts, particularly for 2025 investments.

Additional MCO tax investments include \$145.4 million in FY 2024-25 to sustain Proposition 56-funded payments to address revenue decline and \$40 million in FY 2026-27 for Medi-Cal workforce development through the California Department of Health Care Access and Information (HCAI). The final agreement also includes funding to enact continuous Medi-Cal eligibility for children 0-5, effective January 1, 2026. Notably, if Proposition 35 ("Protect Access to Care" MCO Tax Initiative) is approved by voters in the November 5, 2024, general election, the aforementioned provisions relating to the MCO provider tax will be inoperable since both are not financially sustainable.

CalOptima Health Budget and Provider Rate Increase

CalOptima Health developed our proposed FY 2024-25 operating budget factoring in assumptions related to Medi-Cal program and policy changes, including the state budget. On May 2, the CalOptima Health Board of Directors approved an investment of **\$526 million** to increase rates paid to delegated networks, hospitals, physicians, community clinics, behavioral health providers and ancillary services providers. It is the largest provider rate increase of its kind in our nearly 30-year history. This unprecedented investment is intended to support timely access to critical health care services for members and promote longer-term financial stability of the managed care network over a 30-month period from July 2024 to December 2026. The uncertain nature of the state budget negotiations underscores why CalOptima Health's action to deliver our own separate provider rate increase is so significant.

Continuing Priorities in Medi-Cal

The enacted state budget continues to reflect funding for Medi-Cal benefits that were initially proposed to be eliminated in the May Revision. Key investments that have been protected include but are not limited to:

- Full-scope Medi-Cal coverage and In-Home Supportive Services (IHSS) for all ages, regardless of immigration status.
- **Adult Acupuncture** as a Medi-Cal covered benefit.
- Continued funding for **Health Enrollment Navigators** at clinics, but not at other entities. This does not impact CalOptima Health's own reserve-funded grants for community enrollers.
- **Free Clinics Augmentation** funding.
- Nearly all funding for the **Multifamily Housing Program**.

In addition, the final budget includes \$230 million (\$115 million GF) for a new directed payment program for children's hospitals to support critically ill children.

Significant Adjustments to Programs

To address the projected budget shortfall, the final budget includes several adjustments in the form of delays, triggers and reductions to certain programs and legislation that has not been implemented. Key program adjustments include but are not limited to:

- \$39 million savings in the **Naloxone Distribution Project** from lower naloxone drug costs due to

Medi-Cal Rx, while adding \$8.3 million in special funds to expand the distribution of naloxone. This does not impact CalOptima Health's own reserve-funded naloxone distribution initiative.

- Reduced funding for **Equity and Practice Transformation (EPT) Program** payments by \$111.3 million, which will eliminate the remaining funding for the program but preserve funding previously included in the 2022 Budget Act.
- Reverts all unexpended funds for the **Clinic Workforce Stabilization & Retention Payment Program**.
- Reduces or eliminates funding for several elements of the **Children and Youth Behavioral Health Initiative** (CYBHI), as follows:
 - » Eliminates funding for school-linked partnership and capacity grants for community colleges, University of California and California State University systems.
 - » Eliminates funding for the services and supports platform.
 - » Reduces funding for the public education and change campaign.
 - » Allows school districts to use a third-party administrator and/or managed care plans directly for billing related to the school-linked fee schedule.
 - » Despite overall reductions, allocates new funding to establish the **wellness coach** benefit, effective January 1, 2025, to provide wellness promotion, education, screening, care coordination, individual and group support, and crisis referral in school-linked settings and across the Medi-Cal behavioral health delivery system.
- Reduces some funding for state and local public health.
- Reverts \$450.7 million from the last round of the **Behavioral Health Continuum Infrastructure Program**, which leaves \$1.75 billion to support existing projects.
- Reduces and delays funding for **Behavioral Health Bridge Housing** by one year from FY 2024-25 until FY 2025-26.
- Ends continued funding for the **Medication Assisted Treatment** program, which funds startup grants for new treatment facilities.

Next Steps

State agencies, including DHCS, will begin implementing the policies included in the enacted budget. Staff will continue to monitor these policies and provide updates regarding issues that have a significant CalOptima Health impact. In addition, the Legislature will continue to advance policy bills through the legislative process. Bills with funding allocated in the enacted budget are more likely to be passed and signed into law. The Legislature has until August 31 to pass legislation, and Gov. Newsom has until September 30 to either sign or veto that passed legislation.

About CalOptima Health

CalOptima Health, a county organized health system (COHS), is the single plan providing guaranteed access to Medi-Cal for all eligible individuals in Orange County and is responsible for almost all medical acute services, including custodial long-term care. CalOptima Health is governed by a locally appointed Board of Directors, which represents the diverse interests that impact Medi-Cal.

If you have any questions, please contact GA@caloptima.org.



CalOptima Health Community Outreach Summary — August and September 2024

Background

CalOptima Health is committed to serving the community by sharing information with current and potential members and strengthening relationships with community partners. To this end, our team attends community coalitions, collaborative meetings and advisory groups as well as supports our community partners' public activities. Participation includes providing Medi-Cal educational materials and, if criteria is met, financial support and/or CalOptima Health-branded items.

CalOptima Health's participation in public activities promotes:

- Member interaction/enrollment in a CalOptima Health program
- Community awareness of CalOptima Health
- Partnerships that increase positive visibility and relationships with community organizations

Community Outreach Highlight

CalOptima Health is highly invested in serving our members and stakeholders in the communities where our members live, work, learn and play. This past fiscal year 2023-2024, CalOptima Health participated in 232 community health and resource fairs throughout the county as an opportunity to engage with our members and stakeholders and share information about Medi-Cal programs, services and new initiatives. Additionally, \$152,150 in financial support was provided via sponsorships and registration fees to community stakeholders in support of their events.

In addition to attending community events, CalOptima Health led and co-hosted 10 Community Resource Fairs to promote Medi-Cal Redetermination, CalFresh and most recently Medi-Cal expansion. Through these events, 12,402 CalOptima Health members and community members were served, 141 Medi-Cal and CalFresh applications were approved, and 33 EBT cards were issued. Through the collaboration with the County of Orange Social Services Agency and our community partners, Medi-Cal and CalFresh enrollment was provided onsite, mobile health services, food and diaper distributions were provided and community resources were shared to support our members' comprehensive needs. These partnerships with community stakeholders throughout the county have been vital to the success of our events.

Additionally, with the new law regarding Medi-Cal expansion that came into effect on January 1, 2024, outreach and engagement has been crucial with increasing awareness and enrollment in Medi-Cal for potentially eligible members. CalOptima Health will continue to expand our footprint in the county as we enter the new fiscal year.

Summary of Public Activities

As of August 9, CalOptima Health plans to participate in, organize or convene 75 public activities in August and September. In August, there were 46 public activities, including 16 virtual community/collaborative meetings, one community-based presentation, 27 community events, one Cafecito and one Health Network Forum. In September, there will be 29 public activities, including 15 virtual community/collaborative meetings, two community-based presentations, 11 community events and one Health Network Forum. A summary of the agency's participation in community events throughout Orange County is attached.

Endorsements

CalOptima Health provided three endorsements since the last reporting period (e.g., letters of support, program/public activity events with support or use of name/logo). Endorsement requests must meet the requirements of CalOptima Health's Policy AA.1214: Guidelines for Endorsements by CalOptima Health, for Letters of Support and Use of CalOptima Health's Name and Logo. More information about policy requirements can be found at:

<https://www.caloptima.org/en/About/CommunityRelations/CommunityOutreach.aspx>.

1. Letter of support for Hurtt Family Health Clinic's application for the Health Resources and Services Administration Behavioral Health Service Expansion.
2. Letter of support for Livingstone Community Development for their Fullerton health center to deliver and expand affordable, accessible and high-quality health care for underserved communities.
3. Letter of support for Families Together of Orange County and their application to Health Resource and Service Administration (HRSA) for the New Access Point (NAP).

For additional information or questions, contact CalOptima Health Community Relations Director Tiffany Kaaikamanu at 714-222-0637 or tkaaiakamanu@caloptima.org.

Community events hosted by CalOptima Health and community partners in July and August 2024:

August 2024



August 2, 5–8 p.m., Back-to-School Event, hosted by Councilmember Jesse Lopez

Santa Ana Zoo, 1801 E. Chestnut Ave., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 3, 5–8 p.m., Community Event, hosted by Eli Home

Eli Everything and More Store, 1175 N. East St., Anaheim

- Sponsorship fee: \$2,500; included a resource fair booth and logo on event flyer.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 3, 9 a.m.–1 p.m., Back-to-School Health and Wellness Fair, hosted by CalOptima Health in collaboration with the Orange County Department of Education

Columbus Tustin Park, 14712 Prospect Ave., Tustin

- At least sixty staff members attended (in person).
- Health/resource fair, open to the public.



August 3, 9 a.m.–1 p.m., OC Health Fair, hosted by the Korean American Medical Association of Southern California

Buena Park Senior Center, 8150 Knott Ave., Buena Park

- Sponsorship fee: \$3,000; included a resource fair booth.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 4, 9 a.m.–1 p.m., Community Resource Fair, hosted by the Coalition of Community Health Centers

Mile Square Park- Freedom Hall, 16801 Euclid St., Fountain Valley

- Sponsorship fee: \$25,000; included a speaking opportunity and a resource fair booth.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 6, 5–8 p.m., National Night Out, hosted by the Garden Grove Police Department

Garden Grove Police Department, 11301 Acacia Parkway, Garden Grove

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



August 7, 10 a.m.–2 p.m., Back-to-School Backpack Giveaway, hosted by the Delhi Center

Delhi Center, 505 E. Central Ave., Santa Ana

- Sponsorship fee: \$1,000; included logo on the event flyer, display our partnership at event, and a resource fair booth.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 10, 10 a.m.–2 p.m., Caregiver Resource Fair, hosted by the Office of Congressman Lou Correa

Downtown Anaheim Community Center, 250 E. Center St., Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 10, 9 a.m.–2 p.m., Back-To-School Wellness Fair, hosted by Camino Health Center

Camino Health Center, 22481 Aspan St., Lake Forest

- Sponsorship fee: \$25,000; included resource booth at event and logo on event flyer.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 10, 10 a.m.–2 p.m., 2 Annual Back 2 School Bash, hosted by the City of Anaheim Councilmember Carlos Leon

James Madison Elementary School, 1510 S. Nutwood St., Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 10, 11 a.m.–2 p.m., Back to School, hosted by Northgate Gonzalez Market

Northgate Gonzalez Market, 770 S. Harbor Blvd., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 13, 11 a.m.–1 p.m., CalOptima Health Medi-Cal Overview in English

Trinity Cristo Rey Lutheran Church, 902 S. Broadway, Santa Ana

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.



August 13, 5–6:30 p.m., Back to School Night, hosted by W.R. Nelson Elementary School

W.R. Nelson Elementary School, 14392 Browning Ave., Tustin

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



August 14, 10 a.m.–1 p.m., Backpacks for Success, hosted by the City of Placentia

Whitten Community Center, 900 S. Melrose St., Placentia

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 14, 6–8 p.m., Family Night, hosted by Santa Ana College

Santa Ana College, 1530 W. 17th St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 16, 10 a.m.–2 p.m., Annual Senior Wellness Fair, hosted by Moving Forward Institute, Inc.

Kiwanisland, 9840 Larson Ave., Garden Grove

- Sponsorship fee: \$2,500; included a speaking opportunity, panel speaker in the event's forum, recognition on social media and website, and a resource fair booth.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 17, 9 a.m.–Noon, 30 Annual Super Senior Saturday, hosted by the City of Buena Park

Buena Park Senior Activity Center, 8150 Knott Ave., Buena Park

- Registration fee: \$300; included two exhibitor booths.
- At least two staff members attended (in person).
- Health/resource fair, open to the public.



August 17, 11 a.m.–3 p.m., Resource Fair, hosted by the City of Santa Ana Councilmember Phil Bacerra

Adams Park, 2302 S. Raitt St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 17, 9 a.m.–Noon, Annual Summer Care Fair, hosted by the Orange County Department of Child Support Services

Orange County Department of Child Support Services, 1055 N. Main St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 17, 9 a.m.–Noon, Summer Block Party, hosted by the Cambodian Family Community Center

Cambodian Family Community Center, 1626 E. 4th St., Santa Ana

- Sponsorship fee: \$2,500; included a resource fair booth and logo on event flyer.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



August 19, 9 a.m.–1 p.m., Federal Resource Fair, hosted by the Office of Congresswoman Young Kim

Laguna Woods Village, 24351 El Toro Rd., Laguna Woods

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 22, 4:30–6 p.m., Anaheim Mobile FRC, hosted by the Anaheim Neighborhood and Human Services

Philadelphia/Olive, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 22, 4–7 p.m., Back-to-School Night, hosted by Garfield Elementary School

Garfield Elementary School, 850 E. Brown St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 22, 4–7 p.m., Back-to-School Night, hosted by Sycamore Elementary School

Sycamore Elementary School, 340 N. Main St., Orange

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 27, 9–10:30 a.m., Cafecito Meeting, hosted by CalOptima Health

Virtual

- At least eight staff members attended.
- Steering committee meeting, open to collaborative members.



August 27, 11 a.m.–2 p.m., Health Fair, hosted by Irvine Valley College

Irvine Valley College, 5500 Irvine Center Dr., Irvine

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



August 29, 5–8 p.m., Independent City, hosted by Orangewood Foundation

Pretend City Children's Museum, 29 Hubble, Irvine

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

September 2024



September 4, 4:45–6:45 p.m., Back-to-School Night, hosted by Hope School

Hope School, 7901 Knott Ave., Buena Park

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



September 6, 8 a.m.–3:15 p.m., Alzheimer’s Research Disease Conference, hosted by UCI Institute for Memory Impairments and Neurological Disorders

Hilton Irvine Orange County Airport, 18800 MacArthur Blvd., Irvine

- Sponsorship fee: \$3,000; includes four general admission tickets, placement of logo and website link on event website, signage and a resource fair booth.
- At least four staff members to attend (in person).
- Health/resource fair, open to the public.



September 7, 10 a.m.–2 p.m., Wings of Hope Mental Health and Wellness Fair, hosted by Councilmember Natalie Rubalcava

Pearson Park, 400 N. Harbor Blvd., Anaheim

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 7, 11 a.m.–3 p.m., Tustin Police Department Open House, hosted by the Tustin Police Department

Tustin Civic Center, 300 Centennial Way, Tustin

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 12, 9:30 a.m.–4:15 p.m., California Recuperative Care Symposium, hosted by the National Health Care Center for the Homeless Council

Hilton Arden West, 2200 Harvard St., Sacramento

- Sponsorship fee: \$2,500; includes recognition on symposium webpage, symposium registrations, logo and name placement in all symposium related emails, pre and post symposium acknowledgement on social media, logo visibility on site, in program and printed and digital signage. Opportunity to provide materials for attendees in tote bags, and post symposium attendee list.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 14, 9:30 a.m.–4:15 p.m., Active Living Expo, hosted by the Huntington Beach Council on Aging

Senior Center in Central Park, 18041 Goldenwest St., Huntington Beach

- Sponsorship fee: \$1,000; includes a resource table and a quarter page ad in the program.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 16, 11 a.m.– Noon, CalOptima Health Medi-Cal Overview in English

Community Health Enrichment Collaborative (CHEC) Family Resource Center, Virtual

- At least one staff member to present.
- Community-based organization presentation, open to members/community.



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



September 18, 10 a.m.–2 p.m., Community Event, hosted by Equus Workforce Solutions

Downtown Anaheim Community Center, 120 N. Janss St., Anaheim

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 20, 9 a.m.–4 p.m., 8th Annual Orange County Regional Network Conference, hosted by Vision y Compromiso

San Bonifacio Church, 120 N. Janss St., Anaheim

- Sponsorship fee: \$1,000; includes a resource table.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 20, 9 a.m.–Noon, Healthy Living Expo, hosted by the City of Irvine

Lakeview Senior Center, 20 Lake Rd., Irvine

- Registration fee: \$325; includes an exhibitor booth.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 21, 7–11 a.m., Bike Ride to Raise Prostate Cancer Awareness, hosted by Orange County Supervisor Doug Chaffee

Craig Regional Park, 3300 N. State College Blvd., Fullerton

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



September 26, 8:30 –9:30 a.m., CalOptima Health Medi-Cal Overview in Spanish

Garfield Elementary School, 850 E. Brown St., Santa Ana

- At least one staff member to present (in person).
- Community-based organization presentation, open to members/community.



September 28, 1–5 p.m., Embrace Aging Expo, hosted by the Westminster Senior Center

Westminster Senior Center, 8200 Westminster Blvd., Westminster

- Registration fee: \$190; includes an exhibitor booth.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.

These sponsorship request(s) and community event(s) met the requirements of CalOptima Health Policy AA.1223: Participation in Community Events Involving External Entities. More information about policy requirements can be found at:

<https://www.caloptima.org/en/About/CommunityRelations/CommunityOutreach.aspx>



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024 **Regular Meeting of the CalOptima Health Board of Directors**

Report Item

13. Authorize Actions Related to Contracting for Physician Administered Drugs

Contacts

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

Recommended Actions

1. Authorize the Chief Executive Officer, or designee, to negotiate and execute Ancillary Services Contracts and amendments to contracts with clinical pharmacies for the reimbursement of physician administered drugs as a medical benefit, effective on or after October 1, 2024.
2. Authorize unbudgeted expenditures in an amount up to \$57,000 from existing reserves to fund the contracts with clinical pharmacies through June 30, 2025.

Background and Discussion

The Department of Health Care Services (DHCS) transitioned Medi-Cal pharmacy services from the managed care delivery system to the fee-for-service (FFS) delivery system known as Medi-Cal Rx, effective January 1, 2022. DHCS clarified that managed care plans (MCPs), like CalOptima Health, must cover and reimburse certain physician administered drugs (PADs) as a medical benefit. As a result, the Medi-Cal Rx program denies PADs and advises clinical pharmacies to bill the member's MCP.

Currently, CalOptima Health does not have established contracts with clinical pharmacies for PADs. Without established contracts, CalOptima Health must reimburse clinical pharmacies for PADs through single case letters of agreement. To ensure timely access and availability of PADs for CalOptima Health Medi-Cal members, staff seek to establish equitable rates and contracts with clinical pharmacies for PADs.

Therefore, staff requests authority to negotiate and execute Ancillary Services Contracts at the established rates with clinical pharmacies for the provision of PADs.

Fiscal Impact

The recommended action to implement Ancillary Services Contracts with clinical pharmacies is an unbudgeted item and has an estimated annual fiscal impact of \$76,000.

For the nine (9) month period of October 1, 2024, through June 30, 2025, the estimated impact is \$57,000. An appropriation of up to \$57,000 from existing reserves will fund this action. Staff will include updated medical expenses in future operating budgets.

Rationale for Recommendation

The above action will support continued access for Medi-Cal members to a network of pharmacies that enables members to receive necessary PADs.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Entities Covered by this Recommended Action](#)
2. [Amendment to Ancillary Services Contract for certain pharmacies](#)

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date



Attachment to the September 5, 2024, Board of Directors Meeting – Agenda Item 13

CONTRACTED/ IMPACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
California Specialty Pharmacy LLC	12110 Hadley St., Suite B.	Whittier	CA	90601
Wilshire Pharmcare dba Advanced Pharmacy Solutions	26611 Cabot Rd, Suite B.	Laguna Hills	CA	92653
Lu & Weber Corporation dba Preferred Excellent Care	10521 Garden Grove Blvd.	Garden Grove	CA	92843

AMENDMENT # TO ANCILLARY SERVICES CONTRACT

This Amendment [#] to the Ancillary Services Contract (“**Amendment**”) shall become effective on the first day of the first month following execution of this Amendment by both parties, (“**Amendment Effective Date**”), by and between Orange County Health Authority, a public agency, dba CalOptima Health (“**CalOptima**”), and [Provider Name] (“**Provider**”). CalOptima and Provider may each be referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

- A. CalOptima and Provider have entered into an Ancillary Services Contract, originally effective [effective date], (“**Contract**”), by which Provider has agreed to provide or arrange for the provision of Covered Services to Members.
- B. CalOptima and Professional desire to amend the Contract on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

- 1. Add to the Contract the new Attachment A-1, Covered Services, which is attached hereto and incorporated into the Contract by this reference.
- 2. Add to the Contract the new Attachment C-1, Compensation, which is attached hereto and incorporated into the Contract by this reference.
- 3. This Amendment may be executed in multiple counterparts and counterpart signature pages may be assembled to form a single, fully executed document. Capitalized terms not otherwise defined in this Amendment shall have the same meanings ascribed to them in the Contract.
- 4. If there is any conflict or inconsistency between this Amendment and the Contract, the provisions of this Amendment shall control and govern. Except as otherwise amended by this Amendment, all of the terms and conditions of the Contract will remain in full force and effect. After the Amendment Effective Date, any reference to the Contract shall mean the Contract as amended and supplemented by this Amendment. This Amendment is subject to approval by the Government Agencies and by the CalOptima Board of Directors.

(signature page follows)

IN WITNESS WHEREOF, the Parties have executed this Amendment.

FOR PROVIDER:

FOR CALOPTIMA:

{{_es_:signer1:signature}}

{{_es_:signer2:signature}}

Signature

Signature

{{*Name_es_:signer1 }}

{{N_es_:signer2:fullname }}

Print Name

Print Name

{{*_es_:signer1:title }}

{{*_es_:signer2:title }}

Title

Title

{{*_es_:signer1:date }}

{{*_es_:signer2:date }}

Date

Date

ATTACHMENT A-1
COVERED SERVICES

ARTICLE 1
CALOPTIMA PROGRAMS

- 1.1 CalOptima Programs. Provider shall furnish Covered Services to eligible Members in the following CalOptima Programs:

 X Medi-Cal Program
 Medicare Advantage Program (OneCare)
 PACE Program

ARTICLE 2
DEFINITIONS

- 2.1 Definitions. As used in this Attachment A-1, the capitalized words or phrases not otherwise defined in this Contract shall have the meanings set forth as follows:

2.1.1 “**Administration Fee**” means the rate associated with the administration of the injection and/or physician-administrated drug.

2.1.2 “**Physician Administered Drugs (PADs)**” means drugs that are administered or dispensed by a health care professional outside of a pharmacy setting, such as in physician’s offices, clinics, or hospital outpatient facilities and are non-self-administered by a patient or caregiver. As such, PADs dispensed or administered outside of a pharmacy setting are considered a medical benefit.

ARTICLE 3
SERVICES

- 3.1 Scope of Covered Services. “Covered Services” as referred to in this Contract means those items and services as defined under applicable CalOptima Programs and CalOptima Policies and required to be furnished under this Contract, and provided to Members who are authorized to receive such items and services including:

Physician Administered Drugs (PADs)

ATTACHMENT C-1
COMPENSATION

1. Upon submission of a Clean Claim, CalOptima shall pay Provider pursuant to this Contract, CalOptima Policies, Government Contracts, and applicable laws, and Provider shall accept as payment in full from CalOptima for services provided under this Contract the amounts set forth in this Attachment C-1.

2. **Payment.**

2.1. **Medi-Cal.**

- 2.1.1 For Covered Services provided to Medi-Cal Members, CalOptima shall reimburse Provider the lesser of:

2.1.1.1 Providers full billed charges; or

2.1.1.2 [REDACTED] of the Current Medi-Cal Fee Schedule, as defined in CalOptima's Policies, in effect for the date of service, less Administration Fee.

- 2.1.2 Exception: For the drugs listed below, CalOptima shall reimburse [REDACTED]

HCPCS code	Description
J0775	Injection, collagenase, clostridium histolyticum, 0.01 mg
J0897	Injection, denosumab, 1 mg
J1439	Injection, ferric carboxymaltose, 1 mg
J1459	Injection, immune globulin (Privigen), intravenous, non-lyophilized (e.g., liquid), 500 mg
J3490	Unclassified Drugs ¹
J3590	Unclassified Biologics ¹
J3591	Unclassified Drug or Biological, ESRD ¹
J7197	Antithrombin III (human), per IU ¹
J7324	Hyaluronan or derivative, Orthovisc, for intra-articular injection per dose
J7325	Hyaluronan or derivative, synvisc or synvisc-one, for intra-articular injection, 1 mg
J9202	Goserelin acetate implant, per 3.6 mg
J9035	Injection, bevacizumab, 10 mg

¹ Should an unclassified drug or biological be reclassified, the drug or biological shall be reimbursed [REDACTED]

- 2.1.4 Claims Requirements. Provider shall submit all Claims to CalOptima, and CalOptima shall pay all Claims, in accordance with Medi-Cal billing rules, guidelines, and payment policies. Services not contained in the Current Medi-Cal Fee Schedule at the time of service are not reimbursable under this Contract.
- 2.1.5 Services with Unestablished Fees. If a fee has not been established by Medi-Cal, when providing services to a Medi-Cal Member, for a particular procedure and CalOptima has provided Authorization for Provider to provide such service, CalOptima shall reimburse Provider under the following guidelines:
- 2.1.5.1 “By Report & Unlisted” codes that CalOptima has provided Authorization for Provider to provide such services will be paid according to Medi-Cal billing rules and guidelines. When billing CalOptima for these codes, Provider shall include documentation of Covered Services provided, as required by this Contract, CalOptima Policies, and applicable laws.

2.2. OneCare.

[Not applicable to this contract]

2.3. PACE.

[Not applicable to this contract]

3. **Payment Procedures.**

- 3.1 Health Network. If a Health Network is financially responsible under its contract with CalOptima for the services a Provider rendered to a Member, Provider shall look solely to Health Network for payment for those services, and CalOptima and Member shall not be liable to Provider for those services.
- 3.2 Claims Submission. Provider shall submit to CalOptima an accurate, complete, descriptive, and timely Claim that includes the Member’s name and identification number, description of services, and date(s) of service. Provider may not submit a Claim before the delivery of service. In accordance with CalOptima Policies, Provider shall submit all Claims electronically or by mail to CalOptima at Attention: Accounting Department, 505 City Parkway West, Orange, CA 92868. Provider is solely responsible for reimbursing its Contracted Providers for providing Covered Services for Provider under this Contract and shall ensure that all Contracted Providers agree to accept payment from Provider as payment in full for Covered Services provided to Members.
- 3.3 Payment Codes and Modifiers. Provider shall utilize current payment codes and modifiers for Medi-Cal or Medicare, as applicable, when billing CalOptima. CPT or HCPC codes

not contained in the Medi-Cal or Medicare fee schedule, as applicable, at the time of service are not reimbursable.

- 3.4 Claims Requiring Additional Justification. If the billed charges are determined to be unallowable, in excess of usual and customary charges, or inappropriate pursuant to a medical review by CalOptima, CalOptima will contact Provider for additional justification, and these will be handled on a case-by-case basis.
- 3.5 Prompt Payment. CalOptima shall make payments to Provider in the time and manner set forth in CalOptima Policies and applicable laws.
- 3.6 Claims Deficiencies. CalOptima shall deny payment for any Claim that fails to meet requirements set forth in CalOptima Policies and applicable laws for Claims processing, and CalOptima shall notify Provider of any denial pursuant to CalOptima Policies and applicable laws.
- 3.7 Claims Auditing. Provider acknowledges CalOptima's right to conduct post-payment billing audits under this Contract. Provider and its Contracted Providers will cooperate with CalOptima's audits of Claims and payments by providing access at reasonable times to requested Claims information, all supporting records and other related data. CalOptima will use established industry standards and federal and State guidelines to determine the appropriateness of the billing, coding, and payment. This section will survive any termination of the Contract.
- 3.8 Crossover Claims. The Medi-Cal reimbursement rates in this Contract will not apply to Crossover Claims for Dual Eligible Members. For Crossover Claims, CalOptima will reimburse Provider in accordance with CalOptima Policies, Government Contracts, Medi-Cal and Medicare program requirements, and state and federal laws and regulations. California law limits Medi-Cal program reimbursement for a Crossover Claim to an amount that, when combined with the Medicare or OHC payment, does not exceed Medi-Cal's maximum allowed for similar services as required by Welfare and Institutions Code § 14109.5. **"Crossover Claim(s)"** means claims for Dual Eligible Members where Medi-Cal is the secondary payer and Medicare or OHC is the primary payor for dates of service during which the Dual Eligible Member was not assigned to one of CalOptima's programs. **"Dual Eligible Members"** are Members who are eligible for both Medicare or OHC and Medi-Cal benefits.

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

14. Authorize Amendments to the CalOptima Health Ancillary Fee-For-Service Contracts for Dialysis Services

Contacts

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

Recommended Actions

1. Authorize the Chief Executive Officer, or designee, to negotiate and execute rate amendments to the CalOptima Health Ancillary Fee-For-Service provider contracts for dialysis services for the Medi-Cal, OneCare, and Program of All-Inclusive Care for the Elderly programs, effective on or after September 5, 2024; and
2. Authorize unbudgeted expenditures in an amount up to \$6.6 million from existing reserves to fund the amendments through June 30, 2025.

Background and Discussion

CalOptima Health currently contracts with outpatient dialysis ancillary providers on a fee-for-service (FFS) basis for the Medi-Cal, OneCare, and Program of All-Inclusive Care for the Elderly (PACE) programs to render outpatient hemodialysis, continuous cycler-assisted peritoneal dialysis, continuous ambulatory peritoneal dialysis, and training to CalOptima Health members diagnosed with end stage renal disease (ESRD). These contracts are extended to providers who successfully meet all CalOptima Health's credentialing and participation requirements.

CalOptima Health seeks to ensure continued access for CalOptima Health members diagnosed with ESRD to a comprehensive network of dialysis ancillary providers that provide critical lifesaving outpatient dialysis services safely and securely at the centers and at home. In support of ensuring access to critical lifesaving services, staff believe it is necessary to establish rates that are equitable for dialysis providers.

Staff requests authority to negotiate and amend ancillary contracts that align rates with the local market.

Fiscal Impact

The recommended action to amend rates to FFS outpatient dialysis ancillary providers for all lines of business has an estimated annual fiscal impact of \$8.8 million.

The Fiscal Year 2024-25 Operating Budget included \$700,000 for anticipated dialysis provider rate increases. An appropriation of approximately \$6.6 million in existing reserves will fund the unbudgeted net expenses for the ten (10) month period of September 5, 2024, through June 30, 2025. Staff will include updated medical expenses in future operating budgets.

Rationale for Recommendation

The requested action will support continued access for CalOptima Health members to a comprehensive network of outpatient and home hemodialysis ancillary providers who render critical lifesaving dialysis services.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

[Attachment 1. Generic Ancillary Services Amendment_Dialysis COBAR_Redacted](#)

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

**AMENDMENT [XX] to
ANCILLARY SERVICES CONTRACT**

This Amendment [XX] to the Ancillary Services Contract (“**Amendment**”) is effective as of [insert date] (“**Amendment Effective Date**”), by and between Orange County Health Authority, a public agency, dba CalOptima Health (“**CalOptima**”), and [provider name] (“**Provider**”). CalOptima and Provider may each be referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

- A. CalOptima and Provider have entered into an Ancillary Services Contract, originally effective [insert date], (“**Contract**”), under which Provider has agreed to provide or arrange for the provision of Covered Services to Members.
- B. The Parties desire to amend the Contract as provided herein.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

- 1. Delete Attachment [X], Compensation, of the Contract in its entirety and replace it with Attachment [X], Compensation, attached to this Amendment and incorporated into the Contract by this reference.

This Amendment may be executed in multiple counterparts and counterpart signature pages may be assembled to form a single, fully executed document. Capitalized terms not otherwise defined in this Amendment shall have the same meanings ascribed to them in the Contract.

If there is any conflict or inconsistency between this Amendment and the Contract, the provisions of this Amendment shall control and govern. Except as otherwise amended by this Amendment, all of the terms and conditions of the contract will remain in full force and effect. After the Amendment Effective Date, any reference to the Contract shall mean the Contract as amended and supplemented by this Amendment. This Amendment is subject to approval by the Government Agencies and by the CalOptima Board of Directors.

IN WITNESS WHEREOF, the Parties have executed this Amendment.

FOR PROVIDER:

Signature

Print Name

Title

Date

FOR CALOPTIMA:

Signature

Print Name

Title

Date

ATTACHMENT X
COMPENSATION

1. Upon submission of a Clean Claim, CalOptima shall pay Provider pursuant to this Contract, CalOptima Policies, Government Contracts, and Laws, and Provider shall accept as payment in full from CalOptima for services provided under this Contract the amounts set forth in this Attachment X.
2. **Payment.**
 - 2.1. **Medi-Cal.**
 - 2.1.1 For Covered Services provided to Medi-Cal Members, CalOptima shall reimburse Provider the lesser of:
 - 2.1.1.1 Providers full billed charges; or
 - 2.1.1.2 [REDACTED]
 - 2.1.2 *Claims Requirements.* Provider shall submit all Claims to CalOptima, and CalOptima shall pay all Claims, in accordance with Medicare billing rules, guidelines, and payment policies. Services not contained in the Current Medicare Fee Schedule at the time of service are not reimbursable under this Contract.
 - 2.1.3 *Sequestration.* If CMS reduces payment to CalOptima under the CMS Contract by more than two percent (2%) at any time during the Term, CalOptima may, upon written notice to Provider, reduce payment to Provider under this Attachment [X] by the same percentage that CMS reduced payment to CalOptima. This provision applies each time CMS reduces payment to CalOptima by more than two percent (2%) during the Term.
 - 2.2. **OneCare.**
 - 2.2.1 For Covered Services provided to OneCare Members, CalOptima shall reimburse Provider the lesser of:
 - 2.2.1.1 Providers full billed charges; or
 - 2.2.2.1 [REDACTED]
 - 2.2.2 *Claims Requirements.* Provider shall submit all Claims to CalOptima, and CalOptima shall pay all Claims, in accordance with Medicare billing rules, guidelines, and payment policies. Services not contained in the Medicare Allowable Fee Schedule at the time of service are not reimbursable.
 - 2.2.3 *Sequestration.* If CMS reduces payment to CalOptima under the CMS Contract by more than two percent (2%) at any time during the Term, CalOptima may, upon written notice to Provider, reduce payment to Provider under this Attachment [X] by the same percentage that CMS reduced payment to CalOptima. This provision

applies each time CMS reduces payment to CalOptima by more than two percent (2%) during the Term.

2.3. PACE.

2.3.1 For Covered Services provided to PACE Members, CalOptima shall reimburse Provider the lesser of:

2.3.1.1 Providers full billed charges; or

2.3.2.1 [REDACTED]

2.2.2 *Claims Requirements.* Provider shall submit all Claims to CalOptima, and CalOptima shall pay all Claims, in accordance with Medicare billing rules, guidelines, and payment policies. Services not contained in the Medicare Allowable Fee Schedule at the time of service are not reimbursable.

2.2.3 *Sequestration.* If CMS reduces payment to CalOptima under the CMS Contract by more than two percent (2%) at any time during the Term, CalOptima may, upon written notice to Provider, reduce payment to Provider under this Attachment [X] by the same percentage that CMS reduced payment to CalOptima. This provision applies each time CMS reduces payment to CalOptima by more than two percent (2%) during the Term.

3. Payment Procedures.

3.1 Claims Submission. Provider shall submit to CalOptima an accurate, complete, descriptive, and timely Claim that includes the Member's name and identification number, description of services, and date(s) of service. Provider may not submit a Claim before the delivery of service. In accordance with CalOptima Policies, Provider shall submit all Claims electronically or by mail to CalOptima at Attention: Accounting Department, 505 City Parkway West, Orange, CA 92868. Provider is not eligible for payment on Claims submitted after ninety (90) days from the date of service, unless CalOptima is required to follow a different minimum Claims submission timeframe pursuant to Laws or Government Contracts. When CalOptima is the secondary payer, Provider is not eligible for payment for Claims submitted after ninety (90) days from the date the primary payer adjudicated the Claim, unless CalOptima is required to follow a different minimum Claims submission timeframe pursuant to Laws or Government Contracts. Provider is solely responsible for reimbursing its Contracted Providers for providing Covered Services for Provider under this Contract and shall ensure that all Contracted Providers agree to accept payment from Provider as payment in full for Covered Services provided to Members.

3.2 Payment Codes and Modifiers. Provider shall utilize current payment codes and modifiers for Medi-Cal or Medicare, as applicable, when billing CalOptima. CPT or HCPC codes not contained in the Medi-Cal or Medicare fee schedule, as applicable, at the time of service are not reimbursable.

3.3 Claims Requiring Additional Justification. If the billed charges are determined to be unallowable, in excess of usual and customary charges, or inappropriate pursuant to a

medical review by CalOptima, CalOptima will contact Provider for additional justification, and these will be handled on a case-by-case basis.

- 3.4 Prompt Payment. CalOptima shall make payments to Provider in the time and manner set forth in CalOptima Policies and Laws.
- 3.5 Claims Deficiencies. CalOptima shall deny payment for any Claim that fails to meet requirements set forth in CalOptima Policies and Laws for Claims processing, and CalOptima shall notify Provider of any denial pursuant to CalOptima Policies and Laws.
- 3.6 Claims Auditing. Provider acknowledges CalOptima's right to conduct post-payment billing audits under this Contract. Provider and its Contracted Providers will cooperate with CalOptima's audits of Claims and payments by providing access at reasonable times to requested Claims information, all supporting records and other related data. CalOptima will use established industry standards and federal and State guidelines to determine the appropriateness of the billing, coding, and payment. This section will survive any termination of the Contract.
- 3.7 Crossover Claims. The Medi-Cal reimbursement rates in this Contract will not apply to Crossover Claims for Dual Eligible Members. For Crossover Claims, CalOptima will reimburse Provider in accordance with CalOptima Policies, Laws, DHCS Contract, and Program requirements. California law limits Medi-Cal reimbursement for a Crossover Claim to an amount that, when combined with the Medicare or other health coverage ("OHC") payment, does not exceed Medi-Cal's maximum allowed for similar services as required by Welfare and Institutions Code § 14109.5. "**Crossover Claim(s)**" means claims for Dual Eligible Members where Medi-Cal is the secondary payer and Medicare or OHC is the primary payor for dates of service during which the Dual Eligible Member was not assigned to one of CalOptima's Programs. "**Dual Eligible Members**" are Members who are eligible for both Medicare or OHC and Medi-Cal benefits.

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 5, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

15. Authorize Amendment to the Wellness Prevention Foundation, dba Wellness & Prevention Center *allcove*TM South Orange County Mental Health Youth Center Grant Award Agreement

Contacts

Richard Pitts, D.O., Ph.D., Chief Medical Officer, (714) 246-8491

Carmen Katsarov, LPCC, CCM, Executive Director, Behavioral Health Integration, (714) 796-6168

Recommended Actions

1. Authorize CalOptima Health's Chief Executive Officer to amend the grant award agreement with Wellness & Prevention Foundation, dba Wellness & Prevention Center, supporting the *allcove*TM South Orange County mental health youth center to:
 - a. Extend the end date to June 30, 2028, or until completion of the grant project, whichever occurs later; and
 - b. Amend the contract terms related to outcomes reporting, grant payments, and report submissions in light of the extended end date.

Background

The Mental Health Service Oversight and Accountability Commission (MHSOAC) requested applications to award \$2,000,000 to five separate *allcove*TM projects. In May 2020, MHSOAC announced it would award five projects across California. MHSOAC awarded a total of \$2,000,000 to the University of California, Irvine (UCI) and the Wellness & Prevention Foundation, dba Wellness & Prevention Center (WPC) for Orange County to launch the first *allcove*TM South Orange County (OC) mental health youth center. The state grant funding of \$2,000,000 left a shortfall of \$2,687,528.

The *allcove*TM center is driven by a Youth Advisory Group (YAG), composed of young people from the local community who represent diversity in race, ethnicity, gender, sexual orientation, lived experience, ability, and socioeconomic status. An *allcove*TM YAG's goal is to ensure that youth voices and experiences are included in the development and services of the center. The *allcove*TM model is anticipated to offer the following services for youth (ages 12-25) with mild-to-moderate needs: (1) mental health care, (2) physical health care, (3) substance misuse support, (4) youth peer and family support, and (5) supported education and employment.

On June 1, 2023, the CalOptima Health Board of Directors (Board) authorized a four-year grant agreement with WPC effective no earlier than June 1, 2023, to support the *allcove*TM South OC mental health youth center, and authorized up to \$2.7 million from existing reserves to fund the grant agreement.

Discussion

Initially, the grant agreement was for four years from Fiscal Year (FY) 2023-24 through FY 2026-27 to allow UCI and WPC to build and provide services in the *allcove*TM South OC center by June 30, 2024.

Unfortunately, real estate barriers occurred, significantly delaying the original timeline. The **allcove™** team had selected a location to lease back in February 2023, but the lease negotiations were stalled due to the sale of the building; the new owners decided not to offer a new lease. This delay initially placed WPC behind in achieving process outcomes for the grant objectives.

In April 2024, WPC informed CalOptima Health that it was close to announcing WPC had signed a lease for a property located in San Juan Capistrano. As such, CalOptima Health worked with WPC to draft an amendment to the grant agreement to address the following items:

- Extend the end date to June 30, 2028, or until completion of the grant project, whichever occurs later;
- Revise the due dates for the grantee to meet process outcomes;
- Due to the revised end date, amend grant payments from four (4) installments to five (5), adjust grant amounts due to more installments, and add provision that ties payments with submission of acceptable progress reports, final report and attestation; and
- Due to the revised end date, revise the report submission schedule from eight (8) reports to ten (10).

Attachment 1 provides additional information on the revised amounts allocated to each funding category (as provided by the grantee) and revised reporting due dates due to the extended term of the grant agreement. There are no revisions to the funding categories, process and service outcomes descriptions, reporting requirements outside of the due dates, or to the total appropriation of up to \$2.7 million authorized by the Board on June 1, 2023.

Staff will provide oversight of the grant agreement pursuant to CalOptima Health Policy AA.1400p: Grants Management and will return to the Board to provide updates on the status of the grant and additional recommendations, if necessary.

Fiscal Impact

The grant agreement is funded by a previous Board-approved allocation of up to \$2.7 million from existing reserves at the June 1, 2023, meeting. There is no additional fiscal impact.

Rationale for Recommendation

CalOptima Health staff recommend amending the grant agreement to support CalOptima Health's mission and vision for increased options and access to integrated mental health services for youth members in South OC.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Revised Grant Funding Description and Reporting Requirements with the Wellness & Prevention Center (WPC)
2. Previous Board Action Dated June 1, 2023 “Approve Actions Related to Wellness Preventions Foundation, dba Wellness Prevention Center *allcove*TM South Orange County Mental Health Youth Center”
3. CalOptima Health Grant Agreement Wellness & Prevention Foundation (Eff 07.02.23)
4. CalOptima Health Grant Agreement Wellness & Prevention Foundation (Eff 10.01.24)DRAFT
5. Entities Covered by this Recommended Action

/s/ Michael Hunn
Authorized Signature

08/29/2024
Date

Revised Grant Funding Description and Reporting Requirements with the Wellness & Prevention Center (WPC)

Revised WPC grant funding allocation for Fiscal Year 2023-24 through 2027-28

Funding Categories	Original Allocation	Revised Allocation
Personnel (<i>Year 1 – 1.5 FTE, Year 2 – 1.0 FTE, Year 3 – 3 FTE, Year 4 – 3.5FTE</i>) <ul style="list-style-type: none"> Clinical Coordinator Project Director Youth Coordinator/Peer Support Lead - youth outreach Peer Support Specialist 	\$1,177,050	\$833,668
Office/General Administrative includes the following: <ul style="list-style-type: none"> Equipment maintenance Staff Development/Training Furniture maintenance and Rent Building Improvement Protected Health Information (PHI) / Electronic Health Records (EHR) maintenance 	\$1,099,000	\$1,485,401
Youth Materials and Advisory Expenses	\$123,500	\$85,675
Indirect Management Overhead: <ul style="list-style-type: none"> HR, Insurance, Accounting 	\$160,000	\$159,454
Miscellaneous / Unanticipated Changes (5%)	\$127,978	\$123,330
Total:	\$2,687,528	\$2,687,528

Revised Reporting Requirements

Process Outcomes	Original Due Date	Revised Due Date
1. Establish intake data collection	9/30/23	2/28/25
2. <i>allcove</i> TM South Orange County soft opening	10/1/23	5/1/25
3. Grand Opening	1/15/24	8/15/25
4. All WPC and UCI staff hired, per funding proposal	1/31/24	6/30/25
5. Have signed agreements with organizations to provide services not covered by WPC or UCI staff	6/30/24	6/30/25
6. Establish full operations of youth served across service streams	8/1/24	1/31/26
7. Conduct equity and inclusion survey (compare to OC population data for LGBTQ+ and race-ethnicity) among youth who engage in services, determine if youth served match the population of OC, and adjust services accordingly	8/1/24	9/30/26

Service Outcomes

- Report the number of CalOptima Health members served compared to overall youth served.
- 60% of Case Management referrals to resources, within *allcove*TM and the community continuum of care, will be completed each service year.
- Net Promoter Score across all service streams of at least 70%.
- 75% of youth report satisfaction with services and increased hopefulness after attending a session.

Service Outcomes

5. 50% reduction in score by treatment end among 80% of *allcove*TM clients and a 70% reduction in mental health symptoms (includes somatic symptoms, depression, anxiety, substance misuse, and others) among 40% of *allcove*TM clients using the DSM 5 Cross Cutting Scale.
6. The number of professional trainings, peer support specialist training, graduate student internships, predoctoral and postdoctoral positions in process or completed.

Reporting Requirements

1. Estimated number of CalOptima Health members served.
2. Total number of CalOptima Health members served in this project.
3. Actual number of CalOptima Health members served this reporting period
4. How much progress has been made towards your outcomes/objectives? If progress was not made, please explain.
5. What kind of unexpected successes or challenges have you encountered during this reporting period? If you encountered challenges, how did they mitigate?

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 1, 2023

Regular Meeting of the CalOptima Health Board of Directors

Report Item

21. Approve Actions Related to Wellness Prevention Foundation, dba Wellness & Prevention Center *allcove*TM South Orange County Mental Health Youth Center.

Contacts

Carmen Katsarov, LPCC, CCM, Executive Director, Behavioral Health Integration, (714) 796-6168
Richard Pitts, D.O., Ph.D., Chief Medical Officer, (714) 246-8491

Recommended Actions

1. Authorize CalOptima Health's Chief Executive Officer to develop and execute a grant agreement for a four-year term with the Wellness & Prevention Foundation, dba Wellness & Prevention Center (WPC), no earlier than July 1, 2023, to support the *allcove*TM South Orange County mental health youth center;
2. Authorize unbudgeted expenditures in an amount up to \$2.7 million from existing reserves to fund the grant agreement with WPC; and
3. Make a finding that such expenditures are for a public purpose and in furtherance of CalOptima Health's mission and purpose.

Background

There is a national mental health crisis. In particular, Orange County youth have been greatly impacted from the losses and impacts from COVID-19 as well as the impact of social media. According to the 28th Annual Report on the Conditions of Children in Orange County: (1) suicide is the second leading cause of death for Orange County (OC) 10-19-year-olds; (2) students are more likely to experience chronic sadness or hopeless feelings compared to 2011-2013, increasing 13.4% for 11th, 7.9% for 7th and 4.2% for 9th graders; and (3) in 2017-2019, an estimated 15% of 9th and 11th graders seriously considered attempting suicide in the previous year. This crisis is further aggravated by the mental health workforce shortage. It requires new thinking and approaches to overcome this crisis.

The Mental Health Service Oversight and Accountability Commission (MHSOAC) issued a request for applications to award \$2,000,000 to five separate *allcove*TM projects. In May 2020, MHSOAC announced that grants would be awarded to five projects across California, including two projects in Los Angeles County, and one project in each of San Mateo County, Sacramento County, and Orange County. The Stanford Center for Youth Mental Health and Wellbeing team that created an *allcove*TM model was awarded the technical assistance (TA) contract establishing the Stanford Central *allcove*TM Team (CAT). For Orange County, the University of California, Irvine (UCI) and the WPC responded to the competitive request for applications and received \$2,000,000 in funding to help launch the first *allcove*TM South Orange County (South OC) mental health youth center.

The *allcove*TM model offers an integrated and holistic approach for the delivery of services for youth (ages 12-25) with mild-to-moderate needs. The core service streams of *allcove*TM include mental health care, physical health care, substance misuse support, youth peer and family support, and supported

education and employment. Every *allcove™* center is guided by an active Youth Advisory Group (YAG), composed of young people from the local community who represent diversity in race, ethnicity, gender, sexual orientation, lived experience, ability, and socioeconomic status. An *allcove™* YAG's goal is to ensure that youth voice and experience is included in the development and services of the center. In this approach, *allcove™* will offer case managers and peer support specialists to help coordinate care with the young person's physical health services, health home and other relevant providers of healthcare. If a young person visiting a center needs a higher-level behavioral health service, linkages are made to the county behavioral health system for more intensive intervention.

Discussion

CalOptima Health members, providers, and the Orange County Health Care Agency (OCHCA) continue to report a need for more mental health services in South OC. Granting the development of the first *allcove™* South OC mental health youth center would benefit and address the need for CalOptima Health's Medi-Cal youth beneficiaries in South OC. The mental health youth center can apply the whole-person care approach to Medi-Cal youth beneficiaries. The state grant funding of \$2,000,000 leaves a shortfall of \$2,687,528. CalOptima Health staff requests that the Board approve \$2,687,528 to fund the first *allcove™* South OC mental health youth center for four years from fiscal year 2023-24 through fiscal year 2026-27. This time will allow UCI and WPC to develop a sustainable model and serve as future technical advisors for other community partners to develop and launch additional *allcove™* sites.

Staff will monitor and provide oversight of the grant funds following CalOptima Health Policy AA.1400p: Grant Management, which was approved during the CalOptima Health Board of Directors meeting on May 4, 2023. CalOptima Health will monitor and require *allcove™* to submit a quarterly project summary tied to measurable metrics. The list of metrics is located in Exhibit 1 - Required Reporting Elements.

CalOptima Health will also require progress reporting for activities related to sustainability quarterly for items #1-4 below. If during the time of the grant any services are able to move from grant money to billable services, funding will be adjusted to ensure no duplication:

- 1) By December 31, 2024, contract with and establish billing with CalOptima Health for any applicable CalAIM services.
- 2) By December 31, 2024, contract with and establish billing with CalOptima Health for mental health mild to moderate services
- 3) By June 30, 2026, establish other billing procedures with private health insurance.
- 4) Exploring additional streams for sustainability, including workforce enhancement training through UCI and Orange County Healthcare Agency Mental Health Services Act Prevention and Early Intervention funding.

Fiscal Impact

The recommended actions related to this grant are separate from the normal operating budget process. An appropriation of up to \$2.7 million from existing reserves will fund the four-year grant agreement from July 1, 2023, through June 30, 2027.

Rationale for Recommendation

CalOptima Health staff recommend proceeding with this action to support CalOptima Health's mission and vision for increased options and access for integrated mental health services for youth members in South OC.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Entities Covered by this Recommended Action](#)
2. [Exhibit 1](#)

/s/ Michael Hunn
Authorized Signature

05/26/2023
Date

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Wellness & Prevention Foundation dba Wellness & Prevention Center	700 Avenida Pico	San Clemente	CA	92673

Exhibit 1

Grant Funding Breakdown:

UCI and WPC awarded MHSOAC State Grant Funding - \$2,000,000 lasts through June 2026

Funding Categories	Estimated Amount
Personnel (6.1 FTEs) <ul style="list-style-type: none">• Operating Agency ED• UCI - Dr. Stephen Schueller• Site Manager• Youth Outreach Specialist• Reception/Administrative Assistant• Clinical Psychology Postdoc• Mental Health Clinician PhD Trainee	\$1,405,557
Pre-opening Office/General Administrative Costs <ul style="list-style-type: none">• Furniture• Building improvements• Equipment• Travel• Rent ½ year	\$413,360
UC Facilities and Administrative (F&A) Indirect Rate (10%)	\$181,083
Total:	\$2,000,000

CalOptima Health Non-MHSOAC Grant Funding: Fiscal Years 2023-24 through 2026-2027

Funding Categories	Estimated Amount
Personnel (3.25 FTEs in Yr. 1; 4 FTEs after) <ul style="list-style-type: none">• Clinical Coordinator• Project Director Youth Coordinator/Peer Support Lead - youth outreach• Peer Support Specialist• Supported Education and Employment Specialist	1,177,050
Office/General Administrative includes the following: <ul style="list-style-type: none">• Equipment maintenance• Staff Development/Training• Furniture maintenance and Rent• Building Improvement• Protective Health Information (PHI) / Electronic Health Records (EHR) maintenance	\$1,099,000
Youth Materials and Advisory Expenses	\$123,500
Indirect Management Overhead: <ul style="list-style-type: none">• HR, Insurance, Accounting	\$160,000
Misc / Unanticipated Changes (5%)	\$127,978
Total:	\$2,687,528

Exhibit 1

Outcomes and Services

Process Outcomes:	Expected Due Date
1) Establish intake data collection	9/30/23
2) <i>allcove</i> TM South Orange County soft opening	10/1/23
3) Grand Opening	1/15/24
4) All WPC and UCI staff hired, per funding proposal	1/31/24
5) Have signed agreements with organizations to provide services not covered by WPC or UCI staff	6/30/24
6) Establish full operations of youth served across service streams	8/1/24
7) Conduct equity and inclusion survey (compare to OC population data for LGBTQ+ and race-ethnicity) among youth who engage in services, determine if youth served match the population of OC, and adjust services accordingly	8/1/24
Service Outcomes:	
1) Report the number of CalOptima Health members served compared to overall youth served	
2) 60% of Case Management referrals to resources, within <i>allcove</i> TM and the community continuum of care, will be completed each service year	
3) Net Promoter Score across all service streams of at least 70%	
4) 75% of youth report satisfaction with services and increased hopefulness after attending a session.	
5) 50% reduction in score by treatment end among 80% of <i>allcove</i> TM clients and a 70% reduction in mental health symptoms (includes somatic symptoms, depression, anxiety, substance misuse, and others) among 40% of <i>allcove</i> TM clients using the DSM 5 Cross Cutting Scale.	
6) The number of professional trainings, peer support specialist training, graduate student internships, predoctoral and postdoctoral positions in process or completed	

Required Reporting Elements

Reporting Requirements
1) Estimated number of CalOptima Health members served
2) Total number of CalOptima Health members served in this project
3) Actual number of CalOptima Health members served this reporting period
4) How much progress has been made towards your outcomes/objectives? If progress was not made, please explain.
5) What kind of unexpected successes or challenges have you encountered during this reporting period? If you encountered challenges, how did they mitigate?

GRANT AWARD AGREEMENT
BETWEEN
CALOPTIMA HEALTH
AND
WELLNESS & PREVENTION FOUNDATION, DBA WELLNESS & PREVENTION CENTER

THIS GRANT AWARD AGREEMENT (“**Agreement**”) is made and entered into as of July 1, 2023 (“**Effective Date**”), by and between Orange County Health Authority, a county organized health system for the County of Orange, California dba CalOptima Health (“**CalOptima**”), and Wellness & Prevention Foundation, dba Wellness & Prevention Center (“**Grantee**”), a California 501(c)(3) nonprofit corporation. CalOptima and Grantee may each be referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. CalOptima is a public agency formed pursuant to California Welfare and Institutions Code Section 14087.54 and Orange County Ordinance No. 3896, as amended.

B. CalOptima’s mission is to serve member health with excellence and dignity, respecting the value and needs of each person.

C. CalOptima Health has designated certain Board-approved funds to fund the *allcove*™ South Orange County (South OC) mental health youth center project.

D. Grantee desires to address the youth mental health crisis in South Orange County by supporting the administrative and clinical operations of *allcove*™ South Orange County, in accordance with Grantee’s grant proposal described in Attachment A (“**Grant Project**”).

E. CalOptima finds that the Grant Project is a community program that supports and is compatible with CalOptima’s mission and desires to assist Grantee in undertaking its project by providing financial support described in Attachment B (“**Grant Award**”) in accordance with CalOptima’s policies and procedures, subject to Grantee’s compliance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein stated, it is agreed by and between the Parties hereto as follows:

I. GRANTEE OBLIGATIONS

1.1 **Grantee Eligibility.** Grantee hereby warrants that it is, and shall remain throughout the term of this agreement, a local public entity.

1.2 **Grantee Activities.** Grantee agrees (i) to diligently pursue the Grant Project, as specified in Attachment A, attached hereto and incorporated herein by this reference, (ii) to use the Grant Award solely for activities as identified in Attachment A, (“**Grant Activities**”), (iii) to expend funds in accordance with this Agreement and all federal, state, and local statutes and regulations, and

(iv) to return any grant funds determined to have been improperly paid, in order to avoid forfeiture of the entire Grant Award. In the event of any conflict between the Grant Project in Attachment A and the rest of this Agreement, this Agreement, including all Attachments, shall prevail.

1.3 **Unauthorized Use of Funds.** Grantee shall use Grant Funds consistent with this Agreement and the approved Grant Activities. CalOptima retains the right to recover any and all Grant Award funds if it (or any of its regulators) determines that any portion of the Grant Award was not expended as provided under the terms of this Agreement or applicable federal and state laws, regulations, guidance and/or funding source requirements.

1.4 **Limitations on Subcontracting.** The experience, knowledge, capability, and reputation of Grantee, its directors and employees were a substantial inducement for CalOptima to enter into this Agreement. Except as provided herein, Grantee shall not contract with any entity to perform the Grant Project without written approval of CalOptima. Grantee shall be fully responsible to CalOptima for the acts and omissions of its subcontractor(s), if any, as it is for the acts and omissions of persons directly employed by Grantee. In the event that CalOptima approves any subcontracting, nothing contained in this Agreement shall create any contractual relationship between any subcontractor(s) and CalOptima. All persons engaged in the work under the Grant Project by Grantee will be considered employees of Grantee. CalOptima will deal directly with and make payment hereunder solely to Grantee.

1.5 **Subcontracts.** To the extent that subcontracting is authorized by CalOptima under this Agreement, Grantee shall assure that all subcontracts are in writing and include any requirements of this Agreement that are appropriate to the service or activity and assure that the subcontract shall not terminate legal liability of Grantee under this Agreement.

1.6 **Communications Provisions.** Grantee must comply with CalOptima's Guidelines for Endorsements and Use of CalOptima Name or Logo policy.

1.6.1 **Use of CalOptima name or logo:** Grantee shall submit requests to CalOptima's Behavioral Health Integration department, in writing, at least twenty-one (21) calendar days in advance of the date for which use of the name or logo is required. Upon receipt of a complete request for use of the CalOptima name or logo, CalOptima's Behavioral Health Integration department shall review and analyze the request with input from appropriate internal departments. For more information, or to submit a request, send email to: behavioralhealth@caloptima.org. The Behavioral Health Integration department shall submit a request for use of the CalOptima name or logo to the CEO for review and consideration and will notify Grantee in writing after a determination has been made.

1.6.2 **All other uses of CalOptima's name:** Grantees may not use CalOptima's name, including in the title of Grantee's program, without prior written approval from CalOptima.

II. GRANT PAYMENTS

2.1 **Grant Payments.** Payment of the Grant Award to Grantee under this Agreement will be as set forth in Attachment B, incorporated herein by this reference, which shall be payment in full for the Grant Project. Grantee acknowledges and agrees that this is a single Grant Award and that nothing herein obligates CalOptima to any further funding, whether for the Grant Project or future related or unrelated activities. The Parties acknowledge that the source of Grant Award funding is existing reserve funds, and not Department of Health Care Services ("DHCS") funds, and as such the payments made hereunder are not subject to DHCS State Contract terms or federal or state claims processing requirements.

2.2 **Grant Award Use Limitations.** Grantee acknowledges and agrees that the Grant Award may not be used for achievement of milestones that have been previously paid for or will be paid for by the state or federal government or any other source. Further, Grantee acknowledges and agrees that it will not use the Grant Award to reimburse costs or liabilities it incurred prior to the date of the Grant Award.

III. WARRANTIES/COMPLIANCE WITH CALOPTIMA AND REGULATORY AGENCY RULES AND REGULATIONS

3.1 **Compliance with Applicable Laws.** In carrying out the Grant Project, Grantee shall comply with the CalOptima policies and procedures, and all other applicable CalOptima policies, as made available to Grantee on CalOptima website, as well as all federal, state and local laws, rules, and regulations.

3.2 Health Insurance Portability and Accountability Act (HIPAA) Compliance

3.2.1 Grantee and CalOptima shall comply with Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Health Information Technology for Economic and Clinical Health ("HITECH") Act and any regulations promulgated thereunder ("HIPAA Requirements") in performing their obligations under the Agreement.

3.2.2 If required by HIPAA Requirements, the Parties agree to execute CalOptima Health's HIPAA Business Associate Agreement, which shall be incorporated into this Agreement, and comply with the terms and conditions thereof.

3.3 Confidentiality of Information

3.3.1 Grantee and its employees, agents, and subcontractors shall protect from unauthorized disclosure the names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to Grantee, its employees, agents, or subcontractors as a result of this Agreement. Grantee and its employees, agents, and subcontractors shall not use such identifying information for any purpose other than carrying out Grantee's obligations under this Agreement. Grantee and its employees, agents, and subcontractors shall promptly transmit to CalOptima all requests for disclosure of such identifying information not emanating from the Member. Grantee shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the Member, any such identifying information to anyone other than DHCS or CalOptima without prior written authorization from CalOptima. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, including without limitation a finger or voice print or a photograph.

3.3.2 Notwithstanding any other provision of this Agreement, names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42 C.F.R. Section 431.300 *et seq.*, Welfare and Institutions Code Section 14100.2, and any regulations adopted thereunder. For the purpose of this Agreement, all information, records, data, and data elements collected and maintained for the operation of the Agreement and pertaining to Members shall be protected by Grantee from unauthorized disclosure. Grantee may release Member medical records in accordance with applicable law pertaining to the release of this type of information. Grantee is not required to report requests for medical records made in accordance with applicable law. With respect to any identifiable information concerning a Member under this Agreement that is obtained by Grantee, its employees, agents or subcontractors,

Grantee:

(a) Will not use any such information for any purpose other than carrying out the express terms of this Agreement,

(b) Will promptly transmit to CalOptima all requests for disclosure of such information, except requests for medical records in accordance with applicable law,

(c) Will not disclose except as otherwise specifically permitted by this Agreement, any such information to any party other than DHCS or CalOptima without CalOptima's prior written authorization specifying that the information is releasable under Title 42 C.F.R. Section 431.300 *et seq.*, Welfare and Institutions Code Section 14100.2, and regulations adopted there under, and

(d) Will, at the termination of this Agreement, return all such information to CalOptima or maintain such information according to written procedures sent to the Grantee by CalOptima for this purpose.

IV. RECORDS AND REPORTS

4.1 **Maintain Complete Books and Records.** Grantee shall create and maintain such books and records relating to the Grant Activities performed under this Agreement as required by applicable laws and CalOptima policies and procedures. All financial records shall be maintained in accordance with generally accepted accounting principles ("GAAP"). Records generated in the course of carrying out this Agreement shall be maintained for ten (10) years from the date of the grant award, or the date of the completion of any audits related to this Agreement, whichever is later. Grantee shall provide CalOptima or its designated agents, within ten (10) calendar days of a written request, information or copies of records necessary to verify and substantiate compliance with the terms of this Agreement. Grantee shall pay all duplication and postage costs associated with any audits and/or reviews necessary to ensure compliance with this Agreement or CalOptima's regulatory requirements. This Section 4.1 shall survive the termination of this Agreement.

4.2 **Reports.** Grantee shall submit all reports as specified in Attachment C, "Grant Report Schedule," attached hereto and incorporated herein by this reference.

4.3 **Audit.** CalOptima shall have the right to audit, or to have audited by an independent third party, all Grant Project expenses. Grantee shall fully cooperate with CalOptima or its auditor and shall refund to CalOptima any amounts found to have been improperly expended from the Grant Award within thirty (30) days of the notice of such improper expenditures. Grantee shall be entitled to challenge any audit finding through appealing through CalOptima's grievance process.

V. INSURANCE AND INDEMNIFICATION

5.1 **Grantee Comprehensive General Liability ("CGL")/Automobile Liability.** Grantee at its sole cost and expense shall maintain such policies of comprehensive general liability and automobile liability insurance and other insurance as shall be necessary to insure it and its business addresses, customers, employees, agents, and representatives against any claim or claims for damages arising by reason of (a) personal injuries or death occasioned in connection with the carrying out the project, (b) the use of any property of the Grantee, and (c) Grant Activities performed in connection with the Agreement, with minimum coverage of one million dollars (\$1,000,000) per incident/two million dollars (\$2,000,000) aggregate per year.

5.2 **Workers Compensation Insurance.** Grantee at its sole cost and expense shall maintain workers compensation insurance within the limits established and required by the State of California and employer's liability insurance with minimum limits of liability of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate per year.

5.3 **Insurer Ratings.** Insurance required under this Agreement shall be provided by an insurer:

- (a) Rated by Best's Guide Rating with a rating of B or better; and
- (b) Admitted to do business in California or an insurer approved to do business in California by the California Department of Insurance and listed on the Surplus Lines Association of California List of Eligible Surplus Lines Insurers (LESLI) or licensed by the California Department of Corporations as an Unincorporated Interindemnity Trust Arrangement as authorized by the California Insurance Code Section 12180.7.

5.4 **Captive Risk Retention Group/Self Insured.** Where any of the insurances mentioned above are provided by a Captive Risk Retention Group or are self-insured, such above provisions may be waived at the sole discretion of CalOptima, but only after CalOptima reviews the Captive Risk Retention Group's or self-insured's audited financial statements and approves the waiver.

5.5 **Cancellation or Material Change.** The Grantee shall not of its own initiative cause such insurances as addressed in this Article to be canceled or materially changed during the term of this Agreement without prior notification to CalOptima.

5.6 **Certificates of Insurance.** Prior to execution of this Agreement, Grantee shall provide Certificates of Insurance and additional insured endorsements to CalOptima showing the required insurance coverage and further providing that CalOptima is named as an additional insured on the Comprehensive General Liability Insurance and Automobile Liability Insurance with respect to the performance hereunder and Grantee's coverage is primary and non-contributory as to any other insurance with respect to performance hereunder.

5.7 **Indemnification.** Grantee shall defend, indemnify and hold harmless CalOptima and its officers, directors, and employees from and against any and all claims (including attorneys' fees and reasonable expenses for litigation or settlement) that are related to or arise out of the Grantee's negligence, willfull performance or non-performance or breach of any duties or obligations of Grantee arising under this Agreement. Neither termination of this Agreement nor completion of the acts to be performed under this Agreement shall release Grantee from its obligation to indemnify as to any claims or cause of action asserted so long as the event(s) upon which such claims or cause of action is predicated shall have occurred prior to the effective date of termination or completion.

5.8 **Notification of Claims.** CalOptima agrees to promptly notify Grantee of any claims or demands which arise and for which indemnification or Grantee's duty to defend hereunder is sought.

5.9 **Termination.** The terms of this Article V. shall survive the termination of this Agreement.

VI. TERM AND TERMINATION

6.1 **Term of Agreement.** This Agreement will commence on the Effective Date and will remain in effect up to and including June 30, 2027, or completion of the Grant Project, whichever occurs last.

6.2 **Termination.** If Grantee fails to fulfill any of its duties and obligations under this Agreement, including but not limited to: (i) committing acts of unlawful discrimination; (ii) engaging in prohibited marketing activities; and, (iii) committing fraud or abuse relating to any obligation, duty or responsibility under this Agreement (such as falsifying data in any reports or paying for services to non-Medi-Cal Member out of grant funds, etc.), CalOptima may terminate this Agreement for cause pursuant to Section 6.3.

6.3 **Termination for Cause.** Notwithstanding and in addition to any other provisions of this Agreement, CalOptima may terminate this Agreement for cause effective upon thirty (30) calendar days' prior written notice. Cause shall include, but shall not be limited to, the actions set forth in Section 6.2. Grantee may appeal CalOptima's decision to terminate the Agreement for cause by filing a complaint pursuant to CalOptima policies and procedures. Grantee shall exhaust this administrative remedy, including requesting a hearing if permitted under CalOptima policies and procedures, for any and all Grantee complaints before commencing any civil action.

CalOptima's rights and remedies provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6.4 **Automatic Termination.** This Agreement shall terminate automatically if the DHCS State Contract between CalOptima and DHCS is terminated.

6.5 **Bankruptcy.** CalOptima or Grantee may terminate this Agreement with thirty (30) day written notice to the other Party in the event (i) a petition is filed in a court of record jurisdiction to declare either Party bankrupt or for reorganization under the bankruptcy laws of the United States or any similar statute of a state of the United States, or (ii) if a trustee in bankruptcy or a receiver is appointed for such Party, and such petition, trustee, or receiver, as the case may be, is not dismissed within one hundred and twenty (120) days thereof.

VII. GENERAL PROVISIONS

7.1 **Interpretation of Agreement Language.** CalOptima has the right to final interpretation of the Agreement language when disputes arise. Grantee has the right to appeal disputes concerning Agreement language to CalOptima.

7.2 **Waiver.** Any failure of a Party to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision of this Agreement. To be effective, a waiver must be in writing that is signed and dated by the Parties.

7.3 **Assignment.** Neither this Agreement nor any of the duties delegated herein shall be assigned, delegated or transferred by Grantee without the prior written consent of CalOptima. CalOptima may assign this Agreement and its rights, interests and benefits hereunder to any entity that has at least majority control of CalOptima or to any entity whose financial solvency has been approved by Grantee, which approval shall not be unreasonably withheld. If required, any assignment or delegation of this Agreement shall be void unless prior written approval is obtained from the appropriate state and federal agencies.

7.4 **Independent Parties.** Grantee acknowledges that it is, at all times during the term of this Agreement, acting as an independent contractor under this Agreement and is not as an agent, employee, or partner of CalOptima. Grantee agrees to be solely responsible for all matters relating to compensation of its employees, including, but not limited to, compliance with laws governing workers' compensation, Social Security, withholding and payment of any and all federal, state and local personal income taxes, disability insurance, unemployment, and any other taxes for such persons, including any related employer assessment or contributions required by law, and all other regulations governing such matters, and the payment of all salary, vacation and other employee benefits. At Grantee's expense as described herein, Grantee agrees to defend, indemnify, and hold harmless CalOptima, its directors, executives, officers, agents, employees, members, subsidiaries, joint venture partners, and predecessors and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees as provided herein arising out of Grantee's alleged failure to pay, when due, all such taxes and obligations (collectively referred to for purposes of this paragraph as "**Employment Claim(s)**"). Grantee shall pay to CalOptima any expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by CalOptima.

7.5 **Integration of Entire Agreement.** This Agreement contains all of the terms and conditions agreed upon by the Parties regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations, or representations of or between the Parties, either oral or written, relating to the subject matter of this Agreement that are not expressly set forth in this Agreement are null and void and of no further force or effect. All attachments to this Agreement are considered part of this Agreement and are hereby incorporated herein.

7.6 **Independent Agreement.** Nothing in this Agreement shall affect any other contractual relationships between the Parties, such as an agreement for the provision of medical services to Members. No monies paid under this Agreement may be used for the provision of services that are payable under a different contract between the Parties, or for any other purpose beyond the Grant Project as set forth in Attachment A.

7.7 **Invalidity or Unenforceability.** The invalidity or unenforceability of any terms or provisions hereof will in no way affect the validity or enforceability of any other term or provision.

7.8 **Amendment.** CalOptima may amend this Agreement immediately upon written notice to Grantee in the event such amendment is required in order to maintain compliance with applicable state or federal laws. Other amendments to the Agreement shall be effective only upon mutual, written agreement of the Parties.

7.9 **No Waiver of Immunity or Privilege.** Any information delivered, exchanged or otherwise provided hereunder shall be delivered, exchanged or otherwise provided in a manner, which does not constitute a waiver of immunity or privilege under applicable law.

7.10 **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties consent to the jurisdiction of the California Courts with venue in Orange County, California.

7.11 **Force Majeure.** Both Parties shall be excused from performance hereunder for any period that they are prevented from meeting the terms of this Agreement as a result of a catastrophic occurrence or natural disaster, including, but not limited to, an act of war, but excluding labor disputes, (a "Force Majeure Event") provided such Party uses commercially reasonable efforts to mitigate its effects and gives prompt written notice to the other Party. The time for the performance shall be extended for the period of delay or inability to perform due to such occurrences up to a period of ten (10) days at which time the Party unaffected by the Force Majeure Event may immediately terminate this Agreement upon written notice to the other Party without liability.

7.12 **Interpretation.** Each Party has had the opportunity to have counsel of its choice examine the provisions of this Agreement, and no implication shall be drawn against any Party by virtue of the drafting of this Agreement.

7.13 **Headings.** The article and section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

7.14 **No Liability of County of Orange.** As required under Ordinance No. 3896, as amended, of the County of Orange, State of California, CalOptima and the Grantee hereby acknowledge and agree that the obligations of CalOptima under this Agreement are solely the obligations of CalOptima, and that the County of Orange, State of California, shall have no obligation or liability therefor.

7.15 **Non-liability of Officials and Employees of CalOptima.** No official or employee of CalOptima shall be personally liable to Grantee in the event of any default or breach by CalOptima, or for any amount that may become due to Grantee, or any obligation under the terms of this Agreement.

7.16 **Time of Essence.** Time is of the essence in the performance of this Agreement.

7.17 **Authority to Execute.** The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement, and that by executing this Agreement, the Parties are formally bound.

7.18 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument.

7.19 **Notices.** All notices shall be in writing and shall be deemed to have been duly given on the date of service if personally served on the Party to whom notice is given, or seventy-two (72) hours after mailing by United States mail first class, Certified Mail or Registered Mail, return-receipt-requested, postage-prepaid, addressed to the party to whom notice is to be given and such Party's address as set forth below or such other address provided by notice.

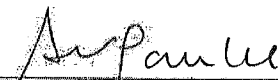
To: CalOptima Health
C/O: Contracting Department- Grant Agreements
505 City Parkway West
Orange, CA 92868

To: Grantee
Wellness & Prevention Center
ATTN: Susan Parmelee, Executive Director
700 Avenida Pico
San Clemente, CA 92673
Email: susan@wpc-oc.org

VIII: SIGNATURES

IN WITNESS WHEREOF, the Parties have, by their duly authorized representatives, executed this Agreement, to be effective the date first written above:

FOR GRANTEE:



SIGNATURE

Susan Parmelee

PRINT NAME


Executive Director

TITLE

June, 28, 2023

DATE

FOR CALOPTIMA:


Yunkyung Kim (Jun 29, 2023 18:11 PDT)

SIGNATURE

Yunkyung Kim

PRINT NAME

Chief Operating Officer

TITLE

Jun 29, 2023

DATE

ATTACHMENT A

Grant Project

A. Executive Summary

We are in the midst of a youth mental health crisis. Over the last decade, depression, anxiety, feelings of hopelessness and loneliness, mental health emergency visits, and suicide attempts and deaths have increased dramatically among American youth. In particular, young girls, racial and ethnic minorities, and LGBTQ+ youth are exhibiting some of the most rapid increases in serious mental health problems. An urgent, equitable, and evidence-based response is needed to address this rapid increase.

This crisis will not be addressed through traditional service delivery streams alone. Instead, we need new models of care that center youth, their needs, and the way they want to engage with care at their core. In California, the Mental Health Service Oversight and Accountability Commission (MHSOAC) has regularly funded projects through the Mental Health Service Act (MHSA) innovation funding to explore new opportunities, but we need impactful and sustainable service streams that meet the needs of youth.

B. Background

The Budget Act of 2019 provided the MHSOAC \$14,589,000 to support the establishment of *allcove* youth drop-in centers which provide mental health and wellness services for youth between 12-25 years of age. The *allcove* model was developed by the Stanford Center for Youth Mental Health and Wellbeing led by Dr. Steven Adelsheim. These centers are designed to meet the mild-to-moderate needs of youth, including mental and behavioral health needs, housing, education, and employment support, and linkage to other services. The Budget Act called for a focus on vulnerable and marginalized youth and populations of youth with known disparities, e.g., Black, Indigenous, and People of Color (BIPOC) youth, LGBTQ+ youth, and youth experiencing homelessness.

In January 2020, the MHSOAC allocated \$10,000,000 to directly fund grants to expand the *allcove* model across California and \$4,589,000 to provide a technical assistance (TA) contractor to support the grantees, ensure program quality, and assist the expansion of *allcove* across the state. A request for applications was issued to award \$2,000,000 to five separate *allcove* projects. In May 2020, the MHSOAC announced that grants would be awarded to five projects across California including Los Angeles County (2), San Mateo County, Sacramento County, and Orange County. The Orange County project was spearheaded by a partnership between the University of California, Irvine (UCI) and the Wellness and Prevention Center (WPC). The Stanford Center for Youth Mental Health and Wellbeing team that created the *allcove* model was awarded the TA contract establishing the Stanford Central *allcove* Team (CAT). Grant contracts were executed between the various *allcove* grantees and the MHSOAC in late 2021 to early 2022 with UCI and the WPC executing their contract in October 2021. MHSOAC funding is intended to establish and operate an *allcove* center in Orange County with fidelity to the *allcove model*. The initial MHSOAC funding lasts through June 2026 providing the centers several years to set up sustainable funding and service streams.

B.1. The *allcove* model. *allcove* offers an integrated and holistic approach for the delivery of services for youth (ages 12-25) with mild-to-moderate needs. The core service streams of *allcove* include: mental health care, physical health care, substance misuse support, youth peer and family support, and supported education and employment.

allcove aims to provide timely and easy access to mental health services within an integrated, prevention and early intervention model of care. By co-locating and integrating medical health care with mental health and substance misuse services at *allcove* centers youth can seamlessly access the necessary support easily, even when symptoms first appear through somatic issues or physical complaints. In addition, by providing

access to both physical health services and mental health services at the same site, the stigma of going to a site for mental health treatment is decreased and the comfort level for youth in accessing on site mental health intervention is improved.

allcove physical health care services are not intended to replace or displace other community-based physical health care, but rather open up enhanced access through a “no-wrong door approach”, allowing *allcove* physical health services providers to interface with the youth’s physical health services health home and other relevant providers of healthcare.

Overarching practice principles of the *allcove* services approach including:

- **Youth-centered care.** The *allcove* model recognizes the youth are experts in their own care and address youth needs through services that are co-designed with youth. *allcove* services are holistic and strengths-based including developmentally-appropriate interventions that are socially and culturally inclusive.
- **Prevention, screening, and early intervention.** *allcove* services attempt to reach youth early with *allcove* centers actively working with the community to build youth resilience, increase early helping seeking, reduce stigma, and increase mental health literacy. *allcove* centers support linkages to care through active partnerships with community-based services. Many of these partnerships include locating services within *allcove* centers for seamless referrals and continuity of care.
- **Rapid, easy, and affordable access.** *allcove* centers provide a wide variety of services for youth ages 12 to 25. *allcove* services are organized around drop-in models, providing care whenever possible when youth show up. *allcove* centers are intended to be located in areas where youth naturally congregate, are accessible by public transportation, and follow a youth-friendly environmental design.
- **Holistic and integrated care.** *allcove* centers provide co-location of core service streams and are staffed by multidisciplinary care teams. The leverage appropriate and responsive service delivery models include brief and single-session interventions and technology-enabled care services.

B.2. Overview of *allcove* South Orange County. *allcove* South Orange is a partnership between the UCI and the WPC. The goal of this partnership is to bring multiple *allcove* youth drop-in centers to Orange County by creating a robust and sustainable infrastructure of service delivery, training, and community partnerships. The near-term goal is to establish and open an *allcove* center in South Orange County (current target San Juan Capistrano or Mission Viejo). This partnership is supported by \$2,000,000 funding from the MHSOAC for a funding period of October 2021 through June 2026. This funding is providing administrative support to open the center, funding for initial facility upgrades and rent, and some of the initial clinical operations. Key components of our *allcove* South Orange County team are our leadership team, youth advisory groups (YAGs), and Community Consortium. The planned hours of operation for *allcove* will be Tuesday through Friday 11AM-7PM, Saturday 10AM-4PM. Total service hours will be 88 hours per week. Services aim to treat mild-to-moderate conditions, with some instances of more severe conditions while attempting to connect to a higher level of care.

C. Scope of Work

We are requesting funding from CalOptima from July 2023 to June 2027 to support the administrative and clinical operations of *allcove* South Orange County. This funding will supplement the MHSOAC funding to support establishment of the full clinical operations and prepare *allcove* South Orange County to create service streams that will be sustainable. The long-term sustainability of the center will be supported through a mix of billable services, workforce development and training funding, and county and state funding.

Our request for CalOptima funding will support 7.5 FTE positions. These positions will support delivery of services in the *allcove* integrated delivery model including mental health care, physical health care, substance misuse support, youth peer and family support, and supported education and employment. Positions include 1.0 Clinical Coordinator, 1.5 Clinical Psychology Postdoctoral Fellows, 1.0 Mental

Health Clinician, 1.0 Youth Coordinator/Peer Support Lead, 2.0 Peer Support Specialists, and 1 Supported Education and Employment Specialists. These staff will be trained in the *allcove* model and attend relevant learning community development opportunities provided through the Stanford CAT. Because we intend funding Year 1 will be at reduced service capacity as we slowly open to anticipate service needs staffing for all positions are at 75% in Year 1 with the exception of postdoctoral fellow trainees which will have to be recruited to follow typical recruiting calendars for these positions. The postdoctoral fellows will spend additional time in training for the *allcove* model as service needs expand.

Although we are requesting funding to support these positions in that can potentially be funded in the future through other funding sources. These funding sources will be explored during FY1 of the project. These sources include:

- Workforce Enhancement Training funding through UCI - Psychology Postdoctoral Positions, Psychiatric Nurse Practitioners, Medical Nurse Practitioners, and others.
- CalAIM funding - potential to support Peer Support Specialists and Career and Academic Support
- Orange County Healthcare Agency MHSA Prevention and Early Intervention Funding - potential to fund Youth Outreach, administration roles, and Peer Support.

D. Grant Objectives:

Process Outcomes:	Expected Due Date
1) Establish intake data collection	9/30/23
2) <i>allcove</i> ™ South Orange County soft opening	10/1/23
3) Grand Opening	1/15/24
4) All WPC and UCI staff hired, per funding proposal	1/31/24
5) Have signed agreements with organizations to provide services not covered by WPC or UCI staff	6/30/24
6) Establish full operations of youth served across service streams	8/1/24
7) Conduct equity and inclusion survey (compare to OC population data for LGBTQ+ and race-ethnicity) among youth who engage in services, determine if youth served match the population of OC, and adjust services accordingly	8/1/24
Service Outcomes:	
1) Report the number of CalOptima Health members served compared to overall youth served	
2) 60% of Case Management referrals to resources, within <i>allcove</i> ™ and the community continuum of care, will be completed each service year	
3) Net Promoter Score across all service streams of at least 70%	
4) 75% of youth report satisfaction with services and increased hopefulness after attending a session.	
5) 50% reduction in score by treatment end among 80% of <i>allcove</i> ™ clients and a 70% reduction in mental health symptoms (includes somatic symptoms, depression, anxiety, substance misuse, and others) among 40% of <i>allcove</i> ™ clients using the DSM 5 Cross Cutting Scale.	
6) The number of professional trainings, peer support specialist training, graduate student internships, predoctoral and postdoctoral positions in process or completed	

ATTACHMENT B

GRANT PAYMENT

CalOptima has made a Grant Award to Grantee in the amount of up to two million seven hundred thousand dollars (\$2,700,000), which shall be the maximum amount payable for the Grant Project and which shall be paid following execution of the Agreement in the time and manner set forth below.

Payments: Payments under this Agreement shall be made in four (4) installments. The first payment shall be made following execution of this Agreement, with the subsequent three payments made annually in the month of July for each year of the grant project.

Payment #1 (Y1)- July 2023: up to \$617,253

Payment #2 (Y2)- July 2024: up to \$690,092

Payment #3 (Y3)- July 2025: up to \$690,092

Payment #4 (Y4)- July 2026: up to \$690,092

All payments following the initial grant payment are contingent upon CalOptima's receipt and approval of progress reports and/or final report which are due as condition of that payment. Such reports must be acceptable to CalOptima and demonstrate progress toward Grant Activities over the project timeline, as provided in Section 4.2 and 4.3 of the Agreement. CalOptima may delay or withhold grant payments at its sole discretion if such reports are not submitted timely or as otherwise required or CalOptima is not satisfied with any submitted reports or Grantee's progress on project objectives.

Return Funds: Grantee shall refund to CalOptima any funds that are found to not have been utilized in accordance with the requirements of this Agreement. CalOptima shall have the right to audit, or to have audited by an independent third party, all Grant Project expenses. Grantee shall fully cooperate with CalOptima or its auditor and shall refund to CalOptima any amounts found to have been improperly expended from the Grant Award within thirty (30) days of the notice of such improper expenditures.

ATTACHMENT C

PROGRESS REPORT SCHEDULE

Purpose of Grant Reports

In an effort to help ensure successful grant outcomes, CalOptima actively monitors and evaluates grant progress and requires that grantees submit semi-annual progress reports as well as a final report. These reports are intended to help both CalOptima and grantee appraise progress toward funding objectives.

Grant Report Requirements

All grant recipients must complete the Grant Report Form provided through written communication with CalOptima's Behavioral Health Integration department. Please note that successful completion of reports are a condition of grant funding and incomplete reports will delay the disbursement of future grant payments.

Reporting Requirements

- 1) Estimated number of CalOptima Health members served.
- 2) Total number of CalOptima Health members served in this project.
- 3) Actual number of CalOptima Health members served this reporting period.
- 4) How much progress has been made towards your outcomes/objectives? If progress was not made, please explain.
- 5) What kind of unexpected successes or challenges have you encountered during this reporting period? If you encountered challenges, how did they mitigate?

Report Submission Schedule

This grant requires the submission of eight (8) reports over the duration of the project timeframe (i.e. July 1, 2023 – June 30, 2027) as follows:

- **Semi-Annual Progress Report** will be due within thirty (30) calendar days after the end of each reporting period.
 - Specific due dates and Reporting Periods Covered:
 - Report #1- Due by 1/31/2024 for Reporting Period 07/01/2023-12/31/2023.
 - Report #2- Due by 7/31/2024 for Reporting Period 01/01/2024-06/30/2024.
 - Report #3- Due by 1/31/2025 for Reporting Period 07/01/2024-12/31/2024.
 - Report #4- Due by 7/31/2025 for Reporting Period 01/01/2025-06/30/2025.
 - Report #5- Due by 1/31/2026 for Reporting Period 07/01/2025-12/31/2025.
 - Report #6- Due by 7/31/2026 for Reporting Period 01/01/2026-06/30/2026.
 - Report #7- Due by 1/31/2027 for Reporting Period 07/01/2026-12/31/2026.
- **Final Report** will be due within thirty (30) calendar days after the end of this Grant Agreement.
 - Specific due date and Reporting Period Covered:
 - Final Report Due by 7/31/2027 for reporting period 7/01/2023 – 6/30/2027.

AMENDMENT 1

TO GRANT AWARD AGREEMENT

This Amendment No. 1 to the Grant Award Agreement (“**Amendment**”) is effective as of October 1, 2024 (“**Amendment Effective Date**”) by and between the Orange County Health Authority, a public agency dba CalOptima Health (“**CalOptima**”), and Wellness & Prevention Foundation, dba Wellness & Prevention & Prevention Center (“**Grantee**”). CalOptima and Grantee may each be referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

- A. CalOptima and Grantee entered into the Grant Award Agreement (“**Agreement**”), originally effective July 1, 2023, under which CalOptima provided financial support to Grantee’s Grant Project.
- B. CalOptima and Grantee desire to amend the Agreement to revise the grant project.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

- 1. Article IV. TERM AND TERMINATION, Section 6.1, Termination of Agreement shall be deleted in its entirety and replaced with the following Section 6.1:
 - 6.1. This Agreement will commence on the Effective Date and will remain in effect up to and including June 30, 2028, or completion of the Grant Project, whichever occurs last.
- 2. Attachment A, GRANT PROJECT shall be deleted in its entirety and replaced with the new Attachment A GRANT PROJECT.
- 3. Attachment B, GRANT PAYMENT shall be deleted in its entirety and replaced with the new Attachment B, GRANT PAYMENT.
- 4. Attachment C, PROGRESS REPORTS SCHEDULE shall be deleted in its entirety and replaced with a new Attachment C, PROGRESS REPORT SCHEDULE.
- 5. This Amendment may be executed in multiple counterparts and counterpart signature pages may be assembled to form a single, fully executed document. Capitalized terms not otherwise defined in this Amendment shall have the same meanings ascribed to them in the Agreement.
- 6. If there is any conflict or inconsistency between this Amendment and the Agreement, the provisions of this Amendment shall control and govern. Except otherwise amended by this Amendment, all of the terms and conditions of the Agreement will remain in full force and effect. After the Amendment Effective Date, any reference to the Agreement shall mean the Agreement as amended and supplemented by this Amendment. This Amendment is subject to approval by the Government Agencies and by the CalOptima Board of Directors.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment.

FOR GRANTEE:

FOR CALOPTIMA:

Signature

Print Name

Title

Date

Signature

Yunkyung Kim

Print Name

Chief Operating Officer

Title

Date

DRAFT

ATTACHMENT A

GRANT PROJECT

A. Executive Summary

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Our request for CalOptima funding will support 7.5 FTE positions. These positions will support delivery of services in the *allcove* integrated delivery model including mental health care, physical health care, substance misuse support, youth peer and family support, and supported education and employment. Positions include 1.0 Clinical Coordinator, 1.5 Clinical Psychology Postdoctoral Fellows, 1.0 Mental

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Although we are requesting funding to support these positions in that can potentially be funded in the future through other funding sources. These funding sources will be explored during FYI of the project. These sources include:

- Workforce Enhancement Training funding through UCI - Psychology Postdoctoral Positions, Psychiatric Nurse Practitioners, Medical Nurse Practitioners, and others.
- CalAIM funding - potential to support Peer Support Specialists and Career and Academic Support
- Orange County Healthcare Agency MHSA Prevention and Early Intervention Funding - potential to fund Youth Outreach, administration roles, and Peer Support.

D. Grant Objectives:

Process Outcomes:	Expected Due Date
1) Establish intake data collection	2/28/2025
2) <i>allcove</i> TM South Orange County soft opening	5/1/2025
3) Grand Opening	8/15/2025
4) All WPC and UCI staff hired, per funding proposal	6/30/2025
5) Have signed agreements with organizations to provide services not covered by WPC or UCI staff	6/30/2025
6) Establish full operations of youth served across service streams	1/31/2026
7) Conduct equity and inclusion survey (compare to OC population data for LGBTQ+ and race-ethnicity) among youth who engage in services, determine if youth served match the population of OC, and adjust services accordingly	9/30/2026
Service Outcomes: <ol style="list-style-type: none"> 1) Report the number of CalOptima Health members served compared to overall youth served 2) 60% of Case Management referrals to resources, within <i>allcove</i>TM and the community continuum of care, will be completed each service year 3) Net Promoter Score across all service streams of at least 70% 4) 75% of youth report satisfaction with services and increased hopefulness after attending a session. 5) 50% reduction in score by treatment end among 80% of <i>allcove</i>TM clients and a 70% reduction in mental health symptoms (includes somatic symptoms, depression, anxiety, substance misuse, and others) among 40% of <i>allcove</i>TM clients using the DSM 5 Cross Cutting Scale. 6) The number of professional trainings, peer support specialist training, graduate student internships, predoctoral and postdoctoral positions in process or completed 	

ATTACHMENT B

GRANT PAYMENT

CalOptima has made a Grant Award to Grantee in the amount of up to two million seven hundred thousand dollars (\$2,700,000), which shall be the maximum amount payable for the Grant Project and which shall be paid following execution of the Agreement in the time and manner set forth below.

Payments: Payments under this Agreement shall be made in five (5) installments. The first payment shall be made following execution of this Agreement and subsequent payments will be made upon acceptable progress reports.

- Payment #1 (Y1): up to \$617,253 (paid upon execution of grant agreement)
- Payment #2 (Y2): up to \$571,841 (conditional upon acceptable reports #2 and #3)
- Payment #3 (Y3): up to \$475,092 (conditional upon acceptable reports #4 and #5)
- Payment #4 (Y4): up to \$618,592 (conditional upon acceptable reports #6 and #7)
- Payment #5 (Y5): up to \$344,038 (conditional upon acceptable reports #8 and #9)
- Retention (15% withhold of payment #5): up to \$60,712 (conditional upon acceptable final report and attestation)

All payments following the initial grant payment are contingent upon CalOptima's receipt and approval of progress reports and/or final report which are due as condition of that payment. Such reports must be acceptable to CalOptima and demonstrate progress toward Grant Activities over the project timeline, as provided in Section 4.2 and 4.3 of the Agreement. CalOptima may delay or withhold grant payments at its sole discretion if such reports are not submitted timely or as otherwise required or CalOptima is not satisfied with any submitted reports or Grantee's progress on project objectives.

Return Funds: Grantee shall refund to CalOptima any funds that are found to not have been utilized in accordance with the requirements of this Agreement. CalOptima shall have the right to audit, or to have audited by an independent third party, all Grant Project expenses. Grantee shall fully cooperate with CalOptima or its auditor and shall refund to CalOptima any amounts found to have been improperly expended from the Grant Award within thirty (30) days of the notice of such improper expenditures.

ATTACHMENT C

PROGRESS REPORT SCHEDULE

Purpose of Grant Reports

In an effort to help ensure successful grant outcomes, CalOptima actively monitors and evaluates grant progress and requires that grantees submit semi-annual progress reports as well as a final report. These reports are intended to help both CalOptima and grantee appraise progress toward funding objectives.

Grant Report Requirements

All grant recipients must complete the Grant Report Form provided through written communication with CalOptima's Behavioral Health Integration department. Please note that successful completion of reports are a condition of grant funding and incomplete reports will delay the disbursement of future grant payments.

Reporting Requirements

- 1) Estimated number of CalOptima Health members served.
- 2) Total number of CalOptima Health members served in this project.
- 3) Actual number of CalOptima Health members served this reporting period.
- 4) How much progress has been made towards your outcomes/objectives? If progress was not made, please explain.
- 5) What kind of unexpected successes or challenges have you encountered during this reporting period? If you encountered challenges, how did they mitigate?

Report Submission Schedule

This grant requires the submission of ten (10) reports over the duration of the project timeframe (i.e. July 1, 2023 - June 30, 2028) as follows:

- **Semi-Annual Progress Report** will be due within thirty (30) calendar days after the end of each reporting period.
 - o Specific due dates and Reporting Periods Covered:
 - Report #1- Due by 01/31/2024 for Reporting Period 07/01/2023-12/31/2023.
 - Report #2- Due by 07/31/2024 for Reporting Period 01/01/2024-06/30/2024.
 - Report #3- Due by 01/31/2025 for Reporting Period 07/01/2024-12/31/2024.
 - Report #4- Due by 07/31/2025 for Reporting Period 01/01/2025-06/30/2025.
 - Report #5- Due by 01/31/2026 for Reporting Period 07/01/2025-12/31/2025.

- Report #6- Due by 07/31/2026 for Reporting Period 01/01/2026-06/30/2026.
 - Report #7- Due by 01/31/2027 for Reporting Period 07/01/2026-12/31/2026.
 - Report #8- Due by 07/31/2027 for Reporting Period 01/01/2027-06/30/2027.
 - Report #9- Due by 01/31/2028 for Reporting Period 07/01/2027-12/31/2027.
- **Final Report** will be due within thirty (30) calendar days after the end of this Grant Agreement. o Specific due date and Reporting Period Covered:
 - Final Report Due by 07/31/2028 for reporting period 07/01/2023-06/30/2028.

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Wellness & Prevention Foundation dba Wellness & Prevention Center	700 Avenida Pico	San Clemente	CA	92673