



# CalOptima Health

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

**FEBRUARY 6, 2025  
2:00 P.M.**

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

**TELECONFERENCE LOCATION:  
MORRISON CLARK HISTORIC INN & RESTAURANT  
1011 L St NW  
CHECK IN AT THE FRONT DESK FOR EXACT LOCATION  
WASHINGTON, DC 20001**

**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 Dwiars

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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](http://www.caloptima.org). Board meeting audio is streamed live on the CalOptima Health website at [www.caloptima.org](http://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\\_3PzBUaNGTsO2LhLKiBhICQ](https://us06web.zoom.us/webinar/register/WN_3PzBUaNGTsO2LhLKiBhICQ) to Join the Meeting.**

**Webinar ID: 835 9059 5932**

**Passcode: 545658 -- Webinar instructions are provided below.**

## **CALL TO ORDER**

Pledge of Allegiance  
Establish Quorum

## **PRESENTATIONS/INTRODUCTIONS**

### **MANAGEMENT REPORTS**

1. Chief Executive Officer Report
2. 2024 Health Equity Report

### **ADVISORY COMMITTEE UPDATES**

3. Member Advisory Committee and Provider Advisory Committee Updates

### **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**

4. Minutes
  - a. Approve Minutes of the December 5, 2024 Regular Meeting of the CalOptima Health Board of Directors
  - b. Receive and File Minutes of the October 9, 2024 Regular Meeting of the CalOptima Health Board of Directors' Quality Assurance Committee
5. Approve Actions Related to OneCare Member Engagement and Education
6. Adopt Resolution No. 25-0206-01 Approving Updated and New CalOptima Health Human Resources Policies
7. Approve New CalOptima Health Policy DD.2014: Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process
8. Approve New CalOptima Health Office of Compliance Policy HH.4004: Grant Auditing
9. Adopt the Proposed CalOptima Health Board of Directors Meeting Schedule Effective July 1, 2025, through December 31, 2025
10. Rescind the Letter of Support for 360 PACE to Offer Program of All-Inclusive Care for the Elderly Services in Orange County
11. Appointments to the CalOptima Health Board of Directors' Member Advisory Committee

12. Receive and File:
  - a. November and December 2024 Financial Summaries
  - b. Compliance Report
  - c. Government Affairs Reports
  - d. CalOptima Health Community Outreach and Program Summary

#### **REPORTS/DISCUSSION ITEMS**

13. Adopt a New CalOptima Health Fiscal Year 2025-2027 Strategic Plan
14. Authorize Actions Related to the Medi-Cal Fee-for-Service Hospital Services Contract with HealthBridge Children's Hospital
15. Authorize Actions Related to the Providence Medical Foundation Medi-Cal Contract
16. Approve Actions Related to the Housing and Homelessness Incentive Program
17. Authorize the Chief Executive Officer to Execute a Sole Source Contract with Applied Research Works, Inc. to Acquire Data from CalOptima Health-Contracted Health Networks Using Applied Research Works' Common Core of Data Files and Electronic Health Record Integration Service

#### **CLOSED SESSION**

- CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(2): 1 Case.
- CS-2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Government Code section 54956.9(d)(4): 1 Case.

#### **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 February 6, 2025 at 2:00 p.m. (PST)

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

[https://us06web.zoom.us/webinar/register/WN\\_3PzBUaNGTsO2LhLKiBhICQ](https://us06web.zoom.us/webinar/register/WN_3PzBUaNGTsO2LhLKiBhICQ)

To **Join** this webinar:

<https://us06web.zoom.us/j/83590595932?pwd=9B7baP1uBknvOIXb2zyEzDXJEPPRv9.1>

Phone one-tap:

+16694449171,,83590595932#,,,,\*545658# US

+17193594580,,83590595932#,,,,\*545658# US

Join via audio:

+1 669 444 9171 US

+1 719 359 4580 US

+1 720 707 2699 US (Denver)

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 689 278 1000 US

+1 301 715 8592 US (Washington DC)

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**Webinar ID: 835 9059 5932**

**Passcode: 545658**

International numbers available: <https://us06web.zoom.us/j/83590595932?pwd=9B7baP1uBknvOIXb2zyEzDXJEPPRv9.1>



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## MEMORANDUM

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DATE: January 30, 2025

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — February 6, 2025, Board of Directors Meeting

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

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### **A. Board of Supervisors Approve Covered California Ordinance Change**

On January 14, the Orange County Board of Supervisors unanimously voted 5–0 to approve the final adoption of an ordinance to allow CalOptima Health’s participation in Covered California. This vote was the culmination of months of work by numerous internal staff under the leadership of Chief Administrative Officer Veronica Carpenter as well as the engagement of many external stakeholders. We received 63 support letters from a wide range of Orange County hospitals, health networks, clinics, community-based organizations, business groups, educational institutions and more, notably including all three of the major local health care associations: the Hospital Association of Southern California, the Orange County Medical Association and the Coalition of Orange County Community Health Centers. This decision marks the beginning of a two-year process toward being approved to offer a Covered California plan, effective January 1, 2027. CalOptima Health shared the exciting news in a [press release](#) that led to significant media coverage, including in the [Orange County Register](#), [NewSantaAna.com](#) and [Payers & Providers](#). Also, [LAist](#) ran a story in advance of the Board of Supervisors’ approval.

### **B. President Trump Signs Executive Orders**

On January 20, U.S. President Donald J. Trump and U.S. Vice President J.D. Vance were inaugurated for four-year terms. Since taking office, President Trump has issued several wide-ranging Executive Orders (EOs) and other memoranda impacting policy areas across the federal government. In coordination with our federal lobbyists and associations, staff is monitoring and analyzing the EOs as they are released. Currently, the direct impacts of EOs are mostly limited to the operations and administration of federal agencies and do not have immediate effects on state and local agencies like CalOptima Health. Several EOs will require further guidance from the relevant federal agencies to clarify and effectuate their full scopes. Of note, the federal funding pause that was announced on January 27 exempted certain direct benefit programs, including Medicaid (i.e., Medi-Cal), Medicare, Social Security and the Supplemental Nutrition Assistance Program (i.e., CalFresh), but could have impacted some discretionary grants, loans and other programs that benefit our members, providers and stakeholders. However, after a federal judge issued a stay on the funding pause through at least February 3 for further review, the White House rescinded the funding pause in full. Additional details regarding any downstream impacts of current and future EOs on CalOptima Health will be shared as such information is made available.

### **C. Medi-Cal Waivers Approved**

In the final weeks of the administration of then-President Joseph R. Biden Jr., the U.S. Centers for Medicare & Medicaid Services (CMS) approved two major Medicaid (Medi-Cal) waivers requested by the California Department of Health Care Services (DHCS). First, CMS approved the new BH-CONNECT demonstration to improve the Medi-Cal behavioral health delivery system at the state, county and managed care plan (MCP) levels, effective January 1, 2025, for a five-year period through 2029. Among other provisions, BH-CONNECT includes the new Transitional Rent benefit through which MCPs will provide six months of rent payments to qualifying individuals transitioning from institutions, congregate settings or homelessness, among other criteria. In addition, CMS approved California's latest Managed Care Organization (MCO) Tax waiver amendment following changes included in this past year's Fiscal Year (FY) 2024–25 state budget. This amended approval by CMS allows DHCS to proceed with final implementation of the MCO tax and secures an estimated \$7.2 billion in additional funding through December 2026 to support the Medi-Cal program.

### **D. CalOptima Health Publishes 2025 Report to the Community**

CalOptima Health's [2025 Report to the Community](#) will be mailed soon to 1,000+ community leaders and stakeholders. The 48-page report highlights the impacts and accomplishments of the past year, working with the Board and our partners to achieve results and transform the delivery of care to our members. Special sections cover Caring for Members, Supporting Providers, Engaging Our Community, Investing in New Programs and Raising Awareness. The center spread features a fold-out with photos and key information about our Back-to-School Health and Wellness Fair. Readers can scan QR codes to watch our cancer campaign TV commercial and media coverage.

### **E. New Chief Information Officer Joins CalOptima Health**

Kathleen Linder joined CalOptima Health as Chief Information Officer (CIO) on December 9, 2024. She brings more than 30 years of experience in health plan and health care technology. Previously, she was CIO for Elevance Health's Carelon Health division, providing strategic and operations leadership for health plan and provider functions, including claims, membership, benefits, utilization management, network management and other areas.

### **F. State Regulator Shares Quality Performance of Medi-Cal Managed Care Plans**

On December 20, 2024, the DHCS distributed a [news release](#) announcing Measurement Year 2023 quality ratings for Medi-Cal MCPs and county behavioral health plans (BHPs). The ratings are part of DHCS' Bold Goals [50x2025 initiative](#), which targets improvements in children's health, reproductive care, cancer prevention, maternal health and behavioral health integration. By releasing these ratings, DHCS encourages MCPs and BHPs to provide improved care, particularly in preventive and primary care as well as behavioral health services. CalOptima Health is pleased to state that we met or exceeded DHCS' target quality rating for the following measures:

- Children's Health Domain
- Reproductive Health and Cancer Prevention Domain
- Chronic Disease Management Domain

Further, based on our overall performance, CalOptima Health **did not** receive any monetary sanction while [20 other plans](#) across the state were sanctioned for quality gaps.

### **G. CalOptima Health's Naloxone Distribution Saves Lives**

In a December 22, 2024, Orange County Register article about deaths among the unhoused population, CalOptima Health was mentioned as a source for free distribution of naloxone, and thus connected to the decrease in overdose deaths: “Narcan, the brand name of naloxone, has been distributed far and wide at no charge to people over the last year, including by Orange County’s CalOptima health plan and Los Angeles County officials as well.” Thanks to our media outreach and distribution efforts in Orange County, this unsolicited mention means that recognition of our program has spread. Further, we recently received outstanding news about the impact of our naloxone program so far. As of October 1, Fentanyl Solutions, which assists us with distribution, received reports of 87 successful overdose reversals using the naloxone we supplied. As many overdose reversals are not reported, it’s safe to say that hundreds of lives have been saved as a direct result of our distribution efforts.

#### **H. CalOptima Health Promotes Housing and Homelessness Incentive Program (HHIP) Success; Releases New Round of Funding**

To highlight the success of past HHIP efforts and promote an allocation of \$19.73 million for new investments, CalOptima Health distributed a [press release](#) on December 16, 2024. As a cornerstone of our commitment to the statewide California Advancing and Innovating Medi-Cal (CalAIM) initiative, HHIP demonstrates the power of leveraging housing stability to improve health outcomes. The newly approved funding ensures that these transformative efforts will continue to evolve, creating housing solutions for Orange County’s most vulnerable residents. An [HHIP progress report](#) is on our website.

As part of the new investments, CalOptima Health subsequently released an HHIP Round 4 funding opportunity focusing on equity grants and systems change projects to prevent homelessness. The application period is January 22–March 5, 2025, and the application portal is [here](#).

- **Funding Priority #1: Equity Grants**

This funding priority aims to prevent or remedy homelessness by ensuring individuals at risk or experiencing homelessness have access to tailored housing and supportive services that address the root causes of housing instability, such as social determinants of health. This opportunity is purposefully open to a broad range of programs and organizations that impact root causes.

- **Funding Priority #2: Systems Change Projects**

This funding priority is centered on preventing homelessness through systemic changes that create a broad, countywide impact. It is designed to support projects and initiatives focused on upstream prevention strategies that address the root causes of homelessness before they negatively impact housing status.

#### **I. Member Health Rewards Program Continues**

CalOptima Health provides health rewards to eligible members who take an active role in their health. We are continuing our Member Health Rewards Program for 2025. Rewards range from \$25 to \$50 gift cards for completing various exams, visits and screenings, such as:

- Annual Wellness Visit
- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- Diabetes A1C Test
- Blood Lead Test at 12 and 24 Months of Age
- Postpartum Checkup

Members are notified about the opportunity through a mailing and texting campaign.



## Fast Facts February 2025

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

### Membership Data\* (as of December 31, 2024)

<b>Total CalOptima Health Membership</b>  <b>917,669</b>	Program	Members
	Medi-Cal	900,126
	OneCare (HMO D-SNP)	17,037
	Program of All-Inclusive Care for the Elderly (PACE)	506

\*Based on unaudited financial report and includes prior period adjustments.

### Key Financial Indicators (for six months ended December 31, 2024)

	Dashboard	YTD Actual	Actual vs. Budget (\$)	Actual vs. Budget (%)
Operating Income/(Loss)	●	\$27.1M	\$185.5M	117.1%
Non-Operating Income/(Loss)	●	\$87.7M	\$55.4M	171.5%
<b>Bottom Line (Change in Net Assets)</b>	●	<b>\$114.8M</b>	<b>\$240.9M</b>	<b>191.1%</b>
<b>Medical Loss Ratio (MLR)</b> <i>(Percent of every dollar spent on member care)</i>	●	<b>93.9%</b>	<b>100.6%</b>	<b>-6.8%</b>
<b>Administrative Loss Ratio (ALR)</b> <i>(Percent of every dollar spent on overhead costs)</i>	●	<b>5.0%</b>	<b>6.8%</b>	<b>1.8%</b>

Notes:

- For additional financial details, refer to the financial packages included in the Board of Directors meeting materials.
- Adjusted MLR (without the estimated provider rate increases funded by reserves) is 89.5%.

### Reserve Summary (as of December 31, 2024)

	Amount (in millions)
<b>Board Designated Reserves*</b>	<b>\$1,036.7</b>
<b>Statutory Designated Reserves</b>	<b>\$135.6</b>
<b>Capital Assets (Net of depreciation)</b>	<b>\$102.1</b>
<b>Resources Committed by the Board</b>	<b>\$462.0</b>
<b>Board Approved Provider Rate Increase**</b>	<b>\$421.0</b>
<b>Resources Unallocated/Unassigned*</b>	<b>\$402.5</b>
<b>Total Net Assets</b>	<b>\$2,559.9</b>

\* Total of Board-designated reserves and unallocated resources can support approximately 136 days of CalOptima Health's current operations.

\*\*5/5/24 meeting: Board of Directors committed \$526.2 million for provider rate increases from 7/1/24 to 12/31/26.

**Total Annual Budgeted Revenue**

**\$4 Billion**

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



# CalOptima Health Fast Facts

February 2025

## Personnel Summary (as of January 10, 2025, pay period)

	Filled	Open	Vacancy % Medical	Vacancy % Administrative	Vacancy % Combined
Staff	1,328.75	57.15	59.6%	40.4%	5.26%
Supervisor	81	2	100%	--%	2.41%
Manager	119	4	25%	75%	3.25%
Director	69	4.5	55.56%	44.44%	6.12%
Executive	21	--	--%	--%	--%
<b>Total FTE Count</b>	<b>1,618.8</b>	<b>68.7</b>	<b>47.89%</b>	<b>52.11%</b>	<b>5.02%</b>

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

## Provider Network Data (as of January 27, 2025)

	Number of Providers
Primary Care Providers	1,318
Specialists	7,032
Pharmacies	603
Acute and Rehab Hospitals	43
Community Health Centers	65
Long-Term Care Facilities	206

## Treatment Authorizations (as of November 30, 2024)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	38.94 hours
Prior Authorization – Urgent	72 hours	14.18 hours
Prior Authorization – Routine	5 days	2.12 days

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

## Member Demographics (as of December 31, 2024)

Member Age		Language Preference		Medi-Cal Aid Category	
0 to 5	8%	English	54%	Expansion	38%
6 to 18	23%	Spanish	31%	Temporary Assistance for Needy Families	37%
19 to 44	35%	Vietnamese	10%	Seniors	11%
45 to 64	20%	Other	2%	Optional Targeted Low-Income Children	8%
65 +	14%	Korean	1%	People With Disabilities	5%
		Farsi	1%	Long-Term Care	<1%
		Chinese	<1%	Other	<1%
		Arabic	<1%		



# CalOptima Health

## Provider Network Trend

February 2025

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

### CHCN and Health Networks

#### Total Providers <sup>1</sup>

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	1,307	1,296	1,297	1,307	1,314	7
Specialist (Physicians)	6,463	6,503	6,754	6,945	6,977	514
Hospitals <sup>3</sup>	44	40	41	41	41	-3
Community Health Centers <sup>4</sup>	63	64	64	65	65	2
Long Term Care	197	201	200	207	207	10
Behavioral Health <sup>5</sup>	1,982	2,122	2,213	2,239	2,266	284
ECM	32	32	32	32	32	0
Community Support	77	95	99	102	103	26

#### Medi-Cal

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	1,118	1,108	1,100	1,082	1,085	-33
Specialist (Physicians)	5,752	5,856	6,129	6,348	6,398	646
Hospitals <sup>3</sup>	40	36	37	37	37	-3
Community Health Centers <sup>4</sup>	63	63	63	63	63	0
Long Term Care	193	197	196	203	203	10
Behavioral Health <sup>5</sup>	1,904	2,043	2,118	2,162	2,176	272
ECM	32	32	32	32	32	0
Community Support	77	95	99	102	103	26

#### OneCare

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	1,073	1,095	1,092	1,095	1,099	26
Specialist (Physicians)	4,809	4,934	5,132	5,331	5,404	595
Hospitals <sup>3</sup>	39	35	36	36	36	-2
Community Health Centers <sup>4</sup>	57	58	57	58	58	-2
Long Term Care	70	68	68	69	69	-1
Behavioral Health <sup>5</sup>	526	547	596	607	643	117

#### PACE

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	5	5	5	5	3	-2
Specialist (Physicians)	3,106	3,109	3,253	3,405	3,457	351
Hospitals <sup>3</sup>	32	28	29	29	28	-4
Community Health Centers <sup>4</sup>	0	0	0	0	0	0
Long Term Care	67	67	65	65	66	-1
Behavioral Health <sup>5</sup>	97	94	97	96	103	6

# Provider Network Trend

## February 2025

### CHCN Only

#### Total Providers <sup>1</sup>

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	685	674	672	677	676	-9
Specialist (Physicians)	5,811	5,829	6,082	6,273	6,299	488
Hospitals <sup>3</sup>	40	36	37	37	37	-3
Community Health Centers <sup>4</sup>	52	56	56	56	56	4
Long Term Care	193	197	196	203	203	10
Behavioral Health <sup>5</sup>	1,969	2,104	2,189	2,215	2,241	272
ECM	32	32	32	32	32	0
Community Support	77	95	99	102	103	26

### Medi-Cal

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	664	653	651	653	653	-11
Specialist (Physicians)	5,346	5,427	5,717	5,939	5,968	622
Hospitals <sup>3</sup>	37	33	34	34	34	-3
Community Health Centers <sup>4</sup>	51	56	56	56	56	5
Long Term Care	193	197	196	203	203	10
Behavioral Health <sup>5</sup>	1,894	2,028	2,097	2,141	2,154	260
ECM	32	32	32	32	32	0
Community Support	77	95	99	102	103	26

### OneCare

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	572	564	564	570	567	-5
Specialist (Physicians)	4,108	4,195	4,385	4,588	4,675	567
Hospitals <sup>3</sup>	34	30	31	31	31	-3
Community Health Centers <sup>4</sup>	42	46	46	46	46	4
Long Term Care	193	197	196	203	203	10
Behavioral Health <sup>5</sup>	509	528	578	588	628	119

### PACE

Provider Type	2023 – Q4	2024 – Q1	2024 – Q2	2024 – Q3	2024 – Q4	YOY Net Δ
PCP <sup>2</sup>	5	5	5	5	3	-2
Specialist (Physicians)	3,106	3,109	3,253	3,405	3,457	351
Hospitals <sup>3</sup>	32	28	29	29	29	-3
Community Health Centers <sup>4</sup>	0	0	0	0	0	0
Long Term Care	67	67	65	65	66	-1
Behavioral Health <sup>5</sup>	97	94	97	96	103	6

Footnotes:

<sup>1</sup> Unique count of Provider by NPI (does not include count of each practice location per provider)

<sup>2</sup> Includes Primary Care Physicians, FQHCs and Long Term Care facilities acting as Primary Care Providers

<sup>3</sup> Includes Acute, Rehab and Long Term Acute Care Hospitals

<sup>4</sup> Community Health Centers includes FQHCs, FQHC look-alike and Community Clinics

<sup>5</sup> Includes Practitioners and Behavioral Health Groups



# CalOptima Health

## 2024 Health Equity Report

Board of Directors Meeting  
February 6, 2025

Michaell Silva Rose, DrPH, LCSW  
Chief Health Equity 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.

# Commitment to Health Equity

- CalOptima Health is committed to reducing health disparities and serving our members with the excellence, dignity and care they deserve.
- By focusing on the social determinants of health, uncovering implicit biases and dismantling systemic barriers, we will improve the experience and health outcomes for every member.

# Selected Health Equity Accomplishments in 2024

- Report highlights health equity accomplishments in five categories:
  - Staff
  - Members
  - Providers
  - Community
  - Systems and Processes



# Accomplishments for Staff

- Chief Health Equity Officer
- Expansion of Medical Director team
- Dedicated position for discrimination grievances



# Accomplishments for Members

- Behavioral Health Telehealth Appointments
- Doula Benefit
- Community Impact Team



# Community Impact Team



## CalOptima Health Clinic Days - Members Are Activated



Partner with providers and community clinics to provide needed services to members and improve member health outcomes and quality measures as informed by data.

## Health Education Classes - Members Are Engaged



Partner with multi-sector partners to provide health education classes to improve CalOptima Health member engagement through health education and prevention group classes and increase knowledge of health and social services.

## Community Events - Community and Members Are Informed



Partner with Community Relations and multi-sector community partners to participate in community events to inform CalOptima Health population and community members about CalOptima Health preventative care and disease management services and support.

# Accomplishments for Providers

- Health Literacy Continuing Medical Education
- Quality Improvement Grant Program
- Diversity, Equity, Inclusion and Belonging and Health Equity Training



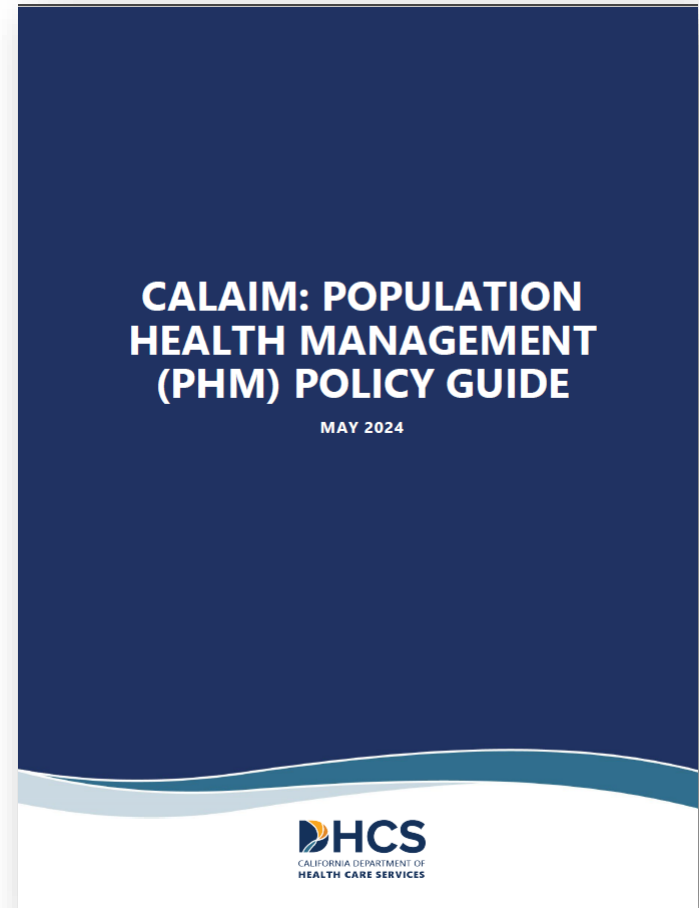
# Accomplishments for the Community

- Expansion of the Street Medicine Program
- Provider Workforce Development Initiative Grants
- Comprehensive Community Cancer Screening and Support Program



# Accomplishments for Systems and Processes

- Organizational Health Literacy Assessment
- Creation of the Population Health Management Committee
- Organizational Assessment for Equity Infrastructure



# 2025 Health Equity Framework

- Our goal is to create a more inclusive, responsive and sustainable approach that effectively addresses the diverse health needs of our members by concentrating on five areas of focus:
  1. Reduce Health Disparities
  2. Leadership and Advocacy for Equity
  3. Member-Centered Care
  4. Community Engagement and Partnership
  5. Empowering Change Through Data-Driven Strategies

# Health Equity Framework:

## 1. Reduce Health Disparities



- Assess member's social determinants of health to identify potential disparities
- Develop programs and initiatives aimed at addressing identified health needs
- Implement focused interventions to close health gaps and improve health outcomes

## 2. Leadership and Advocacy for Health Equity



- Promote leadership and collaboration for equity within the organization
- Build and maintain partnerships with community organizations to advance health equity
- Cultivate a culture of continuous improvement, accountability and transparency

# 3. Member-Centered Care



- Provide cultural humility training and resources for all staff
- Enhance interpreter and translation services to ensure language access
- Customize services to meet the diverse needs of communities
- Provide alternative modalities for member care (e.g., doula, food as medicine, etc.)



# 4. Community Engagement and Partnership



- Engage community partners in strategic planning and health equity initiatives
- Co-develop solutions with community input to address unique health needs
- Strengthen community capacity to lead equity-focused efforts

# 5. Empowering Change Through Data-Driven Strategies



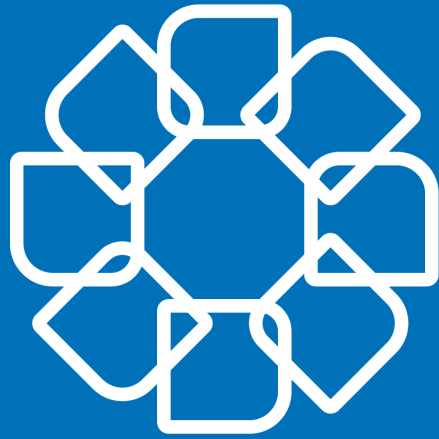
- Strengthen data collection and regularly analyze health data to identify trends and disparities
- Utilize data to evaluate and adjust health equity strategies
- Communicate data insights and outcomes with community stakeholders to promote transparency and collaboration

# 2025 Health Equity Strategic Goals

- Use technology and innovation to strengthen equity and population health management programs.
- Annually assess members' health and social needs and use data to develop targeted interventions.
- Increase access to preventive services for vulnerable populations in pursuit of health equity.
- Expand community involvement in the co-creation of solutions that best serve members.

# Your Feedback Is Important





# CalOptima Health

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# 2024 Health Equity Report



CalOptima Health

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📷 Cover: CalOptima Health Community Resource Fair  
Top: CalOptima Health Street Medicine Team  
Bottom: Naloxone Distribution

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# Introduction

## Message From Michaela Silva Rose, DrPH, LCSW, Chief Health Equity Officer

Dear Members, Partners and Stakeholders,

CalOptima Health is on a mission to create a future where health equity is the standard, not the exception. The establishment of the Chief Health Equity Officer role for Managed Care Plans, a requirement by the California Department of Health Care Services as of January 1, 2024, underscores the importance of this mission.

As Chief Health Equity Officer, I have the privilege of leading efforts to design and implement strategies, programs, policies and procedures that prioritize health equity and address health disparities faced by our members. This work is about more than meeting requirements — it's about creating meaningful change.

Together, we have made significant strides over the past year, and I am proud of the progress we have achieved. However, the journey toward health equity continues, and our resolve remains strong. By focusing on impact, collaboration and innovation, we can continue to improve the lives of our members and communities.

We are committed to reducing health disparities and serving our members with the excellence, dignity and care they deserve. This commitment extends into the heart of the communities our members call home. By focusing on the social determinants of health, uncovering implicit biases and dismantling systemic barriers, we will improve the experience and health outcomes for every member — because it's the right thing to do.

Our vision for health equity remains bold and ambitious, centered on all our operational and strategic priorities. To keep us focused on impact, we have enhanced our health equity framework to include five focus areas:

- **Reducing Health Disparities:** Mitigate racial, ethnic, gender and socioeconomic disparities in health outcomes.
- **Leadership and Advocacy for Equity:** Drive health equity initiatives through advocacy, partnership and continuous quality improvement.
- **Member-Centered Care:** Provide equitable, culturally responsive and linguistically accessible care that focuses on prevention and aligns with member needs and preferences.
- **Community Engagement and Partnership:** Empower and collaborate with community stakeholders to co-create equitable health solutions that include prevention.
- **Empowering Change Through Data-Driven Strategies:** Leverage data to discover gaps, strengths and assets to co-design strategies that improve health outcomes with the community.

We invite you to learn more about our evolving health equity framework and to join our journey toward a healthier, more equitable future for all.



*Michaela Silva Rose*

**Michaela Silva Rose, DrPH, LCSW**  
*Chief Health Equity Officer*





# CalOptima Health Overview

CalOptima Health has had the privilege of caring for Orange County residents since 1995. We believe that all our members deserve access to quality care and service throughout the health care continuum. As a county organized health system, CalOptima Health works in collaboration with providers, community stakeholders and government agencies to achieve our mission and vision.

## 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.

## Our Values

CalOptima Health honors its "Better. Together." motto by working with members, providers and community stakeholders so we can make things better — for our members and community. We believe that to best serve the people of Orange County, we must continue to lead with **Collaboration**, **Accountability**, **Respect**, **Excellence** and **Stewardship**. These are our CARES values, which guide how we build and maintain trust as a public agency, as well as with our members and providers.



Back-To-School Health and Wellness Fair

## Who We Serve

As a public agency and as Orange County's single largest health insurer, CalOptima Health offers health insurance coverage through three major programs:

- **Medi-Cal** — California's Medicaid Program for low-income children, adults, seniors and people with disabilities, offering comprehensive health care coverage.
- **OneCare (HMO D-SNP)** — Medicare Advantage Dual Eligible Special Needs Plan for seniors and people with disabilities who qualify for both Medicare and Medi-Cal.
- **Program of All-Inclusive Care for the Elderly (PACE)** — PACE for frail older adults, providing a full range of health and social services so seniors can remain living in the community.

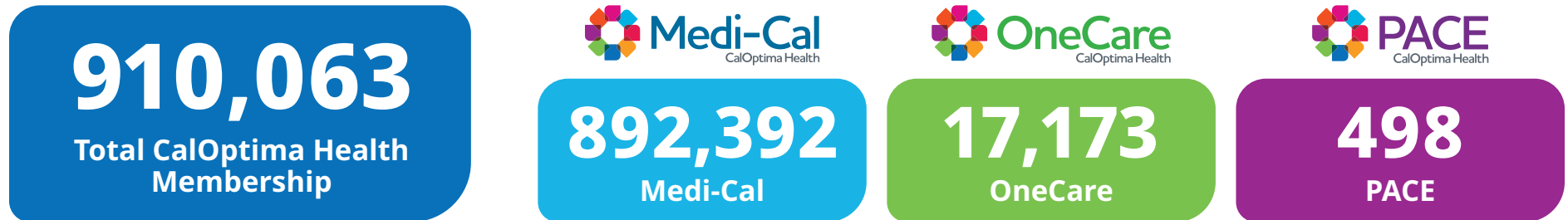




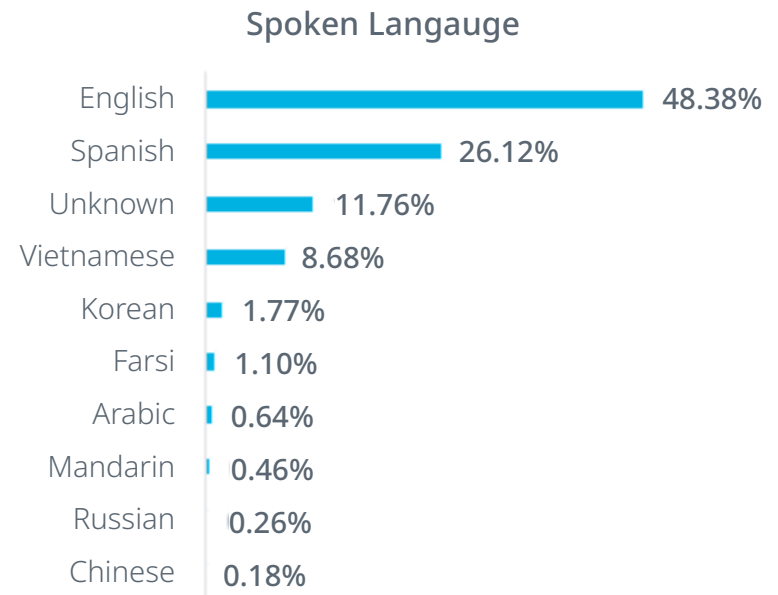
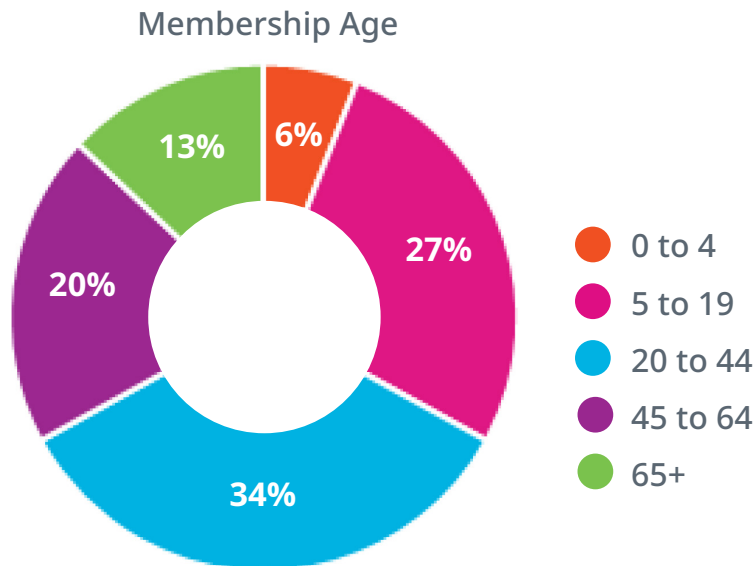
# CalOptima Health Profile

CalOptima Health serves about 1 in 3 Orange County residents, making us the single largest managed care plan in the county. As of October 31, 2024, our membership reached 910,063. The member profile below shows that CalOptima Health's membership is diverse, including residents of all ages and ethnicities and who speak various languages.

## Membership Data\* (as of October 31, 2024)



## Membership Demographics\*\*

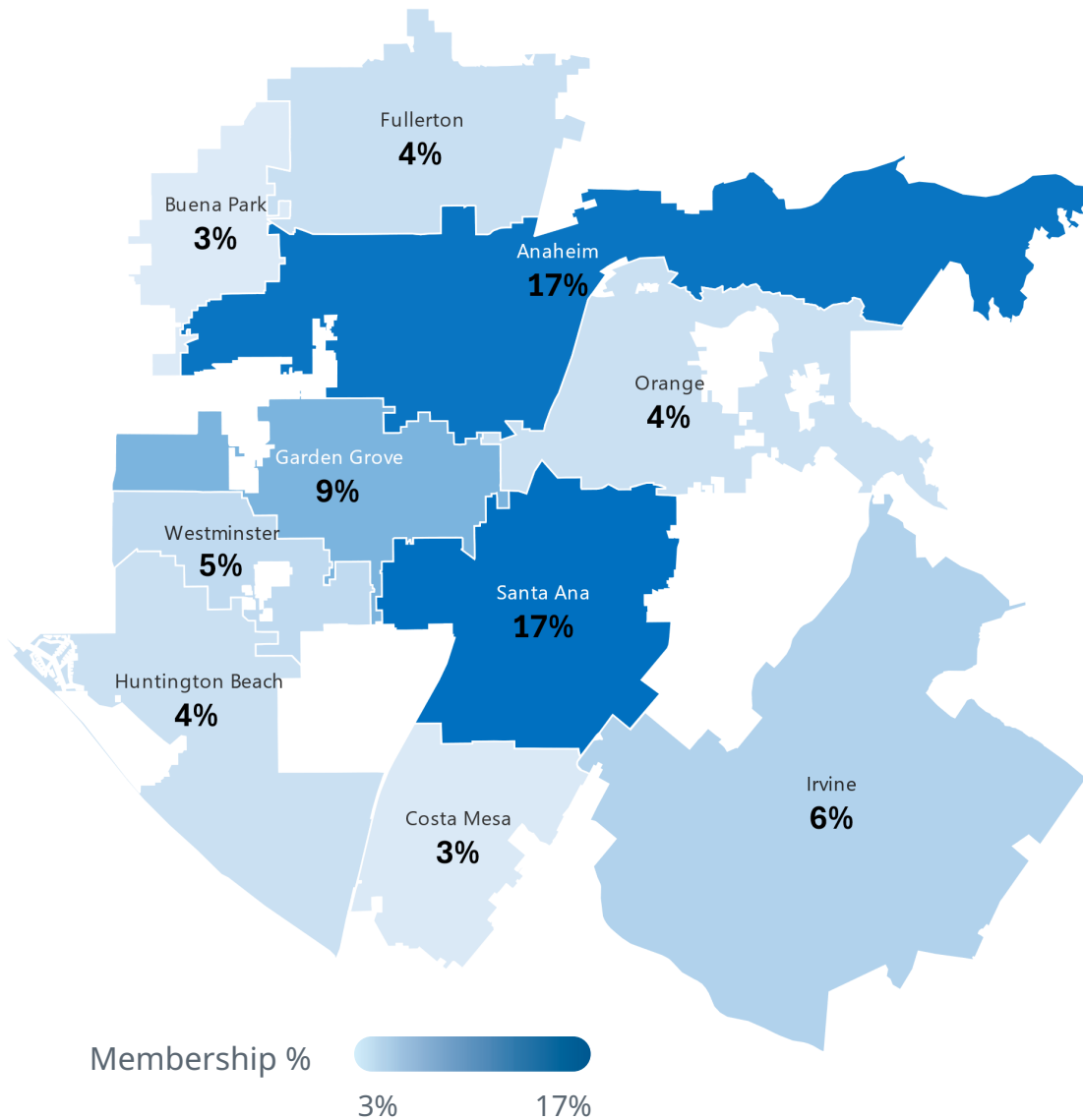


\*Data Source: CalOptima Health Fast Facts (released December 2024) - Based on unaudited financial report and includes prior period adjustments.

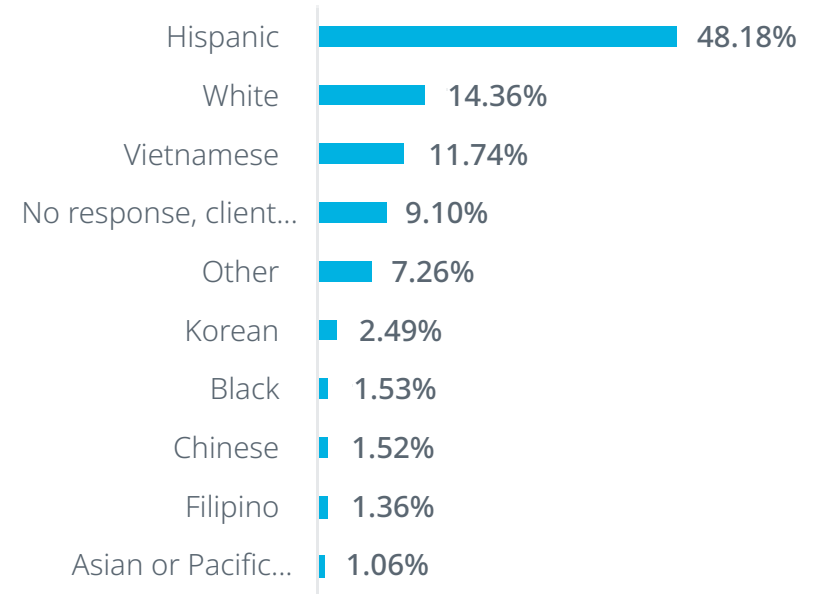
\*\*Data Sources: CalOptima Health Membership Tableau Dashboard, November 2024

# Membership Demographics\*\* (Continued)

## Membership by City



## Ethnicity



\*\*Data Sources: CalOptima Health Membership Tableau Dashboard, November 2024



# 2024 Select Accomplishments In Health Equity

## STAFF

Project / Initiative	Description	Progress and Accomplishments
<p><b>Health Literacy for Equity (HL4E) Certification and Training Program</b></p>	<p>CalOptima Health partnered with the Institute for Healthcare Advancement (IHA), County of Orange Social Services Agency, Orange County Health Care Agency (HCA), St. Jude Health Center and community residents as part of HCA's Equity in OC Initiative to improve organizational health literacy across systems in Orange County.</p>	<ul style="list-style-type: none"> <li>Health Literacy (HL) 101: Two educational videos were developed to introduce organizational health literacy (OHL). A total of 418 CalOptima Health staff completed the video training.</li> <li>Teach-Back Method Workshop: IHA facilitated a four-hour workshop for staff enrolled in the HL Specialist Certification Program to learn and practice the teach-back method. A total of 20 staff from different business units were trained and five staff participated in a train-the-trainer course to build expertise within the organization.</li> <li>The certificate program was a self-paced, exam-based curriculum with seven core modules. The program took an estimated 55–80 hours to complete, including exams. A total of 152 CalOptima Health staff enrolled in the certificate program. As of November 2024, 75% of the group completed the program and received their certification.</li> </ul> <p><b><i>The OHL Assessment progress is listed below the CalOptima Health Systems and Process on <a href="#">Page 18</a>.</i></b></p>
<p><b>CalOptima Health University Health Equity Training</b></p>	<p>CalOptima Health University training catalog was expanded to include various trainings on health equity.</p>	<p>CalOptima Health University offered 12 on-demand health equity webinars to staff and health network providers. The topics ranged from creating inclusive workspaces to cultivating racial equity in the workplace. CalOptima Health continues to expand its training catalog to include more health equity webinars and resources.</p>
<p><b>Cultural Competency: Diversity, Equity, Inclusion and Belonging (DEIB) and Health Equity eLearning Training Program</b></p>	<p>CalOptima Health created a robust training program to increase awareness of DEIB and health equity.</p>	<p>CalOptima Health's DEIB training program aims to help staff and health network providers create:</p> <ul style="list-style-type: none"> <li>Overall, better quality of care for our diverse membership.</li> <li>An inclusive environment within the organization and externally with network providers and contractors.</li> <li>Greater awareness of sensitivity, diversity, cultural competency, cultural humility and health equity.</li> </ul>

## STAFF *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<b>Health Equity Leadership</b>	<p>CalOptima Health created a Chief Health Equity Officer (CHEO) position to advance health equity efforts, address health disparities and ensure all CalOptima Health policies and procedures promote health equity.</p>	<p>Dr. Michael Rose joined CalOptima Health in September 2023, bringing more than 25 years of health care experience in executive leadership, advocacy, strategic planning, program development and cross-functional teamwork in the promotion of equity and improved health outcomes for underserved populations. Over the past year, Dr. Rose:</p> <ul style="list-style-type: none"> <li>• Led the agency’s health equity efforts, many of which are included in this report.</li> <li>• Co-chaired for the Quality Improvement Health Equity Committee.</li> <li>• Served on several community advisory committees, including HCA’s Community Suicide Prevention Coalition and HCA’s Population Health Steering Committee, OC Interagency Leadership Team, the Health Equity for African Americans League (HEAAL) collective, and United Way’s United for Financial Security Leadership Council.</li> <li>• Successfully fulfilled all the CHEO responsibilities as outlined in the 2024 Department of Health Care Services contract.</li> </ul>
<b>Medical Director Growth and Leadership in Advancing Health Equity</b>	<p>CalOptima Health’s Medical Director team was expanded to enhance physician oversight across programs and initiatives, sustain timely processing of treatment authorizations and ensure quality of care with a strong focus on addressing health inequities.</p>	<p>CalOptima Health’s team of 14 Medical Directors plays a vital role in reducing health disparities within the organization by:</p> <ul style="list-style-type: none"> <li>• Leading efforts to ensure that all members, regardless of background, receive fair and compassionate care.</li> <li>• Ensuring that optimal quality care is provided to all members.</li> <li>• Overseeing same-day authorizations to ensure timely and appropriate care for members.</li> <li>• Addressing grievances and appeals, ensuring fair resolution.</li> <li>• Spearheading the restructuring of our internal member risk assessment strategy.</li> <li>• Enhancing the ability to proactively identify and address potential health risks and care gaps.</li> </ul>
<b>Grievance and Appeals Resolution Services (GARS) Growth to Address Discrimination</b>	<p>CalOptima Health’s GARS team was expanded to enhance efforts to investigate grievances related to discrimination.</p>	<p>CalOptima Health’s GARS team grew to include a dedicated staff to identify and address discrimination grievances to ensure that all members feel respected and are treated with dignity, and to build trust in the health care system, which are essential elements in improving health outcomes.</p>

# MEMBERS

Project / Initiative	Description	Progress and Accomplishments
<p><b>CalFresh Benefits</b></p>	<p>CalOptima Health created a CalFresh outreach strategy to promote food security among members.</p>	<ul style="list-style-type: none"> <li>Partnered with County of Orange Social Services Agency to provide education and help connect members to CalFresh.</li> <li>Approximately 259,000 households of potentially eligible members were engaged through a multimedia marketing campaign and CalFresh enrollment events.</li> <li>As of June 2024, CalOptima Health hosted six community events that focused on CalFresh enrollment. More than 11,355 members were served, and 1,233 CalFresh applications were submitted.</li> </ul>
<p><b>Behavioral Health Telehealth Appointments</b></p>	<p>CalOptima Health launched the Behavioral Health Telehealth Appointment program, which offers members virtual access to outpatient behavioral health care.</p>	<p>The Behavioral Health Telehealth Appointments program enables members to request and schedule appointments with TeleMed2U, a CalOptima Health behavioral health providers. TeleMed2U offers various behavioral health services provided by a team of clinical experts along with after-hours services. From April 1–October 31, 2024, 9,717 appointments were scheduled through TeleMed2U, and 70.5% were completed.</p>
<p><b>Social Determinants of Health (SDOH) Assessment</b></p>	<p>CalOptima Health developed and implemented a SDOH tool to assess non-medical factors that influence members' health.</p>	<ul style="list-style-type: none"> <li>Developed and integrated an SDOH assessment within the Member Portal to help increase the documentation of SDOH needs. Through SDOH assessments, members are connected to community resources and support.</li> <li>The SDOH assessment was also built for CalOptima Health's health care enterprise management platform to facilitate the annual assessment of members, refer members to non-medical resources and services, and gather data to inform focused interventions.</li> </ul>
<p><b>Doula Benefits</b></p>	<p>CalOptima Health continues to offer Medi-Cal doula services to prevent prenatal complications and improve health outcomes for birthing parents and infants.</p>	<ul style="list-style-type: none"> <li>Provided training on the requirements to become a doula, the contracting process as well as the claims and billing aspect of providing doula services. A total of 26 participants attended, including 16 doulas, 9 health network representatives and 1 community organization representative.</li> <li>Conducted a satisfaction survey on all members who had a doula claim or encounter. One hundred percent of the members who participated in the survey indicated that they were satisfied with doula services.</li> <li>CalOptima Health Community Network contracted with 13 doulas who represent a wide range of ethnic and cultural backgrounds.</li> <li>Built partnerships with doulas who donate their time to provide education and help members enroll in doula services at CalOptima Health maternal health events.</li> </ul>

# MEMBERS *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<p><b>Community Health Worker (CHW) Services</b></p>	<p>CalOptima Health continues to offer CHW services to members and support capacity building and workforce development for CHW organizations.</p>	<ul style="list-style-type: none"> <li>• Provided \$2.1 million in grant funding for 21 organizations to participate in the CHW Academy. The CHW Academy is a six-month course of weekly training (one hour per week).</li> <li>• As of November 2024, a total of 213 CHWs and 21 contracted CHW supervising providers were contracted.</li> </ul>
<p><b>Blood Lead Screening Collaborative</b></p>	<p>CalOptima Health partnered with HCA and Kaiser Permanente to identify and address disparities in timely blood lead screenings among Orange County children.</p>	<p>The Blood Lead Screening Collaborative co-developed a shared goal that aims to identify and reduce disparities and gaps in timely blood lead screenings among children within Orange County. To reach this goal, the collaborative also co-designed five SMART objectives that focus on population data sharing, shared communication, information and education, and building awareness among trusted messengers.</p> <p><b><i>Details and progress on the goal and SMART objectives can be found in the <a href="#">Appendix</a>.</i></b></p>
<p><b>Maternal Mental Health Screening Collaborative</b></p>	<p>CalOptima Health partnered with HCA and First 5 Orange County to promote the completion of perinatal depression screenings and connect patients to follow-up care.</p>	<p>The Maternal Mental Health Collaborative co-developed a shared goal to promote prenatal and postpartum depression screenings by Orange County perinatal and pediatric providers and encourage providers to connect patients who screen positive for maternal depression to follow-up care within 30 days. To reach this goal, the collaborative also co-designed six SMART objectives that focus on data enhancement, shared communication and collaboration, and provider and community training.</p> <p><b><i>Details and progress on the goal and SMART objectives can be found in the <a href="#">Appendix</a>.</i></b></p>
<p><b>Equity and Community Health (ECH) Department</b></p>	<p>The former Population Health Management department was restructured to create a new Equity and Community Health (ECH) department, under the leadership of Dr. Michael Rose.</p>	<p>ECH’s mission is to engage and partner with members, providers and community stakeholders to advance health equity, drive prevention and improve access to optimal care for all CalOptima Health members.</p> <p>The ECH team supports members’ health by increasing access to care through the promotion of community-based programs, such as Maternal and Child Health programs, Wellness and Prevention programs, and Chronic Disease Management programs. These programs are developed and implemented to address health disparities and inequities. In addition, ECH created a new Community Impact Team to improve quality outcomes for all CalOptima Health members.</p> <p><b><i>Details on ECH’s Community Impact Team and strategies can be found in the <a href="#">Appendix</a>.</i></b></p>

# MEMBERS *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<p><b>Gender-Affirming Care</b></p>	<p>CalOptima Health’s Gender-Affirming Care program offers safe and effective pathways to achieving lasting personal comfort with members’ gendered selves.</p>	<p>CalOptima Health’s gender-affirming care workgroup facilitated education and training to staff in partnership with World Professional Association for Transgender Health (WPATH). A total of 78 staff completed the 15 hours of WPATH training.</p>
<p><b>Maternal Health and Breast-Feeding Event</b></p>	<p>CalOptima Health hosted our second annual Maternal Health and Breast-Feeding event to support expectant and postpartum members.</p>	<p>In August 2024, CalOptima Health partnered with Women, Infants, and Children (WIC) to host a Maternal Health and Breast-Feeding event. This event served 181 participants and helped them connect with 13 community organizations. Participants received fresh produce baskets, diapers, baby shoes, education and resources. WIC also hosted a nursing tent to provide a safe space for mothers to nurse infants.</p>
<p><b>Clinic Days – Maternal and Infant Wellness Pilot Events</b></p>	<p>CalOptima Health partnered with the University of California, Irvine (UCI) Family Health Centers to pilot two health and wellness events.</p>	<p>The Maternal and Infant Wellness pilot events created health care access for members who had gaps in care and needed recommended health and wellness screenings. Two separate pilot “clinic day” events occurred in Fall 2024, serving 48 pregnant and postpartum families. The members:</p> <ul style="list-style-type: none"> <li>• Received prenatal/postpartum care, cervical cancer screening, maternal depression screening, blood lead screening, topical fluoride and immunizations.</li> <li>• Obtained nutrition, breast feeding, safe sleep and car seat safety education as well as a wide range of resources and giveaways.</li> <li>• Completed SDOH, sexual orientation and gender identity (SOGI), PHQ-2 (Maternal Depression Screening) and PHQ-9 (High Risk Maternal Depression Screening, if needed) questionnaires.</li> </ul>



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Thanksgiving Event



Back-To-School Health and Wellness Fair



## MEMBERS *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<p><b>Health Equity Well-Care Visit Call Campaign</b></p>	<p>CalOptima Health launched a process improvement project (PIP) to address health disparity gaps in well-care visits.</p>	<p>Through this PIP, CalOptima Health aims to reduce differences in health care between racial and ethnic groups and increase well-child visits in support of statewide health goals. Well-child visits are important for tracking key health indicators in the children. By improving access to these visits among Black and African American members, their overall health can be better supported.</p> <p>In May 2024, CalOptima Health launched a call campaign focusing on parents and guardians of Black and African American members ages 0–15 months. This campaign reached a total of 34 members and their families (40% success rate) to provide them with important information about well-child visits and offered support to schedule their next visit.</p>
<p><b>ECH Unengaged Member Two-Way Campaign</b></p>	<p>The ECH Unengaged Member Two-Way Campaign aims to increase participation in Annual Wellness Visits (AWVs) among unengaged members who have not connected with CalOptima Health or their primary care provider (PCP) in at least nine months.</p>	<p>In October 2024, CalOptima Health launched a two-way text message campaign in all seven threshold languages and 9,000 members were successfully engaged. Text messages included the member’s specific PCP details, resources and CalOptima Health Customer Service number. Members were also educated on the benefits of AWV.</p>
<p><b>Children and Families Recuperative Care Center</b></p>	<p>CalOptima Health’s \$3.5 million grant paved the way for a partnership with the Illumination Foundation to launch the nation’s first Children and Families Recuperative Care Center.</p>	<p>The Children and Families Recuperative Care Center serves unhoused children who need to heal and stabilize from illness or injury following release or referral from a hospital. The child stays with their family in the center, which can house up to six families. Illumination Foundation provides comprehensive case management, housing assistance and trauma-informed counseling to address the complex challenges of homelessness. CalOptima Health’s funding stems from California’s Housing and Homelessness Incentive Program and enabled the acquisition, renovation and expansion of the property. CalOptima Health also adjusted its reimbursement rate, policies and procedures to ensure sustainability for the center.</p>

# PROVIDERS

Project / Initiative	Description	Progress and Accomplishments
<b>CalOptima Health University Health Equity Trainings</b>	CalOptima Health University training catalog was expanded to include various trainings on health equity.	<p style="text-align: center;"><b><i>Progress and accomplishments are outlined under CalOptima Health staff section on <a href="#">Page 7</a>.</i></b></p>
<b>Cultural Competency: Diversity, Equity, Inclusion and Belonging (DEIB) and Health Equity eLearning</b>	CalOptima Health created robust training to increase awareness of DEIB and health equity.	
<b>Health Literacy Continuing Medical Education (CME)/ Continuing Education (CE)</b>	CalOptima Health hosted a CME/CE workshop for physicians and licensed health care professionals on Mastering the Teach-Back Method: Elevating Health Care Professionals' Communication Skills for Enhanced Patient Care.	<p>In January 2024, CalOptima Health partnered with the Institute for Health Care Advancement to offer an interactive provider workshop that highlighted the effective use of the teach-back method. A total of 101 providers and allied health professionals attended the virtual event. Workshop objectives were to:</p> <ul style="list-style-type: none"> <li>• Define the teach-back process.</li> <li>• Demonstrate at least one way to implement the teach-back method in various communication scenarios.</li> <li>• Identify four steps of the teach-back process.</li> <li>• Name two benefits of employing the teach-back techniques.</li> <li>• Describe at least one way to adapt the teach-back approach to meet the unique needs of diverse patient populations.</li> </ul>
<b>Quality Improvement Grant Program (QIGP)</b>	Through QIGP, CalOptima Health aims to address systemic challenges and disparities within health care delivery systems, fostering innovation, collaboration and sustainability in quality improvement efforts.	<p>In response to the ongoing need for enhanced health care quality and patient outcomes, particularly in underserved communities, CalOptima Health recognized the need to implement the QIGP.</p> <p>In July 2024, CalOptima Health released a notice of funding opportunity of \$4 million as part of the QIGP. Grant amounts range from \$50,000 to \$250,000 per measure/measure group and are intended to serve as catalysts of transformative change across various health care settings, ultimately improving the health and well-being of members.</p>

# PROVIDERS *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<p><b>Equity and Practice Transformation (EPT) Program</b></p>	<p>The EPT Program helps Medi-Cal providers improve care quality and promote health equity by investing in care models to improve the quality of care and timely access and build capacity for population health management.</p>	<p>CalOptima Health conducted efforts to ensure eligible providers successfully completed the application process and advanced to the next phase of participation. DHCS approved 14 practices that serve CalOptima Health members.</p> <ul style="list-style-type: none"> <li>• All practices submitted a 2024 Population Health Management Assessment and will receive payment in March 2025.</li> <li>• The CalOptima Health Board of Directors approved paying the practices early in November 2024 to support the work they have already begun to do.</li> <li>• CalOptima Health hired RecastHealth to coach the EPT practices to achieve and implement the program requirements.</li> <li>• All practices submitted their November deliverables, which included policies and data.</li> <li>• CalOptima Health is collaborating with the Coalition of Orange County Community Health Centers to improve efficiencies for the EPT program.</li> </ul>
<p><b>Maternal Mental Health Certification Training</b></p>	<p>CalOptima Health sponsored the Maternal Mental Health Certificate Training program for mental health and clinical professionals.</p>	<p>CalOptima Health’s Equity and Community Health department allocated \$150,000 to pilot a Maternal Mental Health Certificate Training program by Postpartum Support International for Medi-Cal mental health community partners and clinical professionals. This online training program includes eight live and/or recorded sessions, small group discussions, supplemental reading materials, 16 continuing education credits for qualifying specialists, and a certificate of completion. A total of 125 Medi-Cal providers and community partners registered to participate in the first cohort from September to December 2024. Through this training, CalOptima Health aims to build capacity for maternal mental health providers serving members.</p>



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UCI SA event



UCI Anaheim leadership

# BROADER COMMUNITY

Project / Initiative	Description	Progress and Accomplishments
<p><b>Homeless Health Initiative</b></p>	<p>CalOptima Health’s Homeless Health Initiative (HHI) aims to increase access to medical services for members experiencing homelessness. HHI encompasses many projects, including the Street Medicine Program and the Homeless Clinic Access Program (HCAP).</p>	<p>The CalOptima Health Street Medicine Program combines health and social services to address the unique needs of the vulnerable, unhoused population. The program engages people experiencing homelessness where they are in the community, reducing barriers to care and increasing direct access to ongoing medical services.</p> <ul style="list-style-type: none"> <li>• In August 2024, CalOptima Health, in partnership with the City of Costa Mesa and Celebrating Life Community Health Center, launched the CalOptima Health Street Medicine Program in Costa Mesa.</li> <li>• In September 2024, CalOptima Health, in partnership with the City of Anaheim and Healthcare in Action, launched the Street Medicine Program in Anaheim.</li> </ul> <p>HCAP strives to provide accessible, reliable and quality medical care for individuals experiencing homelessness in Orange County by coordinating mobile clinics at shelter sites.</p> <ul style="list-style-type: none"> <li>• In 2024, CalOptima Health launched a \$3 million grant to support mobile clinic services delivered by Federally Qualified Health Centers (FQHCs) at shelters.</li> <li>• By August 31, 2024, grantees had provided services to 3,771 individuals experiencing homelessness.</li> </ul>
<p><b>Health Care Provider Workforce Development Initiative</b></p>	<p>CalOptima Health’s Provider Workforce Development Initiative aims to increase access to high-quality, equitable care for members by investing in strategies to close gaps in Orange County’s health care workforce.</p>	<ul style="list-style-type: none"> <li>• CalOptima Health launched a \$50 million Provider Workforce Development Initiative, the largest workforce investment ever planned by CalOptima Health.</li> <li>• In April 2024, \$24.6 million was awarded to seven institutions to support workforce education related to behavioral technician, medical assistant, registered nurse and physician assistant programs.</li> <li>• In November 2024, \$5.1 million was awarded to six organizations for training and development to increase the pipeline of behavioral health professionals.</li> </ul> <p><b><i>A list of grantees can be found in the <a href="#">Appendix</a>.</i></b></p>

# BROADER COMMUNITY *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<p><b>Community Enrollers for Medi-Cal</b></p>	<p>CalOptima Health collaborated with community-based organizations to support Medi-Cal enrollment and renewals, Medi-Cal Expansion, and CalFresh enrollment.</p>	<p>CalOptima Health awarded \$2.6 million in grant funds to 13 organizations. Grant funding will support these organizations to:</p> <ul style="list-style-type: none"> <li>• Provide services in all seven of CalOptima Health’s threshold languages.</li> <li>• Connect with and serve hard-to-reach communities.</li> <li>• Focus on adults ages 26 through 49 who qualify for Medi-Cal regardless of immigration status (Medi-Cal Expansion population).</li> </ul>
<p><b>Orange County Community Health Assessments (CHA)/ Community Health Improvement Plan (CHIP) Collaboration</b></p>	<p>Orange County’s CHA is a local public health analysis that identifies key needs and issues through the comprehensive review of data. The CHA is used to develop and carry out a CHIP, a long-term strategy to address community-identified priorities, health needs and issues.</p>	<p>CalOptima Health partnered with HCA and Kaiser Permanente to plan, develop and implement processes for the CHA and CHIP, which include:</p> <ul style="list-style-type: none"> <li>• Comprehensive review of CHA Report to provide recommendations for priority focus areas.</li> <li>• Sharing various data to support the identification of CHA priority areas and CHIP goals.</li> <li>• Participation in Steering Committee, monthly planning and implementation workgroup meetings.</li> <li>• Partnering with HCA to seek community input on CHIP priorities and goals from CalOptima Health Member Advisory Committee, Provider Advisory Committee, Population Health Management Committee, and Quality Improvement and Health Equity Committee.</li> </ul> <p>The 2024–26 CHIP priority areas include mental health, substance use, diabetes and obesity, housing and homelessness, care navigation and economic disparities.</p>



# BROADER COMMUNITY (Continued)

Project / Initiative	Description	Progress and Accomplishments
<p><b>Comprehensive Community Cancer Screening and Support Program</b></p>	<p>The Comprehensive Community Cancer Screening and Support program was launched to lower late-stage breast, cervical, colorectal and lung cancer diagnoses in Orange County.</p>	<ul style="list-style-type: none"> <li>Throughout 2024, text message campaigns in all seven threshold languages were launched to encourage members to obtain screening.</li> <li>In March 2024, CalOptima Health hosted a lunch and learn event with CalOptima Health Community Network providers to share information on cancer screening guidelines and raise awareness about the importance of early detection for better health outcomes.</li> <li>In August 2024, more than \$16.4 million in grant funds were awarded to 13 community organizations to deliver culturally tailored cancer screening services for CalOptima Health members. The awarded grants help to cover costs for capacity building, infrastructure and capital improvements, and care coordination.</li> <li>In September 2024, CalOptima Health launched a multimedia comprehensive cancer prevention and screening marketing campaign in English, Spanish and Vietnamese. The goal of this campaign is to create awareness and encourage participation in screening.</li> </ul> <p><b><i>A list of grantees can be found in the <a href="#">Appendix</a>.</i></b></p>
<p><b>Chief Health Equity Officer's (CHEO) Engagement With Community Partners</b></p>	<p>CalOptima Health's CHEO actively collaborated with community partners to gather valuable feedback, strengthen relationships and gain a deeper understanding of the unique needs within our communities.</p>	<p>During 2024, Dr. Rose has:</p> <ul style="list-style-type: none"> <li>Participated in 27 listening and learning sessions.</li> <li>Engaged with community-based organizations, hospitals and community clinics.</li> <li>Solicited valuable feedback and input from these groups to understand community needs.</li> <li>Gained critical insights to guide efforts in advancing health equity and reducing disparities.</li> <li>Strengthened partnerships to improve health care access and outcomes for all members.</li> </ul>
<p><b>Naloxone Distribution Events</b></p>	<p>CalOptima Health hosted naloxone distribution events to prevent fentanyl overdoses in Orange County.</p>	<ul style="list-style-type: none"> <li>CalOptima Health partnered with community leaders, elected officials, health care providers and county officials to promote the distribution of naloxone to CalOptima Health members.</li> <li>CalOptima Health purchased 250,000 doses of naloxone, a life-saving medication that reverses opioid overdoses.</li> <li>In 2024, CalOptima Health distributed 187,500 boxes of naloxone (two doses per box) to the community, provider offices and hospitals.</li> </ul>

# SYSTEMS AND PROCESSES

Project / Initiative	Description	Progress and Accomplishments
<p><b>Health Equity as a Strategic Priority in CalOptima Health's Strategic Plan</b></p>	<p>CalOptima Health Board of Directors initiated process to develop the 2025–27 Strategic Plan, which continues to elevate overcoming health disparities as a strategic priority.</p>	<p>CalOptima Health has developed various tactical priorities focused on addressing health disparities and inequities to improve member health outcomes and remove barriers to care. Examples of these tactical priorities range from collaboration with external stakeholders to investing in technology for members and providers. Currently, CalOptima Health is gathering stakeholder input to finalize the 2025–27 strategic plan. Equity and Population Health remains a strategic priority area for the organization.</p>
<p><b>Organizational Health Literacy (OHL) Assessment</b></p>	<p>CalOptima Health participated in a comprehensive OHL assessment conducted by Institute of Healthcare Advancement (IHA). The aim of the assessment was to identify and prioritize improvement projects to increase OHL.</p>	<ul style="list-style-type: none"> <li>• A total of 420 employees participated in the survey with topics on workforce; integration of health literacy with quality improvement and equity; communication; written communication; access to health information, services and help with navigation; and leadership.</li> <li>• IHA staff and community members conducted one site visit to assess the ease of getting information and finding services.</li> <li>• Community members completed calls to CalOptima Health on different days and times (using standardized protocols) to assess the ease of accessing information.</li> <li>• IHA completed website reviews to gather data on the ease of finding information and taking action.</li> </ul>
<p><b>Population Health Management Committee (PHMC)</b></p>	<p>The PHMC was established in 2024 to provide direction for continuous process improvement and oversight of the Population Health Management (PHM) program. The committee ensures PHM activities are consistent with CalOptima Health's strategic goals and priorities, and monitor compliance with regulatory requirements.</p>	<ul style="list-style-type: none"> <li>• The committee met on a quarterly basis and reported to the Quality Improvement and Health Equity Committee.</li> <li>• PHMC brings together 11 internal executives and three external partners who represent community-based organizations that serve CalOptima Health members, health network providers contracted to serve CalOptima Health members and HCA.</li> </ul>

# SYSTEMS AND PROCESSES *(Continued)*

Project / Initiative	Description	Progress and Accomplishments
<p><b>Organizational Assessment for Equity Infrastructure</b></p>	<p>The Organizational Assessment for Equity Infrastructure is a comprehensive tool from the California Department of Public Health to support organizations' assessments of how well they integrate equity into their infrastructure and operations, identify disparities or gaps, and guide the development of strategies for improvement. The 12-question tool is divided into four domains:</p> <ol style="list-style-type: none"> <li>1. Workforce and Capacity</li> <li>2. Collaborative Partnerships</li> <li>3. Equity in Organizational Policies and Practices</li> <li>4. Planning and Shared Decision Making</li> </ol>	<p>The Chief Health Equity Officer administered the Organizational Assessment for Equity Infrastructure among CalOptima Health senior leadership.</p> <ul style="list-style-type: none"> <li>• 52 leaders completed the survey.</li> <li>• The organizational average for all domains was 2.77, which placed CalOptima Health in the “early” stages.</li> <li>• Areas of opportunity were identified and prioritized.</li> </ul>



## The Cambodian Family Community Center

*Empowering Families and Building Community*



**(714) 571-1966**





# Health Equity Framework and Priority Areas

To strengthen our commitment to advancing health equity, we revised our prior health equity framework to integrate comprehensive stakeholder feedback, current research and best practices. Our new health equity framework prioritizes the identification and dismantling of systemic barriers to health access, ensures culturally competent service delivery and promotes active community engagement. Our goal is to create a more inclusive, responsive and sustainable approach that effectively addresses the diverse health needs of our members by concentrating on five areas of focus:

- **Reduce Health Disparities:** Mitigate racial, ethnic, gender and socioeconomic disparities in health outcomes.
- **Leadership and Advocacy for Equity:** Drive health equity initiatives through advocacy, partnership and continuous quality improvement.
- **Member-Centered Care:** Provide equitable, culturally responsive and linguistically accessible care that focuses on prevention and aligns with member needs and preferences.
- **Community Engagement and Partnership:** Empower and collaborate with community stakeholders to co-create equitable health solutions that include prevention.
- **Empowering Change Through Data-Driven Strategies:** Leverage data to discover gaps, strengths and assets to co-design strategies that improve health outcomes with the community.

## CalOptima Health Equity Framework



### Reduce Health Disparities:

- Assess member's social determinants of health to identify potential disparities
- Develop programs and initiatives aimed at addressing identified health needs
- Implement focused interventions to close health gaps and improve health outcomes



### Leadership and Advocacy for Equity:

- Promote leadership and collaboration for equity within the organization
- Build and maintain partnerships with community organizations to advance health equity
- Cultivate a culture of continuous improvement, accountability and transparency



### Member-Centered Care:

- Provide cultural humility training and resources for all staff
- Enhance interpreter and translation services to ensure language access
- Customize services to meet the diverse needs of communities
- Provide alternative modalities to member care (e.g., doula, food as medicine, etc.)



### Community Engagement and Partnership:

- Engage community partners in strategic planning and health equity initiatives
- Co-develop solutions with community input to address unique health needs
- Strengthen community capacity to lead equity-focused efforts



### Empowering Change Through Data-Driven Strategies:

- Strengthen data collection and regularly analyze health data to identify trends and disparities
- Utilize data to evaluate and adjust health equity strategies
- Communicate data insights and outcomes with the community stakeholders to promote transparency and collaboration



## Monitoring and Accountability

CalOptima Health understands that quality improvement plays a critical role in achieving equity in health and health care. Both equity and quality in health care are important for improving access to health care and health outcomes. Therefore, CalOptima Health's equity and quality teams work together to identify opportunities, address care issues, close gaps and advance health equity for all members. Together, our equity and quality teams co-create goals to meet the needs of our diverse members.

CalOptima Health continuously monitors progress. At least quarterly, dedicated ECH staff, in collaboration with multidisciplinary work teams throughout the organization, collect and track indicators and activities specific to health equity goals, outcomes and outputs. ECH staff prepares quarterly findings and identifies potential risks to share with CalOptima Health leadership at PHMC meetings. CalOptima Health's PHMC reviews, offers feedback and approves quarterly health equity monitoring reports. PHMC summarizes the health equity monitoring reports and shares them with CalOptima Health's QIHEC quarterly.



## Looking Ahead

### 2025 National Committee for Quality Assurance (NCQA) Health Equity Accreditation

In 2024, CalOptima Health launched an enterprise-wide project to obtain NCQA Health Equity Accreditation by 2025. Earning NCQA Health Equity Accreditation will reflect our organization's commitment to continuous quality improvement necessary to advance health equity and the importance of having an equitable health care system for our members. This accreditation is part of the overall California Advancing and Innovating Medi-Cal Population Health Management initiative and will distinguish CalOptima Health as a health plan focused on providing equitable care that does not vary in quality because of personal characteristics such as gender, race, socioeconomic status and geographic location.

### 2025 Health Equity Goals

In partnership with Quality Improvement, CalOptima Health's ECH leadership team has developed health equity goals to support organizational efforts to:

- Use technology and innovation to strengthen equity and PHM programs.
- Annually assess members' health and social needs and use data to develop targeted interventions.
- Increase access to preventive services for vulnerable populations in pursuit of health equity.
- Expand community involvement in the co-creation of solutions that best serve members.

Health equity goals will be integrated into the 2025 Quality Improvement Health Equity Transformation Program (QIHETP) Work Plan. The purpose of the QIHETP Work Plan is to establish objective methods for systematically evaluating and improving the quality of care provided to members. Through the QIHETP, and in collaboration with providers and community partners, CalOptima Health strives to continuously improve the structure, processes and outcomes of the health care delivery system to serve members. QIHETP aims to identify health inequities and to develop structures and processes to reduce disparities, ensuring that all members receive equitable and timely access to care.



# Appendix

## Orange County Blood Lead Screening Collaboration

As of November 2024, the Orange County Blood Lead Screening Collaboration is on track to meet all SMART objectives. Together the collaborative has:

- Developed and used a blood lead data dashboard to identify three priority neighborhoods in Santa Ana, Fullerton and San Juan Capistrano, and build asset maps. Priority neighborhoods identified include those with the highest concentration of members with the lowest rates of blood lead screenings and/or highest blood lead levels.
- Developed an information and education brief to recommend that the California Department of Social Services update the Physician’s Report—Child Care Centers to include documentation that blood lead screening has been conducted. The information was shared with CalOptima Health’s Government Affairs team to help identify and plan for next steps.



- Partnered with the California Department of Public Health and HCA to co-host a continuing medical education (CME)/ continuing education (CE) workshop titled: The Prevention of Childhood Lead Poisoning — Risk Factors, Anticipatory Guidance, Screening, Management and Public Health Surveillance. A total of 65 physicians and licensed health care professionals attended.

### Blood Lead Screening

**GOAL**

CalOptima Health, Kaiser Permanente and the Orange County Health Care Agency (HCA) will identify and reduce disparities and gaps in timely blood lead screenings among children within Orange County.

**Related Department of Health Care Services (DHCS) Bold Goal:** Ensure all health plans exceed the 50th percentile for all children’s preventive care measures.

**HEALTH AIMS**


1. Increase awareness of the importance of lead testing among high-risk populations in Orange County through partnership with key local stakeholders.
2. Advocate for inclusion of lead testing requirement for day care entry.

**SMART OBJECTIVES**


1. **Population data sharing**
  - By August 31, 2024, CalOptima Health and Kaiser Permanente will develop a data crosswalk using publicly available blood lead level data and enrolled provider blood lead testing rates to identify and map out the highest risk areas within Orange County.
2. **Develop shared communication**
  - By March 31, 2025, CalOptima Health, Kaiser Permanente and HCA will co-develop an educational communications toolkit on blood lead testing.
3. **Information and education**
  - By December 31, 2025, CalOptima Health and HCA will develop an informational and educational brief to recommend at least one policy or systems change to increase blood lead testing for children.
    - An example may include requesting that the California Department of Social Services update the [Physician’s Report – Child Care Centers](#) to include documentation that blood lead screening has been conducted.
4. **Building awareness among trusted messengers**
  - By October 31, 2025, CalOptima Health, Kaiser Permanente and HCA will provide at least two trainings to local community-based organizations to promote blood lead testing in Orange County, with a specific focus on reaching trusted messengers in the areas identified in the population data crosswalk.
  - By October 31, 2025, CalOptima Health, Kaiser Permanente and HCA will provide at least two trainings to local health care providers to promote blood lead testing in Orange County, with a specific focus on improving systems and workflows to better educate and screen patients.

**DELIVERABLES**


- Blood lead testing data crosswalk
- Blood lead testing toolkit
- Information and education brief
- Evidence of trainings (e.g., presentation, materials, assessments, participation logs, etc.)



ORANGE COUNTY  
HEALTH CARE AGENCY



KAISER  
PERMANENTE



CalOptima Health  
CalOptima Health, A Public Agency

Subject to change upon workgroup discussion and approval.

# Orange County Maternal Health Collaboration

As of November 2024, the Orange County Maternal Health Collaboration is on track to meet all SMART objectives. Together the collaborative has:

- Updated the Orange County Perinatal and Infant Mental Health and Substance Use Toolkit. (**Perinatal and Infant Mental Health and Substance Use Provider Toolkit - OC Health Care Agency**).
- Received survey responses from Medi-Cal perinatal providers/ provider practices in Orange County sharing their experience with maternal depression screening and patient follow-up care.
- Launched the first Maternal Mental Health Certification Training cohort by providing scholarships to an 8-session, online certification program offered by the Postpartum Support International and Policy Center. A total of 137 contracted providers and community partners who serve perinatal CalOptima Health members completed the training.



Maternal Mental Health

GOAL

CalOptima Health and the Orange County Health Care Agency (HCA) will collaboratively promote the completion of prenatal and postpartum depression screenings by Orange County perinatal and pediatric providers and encourage providers to connect patients who screen positive for maternal depression to follow-up care within 30 days.

**Related Department of Health Care Services (DHCS) Bold Goal:** (1) Close maternity care disparity for Black and Native American persons by 50% by 2025 and (2) Improve maternal depression screening by 50% as determined by DHCS/Healthcare Effectiveness Data and Information Set (HEDIS) metrics.

HEALTH AIMS

1. Increase awareness among Orange County perinatal and pediatric providers of the importance of maternal depression screening and documenting completed screenings at least once during both the prenatal AND postpartum timeframes.
2. Enhance and promote pathways to ensure that pregnant and postpartum people in Orange County who screen positive for maternal depression receive follow-up care within 30 days.

SMART OBJECTIVES

1. **Data enhancement**
  - a. By August 31, 2024, CalOptima Health will assess barriers to maternal depression screening and patient follow-up care among Medi-Cal perinatal care providers in Orange County.
  - b. By January 31, 2025, CalOptima Health and the HCA will collect direct feedback from at least 25 perinatal Medi-Cal members on their experiences related to maternal depression screening and follow-up care.
2. **Shared communication and collaboration**
  - a. By October 31, 2024, CalOptima Health and HCA will collaborate with First 5 to review and update the Orange County Perinatal and Infant Mental Health and Substance Use Toolkit and develop a provider reference guide to promote best practices for maternal depression screening and support.
  - b. By October 31, 2025, CalOptima Health and HCA will partner with at least one medical trade association in Orange County to disseminate the Orange County Perinatal and Infant Mental Health and Substance Use Toolkit to perinatal, pediatrician, behavioral health and/or other providers.
  - c. By October 31, 2025, CalOptima Health will implement a depression screening pilot program with at least one perinatal or pediatric provider office to promote utilization of best practice toolkits and/or reference guides.
3. **Provider and community trainings**
  - a. By December 31, 2024, CalOptima Health and HCA will provide at least one training to medical professionals to promote maternal depression screening and follow-up care, with a specific focus on high-volume perinatal, pediatric and behavioral health providers.

(Continue to back page)

CalOptima Health, A Public Agency

Maternal Mental Health

SMART OBJECTIVES

- b. By December 31, 2025, CalOptima Health and HCA will provide at least one training to Orange County community- and faith-based organizations to promote maternal depression screening and follow-up care.
- c. By December 31, 2025, CalOptima Health will develop a workforce development grant to fund maternal health certificate training for medical professionals who offer or support maternal health services in Orange County.

4. **Care coordination**

- By January 30, 2025, CalOptima Health and HCA will develop and implement a care coordination and closed-loop referral process that connects pregnant or postpartum Medi-Cal patients who screen positive for depression to a behavioral health provider for timely follow-up care (30 days or less) within the scope of the Health Insurance Portability and Accountability Act (HIPAA) and privacy allowance.

Subject to change upon working group discussion and approval

DELIVERABLES

- Perinatal provider assessment of barriers to maternal depression screening and follow-up care (survey tool and results)
- Medi-Cal pregnant and/or postpartum feedback (e.g., scripts and results)
- Updated Perinatal and Infant Mental Health and Substance Use Toolkit and provider reference guide for maternal depression screening and follow-up care
- Number of Perinatal and Infant Mental Health and Substance Use Toolkits links distributed to perinatal, pediatric or behavioral health providers
- Training materials, evaluations and participation logs
- Process flowchart of care coordination and closed-loop referral process to maternal depression providers

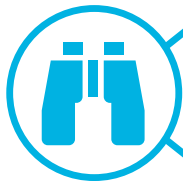
CalOptima Health, A Public Agency

## Equity and Community Health Department: Creating a Community Impact Team



### Department Mission

Engage and partner with members, providers and community stakeholders to advance health equity, drive prevention and improve access to optimal care for all CalOptima Health members.



### Department Vision

To be a trusted partner in the community and co-create equitable, responsive and participatory wellness and prevention programs to empower CalOptima Health members to live healthier lives.



### Approach

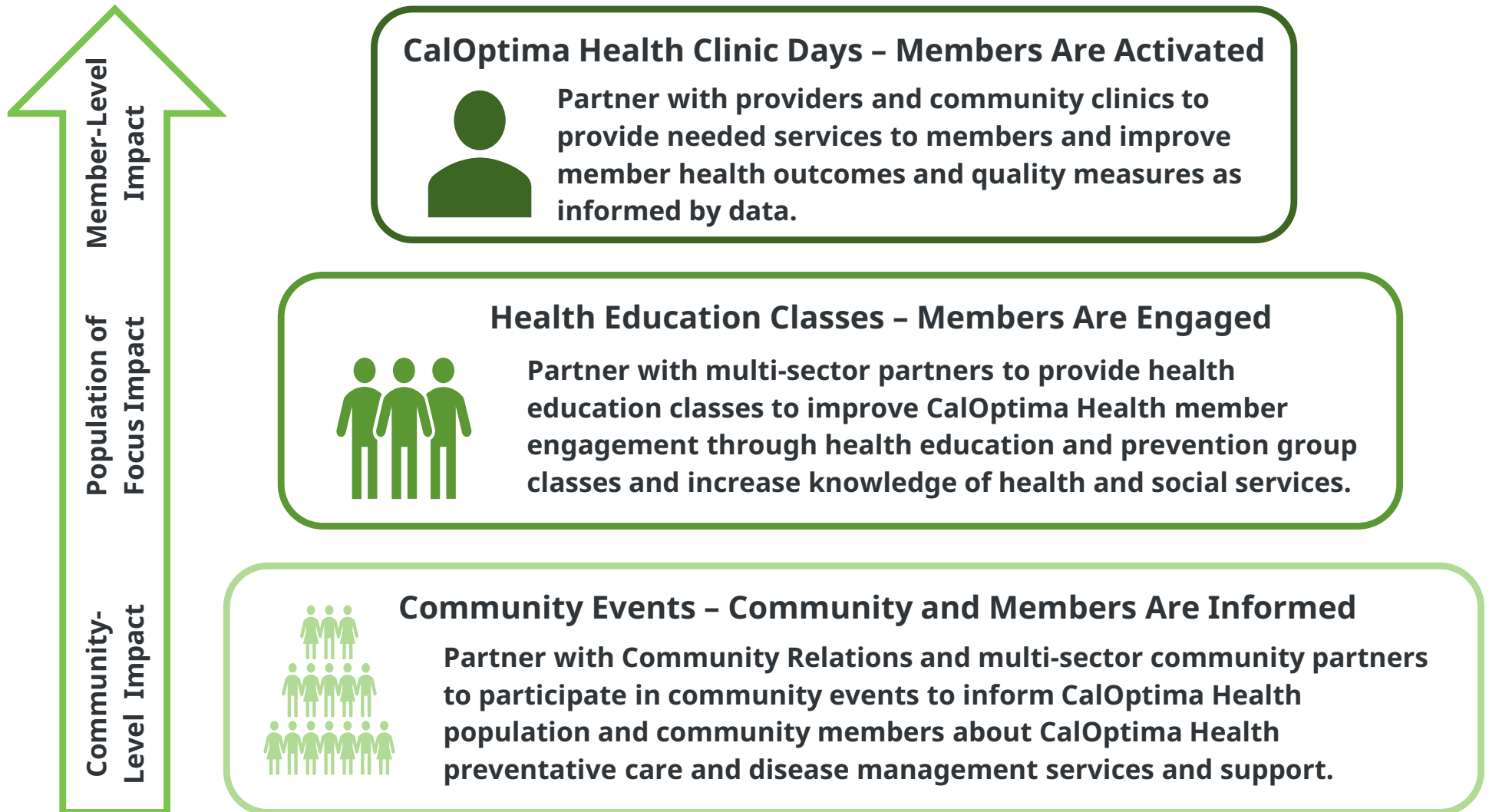
Through low, moderate and high impact interventions, the Community Impact team will promote meaningful, data-driven engagement and outreach interactions that support a continuous member journey towards good health.



### Strategies


- Community-Level Impact (inform)
- Population of Focus-Level Impact (engage)
- Member-Level Impact (activate)

# Community Impact Team: Strategies by Impact Level



# Tactics, Objectives, Metrics and Activities Plan

CalOptima Health ECH staff will promote meaningful, data-driven engagement and co-created outreach interactions that support a continuous member journey towards good health.



Member-Level Impact: Members are Activated			
TACTIC	OBJECTIVE	METRIC	EXAMPLE ACTIVITIES
<b>CalOptima Health Days at Clinics</b>	Improve member health outcomes and quality measures by co-creating opportunities with providers, clinics or community-based agencies.	Plan and coordinate at least <b>one</b> CalOptima Health Clinic Day <b>per quarter</b> in <b>clinics</b> with the highest concentrations of members due for screenings resulting in at least 20% of members who attend the event completing at least one HEDIS screening.	<ul style="list-style-type: none"> <li>• Maternal health clinic</li> <li>• Wellness and screening events</li> <li>• Mobile cancer screenings</li> </ul>
Population of Focus Impact: Members are Engaged			
TACTIC	OBJECTIVE	METRIC	EXAMPLE ACTIVITIES
<b>Health Education and Coaching</b>	<p>Engage CalOptima Health members with individual health coaching and group interventions to increase the proportion of members who are in good health.</p> <p>Provide health education on prevention options so members can make informed decisions on self-care to reduce long-term health costs.</p>	<p>Provide a minimum of 4 group classes in areas with the highest density for childhood obesity per quarter.</p> <p>Lead a minimum of 6 group sessions on preventive care for women’s health or chronic condition self-maintenance.</p> <p>Partner quarterly with at least 1 new community-based organization, school or provider to offer health education.</p>	<ul style="list-style-type: none"> <li>• Community group classes (in-person &amp; virtual)</li> <li>• CalOptima Health Office Hours at community-based organizations</li> <li>• Stroller walks</li> </ul>
Community-Level Impact: Community and Members are Informed			
TACTIC	OBJECTIVE	METRIC	EXAMPLE ACTIVITIES
<b>Community Events</b>	Inform CalOptima Health members and the broader community about CalOptima Health services for preventative care and disease management.	Participate in at least <b>one</b> event <b>per month</b> that promotes screening or health education in <b>communities</b> with the highest concentrations of members facing health disparities	<ul style="list-style-type: none"> <li>• Distribute contact/class information, service flyers, promotional/education information and health rewards information.</li> <li>• Provide opportunities for members to complete the Social Determinants of Health Assessment via the member portal.</li> <li>• Participate in coalitions focused on addressing health outcomes.</li> <li>• Create and maintain a calendar of events</li> </ul>

# Comprehensive Community Cancer Screening and Support Grant Recipients



## CalOptima Health Comprehensive Community Cancer Screening and Support Community Grants – Grant Recipients and Funding Recommendation

Applications that scored 80 points and above through the competitive scoring process are recommended for a grant award.

Organization	Proposal Description	Funding Amount
Korean Community Services (KCS)	Incorporate medical providers from KCS and Southland Integrated Services alongside patient navigators from Orange County Asian Pacific Islander Community Alliance, The Cambodian Family, and Vietnamese American Cancer Foundation, to facilitate direct pathways from outreach to clinical service.	\$ 3,000,000
AltaMed Health Services Corporation (App. # 1)	Increase the effectiveness and efficiency of AltaMed's cancer screening programs in Orange County by: 1) Optimizing navigation support services for patients who are screened for cervical and lung cancer; and 2) Launching a pilot program for lung cancer screening that will support quality of care, follow-up, treatment and direct patient navigation.	\$1,499,992
Celebrating Life Community Health Center (App. #2)	Develop and implement a communication campaign to reach all target demographics; provide community-oriented outreach incorporating lived experience and/or topic expertise; incorporate cancer risk assessments; and strengthen workforce to increase access to equitable and culturally-competent health care services.	\$1,290,575
mPulse	Improve general awareness of cancer prevention, increase breast, cervical, colorectal, and lung cancer screening rates, and support members facing cancer through equitable and targeted two-way SMS programs. This program will be designed to identify health action barriers at the individual level and provide tailored/actionable information.	\$1,197,625
UCI Family Health Center	In partnership with American Cancer Society and UCI Chao Cancer Institute, improve the rates of breast, cervical, and colorectal cancer screenings and strengthen relationships with imaging and cancer centers to ensure timely screening and follow up; hire additional staff to support expansion of services; and leverage technology to provide timely reminders and linkages to screenings.	\$1,500,000
Hurtt Family Health Clinic	Expand patient navigation services, implement a comprehensive outreach strategy, standardized workflows and protocols for Universal Screening, and establish data-driven clinical workflows to optimize patient care and outcomes related to cancer screening and treatment.	\$ 1,018,600

Laguna Beach Community Health Center	Conduct outreach and education to increase cancer screening among CalOptima Health Members. In addition, LBCC will provide patient navigation and resource support to promote treatment compliance.	\$116,000
AltaMed Health Services Corporation (App. # 2)	Provide outreach and education, encourage timely screening, and provide care navigation support to patients from screening through diagnosis and treatment. In addition, AltaMed plans to enhance electronic health record to improve systems and workflow from screening through diagnosis and treatment.	\$752,349
Friends of Family Health Center (App. # 1)	Expand its Women's Health Program by incorporating on-site mammography services. FOFHC plans to recruit and hire, trained and certified staff to oversee and operate the mammography services offered.	\$554,875
Share Ourselves	Recruit Manager of Population Health and Quality Improvement and Population Health Coordinator to strengthen their breast, cervical, and colorectal cancer screening program. This program will focus on cancer screening, outreach, education, care coordination, and patients access to social support and health services.	\$362,500
Families Together of Orange County (App. # 2)	Provide comprehensive screening services to detect early signs of breast, cervical, and colorectal cancer by: 1)-Recruiting members for the patient advisory committee and to help identify strategies to educate and increase cancer screenings; 2) Partnering with at least two organizations serving communities of focus to increase access to cancer screening; 3) Conducting community outreach campaigns, increasing social media/marketing efforts and providing educational workshops to raise awareness of services and screening programs.	\$1,500,000
Celebrating Life Community Health Center (App. # 1)	Identify a team-based approach using providers and health information technology to increase awareness, conduct a risk assessment, and complete preventative cancer screenings. This approach also includes the implementation of IT solutions to improve population health, data integration, and ease reporting.	\$329,428
Latino Health Access	Expand Community Health Worker services by recruiting and training a group of promotores to provide breast, cervical, colorectal and lung cancer screening education, navigation, and peer support services and expand partnerships to address barriers to screening access and treatment.	\$1,500,000
The G.R.E.E.N Foundation	Bolster cancer prevention education, early detection, treatment, and social support for African American and Black Medi-Cal members. Through tailored approaches, addressing members' concerns and raise their confidence in CalOptima Health's commitment to equitable care to help foster stronger relationships with primary care efforts.	\$295,100
American Cancer Society, Inc.	Increase community outreach, education, and patient service offerings in Orange County and to amplify work with OC health systems to improve enduring adherence to cancer screening guidelines and provide optimal cancer care.	\$1,500,000



# Workforce Development Grant and Grant Recipients



## CalOptima Health Workforce Development Grant – Grant Recipients and Funding Recommendation

### Round One

Organization	Proposal Description	Funding Amount
Coast Community College District	Expanding registered nurse pipeline at Golden West College by 40 students per year and develop a pathway to the radiologic technology certificate program at Orange Coast College for 30 students per year.	\$2,040,000
Santiago Canyon College	Increasing the behavioral technician program from 25-50 to 50-100 students annually; medical assistant program from 50 to 175 students annually; and develop a licensed vocational nursing curriculum/attain program accreditation to produce 60+ licensed graduates annually.	\$1,200,000
Sue & Bill Gross School of Nursing, University of California Irvine	Creating a program to provide a 1-year externship to 120 prelicensure nursing students and a 1-year residency for 8 family nurse practitioners and 4 psychiatric mental health nurse practitioners graduates to address Orange County's shortage of registered nurses and primary and behavioral healthcare providers.	\$5,000,000
Chapman University	Providing full tuition physician assistant scholarships (10 for first year and 10 for second year students), training, and local practice physician assistant education for academically qualified, low-income students.	\$5,000,000
CSU Fullerton Auxiliary Services Corporation	Providing full tuition physician assistant scholarships (10 for first year and 10 for second year students), training, and local practice physician assistant education for academically qualified, low-income students.	\$5,000,000
Orange County United Way	Expanding the UpSkill program, focusing on gaps within the healthcare workforce, and providing career coaching, connections to paid training and certification programs, and job placements in the healthcare industry to serve an additional 25 clients each year.	\$1,356,300
Concordia University, Irvine	Increasing the accelerated bachelor of science in nursing (ABSN) program and providing scholarships to 10 pre-nursing students per year and 20 ABSN students per year.	\$5,000,000

### Round Two

Organization	Proposal Description	Funding Amount
CHOC - Children's Hospital of Orange County	Pediatric Behavioral Health Field Training Expansion: A program to train an additional 92-96 social work and psychology students over a four-year program period.	\$994,824
Child Guidance Center, Inc.	Help the Helper - Strengthening Orange County's Behavioral Health Workforce: A program to train 35 graduate students pursuing master's and doctoral degrees in mental health (master's degree in social work, master's degree in marriage & family therapy, master's degree in counseling psychology) over a three-year period.	\$766,920
Western Youth Services	Western Youth Services Workforce Development Program: A program to increase the supply of behavioral health professionals through financial incentives for student interns, behavioral health specialists, care managers, mental health workers, therapeutic behavioral coaches, and peer support specialists. The program will provide tuition reimbursement for 55 staff, licensure fee reimbursement for 80 staff, stipends for 35 master's level interns over a five-year period, and 380 continuing education units for staff.	\$1,000,000
Special Service for Groups, Inc.	Professional Providers Pathway (Px3) Program: A paid internship opportunity for 25 graduate students over a five year period pursuing behavioral health degrees with a focus on service provision.	\$535,566
John Henry Foundation	Intern Psychologist Workforce Development Program: A program to train 25 PhD and PsyD candidates over a five year period with the skills to treat severe mental health conditions.	\$847,302
Seneca Family of Agencies	Behavioral Health Clinical Internship Program: A program to train 18 master's level graduate students in mental health focused programs (master's degree in social work, master's degree in marriage & family therapy, master's degree in counseling psychology) over a three-year period.	\$996,130



## Feedback

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# CalOptima Health



## **Board of Directors Meeting February 6, 2025**

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

#### **Report to the Board**

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The Member Advisory Committee (MAC), and the Provider Advisory Committee (PAC) held a regular joint meeting on December 12, 2024.

The MAC approved a recommendation to the Board to add two OneCare Members or Authorized Family Members after an extensive recruitment process was undertaken.

Veronica Carpenter, Chief Administrative Officer, presented on Covered California and Donovan Higbee, Director, Public Policy, presented a Legislative update. Ms. Carpenter reviewed materials, which the stakeholder engagement groups received regarding Covered California, noting that between August and November 2024, two community listening sessions and four stakeholder steering committees were held. She also provided a market entry update and noted that the first reading of CalOptima Health's Request for an Ordinance Amendment was heard by the Orange County Board of Supervisors on December 3, 2024, and was approved with a 4-0 vote. Ms. Carpenter added that the second reading is on the Board of Supervisors' agenda for December 17, 2024. She also added that the CalOptima Health Board of Directors had approved the request for the initial start-up investment and consultant support funding contingent on the approval of the second reading of the Ordinance Amendment. Ms. Carpenter reported that if the second reading passes, staff will bring an action to the June 5, 2025 Board of Directors meeting, requesting a full start up budget for CalOptima Health's Covered California offering. She reviewed the implementation timeline and noted January 1, 2027 is the go live target.

Donovan Higbee reviewed the 2023-2024 State Legislative Session and noted that CalOptima Health had identified 12 signed bills and 7 vetoed bills with potential impact and noted that there was a higher veto rate for Medi-Cal related legislation. He also noted that the Department of Health Care Services (DHCS) will issue guidance to Medi-Cal plans regarding the implementation of signed legislation and reviewed several Senate Bills and Assembly Bills that would have an impact on CalOptima Health.

Ms. Carpenter concluded the presentation with a summary of election results from November 2024, as well as the next steps at the Federal and State levels.

Albert Cardenas, Director, Customer Service presented an evaluation of the 2024 Culturally and Linguistically Appropriate Services (CLAS) program, which included an analysis of results and program updates. Mr. Cardenas noted that CalOptima Health as a health care organization in the diverse

communities of Orange County strongly believes in the importance of providing culturally and linguistically appropriate services to members to ensure effective communication regarding treatment, diagnosis, medical history, and health education. Mr. Cardenas reviewed the 2024 CLAS Program and Work Goals with the committee, provided an analysis of results, and sought feedback from the committee on the six goals and the challenges faced with each goal. Mr. Cardenas asked the committee members for feedback and recommendations on the 2025 CLAS goals and on the identified barriers to meeting these goals.

The Committee members provided feedback including, working with First 5 Orange County, which has a black infant health program, University of California Irvine's (UCI) Black Pearl Program, which is focused on increasing the amount of Black, Indigenous, or Person of Color (BIPOC) Doulas in the community. Committee members also suggested CalOptima Health partner with Federally Qualified Health Centers (FQHCs) as they also collect the same member demographic data CalOptima Health is attempting to collect.

He noted that in addition to the six goals there were other CLAS goals such as enhancing interpreter and translation services by evaluating CalOptima Health's current contracted interpreter/translations services vendor, improving turnaround time for alternative format requests (braille, audio, data cd) and improved availability of trending languages such as Khmer and Russian. Another goal was to improve practitioner support in providing language services and he noted that members language preference is available in the CalOptima Health provider portal and providers are also informed of member's language preference during customer services interactions. and evaluated CalOptima Health's contracted health networks cultural and linguistic process to ensure members' language needs are being met.

Ladan Khamseh, Executive Director, Operations, presented on the first and second quarter Grievance and Appeals Resolution Services (GARS) Member Trend Report. Ms. Khamseh noted that for the first quarter of 2024 Medi-Cal experienced an increase in grievances from 3,127 in first quarter to 4,170 in the second quarter, a 33% increase. She also discussed how OneCare experienced a decrease in grievances from 469 in first quarter to 423 in the second quarter, a decrease of 11% with the decrease related to care and billing services. Ms. Khamseh also reviewed the turnaround times for both grievances and appeals and noted that CalOptima Health is compliant with regulatory standards, averaging a closure rate of 25 days with the regulatory requirement currently at 30 days. Ms. Khamseh also reviewed the trends and actions taken for all lines of business.

Richard Pitts, D.O., Ph.D, Chief Medical Officer, presented an immunization update and new asthma treatment guidelines. Dr. Pitts also discussed the changes to the Medi-Cal Rx integration of members 21 years and younger that will take effect on January 31, 2025 and mainly affect children in California Children Services (CCS). Medi-Cal Rx will implement the CCS Panel Authority policy, in which CCS Panel Providers will have prescribing authority for a limited list of medications and supplies under a set of utilization management (UM) policies selected for this authority. The CCS Panel Authority policy will apply to specific CCS Panel Providers only and for members younger than 21 years of age. Dr. Pitts also reminded the committee of the need for continuous cancer screening.

Yunkyung Kim, Chief Operating Officer, introduced Kathleen Linder, CalOptima Health's new Chief Information Officer, to the committee members and highlighted her extensive experience in technology from both provider and payer sectors. Ms. Kim also noted that the extensive audit by the California State

Auditor's Office has ended and that CalOptima Health has implemented their recommendations. She also reported on the DHCS Listening Session, held at CalOptima Health's offices on October 30, 2024. Ms. Kim thanked the committee members for sharing their feedback with DHCS on their CalAIM Program experiences. Ms. Kim discussed the expansion of street medicine to three cities and announced the opportunity for a fourth city to join the program and provided information on the next three rounds of funding for housing and homelessness prevention incentives totaling \$20 million. She also noted that there are plans to have mobile mammography at community events in 2025. Ms. Kim added that this will allow additional access to screening services and asked committee members to let CalOptima Health know if they knew of any other providers who offer mobile screening services that may want to assist with community events. Ms. Kim thanked the committee members for their engagement and highlighted the importance of their feedback and collaboration.

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**

**December 5, 2024**

A Regular Meeting of the CalOptima Health Board of Directors (Board) was held on December 5, 2024, at CalOptima Health, 505 City Parkway West, Orange, California. The meeting was held in person; at the teleconference location: JW Marriott Palm Desert, 74855 Country Club Dr., Room #8104, Palm Desert, CA 92260, which is accessible by members of the public; 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 2:02 p.m., and Director Jose Mayorga, M.D. led the Pledge of Allegiance.

**ROLL CALL**

Members Present: Isabel Becerra, Chair; Supervisor Vicente Sarmiento, Vice Chair; Maura Byron; Blair Contratto; Norma García Guillén (at 2:09 p.m.); Catherine Green, R.N. (at 2:15 p.m.); Brian Helleland; Veronica Kelley (non-voting); Jose Mayorga, M.D.

(All Board members participated in person, except Director Catherine Green, R.N., who participated remotely under 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 Dwiars, Clerk of the Board

The Clerk reported that staff would like to note a correction to Agenda Item 9, on the second page, which is to delete the first paragraph. This change will be reflected in the archived materials. The Clerk additionally reported that staff would like to reorder the agenda to hear Agenda Items 19, 17, and 24 at the top of the Reports/Discussion Items and that Agenda Item 16 be continued to the February Board meeting.

**PRESENTATIONS/INTRODUCTIONS**

None.

**MANAGEMENT REPORTS**

**1. Chief Executive Officer (CEO) Report**

Michael Hunn, CEO, reviewed several items from his CEO Report, including reporting that the California State Auditor (CSA) confirmed that CalOptima Health has fully implemented all audit recommendations and officially closed the audit with no further responses or actions required. Mr. Hunn noted that CSA formally published the final audit status on its website and CalOptima Health distributed a press release announcing the news.

Mr. Hunn reviewed the Fast Facts, noting that CalOptima Health currently serves a little over 910,000 individuals.

CalOptima Health's Board-designated reserves are a little over \$1 billion; its capital assets are \$103.6 million; its resources committed by the Board are \$481.4 million; its Board-approved provider rate increases are \$456.0 million; and its unallocated and unassigned resources are \$268.6 million. Mr. Hunn noted that CalOptima Health's total net assets are currently \$2.4 billion.

Mr. Hunn also added that the usual information in the Fast Facts, the personnel summary, provider network data, treatment authorization, and member demographics are in the materials.

Mr. Hunn also provided an update on a lawsuit that sought to prevent the Department of Health Care Services (DHCS) from approving CalOptima Health's contract termination of four hospitals in Orange County that are part of Prime Healthcare. Mr. Hunn noted that the lawsuit was originally heard before the local Orange County Superior Court judge who ruled at that time in favor of CalOptima Health, finding that the contract terminations were permissible and were appropriately handled. Prime Healthcare appealed that ruling to the Fourth District Court of Appeals, which also ruled in CalOptima Health's favor. CalOptima Health was recently notified that Prime Healthcare has requested that this case be dismissed entirely, and staff believe the Superior Court Judge will sign the dismissal request, which will then be forwarded over to the appellate court.

Mr. Hunn also updated the Board on the recent activities regarding CalOptima Health's request to change its enacting ordinance in order to join Covered California. He thanked the Board and the Board of Supervisors for their support and noted that the second reading of this ordinance change will be heard on January 14, 2025. The change of this ordinance will ensure continuity of care for CalOptima Health's member who often lose eligibility in Medi-Cal due to earning slightly more than the poverty level.

Mr. Hunn provided an update on CalOptima Health's first Thanksgiving meal distribution for its members. The event was in collaboration with the Social Services Agency and the Orange County Health Care Agency and was well attended, with about 1,300 members served. No one was turned away. He thanked Chair Becerra, Director Helleland, and Director Green for their participation and asked if they had any comments or suggestions.

Chair Becerra commented that it was a great opportunity to showcase the benefits that CalOptima Health offers, as well as other resources in the community. She noted that it was well attended and although there were lines for members waiting for food and gift cards, the lines moved quickly.

Director Helleland thanked Mr. Hunn for the invite and walking the Directors around to see all the different parts of the event. He also noted how well organized the event was and how quickly the lines moved. Director Helleland added that it was great to see firsthand CalOptima Health members' optimizing their benefits.

Mr. Hunn noted that Dr. Richard Pitts, Chief Medical Officer, will provide two quick updates on CalOptima Health's cancer screening initiatives and distribution of Cologuard tests, which will conclude his report.

Dr. Pitts provided an update on CalOptima Health's cancer initiatives, noting it is moving very quickly and has engaged various grantees. He added that he has decided to wear a pink coat year-round to elevate

breast cancer awareness, instead of the usual breast cancer awareness month. In addition to other cancer initiatives, CalOptima Health is now sending Cologuard tests to CalOptima Health Community Network members who are due for colorectal cancer screening. This is an easy to use at home test and it is mailed directly to the laboratory. Results are usually ready within two weeks, and the member's primary care provider will receive a copy of the results and consult with the member.

### **PUBLIC COMMENTS**

There were no public comments.

### **CONSENT CALENDAR**

#### **2. Minutes**

- a. Approve Minutes of the November 7, 2024, Regular Meeting of the CalOptima Health Board of Directors
- b. Receive and File Minutes of the September 19, 2024, Regular Meeting of the CalOptima Health Board of Directors' Finance and Audit Committee

#### **3. Ratify the Acceptance, Receipt and Refiling of the Revised Fiscal Year 2023-24 CalOptima Health Audited Financial Statements**

#### **4. Approve Modifications to Policy GA.3400: Annual Investments**

#### **5. Approve Modifications to CalOptima Health Capitalization Policy**

#### **6. Adopt Resolution No. 24-1205-01 Liquidation and Transfer of Assets from Public Agency Retirement Services to Empower Trust Company, LLC**

Vice Chair Sarmiento noted for the record that there was not a scoring sheet for this item and reminded staff to include in these types of actions.

#### **7. Authorize Change to Supplemental Retirement Plan Vesting Schedule**

#### **8. Adopt Resolution No. 24-1205-02 Approving and Adopting Updated CalOptima Health Human Resources Policies**

#### **9. Adopt Resolution No. 24-1205-03 Amending CalOptima Health's Conflict of Interest Code**

Changes noted by the Clerk at the top of the meeting for Agenda Item 9 will be reflected in the archived materials.

#### **10. Approve Amendments to CalOptima Health Policies Related to CalOptima Health Care Network Primary Care Provider Transitions**

This item was pulled from the Consent Calendar and taken by a separate vote.

#### **11. Approve New CalOptima Health Policy AA.1251: Diversity, Equity, and Inclusion Training Program**



12. Approve Actions Related to a New CalOptima Health Policy GG.1668: Inpatient Interfacility Transfers

13. Receive and File:

- a. October 2024 Financial Summary
- b. Compliance Report
- c. Member Trend Report
- d. Federal and State Legislative Advocates Reports
- e. CalOptima Health Community Outreach and Program Summary
- f. Board Approved Initiatives Report – Quarter Two

The Board thanked staff for the work that went into Agenda Items 13.c and 13.f, noting that both reports are helpful and informative and ensuring the Board members are updated on all CalOptima Health's programs.

***Action: On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors approved the Consent Calendar Agenda Items 2 through 13, minus Agenda Item 10, and with changes noted to Agenda Item 9 at the top of the agenda, as presented. (Motion carried 8-0-0; Supervisor Chaffee absent)***

10. Approve Amendments to CalOptima Health Policies Related to CalOptima Health Care Network Primary Care Provider Transitions

Director Helleland did not participate in the item due to his role as Chief Executive at Providence St. Joseph Hospital and left the room during the discussion and vote.

***Action: On motion of Director Contratto, seconded and carried, the Board of Directors approved amendments to the following operations policies and procedures: 1.) Policy DD.2006b: CalOptima Health Community Network Member Primary Care Provider Selection/Assignment; and 2.) Policy EE.1101: Additions, Changes, and Terminations to CalOptima Health Provider Information, CalOptima Health Provider Directory, and Web-based Directory. (Motion carried 7-0-0; Director Helleland recused; Supervisor Chaffee absent)***

As noted at the top of the agenda, Agenda Items 19, 17, and 24 were heard at the at the beginning of Reports/Discussion Items.

**REPORTS/DISCUSSION ITEMS**

19. Authorize Actions Related to the Homeless Prevention and Stabilization Pilot Program

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and left the room during the discussion and vote.

***Action: On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer, or designee, to negotiate and execute a contract with the University of California, Irvine, to evaluate the effectiveness of the Homeless Prevention and***

***Stabilization Program, effective no earlier than January 1, 2025; 2.) Authorized up to \$270,000 from existing reserves to fund the contract with the University of California, Irvine, through June 30, 2027; 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 7-0-0; Director Mayorga recused; Supervisor Chaffee absent)***

**17. Approve Actions Related to Covered California Consulting Support Contracts and Associated Funding**

***Action: On motion of Director Contratto, seconded and carried, the Board of Directors: Contingent upon and effective immediately following a second reading and majority vote of the Orange County Board of Supervisors to adopt an amendment to Section 4-11-2 of the Codified Ordinances of the County of Orange to remove the prohibition on CalOptima Health's participation in Covered California, enact the following: 1.) Approved the scopes of work related to the following Covered California consulting support contracts: a.) Strategic Advice and Qualified Health Plan Application Support; b.) Actuarial Support for Financial Projections and Rate Development; and c.) Operational Implementation Support and Project Management; 2.) Approved the release of a request for proposals related to the Operational Implementation Support and Project Management contract; 3.) Made exceptions to CalOptima Health Policy GA.5002: Purchasing and authorized the Chief Executive Officer, or designees, to execute the following contracts and/or contract amendments with the designated vendors without competitive procurement: a.) Strategic Advice and Qualified Health Plan Application Support with Health Management Associates, Inc. through a contract amendment; and b.) Actuarial Support for Financial Projections and Rate Development with Milliman, Inc. through a new direct contract; and 4.) Approved the creation of a restricted Covered California Start-up Reserve Fund in the amount of \$4.75 million from existing reserves to fund Covered California start-up costs through December 31, 2026. (Motion carried 8-0-0; Supervisor Chaffee absent)***

**24. Election of Officers of the Board of Directors for Terms Beginning January 1, 2025**

Chair Becerra turned the election over to CalOptima Health Legal Counsel.

James Novello, Outside General Counsel, Kennaday Leavitt, read the nominations for Chair received in advance of the meeting into the record as prescribed by the Board Election Policy:

- Director Byron nominates current Chair Becerra for Chair.
- Vice Chair Becerra nominates herself for Chair.
- Director Helleland nominates current Chair Becerra for Chair.

Mr. Novello reminded the Board of the voting procedures and noted that Director Green would need to verbally indicate her vote as she was participating remotely.

Cheryl Simmons, Project Manager, Office of the Clerk of the Board, distributed ballots for Chair to Board members. The Clerk read the ballots for Chair into the record.

- Director Byron nominates Isabel Becerra for Chair.
- Director Garcia Guillen nominates Isabel Becerra for Chair.
- Director Mayorga nominates Isabel Becerra for Chair.
- Director Contratto nominates Isabel Becerra for Chair.
- Chair Becerra nominates herself for Chair.
- Vice Chair Sarmiento nominates Isabel Becerra for Chair.
- Director Green nominates Isabel Becerra for Chair.
- Director Helleland nominates Isabel Becerra for Chair.
- Supervisor Chaffee was absent.

Isabel Becerra was elected Chair of the Board of Directors effective January 1, 2025.

Mr. Novello read the nominations for Vice Chair received in advance of the meeting into the record as prescribed by the Board Election Policy:

- Director Byron nominates current Vice Chair Sarmiento for Vice Chair.
- Chair Becerra nominates current Vice Chair Sarmiento for Vice Chair.

Ms. Simmons distributed the ballots for Vice Chair to the Board members. The Clerk read the ballots for Vice Chair into the record.

- Director Green nominates Vicente Sarmiento for Vice Chair.
- Director Mayorga nominates Vicente Sarmiento for Vice Chair.
- Chair Becerra nominates Vicente Sarmiento for Vice Chair.
- Vice Chair Sarmiento nominates himself for Vice Chair.
- Director Helleland nominates Vicente Sarmiento for Vice Chair.
- Director Byron nominates Vicente Sarmiento for Vice Chair.

- Director Garcia Guillen nominates Vicente Sarmiento for Vice Chair.
- Director Contratto nominates Vicente Sarmiento for Vice Chair.
- Supervisor Chaffee was absent.

Vicente Sarmiento was elected Vice Chair of the Board of Directors effective January 1, 2025.

**Action:** *The Board of Directors elected Isabel Becerra as Chair and Vicente Sarmiento as Vice Chair of the Board of Directors for terms effective January 1, 2025, through the last day of the month of the next organizational meeting, or until the election of a successor(s), unless the Chair or Vice Chair shall sooner resign or be removed from office. (Motion carried 8-0-0; Supervisor Chaffee absent)*

Chair Becerra stated for the record that she would not be participating in this item due to her role as Chief Executive Officer of the Coalition of Orange County Community Health Centers and would leave the room during the discussion and vote. Chair Becerra passed the gavel to Vice Chair Sarmiento.

14. Authorize the Chief Executive Officer to Execute Contract Amendments with Collective Medical Technologies, Inc., a PointClickCare company, and Safety Net Connect, Inc. to Improve Information Exchange for Members and Providers Across Care Settings

Chair Becerra did not participate in this item due to her role as Chief Executive Officer of the Coalition of Orange County Community Health Centers and left the room during the discussion and vote.

**Action:** *On motion of Director Byron, seconded and carried, the Board of Directors: 1.) Made an exception to CalOptima Health Policy GA.5002: Purchasing Policy and authorized the Chief Executive Officer to execute a contract amendment without competitive procurement with Collective Medical Technologies, Inc., a PointClickCare company, to: a.) Expand the scope of work to include new products for the Medicare line of business; b.) Update payments terms; and c.) Extend the contract term for an additional three-year term beginning November 30, 2025, with two one-year extension options, each exercisable at CalOptima Health's discretion; 2.) Made an exception to CalOptima Health Policy GA.5002: Purchasing Policy and authorized the Chief Executive Officer to execute a contract amendment without competitive procurement with Safety Net Connect, Inc., to: a.) Extend the contract for a three-year term beginning December 17, 2025, with two one-year extension options, each exercisable at CalOptima Health's discretion under the same terms and conditions. (Motion carried 7-0-0; Chair Becerra recused; Supervisor Chaffee absent)*

Vice Chair Sarmiento passed the gavel back to Chair Becerra.

15. Approve Actions Related to CalOptima Health Policy AA.1400: Grant Management

Director Mayorga commented that a lot of work and thought went into this Grant Management policy and wanted to be sure that as CalOptima Health begins evaluating the various grant applications, that the

staff working on these grants recuse themselves if there is a conflict of interest. He added that the Board recently passed the conflict-of-interest policy and wanted to ensure CalOptima Health, its Board, and its employees are following procedures to ensure grants are awarded in a fair and transparent manner.

Yunkyung Kim, Chief Operating Officer, responded to Director Mayorga's comments, noting that CalOptima Health has implemented procedures where it checks staff who are involved in the decision-making process prior to the grantee selection.

Director Contratto asked if there is a standard template for the scoring of grants and could it be attached to the policy.

Donna Laverdiere, Executive Director, Strategic Development, responded that CalOptima Health starts with a standard template but then it is customized for each individual grant. Ms. Laverdiere noted that CalOptima Health's grant management system records the scoring information and staff can provide the scoring sheets to the Board before the recommendation comes to the Board going forward.

***Action:*** ***On motion of Director Mayorga, seconded and carried, the Board of Directors approved the revised CalOptima Health Policy AA.1400: Grant Management, effective December 6, 2024. (Motion carried 8-0-0; Supervisor Chaffee absent)***

16. Adopt a New CalOptima Health Fiscal Year 2025-2027 Strategic Plan

This item was continued to the February Board meeting.

18. Authorize Unbudgeted Expenditures and Appropriate Funds in the CalOptima Health Fiscal Year 2024-25 Operating Budget for Legal Services

***Action:*** ***On motion of Director Contratto, seconded and carried, the Board of Directors authorized unbudgeted operating expenditures and appropriated funds in an amount up to \$2.5 million from existing reserves to fund legal services through June 30, 2025. (Motion carried 8-0-0; Supervisor Chaffee absent)***

20. Approve Actions Related to the Street Medicine Program Expansion

***Action:*** ***On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors: 1.) Approved a notice of interest opportunity to identify one additional host-city for the expansion of CalOptima Health's Street Medicine Program. (Motion carried 8-0-0; Supervisor Chaffee absent)***

21. Approve Actions Related to the Housing and Homelessness Incentive Program

***Action:*** ***On motion of Director Garcia Guillen, seconded and carried, the Board of Directors: 1.) Approved allocation of up to \$19.73 million in Housing and Homelessness Incentive Program (HHIP) funds earned through the Submission 2 report from the California Department of Health Care Services pursuant to Attachment 1: HHIP Allocation and Awards; 2.) Authorized CalOptima Health staff to develop notices of funding***

*opportunities (NOFO) pursuant to Attachment 2: Anticipated NOFO Rounds 4, 5 and 6, totaling \$20.13 million, including the \$400,000 balance from the HHIP NOFO Round 3 for Equity grants under Priority Area 2.; 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 8-0-0; Supervisor Chaffee absent)*

22. Approve Actions Related to Mobile Screening Services

Director Garcia Guillen asked that language be added to Section 3.8 of Attachment A-1 of the Mobile Screening Services at CalOptima Health Event that non-CalOptima Health members will not be turned away regardless of their ability to pay.

The Board approved this item with the above language added into Section 3.8 and any other section needed of the Mobile Screening Services at a CalOptima Health Event.

**Action:** *On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer, or designee, to negotiate and execute a contract amendment with Alinea Imaging Associates, Inc. to resume mobile screening services at CalOptima Health community events for the CalOptima Health Community Network Medi-Cal and OneCare members, effective no earlier than January 1, 2025; and 2.) Authorized the Chief Executive Officer, or designee, to negotiate and execute contracts with qualified mobile screening service providers. (Motion carried 8-0-0; Supervisor Chaffee absent)*

23 Authorize Action Related to the Medi-Cal Fee for Service Hospital Services Contract with University of California, Irvine – UCI Health Placentia-Linda

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and left the room during the discussion and vote.

**Action:** *On motion of Director Contratto, seconded and carried, the Board of Directors: 1.) Authorized unbudgeted expenditures in the amount of \$900,000 from existing reserves to support the transition to Board-approved reimbursement rates and payment methodologies effective on or after January 1, 2025, for University of California, Irvine – UCI Health Placentia-Linda. (Motion carried 7-0-0; Director Mayorga recused; Supervisor Chaffee absent)*

**CLOSED SESSION**

The Board adjourned to Closed Session at 3:07 p.m. Pursuant to Government Code section 54956.9(d)(2): 1 Case, CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION.

The Board returned to Open Session at 3:47 p.m., and the Clerk re-established a quorum.

**ROLL CALL**

Members Present: Isabel Becerra, Chair; Supervisor Vicente Sarmiento, Vice Chair; Maura Byron; Blair Contratto; Norma García Guillén; Catherine Green, R.N.; Brian Helleland; Veronica Kelley (non-voting); Jose Mayorga, M.D.

(All Board members participated in person, except Director Catherine Green, R.N., who participated remotely under traditional Brown Act rules.)

Members Absent: Supervisor Doug Chaffee

**CLOSED SESSION**

Chair Becerra noted that the Board met in Closed Session and there were no reportable actions taken.

**BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS**

Board members extended their wishes for a safe and happy holiday and commented that they are looking forward to a Happy New Year.

**ADJOURNMENT**

Hearing no further business, Chair Becerra adjourned the meeting at 3:49 p.m.

/s/ Sharon Dwiars

Sharon Dwiars  
Clerk of the Board

*Approved: February 6, 2025*

**MINUTES**  
**REGULAR MEETING**  
**OF THE**  
**CALOPTIMA HEALTH BOARD OF DIRECTORS’**  
**QUALITY ASSURANCE COMMITTEE**

**CALOPTIMA HEALTH**  
**505 CITY PARKWAY WEST**  
**ORANGE, CALIFORNIA**

**October 9, 2024**

A Regular Meeting of the CalOptima Health Board of Directors’ Quality Assurance Committee (Committee) was held on October 9, 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 (AB) 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 Jose Mayorga called the meeting to order at 3:02 p.m., and Linda Lee, Executive Director, Quality Improvement, led the Pledge of Allegiance.

**CALL TO ORDER**

**Members Present:** Jose Mayorga, M.D.; Chair; Maura Byron; Catherine Green, R.N.

(All Committee members in attendance participated in person except Director Byron, who participated remotely under Just Cause, using her first of two uses for calendar year 2024, as permitted by AB 2449.)

**Members Absent:** None.

**Others Present:** Yunkyung Kim, Chief Operating Officer; Richard Pitts, D.O., Ph.D., Chief Medical Officer; Troy Szabo, Outside General Counsel, Kennaday Leavitt; Linda Lee, Executive Director, Quality Improvement; Monica Macias, Director, PACE; Sharon Dwiwers, Clerk of the Board

**MANAGEMENT REPORTS**

**1. Medi-Cal Regulatory Audits Update**

John Tanner, Chief Compliance Officer, provided an update on CalOptima Health’s Medi-Cal regulatory audits. Mr. Tanner reported that he will be providing updates on two audits. The first audit was conducted in February/March 2023 by the Department of Health Care Services (DHCS), and the areas of focus were transportation, both non-emergency medical transportation and non-medical transportation, and behavioral health, which included specialty mental health services, non-specialty mental health services, and substance use disorder (SUD) services. CalOptima Health received its final report on August 30, 2024, and there were no findings regarding transportation and two findings regarding behavioral health. Mr. Tanner reviewed the behavioral health findings, noting that one finding was regarding SUD treatment, and the other was related to SUD services follow-up to understand barriers and adjust referrals for which members did not receive the referred treatment.



He noted that CalOptima Health staff submitted its response to the corrective action plan (CAP) on October 7, 2024, and are waiting to see if DHCS has any questions on the CAP submission.

The second audit update was on CalOptima Health's Routine Medical Audit that DHCS conducts every year. The audit period was February 1, 2023, through February 29, 2024, and there were ten findings across four audit categories. The audit was conducted in March 2024, and consisted of six audit areas, which included: Utilization Management, which had three findings; Case Management and Coordination of Care, which had two findings; Access and Availability of Care, which had four findings; and Members' Rights, which had one finding. The other two audit areas were Quality Management and Administrative and Organizational Capacity, and there were no findings in those two audit areas. Mr. Tanner reviewed the details of the findings and noted that DHCS formally requested a CAP on August 22, 2024. CalOptima Health staff submitted its CAP to DHCS on September 23, 2024, and will submit monthly CAP updates to DHCS until all CAP actions have been implemented. Mr. Tanner added that the final CAP is scheduled to be completed by January 2025.

Mr. Tanner and Linda Lee, Executive Director, Quality Improvement, responded to Committee members' comments and questions.

### **PUBLIC COMMENTS**

There were no public comments.

### **CONSENT CALENDAR**

2. Approve the Minutes of the June 12, 2024, Regular Meeting of the CalOptima Health Board of Directors' Quality Assurance Committee

***Action: On motion of Director Byron, seconded and carried, the Committee approved the Consent Calendar as presented. (Motion carried 3-0-0)***

Chair Mayorga noted for the record that he would not be participating in Agenda Items 3 and 4 due to his role as Executive Director at UC Irvine Health and would leave the room during the discussion and vote. He passed the gavel to Director Byron.

### **REPORT/DISCUSSION ITEMS**

3. Recommend that the Board of Directors Approve Modifications to CalOptima Policy AA.1207b and AA.1207c: Performance-based Health Network and CalOptima Community Network Auto-Assignment Allocation Methodology and Performance-based Community Health Center Auto-Assignment Allocation Methodology

Chair Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and left the room during the discussion and vote.

Ms. Lee presented an overview of the proposed changes to the auto assignment policies. She started by providing some background on the auto assignment policies and why they are used. Auto assignment is a process for when a CalOptima Health member does not select a health network or a primary care provider. CalOptima Health uses factors that a member might use if they were making their own selection, such as geography, previous member affiliation, member family link, Federally Qualified Health Center (FQHC) status, and quality scores. CalOptima Health's auto assignment policies are structured ensure that members are assigned to a contracted health network to coordinate

their care, support community health centers, which includes community clinics, FQHCs and FQHC look-alikes), and ensure members have access to providers near their residence. Ms. Lee reviewed the auto assignment quality score proposal, which will be based on the following criteria: established performance thresholds based on industry standards; selected measures based on alignment with DHCS priorities, including Medi-Cal Accountability Set minimum performance level, quality withhold and auto assignment measures; administrative data collections designated by the National Committee for Quality Assurance (NCQA); determined minimum eligible population with adequate volume to calculate meaningful rates; and methods for new providers to participate before quality scores can be calculated. Ms. Lee added that the proposed changes apply to providers participating in the auto assignment process, including health networks and community clinics. Ms. Lee also reviewed the details of the measurement year (MY) 2025 auto assignment quality measurement set, the quality score methodology, and the proposed implementation timeline with Committee members.

***Action: On motion of Director Green, seconded and carried, the Committee recommended that the Board of Directors approve recommended modifications to policy AA.1207b: Performance-based Health Network and CalOptima Community Network Auto-Assignment Allocation Methodology and AA.1207c: Performance-based Community Health Center Auto-Assignment Allocation Methodology. (Motion carried 2-0-0; Chair Mayorga recused)***

4. Recommend that the Board of Directors Approve CalOptima Health Measurement Year 2025 Medi-Cal and OneCare Pay-for-Value Programs

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and left the room during the discussion and vote.

Ms. Lee introduced this item noting that the proposed MY 2025 Medi-Cal and OneCare Pay for Value Programs remain relatively unchanged from MY 2024 programs. She added that the 2024 programs had some substantive changes, and CalOptima Health decided to keep the programs the same to avoid any provider confusion and also to determine the effectiveness of the new methodology used in 2024. Ms. Lee reviewed the pay for value program principles, which include using industry standard measurement and benchmarks to encourage CalOptima Health's providers to improve quality performance and data reporting for quality measures to ensure that members are getting appropriate care. She noted that measures that CalOptima Health is using align with DHCS measures for Medi-Cal and the Centers for Medicare & Medicaid Services (CMS) measures for OneCare, which is CalOptima Health's Medicare line of business. Ms. Lee reviewed additional details in the Pay for Value Programs and noted that more in depth information is included in the appendix attached to the presentation and included in the meeting materials.

***Action: On motion of Director Green, seconded and carried, the Committee recommended that the Board of Directors: 1.) Approve Measurement Year 2025 Medi-Cal Pay for Value Performance Program for the period effective January 1, 2025, through December 31, 2025; 2.) Approve Measurement Year 2025 OneCare Pay for Value Performance Program for the period effective January 1, 2025, through December 31, 2025; and 3.) Approve the use of unearned Measurement Year 2025 Pay for Value Performance***

***Program funds for quality initiatives and grants. (Motion carried 2-0-0;  
Chair Mayorga recused)***

**5. Recommend that the Board of Directors Approve Recommendations for the Chair and Vice Chair Appointments to the Whole-Child Model Family Advisory Committee**

Yunkyung Kim, Chief Operating Officer, introduced this item, noting that it was a pleasure to recommend that the Committee recommend to the full CalOptima Health Board of Directors the appointments of Lori Sato as Chair and Erika Jewell as Vice Chair of the Whole-Child Model Family Advisory Committee (WCM FAC). Ms. Kim noted that the WCM FAC is special because 11 of its sitting members, some of which are parents of children with special needs and some of which are parents of adults with special needs. Ms. Kim added that Director Byron formerly served as Chair of the WCM FAC and knows firsthand the importance of the committee to the care of CalOptima Health's members.

Director Byron commented that she was happy to hear the slate of candidates for Chair and Vice Chair and noted that the WCM FAC made a wonderful selection.

***Action: On motion of Director Byron, seconded and carried, the Committee recommended that the Board of Directors: 1.) Appoint Lori Sato as Chair and Erika Jewell as the Vice-Chair of the Whole-Child Model Family Advisory Committee to each serve a two-year term through November 5, 2026. (Motion carried 3-0-0)***

**ADVISORY COMMITTEE UPDATES**

**6. Program of All-Inclusive Care for the Elderly (PACE) Member Advisory Committee Update**

Chair Mayorga noted that the update for the PACE Member Advisory Committee was in the meeting materials, and hearing no questions, the Committee accepted Agenda Item 6 as presented.

**7. Whole-Child Model Family Advisory Committee Report**

Kristen Rogers, Chair of the WCM FAC, provided an update on the activities of the WCM FAC. Ms. Rogers thanked CalOptima Health for the honor of serving as Chair the past two years. She noted that the report from the September 19, 2024, WCM FAC meeting was in the materials and noted that she was looking forward to Director Byron giving a presentation on the Family Support Network's recent activities at the November 19, 2024, WCM FAC meeting.

**INFORMATION ITEMS**

**8. Overview of Quality Improvement**

Ms. Lee presented an overview of the components that make up the quality improvement program for CalOptima Health members. She noted that quality is a foundational priority for members, health care regulators, payers, providers, and stakeholders. Ms. Lee added that quality in health care has been defined by industry experts, regulators, and stakeholders. She noted that the Institute of Medicine of the National Academy of Sciences was the first to define quality health care as "safe, effective, patient-centered, timely, efficient and equitable." Ms. Lee also noted that the Agency for Healthcare Research and Quality defines quality health care "as doing the right thing for the right patient, at the right time, in the right way to achieve the best possible results." Ms. Lee commented that the key to quality is measurement, transparency, and accountability.

Ms. Lee reviewed the quality program regulatory requirements, which include a CMS-developed national quality strategy to ensure that members have access to a high-value health care system measured by quality outcomes, safety, equity, and accessibility for all. DHCS developed a comprehensive quality strategy in 2022 that is aligned with CMS goals. Ms. Lee noted that both CMS and DHCS require the collection and reporting of quality performance measures, including Healthcare Effectiveness Data and Information Set (HEDIS), Consumer Assessment of Healthcare Providers and Systems (CAHPS), and Health Outcomes Survey (HOS). She added that both CMS and DHCS post quality scores for public transparency and to inform stakeholders. Consequences for failing to meet quality goals may result in sanctions, corrective action, and contract non-compliance.

Ms. Lee reviewed CalOptima Health's quality components, including Governance/Committees, Quality Program Documents and Policies, Quality Initiatives and Projects, and Quality Measurement and the details of each of the quality components.

Ms. Lee also provided an overview of CalOptima Health's program summaries and updates. She reviewed the star rating systems, noting that both CMS and NCQA utilize quality measures to rate health plans. Ms. Lee added the measures are based on clinical guidelines measured by HEDIS, member experience measured by CAHPS, and HOS. Ms. Lee provided details on each of the ratings and measures and presented an overview of how CalOptima Health's Medi-Cal and OneCare programs are performing.

Ms. Lee also provided details on provider satisfaction. CalOptima Health fields an annual provider satisfaction survey to gather feedback on providers' experience interacting with CalOptima Health.

Ms. Lee noted that attached to the presentation was an appendix with additional in-depth information regarding CalOptima Health's Quality Improvement Program, which is also in the meeting materials.

Ms. Lee and Ms. Kim responded to Committee members' comments and questions.

#### 9. Update on Quality Improvement Program

Ms. Lee provided an update on three programs: credentialing, NCQA health plan accreditation, and health equity accreditation.

##### Credentialing

Ms. Lee reported that in March 2024, CalOptima Health executed a contract with a credentialing verification organization (CVO) to outsource its credentialing function as a way of improving efficiency. CalOptima Health started the implementation in April 2024, and as of August 1, 2024, it has fully transitioned all of CalOptima Health Direct credentialing to the CVO. All new initial credentialing and ongoing re-credentialing will now be conducted by the CVO. CalOptima Health will retain responsibility for approving and denying credentialing files by its credentialing committee, oversight of its delegated credentialing partners, and monitoring the CVO.

##### NCQA Health Plan Accreditation

Ms. Lee reported that CalOptima Health successfully completed its health plan accreditation re-survey on July 10, 2024, and received full accreditation status. CalOptima Health's next accreditation will be in three years. She added that NCQA also updated CalOptima Health's health plan rating on September 15, 2024, and this is where it shows that CalOptima Health's star rating

dropped from 4.0 overall to 3.5. Three domains comprise the overall star rating; the prevention and equity remained the same; treatment remained the same; and patient experience improved from a 2.0 to 2.5. Ms. Lee reviewed the measures that improved and the measures where CalOptima Health has an opportunity for improvement. Ms. Lee also reviewed strategies that CalOptima Health has implemented to improve its star rating for all measures.

#### Health Equity Accreditation

Ms. Lee reported that DHCS is requiring all health plans to achieve health equity accreditation by January 2026. She noted that CalOptima Health's goal is to be accredited by quarter three of 2025. Ms. Lee added that CalOptima Health has submitted its application with a survey date of October 7, 2025, and has engaged a consultant to help implement a plan for readiness. Health equity accreditation has six domains around organization readiness that promotes diversity among staff, collecting data to better understand the disparities and needs of CalOptima Health members, ensuring that members can access language services, and ensuring that the plan's provider network is aligned and can respond to the cultural needs of its members. Ms. Lee provided additional details on health equity accreditation, including a requirement to collect sexual orientation and gender identity of CalOptima Health's members. Ms. Lee added that staff is working with CalOptima Health's Information Technology department to ready its systems to collect this information and incorporate it into quality initiatives and programs.

Ms. Lee responded to Committee members' comments and questions.

#### 10. Healthcare Effectiveness Data and Information Set (HEDIS) Measurement Year 2023 Results

Mohini Sinha, M.D., Medical Director, Quality Improvement, presented the HEDIS results for measurement year 2023. Dr. Sinha reported that HEDIS is a set of standardized measures across six domains of care and relate to significant public health issues such as cancer, heart disease, asthma, diabetes. Dr. Sinha noted that because HEDIS is so standardized, it allows for apples-to-apples comparison of health plan performance. She added that NCQA uses the HEDIS measures in its health ratings and accreditation program. Dr. Sinha reviewed measures where CalOptima Health performed well and measures that need improvement (which include blood lead screening, among others), and the strategies that staff has implemented to address any low performing measures.

The Committee and staff had a robust discussion regarding barriers to improving various measures and ways to address those barriers for improved outcomes for CalOptima Health and its members. For full details of this presentation, please view the past meeting materials on CalOptima Health's website.

#### 11. Quality Improvement Grant Program

Ms. Lee provided an update on the Quality Improvement Grant Program, noting that grant funds are based on unearned measurement year 2023 Medi-Cal Pay for Value Program dollars. The total pay for value funds totaled \$79.7 million. Funds earned based on quality performance totaled \$44.3 million. Funds unearned and available for grants totaled \$35.3 million. Funds requested via grant applications totaled \$15.3 million. Grants awarded totaled \$3 million to health networks. CalOptima Health Care Network grant applications are still under review. Ms. Lee reviewed the health networks that received the grants, specific grant focus areas, and the grant amount approved. Ms. Lee noted that some of the health networks requested blood lead analyzers, which were aimed at improving blood lead screening measures. Ms. Lee also noted that some networks requested grants to support

management of chronic conditions such as diabetes and added the CalOptima Health is happy to see providers using the grant dollars to not only improve HEDIS measures but also to improve member health outcomes.

#### 12. Behavioral Health Mental Health Incentive Program Update

Camren Katsarov, Executive Director, Behavioral Health Integration, presented an update on CalOptima Health Behavioral Health (BH) Pay for Value Program. Ms. Katsarov noted that staff presented a draft of this program to the Committee at the March 2024 meeting, and the Board of Directors approved the program in May 2024. The program start remains the same, January 2025; however, in preparing for go live, CalOptima Health conducted additional listening sessions and concluded that a few modifications needed to be made to ensure the success of the BH Pay for Value Program. Not all BH providers are in health networks; many may be a single provider and not have the infrastructure as those that have a larger network. CalOptima Health is designing its BH Pay for Value Program to not only allow those larger BH providers to earn incentives based on their performance, but also allowing smaller BH providers to earn incentives for improvement. Ms. Katsarov added that by designing the program this way, CalOptima Health will encourage smaller providers to give the program a try. She also shared that she was in Sacramento speaking at the BH Taskforce meeting and attendees were excited to hear the innovation that CalOptima Health is bringing to its BH Pay for Value Program.

#### 13.c. Member Trend Report

Ladan Khamseh, Executive Director, Operations, presented the Grievance and Appeals Resolution Services (GARS) Member Trend Report for the second quarter of 2024. Ms. Khamseh noted that this report is a standing report for the Committee; however, today she wanted to highlight a few key points. She started with the definition of a grievance, which is an expression of dissatisfaction with any aspect of a CalOptima Health program, provider, or representative. Ms. Khamseh next gave the definition of an appeal, which is a request by a member or on the member's behalf for the review of any decision to deny, modify or discontinue a covered service.

Ms. Khamseh presented an executive summary of the GARS Member Trend Report, noting that CalOptima Health received a total of 4,593 grievances and 423 appeals for the Medi-Cal and OneCare lines of business. The turnaround times for both grievance and appeals are compliant with the 30-day regulatory standard, averaging a closure rate of 25 days.

Ms. Khamseh noted that for grievances, Medi-Cal experienced a 33% increase in grievances from 3,127 in the first quarter to 4,170 in the second quarter. She also noted that a portion of the increase was related to the transition of transportation service vendors. Other increases were related to delays in referrals and authorizations and dissatisfaction with plan staff or providers. For the OneCare line of business, CalOptima Health experienced an 11% decrease in grievances from 469 in the first quarter to 423 in the second quarter, with the decrease related to access to care and billing services.

Ms. Khamseh reported that for appeals, Medi-Cal experienced an 11% increase in appeals from 320 in the first quarter to 356 in the second quarter, with an overturn rate increase of 30% to 35%. The higher overturn rate is related to Applied Behavior Analysis appeals that saw a 41% increase, tertiary level specialty care appeals, and appeals for services related to continuity of care. For the OneCare line of business, CalOptima Health experienced a 6% decrease from 71 appeals in the first quarter to 67 appeals in the second quarter, with an overturn rate decrease of 48% to 40%. Ms. Khamseh added

that the contributing factors for the overturn rate for both Medi-Cal and OneCare were continuity of care and tertiary level specialty care services.

Ms. Khamseh reviewed the additional details for grievances and appeals, including the volume and compliance, volume by line of business, CalOptima Health's comparison by NCQA and DHCS standards, volume by health networks, types of grievance and appeals by lines of business, and many other subcategories. Ms. Khamseh also reviewed trends by lines of business for both grievances and appeals and actions taken in response to trends.

The following items were accepted as presented.

13. Quarterly Reports to the Quality Assurance Committee

- a. Quality Improvement Health Equity Committee Report
- b. Program of All-Inclusive Care for the Elderly Report

**COMMITTEE MEMBER COMMENTS**

The Committee members thanked staff for the work that went into preparing for the meeting and for the detailed presentations and robust conversations on the important quality programs.

**ADJOURNMENT**

Hearing no further business, Chair Mayorga adjourned the meeting at 5:09 p.m.

/s/ Sharon Dwiars

Sharon Dwiars  
Clerk of the Board

*Approved: December 11, 2024*

## CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

### Action To Be Taken February 6, 2025 Regular Meeting of the CalOptima Health Board of Directors

#### Consent Calendar

5. Approve Actions Related to OneCare Member Engagement and Education

#### Contacts

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

Javier Sanchez, Executive Director, Medicare Programs, (657) 235-6851

#### Recommended Actions

1. Authorize the Chief Executive Officer to negotiate and execute a contract with the selected vendor for OneCare member engagement and education activities through a formal procurement in accordance with CalOptima Health's Board-approved Purchasing Policy.
2. Authorize unbudgeted operating expenditures and appropriate funds in an amount up to \$250,000 from existing reserves to fund the contract with the selected vendor.

#### Background

On October 13, 2024, the Centers for Medicare and Medicaid Services (CMS) released the Medicare Star Ratings for 2024. Star Ratings provide beneficiaries with a method for assessing the overall quality of Medicare Advantage plans like CalOptima Health's OneCare plan. Star ratings are displayed on the Medicare Prescription Drug Plan Finder to facilitate beneficiary health plan selection. CMS also rewards high performing plans with four or more Stars with bonus payments, which OneCare could use to improve supplemental benefits for members. Health plan star ratings are updated during the annual enrollment period. The 2024 Star Ratings summarize how OneCare performed on quality measures in 2023 and are based on factors such as member experience, how long it takes to get an appointment, complaints, the number of annual medical screenings, and preventive services accessed by members. The ratings range from 1 to 5 stars, with 1 being the lowest. CalOptima Health OneCare received 2.5 stars overall for 2024, ranking among the lowest ten percent of Medicare Advantage plans across the nation.

#### Discussion

To avoid compliance actions by CMS and increase enrollment and revenue for OneCare, CalOptima Health must improve its Star Ratings. Plans rated below 3 Stars are required to improve their Star Ratings to a minimum of 3 Stars within a three-year period, or they may face sanctions, up to and including revocation of their Medicare Advantage contract.

CalOptima has implemented quality improvement activities to raise its Star Ratings, including (i) closing gaps in medical screening and activities to increase member engagement and (ii) education to encourage members to become more proactive in managing their health and receiving all needed preventative services. Focus groups and outreach activities have shown that OneCare members are not well informed regarding the importance of receiving preventive care services, using their benefits, and navigating the complex health care system. Staff proposes to contract with a qualified vendor that has experience conducting member engagement and education activities with older adults covered by Medicare and Medi-Cal (*i.e.*, dual eligibles). The selected contractor will conduct grass roots community support and education convenings (or support groups) for OneCare members in neighborhoods throughout Orange County. Members will engage with other OneCare members where they live via a facilitator who will educate members about various health topics and encourage members to complete preventative health screenings, take medications as prescribed, and visit their primary care providers regularly. Such activities will help OneCare members engage with other older adults experiencing similar challenges



accessing care to help them close gaps in quality measures. The contractor will also provide valuable feedback to CalOptima Health staff and health networks that will be used to improve delivery of services to OneCare members and improve OneCare's overall star ratings.

On November 27, 2024, CalOptima Health released an RFP for vendor services for the scope of work. Proposals received will be evaluated by an evaluation committee. Staff recommends that the Board authorize unbudgeted operating expenditures in an amount up to \$250,000 from existing reserves for Year 1 of this project and authorize the CEO to contract with a qualified vendor to implement the activities.

**Fiscal Impact**

The recommended action is unbudgeted. An appropriation of up to \$250,000 from existing reserves will fund the recommended action from April 1, 2025, through March 31, 2026.

**Rationale for Recommendation**

The recommended actions will allow CalOptima Health to secure experienced resources to improve overall member education, engagement and satisfaction to raise OneCare quality scores and Medicare Star ratings.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

None

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025

### Regular Meeting of the CalOptima Health Board of Directors

#### Consent Calendar

6. Adopt Resolution No. 25-0206-01 Approving Updated and New CalOptima Health Human Resources Policies

#### Contacts

Michael Hunn, Chief Executive Officer, (714) 246-8570

Steve Eckberg, Chief Human Resources Officer (657) 328-9053

#### Recommended Actions

Adopt Resolution No. 25-0206-01 approving:

1. Updated CalOptima Health policies:
  - a. GA.8026: Employee Referral Program
  - b. GA.8030: Background Check
  - c. GA.8033: License and Certification Tracking
  - d. GA.8051: Hiring of Relatives
  - e. GA.8052: Drug-Free and Alcohol-Free Workplace
2. New CalOptima Health policy:
  - a. AA.1252: Diversity, Equity, and Inclusion

#### Background

Near CalOptima Health’s inception, the Board of Directors (Board) delegated authority to the Chief Executive Officer (CEO) 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 has included the list of revised policies for Board approval and a summary of changes for the updated policies.

**GA.8026: Employee Referral Program:** This policy provides for an opportunity for employees to receive compensation for individuals referred to and hired by CalOptima Health.

<b>Policy Section</b>	<b>Proposed Change</b>	<b>Rationale</b>	<b>Impact</b>
II.B.IV	Add text “household” to members referral program exclusions list.	Aligns with Policy GA.8051 Hiring of Relatives.	Aligns with practice of avoiding conflicts of interest.
II.C	Add text that the referral bonus award to fill a part-time position will be pro-rated at 50% of the full-time position amount.	Provides clarification on how referral bonuses will be paid out based on the full-time or part-time	Promotes referrals to fill part-time vacancies.

		status of the position being filled.	
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**GA.8030: Background Check:** This policy outlines the process by which CalOptima Health conducts background checks.

Policy Section	Proposed Change	Rationale	Impact
II.H	Add statement regarding CalOptima Health’s right to rescind a job offer if the candidate’s background check is still pending, incomplete, or inconclusive status 45 days after the date of submission.	Provides guidance to address excessive background check processing times.	Facilitates the business need to fill staff vacancies in a timely manner.

**GA.8033: License and Certification Tracking:** This policy describes how CalOptima Health ensures that all staff who are required to have active and current licenses and/or certifications have the appropriate and required licensure(s) and/or certification(s) with proper renewal information.

Policy Section	Proposed Change	Rationale	Impact
II.A	Add language that license and/or certification position requirements are in the job description.	The job description is the source document for position license and/or certification requirements.	Provides clarity and transparency on position requirements.
II.B, II.C, and III. Human Resources § 4	Revise language to remove “suspension” and replace with “unpaid administrative leave” in the event of failure to provide proof of license and/or certification renewal prior to the expiration date.	Aligns with CalOptima Health policy GA.8022: Performance and Behavior Standards.	Provides clarity and consistency.

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

Policy Section	Proposed Change	Rationale	Impact
II.A	Replace list of protected characteristics with a reference to the list in CalOptima Health Policy GA.8025: Equal Employment Opportunity.	Aligns to the primary policy for a list of protected characteristics.	Reduces redundancy and minimizes future edits as this list changes over time.
III.A	Update language regarding supervisory role: Remove: “suspend”	Aligns with CalOptima Health policy GA.8022: Performance and Behavior Standards.	Provides clarity and consistency.

	Replace: “discharge” with “terminate”; “discipline” with “corrective action”, and “responsibility to direct them” with “has responsibility to direct their work”.		
III.B	Add language requiring job applicants and employees to disclose if a position would have them report to a relative or non-relative of the same residence.	Aligns with CalOptima Health policy GA.8012: Conflicts of Interest.	Provides clarity for employee and job applicant on their responsibility to promptly disclose potential conflicts of interest.
III.C	Revise language “If the Employees do not make a decision within thirty (30) business days” to “ten (10)” business days.	Aligns with practice to resolve conflicts of interest timely.	Reduces the potential for adverse impact.
V.	Add references to CalOptima Health Policies GA.8012: Conflicts of Interest and GA.8025: Equal Employment Opportunity policies.	References related policies by name.	Provides clarity and policy alignment.

**GA.8052: Drug-Free and Alcohol-Free Workplace:** This policy establishes guidelines for a drug-free and alcohol-free workplace at CalOptima Health and CalOptima Health PACE to further enhance safety in the workplace for all employees, including permanent and temporary employees, volunteers, and other employed personnel, to promote employee health, maintain a high level of quality in service to CalOptima Health’s Members, ensure productivity, protect against liability, and promote the public’s trust in CalOptima Health.

Policy Section	Proposed Change	Rationale	Impact
I.	Add “any and all employees” with description of volunteer and worker relationships subject to this policy and replacing federal law specifically with the Controlled Substances Act).	Expands the scope of the policy to be inclusive of all working and volunteering relationships and adds specificity in compliance to legal requirements.	Provides clarity and accuracy.
II.A	Add discouragement of “misuse of prescription medications”.	Expands language to include the more common issue of misuse.	Provides clarity and accuracy.
II.B	Add bullet regarding medical or recreational use of marijuana not being an excuse for impairment on the job or an active metabolites positives drug test.	Addresses the Compassionate Use Act and new FEHA requirements.	Provides clarity and accuracy.

II.C.2-3	Separate language “reporting to work” from “possession”.	Provides emphasis on each prohibited action.	Provides clarity and accuracy.
II.D	Add section on prescription medication misuse, being under the influence prescription drugs, and the requirement to notify supervisor if the ability to perform a job safely may be impacted.	Provides guidance on the appropriate use of prescription medication and potential safety risks of its use on duty.	Provides clarity and accuracy.
III.B	Change “urine test” to “drug test” and add language regarding applicant notification of sample collection and appeals process and consequences of refusal to submit to required testing in the specified timeframe.	Improves clarity on pre-employment testing, specifically for roles that are classified as Safety Sensitive.	Provides clarity and accuracy.
III.E.1.a	Add to observable list of physical characteristics that can warrant completion of the Drug and Alcohol Reasonable Suspicion Checklist form, such as physical signs like dilated pupils and slurred speech.	Provides updated guidance on reasonable suspicion observations.	Provides clarity and accuracy.
III.E.2.a	Add language on how to coordinate testing when there is a reasonable suspicion that an employee may be under the influence or have consumed drugs or alcohol while on duty or on CalOptima Health property.	Provides updated guidance on reasonable suspicion documentation and testing facilitation.	Provides clarity and accuracy.
III.E.4 and III.E.5	Add language regarding coordinating arrangements for an employee to be taken home after a drug and/or alcohol test or refusal to test to possibly include contacting emergency contacts, or local authorities (if results are positive or pending and they get behind the wheel).	Provides guidance on the safe transportation of employee from the testing facility to employee’s home.	Provides clarity and accuracy.
III.F	Add language that “The testing facility will follow their chain-of-custody procedures to ensure the integrity of the sample.”	Describes the responsibility of the testing facility in administrating tests.	Provides clarity and accuracy.
III.I.3	Add language under Employee Assistance that “Participation in	Describes the review and consideration of	Provides clarity and accuracy.

	such programs will not excuse violations of this policy but may be considered in determining appropriate discretionary corrective action.”	appropriate corrective action.	
III.J	Update test to reflect “At its sole discretion, CalOptima Health may offer a Condition of Continued Employment contingent upon” regarding the criteria for continued employment.	Describes management discretion in conditions of continued employment.	Provides clarity and accuracy.
V.	Correct referenced policy name	Aligns to policy GA.8022: Performance and Behavior Standards.	Provides accuracy.

**AA.1252: Diversity, Equity, and Inclusion:** This new policy describes CalOptima Health’s Diversity, Equity, and Inclusion (DEI) commitment to support and advance its health equity strategy by building a diverse and inclusive staff while supporting health equity goals that are aimed at reducing bias and improving DEI within CalOptima Health’s workplace, committees, and governing bodies.

**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

**Attachments**

1. Adopt Resolution No. 25-0206-01 Approving and Adopting Updated and New CalOptima Health Human Resources Policies
2. Updated CalOptima Health policies:
  - a. GA.8026: Employee Referral Program
  - b. GA.8030: Background Check
  - c. GA.8033: License and Certification Tracking
  - d. GA.8051: Hiring of Relatives
  - e. GA.8052: Drug-Free and Alcohol-Free Workplace
3. New CalOptima Health policy:
  - a. AA.1252: Diversity, Equity, and Inclusion

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**

## **RESOLUTION NO. 25-0206-01**

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

#### **APPROVE UPDATED AND NEW CALOPTIMA HEALTH HUMAN RESOURCES 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 and new CalOptima Health Human Resources policies:

1. Updated CalOptima Health policies:
  - a. GA.8026: Employee Referral Program
  - b. GA.8030: Background Check
  - c. GA.8033: License and Certification Tracking
  - d. GA.8051: Hiring of Relatives
  - e. GA.8052: Drug-Free and Alcohol-Free Workplace
2. New CalOptima Health policy:
  - a. AA.1252: Diversity, Equity, and Inclusion

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima Health this 6<sup>th</sup> day of February 2025.

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.8026  
Title: **Employee Referral Program**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012  
Revised Date: 02/06/2025

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

1 **I. PURPOSE**

2  
3 This policy provides for an opportunity for ~~employees~~Employees to receive compensation for  
4 individuals referred to and hired by CalOptima Health.

5  
6 **II. POLICY**

7  
8 A. Employee referrals are a valuable and cost-effective source to find and hire the best new talent. -In  
9 times of recruiting challenges, CalOptima Health may choose to reward the recruiting efforts of  
10 ~~employees~~Employees by awarding a bonus to ~~employees~~Employees whose referrals are hired, in  
11 accordance with the following guidelines. - Exceptions to the policy may be made, in special  
12 circumstances, by the Human Resources (HR) Department.

13  
14 B. Eligibility

- 15  
16 1. Employees will be eligible to receive bonuses for referrals if all of the following conditions are  
17 met:
- 18 a. The ~~employee~~Employee making the referral is a regular ~~full~~Full-time or ~~part~~Part-time  
19 ~~employee~~Employee;
  - 20 b. The referred applicant is hired for a regular ~~full~~Full-time or ~~part~~Part-time position at  
21 CalOptima Health;
  - 22 c. The referred applicant remains continuously employed by CalOptima Health and is in Good  
23 Standing for a minimum of four (4) months;
  - 24 d. The ~~employee~~Employee making the referral is employed by CalOptima Health at the  
25 conclusion of the four (4) month period; and
  - 26 e. The applicant was not already identified through another source.
  - 27 f. All regular ~~full~~Full-time or ~~part~~Part-time ~~employees~~Employees are eligible to receive a  
28 referral bonus, except:  
29  
30 i. Employees assigned in the ~~the~~ Human Resources Department; or  
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- ii. Employees in leadership positions who refer applicants for employment within their own work units; or
- iii. Employees in Executive Level Positions; or
- iv. Employees, when referring a member of their household or immediate family including: current 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.
- g. A referral from an eligible ~~employee~~Employee will be considered for the referral bonus except if the person being referred is:
  - i. A former or current ~~employee~~Employee of CalOptima Health;
  - ii. A former or current consultant to CalOptima Health; or
  - iii. A temporary ~~worker~~Employee who currently works or worked for CalOptima Health in the past, unless the temporary ~~employee~~Employee meets all of the following: (1) was referred to CalOptima Health by an eligible ~~employee~~Employee; (2) was then referred by CalOptima Health to a temporary staffing agency; (3) worked as a temporary ~~employee~~Employee at CalOptima Health; and (4) was then subsequently hired immediately following work as a temporary ~~employee~~Employee at CalOptima Health and remains continuously employed as a CalOptima Health ~~employee~~Employee for a minimum of four (4) months.

C. Awards

- 1. There is no limit to the number of applicants an ~~employee~~Employee may refer. -For each referred applicant who is hired under the terms of this policy, the ~~employee~~Employee may receive a bonus of a specified amount before taxes.- The bonus amount, which will be set in a fair and consistent manner, is dependent on the position and at the discretion of the HR Department. If the referred applicant indicates more than one (1) ~~employee~~Employee name as a referral, the HR Department will select the first ~~employee~~Employee listed to receive the referral bonus. The referral bonus awarded will be paid at the full amount for Full-time positions and at a pro-rated 50% of that amount for Part-time positions. Employees will receive bonuses with their paychecks (in a separate check) within two (2) to four (4) weeks after the four (4) month minimum employment period.

- D. The Employee Referral Program is provided only to the extent that budgeted funds are available. CalOptima Health is under no obligation to fund or continue the Employee Referral Program.

III. PROCEDURE

Responsible Party	Action
Employee	1. Employee’s name needs to be entered by the applicant at time of completing the online application through the CalOptima Health website, under “How did you hear about us?”
Human Resources	1. Determine the amount of the bonus payment appropriate to the position prior to advertising for the open position;

Responsible Party	Action
	2. If the referred applicant indicates more than one (1) <del>employee</del> Employee name as a referral, the first <del>employee</del> Employee listed will receive the referral bonus; 3. Notify referring <del>employees</del> Employees of <del>candidates</del> applicants who were hired; 4. Track all hired referrals through the waiting period; 5. Verify that both <del>employees</del> Employees are still employed at the end of the four (4) month waiting period; 6. Ensure sufficient funds in budget for bonus payment; 7. Approve the bonus payment; and 8. Send Action Form to the Payroll Department.
Payroll Department	1. Upon receipt of HR's request for payment, the Payroll Department will issue the bonus payment to the referring <del>employee</del> Employee.

1  
2 **IV. ATTACHMENT(S)**

3  
4 Not Applicable

5  
6 **V. REFERENCE(S)**

7  
8 Not applicable

9  
10 **VI. REGULATORY AGENCY APPROVAL(S)**

11  
12 None to Date

13  
14 **VII. BOARD ACTION(S)**

Date	Meeting
04/06/2017	Regular Meeting of the CalOptima Board of Directors
06/04/2015	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
<u>02/06/2025</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

15  
16  
17 **VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8026	Employee Referral Program	Administrative
Revised	06/04/2015	GA.8026	Employee Referral Program	Administrative
Revised	04/06/2017	GA.8026	Employee Referral Program	Administrative
Revised	12/03/2020	GA.8026	Employee Referral Program	Administrative
Revised	12/01/2022	GA.8026	Employee Referral Program	Administrative
<u>Revised</u>	<u>02/06/2025</u>	<u>GA.8026</u>	<u>Employee Referral Program</u>	<u>Administrative</u>

1 IX. GLOSSARY  
2

Term	Definition
Employee	Any and all <del>employees</del> <u>Employees</u> of CalOptima Health, including all permanent and temporary <del>employees</del> <u>Employees</u> , volunteers, and other employed personnel.
Employee Referral Program	A bonus program for <del>employees</del> <u>Employees</u> whose applicant referrals are hired, and the eligibility conditions are met.
Executive Level Position	The position of Executive Director or above.
<u>Full-time Employee</u>	<u>An employee who works sixty (60) to eighty (80) hours per pay period.</u>
Good Standing	The <del>employee</del> <u>Employee</u> 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.
<u>Part-time Employee</u>	<u>An employee who regularly works less than thirty (30) hours per week.</u>

3  
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For 20250206 BOD Review Only



Policy: GA.8026  
Title: **Employee Referral Program**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012  
Revised Date: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2  
3 This policy provides for an opportunity for Employees to receive compensation for individuals referred  
4 to and hired by CalOptima Health.  
5

6 **II. POLICY**

7  
8 A. Employee referrals are a valuable and cost-effective source to find and hire the best new talent. In  
9 times of recruiting challenges, CalOptima Health may choose to reward the recruiting efforts of  
10 Employees by awarding a bonus to Employees whose referrals are hired, in accordance with the  
11 following guidelines. Exceptions to the policy may be made, in special circumstances, by the  
12 Human Resources (HR) Department.  
13

14 B. Eligibility

- 15  
16 1. Employees will be eligible to receive bonuses for referrals if all of the following conditions are  
17 met:  
18  
19 a. The Employee making the referral is a regular Full-time or Part-time Employee;  
20  
21 b. The referred applicant is hired for a regular Full-time or Part-time position at CalOptima  
22 Health;  
23  
24 c. The referred applicant remains continuously employed by CalOptima Health and is in Good  
25 Standing for a minimum of four (4) months;  
26  
27 d. The Employee making the referral is employed by CalOptima Health at the conclusion of  
28 the four (4) month period; and  
29  
30 e. The applicant was not already identified through another source.  
31  
32 f. All regular Full-time or Part-time Employees are eligible to receive a referral bonus, except:  
33  
34 i. Employees assigned in the Human Resources Department; or  
35  
36 ii. Employees in leadership positions who refer applicants for employment within their  
37 own work units; or

- iii. Employees in Executive Level Positions; or
- iv. Employees, when referring a member of their household or immediate family including: current 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.
- g. A referral from an eligible Employee will be considered for the referral bonus except if the person being referred is:
  - i. A former or current Employee of CalOptima Health;
  - ii. A former or current consultant to CalOptima Health; or
  - iii. A temporary Employee who currently works or worked for CalOptima Health in the past, unless the temporary Employee meets all of the following: (1) was referred to CalOptima Health by an eligible Employee; (2) was then referred by CalOptima Health to a temporary staffing agency; (3) worked as a temporary Employee at CalOptima Health; and (4) was then subsequently hired immediately following work as a temporary Employee at CalOptima Health and remains continuously employed as a CalOptima Health Employee for a minimum of four (4) months.

C. Awards

1. There is no limit to the number of applicants an Employee may refer. For each referred applicant who is hired under the terms of this policy, the Employee may receive a bonus of a specified amount before taxes. The bonus amount, which will be set in a fair and consistent manner, is dependent on the position and at the discretion of the HR Department. If the referred applicant indicates more than one (1) Employee name as a referral, the HR Department will select the first Employee listed to receive the referral bonus. The referral bonus awarded will be paid at the full amount for Full-time positions and at a pro-rated 50% of that amount for Part-time positions. Employees will receive bonuses with their paychecks (in a separate check) within two (2) to four (4) weeks after the four (4) month minimum employment period.

- D. The Employee Referral Program is provided only to the extent that budgeted funds are available. CalOptima Health is under no obligation to fund or continue the Employee Referral Program.

**III. PROCEDURE**

Responsible Party	Action
Employee	1. Employee’s name needs to be entered by the applicant at time of completing the online application through the CalOptima Health website, under “How did you hear about us?”
Human Resources	1. Determine the amount of the bonus payment appropriate to the position prior to advertising for the open position; 2. If the referred applicant indicates more than one (1) Employee name as a referral, the first Employee listed will receive the referral bonus; 3. Notify referring Employees of applicants who were hired;

<b>Responsible Party</b>	<b>Action</b>
	4. Track all hired referrals through the waiting period; 5. Verify that both Employees are still employed at the end of the four (4) month waiting period; 6. Ensure sufficient funds in budget for bonus payment; 7. Approve the bonus payment; and 8. Send Action Form to the Payroll Department.
Payroll Department	1. Upon receipt of HR's request for payment, the Payroll Department will issue the bonus payment to the referring Employee.

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**IV. ATTACHMENT(S)**

Not Applicable

**V. REFERENCE(S)**

Not applicable

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

None to Date

**VII. BOARD ACTION(S)**

<b>Date</b>	<b>Meeting</b>
04/06/2017	Regular Meeting of the CalOptima Board of Directors
06/04/2015	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
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

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**VIII. REVISION HISTORY**

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	01/05/2012	GA.8026	Employee Referral Program	Administrative
Revised	06/04/2015	GA.8026	Employee Referral Program	Administrative
Revised	04/06/2017	GA.8026	Employee Referral Program	Administrative
Revised	12/03/2020	GA.8026	Employee Referral Program	Administrative
Revised	12/01/2022	GA.8026	Employee Referral Program	Administrative
Revised	02/06/2025	GA.8026	Employee Referral Program	Administrative

19

1 IX. GLOSSARY

2

Term	Definition
Employee	Any and all Employees of CalOptima Health, including all permanent and temporary Employees, volunteers, and other employed personnel.
Employee Referral Program	A bonus program for Employees whose applicant referrals are hired, and the eligibility conditions are met.
Executive Level Position	The position of Executive Director or above.
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.
Part-time Employee	An employee who regularly works less than thirty (30) hours per week.

3

4

For 20250206 BOD Review Only





Policy: GA.8030  
Title: **Background Check**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 04/01/2013

Revised Date: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2  
3 This policy outlines the process by which CalOptima Health conducts background checks.  
4

5 **II. POLICY**

6  
7 A. CalOptima Health is committed to protecting the health, well-being, and safety of its employees and  
8 Members. To accomplish these goals, a background check serves as an important part of the  
9 selection process and this policy provides directives and guidance in the administration of  
10 performing background checks in a systematic and fair manner. Through the background check  
11 process, CalOptima Health obtains additional applicant information that will help determine the  
12 applicant's overall employability and ensures the protection of the people, property, and information  
13 of the organization.  
14

15 B. CalOptima Health shall conduct background checks and drug screenings (where applicable) on all  
16 external job applicants after a contingent offer of employment has been accepted by the applicant  
17 and prior to commencement of employment.  
18

19 1. Pre-Employment Screening: All employees in Safety Sensitive classifications are required to  
20 pass a pre-employment drug screening as a condition of employment in the classification as  
21 defined in CalOptima Health Policy GA.8052: Drug-Free and Alcohol-Free Workplace.  
22

23 C. For promotions or transfers of employees, a post-employment background check, including drug  
24 screening and criminal background, may be required depending on the job duties or if not conducted  
25 within the past twelve (12) months.  
26

27 D. For any individual volunteering on behalf of CalOptima Health (employee or non-employee), a  
28 criminal background check may be required if not conducted within the past twelve (12) months.  
29

30 E. Post-employment background checks will be conducted, typically every two (2) years or upon  
31 promotion into positions that have access to personal health information (PHI), direct Member  
32 access, provide healthcare services, any position that may have access to personally identifiable  
33 information (PII) for any Member or employee, any position authorized to enter into financial  
34 contracts on behalf of CalOptima Health, or any position with fiduciary responsibilities.  
35

1 F. Requirements specific to background checks are set out more fully in the Employment Related  
2 Background Check Guidelines. CalOptima Health may use a third-party agency to conduct the  
3 background checks and prepare a report.  
4

5 G. The background check is conducted to verify the accuracy of the information provided by the  
6 applicant, including, but not limited to, the applicant's social security number, education obtained,  
7 employment experience, criminal records check, etc. Some positions may require additional  
8 background screening, which may include civil records check, depending on the job requirements,  
9 duties, and responsibilities. Background checks comply with federal suspension and debarment  
10 regulations pertaining to agency Principals, in accordance with CalOptima Health Policy HH.2021:  
11 Exclusion and Preclusion Monitoring.  
12

13 H. CalOptima Health reserves the right to rescind an offer if a background check is still in pending  
14 status, incomplete or inconclusive after forty-five (45) calendar days from the date of submission.  
15 Written notification of the rescinded offer shall be delivered to the applicant. If the applicant's  
16 background clears after the forty-five (45) calendar day period, CalOptima Health may move  
17 forward with the selection if there is an open position available at that time.  
18

19 H.I. For positions that require physical examinations and/or tuberculosis testing, CalOptima Health shall  
20 perform the background check and drug screening first, then may commence with occupational  
21 health services exam which may include physical examination, vaccination(s), and/or tuberculosis  
22 testing provided that:  
23

- 24 1. The examination or inquiry is job-related and consistent with business necessity; and
- 25 2. All new employees in the same job classification are subject to the same examination or  
26 screening.  
27

28  
29 H.J. The Human Resources Department shall also be responsible for conducting exclusion monitoring  
30 for all CalOptima Health employees upon hire and monthly thereafter as outlined in the  
31 Employment Related Background Check Guidelines.  
32

33 H.K. Employees shall notify the Human Resources Department upon hire or immediately any time  
34 thereafter, if the employee knows, or has reason to know that the employee has 1) an arrest for  
35 which the employee is out on bail, or out on their own recognizance, and pending trial pursuant to  
36 Labor Code section 432.7(a)(1); or 2) post-hire felony criminal convictions that are not more than  
37 seven (7) years old and that have not been or are not in the process of being expunged, dismissed,  
38 pardoned or sealed by judicial order; or 3) is excluded from a federally funded healthcare program  
39 and/or may be listed on the Office of Inspector General (OIG) List of Excluded Individuals/Entities  
40 (LEIE), the General Services Administration's (GSA) System for Award Management (SAM), and  
41 the Medi-Cal Suspended & Ineligible (S&I) Website.  
42

43 H.L. CalOptima Health shall ensure that all background checks are held confidentially by the Human  
44 Resources Department in compliance with all federal and state statutes, such as the California  
45 Investigative Consumer Reporting Act and the Fair Credit Reporting Act.  
46

47 H.M. For positions that require an employee to drive as part of their work duties, CalOptima Health  
48 may check the applicant/employee's department of motor vehicles (DMV) records, which includes  
49 verification of car insurance and status of the driver's license. Employees shall notify the Human  
50 Resources Department upon hire or immediately any time thereafter, if the employee knows or has  
51 reason to know of any action to be taken on the employee's driver's license, including, but not  
52 limited to, suspension, revocation, restriction, or other action, or an event that occurs that could lead  
53 to such actions, including, but not limited to, accidents, citations for driving under the influence  
54 (DUI), etc. Employee's without a valid driver's license will be prohibited from driving CalOptima

1 Health vehicles, driving for CalOptima Health business, and parking on CalOptima Health  
2 premises. Failure to report such incidents to Human Resources may lead to corrective action, up to  
3 and including termination.  
4

5 M.N. Falsification of information on the employment application or providing false information for  
6 the purpose of hiring may result in corrective action, up to and including termination of  
7 employment.  
8

9 N.O. CalOptima Health follows Government Code section 12952, which requires that employers that  
10 intend to deny an applicant a position of employment solely or in part because of the applicant's  
11 conviction history, must make an individualized assessment of whether the applicant's conviction  
12 history has a direct and adverse relationship with the specific duties of the job that justify denying  
13 the applicant the position. In making the assessment described in this paragraph, the employer shall  
14 consider all of the following:  
15

- 16 1. The nature and gravity of the offense or conduct;
- 17 2. The time that has passed since the offense or conduct and completion of the sentence; and
- 18 3. The nature of the job held or sought.  
19

20  
21  
22 O.P. The Human Resources Department will maintain all pre and post-employment background  
23 check documents and pre and post-employment drug screening documents as notated in CalOptima  
24 Health Policy GA.3201: Document Management Program.  
25

### 26 **III. PROCEDURE**

27 Not Applicable  
28

### 29 **IV. ATTACHMENT(S)**

30 Not Applicable  
31

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

- 33 A. California Consumer Credit Reporting Agencies Act, California Civil Code §1785.1 *et seq.*
- 34 B. California Government Code, §12952
- 35 C. California Investigative Consumer Reporting Act, California Civil Code §1786 *et seq.*
- 36 D. California Labor Code, §§432.7 and 1024.5
- 37 E. CalOptima Health Policy GA.3201: Document Management Program
- 38 F. CalOptima Health Policy GA.8052: Drug-Free and Alcohol-Free Workplace
- 39 G. CalOptima Health Policy HH.2021: Exclusion and Preclusion Monitoring
- 40 H. Employment Related Background Check Guidelines
- 41 I. Fair Credit Reporting Act [15, USC, §1681 *et seq.*]
- 42 J. Pre-Employment Background Authorization and Release
- 43 K. Sample Pre-Adverse Action Letter - Full Disclosure
- 44 L. Sample Adverse Action Notice – Denial and Withdrawal
- 45 M. Sample Background Check Disclosure, Authorization and Consent Form
- 46 N. Title 29, Code of Federal Regulations (C.F.R.), §1602.14, Equal Employment Opportunity  
47 Commission (EEOC)  
48

### 49 **VI. REGULATORY AGENCY APPROVAL(S)**

50 None to Date  
51  
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**VII. BOARD ACTION(S)**

<b>Date</b>	<b>Meeting</b>
05/01/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
04/06/2017	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Board of Directors
06/06/2024	Regular Meeting of the CalOptima Health Board of Directors
<u>02/06/2025</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

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**VIII. REVISION HISTORY**

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	04/01/2013	GA.8030	Background Check	Administrative
Revised	05/01/2014	GA.8030	Background Check	Administrative
Revised	10/01/2014	GA.8030	Background Check	Administrative
Revised	04/06/2017	GA.8030	Background Check	Administrative
Revised	12/01/2022	GA.8030	Background Check	Administrative
Revised	06/06/2024	GA.8030	Background Check	Administrative
<u>Revised</u>	<u>02/06/2025</u>	<u>GA.8030</u>	<u>Background Check</u>	<u>Administrative</u>

7

For 20250206 BOD Review Only

1 IX. GLOSSARY  
2

Term	Definition
Member	A beneficiary who is enrolled in a CalOptima Health program.
Principal	Employees in executive, director, manager, and supervisor level positions with responsibilities related to U.S. Department of Health and Human Services (HHS) covered transactions. Also includes consultants or other persons not employed by CalOptima Health paid with Federal funds who handle Federal funds, influence or control the use of those funds, or occupies a position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.
Safety Sensitive Employee	A position where the employee has the responsibility for their own safety or other people's safety, such as administering medication, handling of controlled substances and/or providing health care services or personal care services to CalOptima Health Members. This shall include any employee who operates a CalOptima Health owned or leased motor vehicle.

3

For 20250206 BOD Review Only



Policy: GA.8030  
 Title: **Background Check**  
 Department: Human Resources  
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 04/01/2013  
 Revised Date: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2  
 3 This policy outlines the process by which CalOptima Health conducts background checks.

4  
 5 **II. POLICY**

- 6  
 7 A. CalOptima Health is committed to protecting the health, well-being, and safety of its employees and  
 8 Members. To accomplish these goals, a background check serves as an important part of the  
 9 selection process and this policy provides directives and guidance in the administration of  
 10 performing background checks in a systematic and fair manner. Through the background check  
 11 process, CalOptima Health obtains additional applicant information that will help determine the  
 12 applicant's overall employability and ensures the protection of the people, property, and information  
 13 of the organization.  
 14  
 15 B. CalOptima Health shall conduct background checks and drug screenings (where applicable) on all  
 16 external job applicants after a contingent offer of employment has been accepted by the applicant  
 17 and prior to commencement of employment.  
 18  
 19 1. Pre-Employment Screening: All employees in Safety Sensitive classifications are required to  
 20 pass a pre-employment drug screening as a condition of employment in the classification as  
 21 defined in CalOptima Health Policy GA.8052: Drug-Free and Alcohol-Free Workplace.  
 22  
 23 C. For promotions or transfers of employees, a post-employment background check, including drug  
 24 screening and criminal background, may be required depending on the job duties or if not conducted  
 25 within the past twelve (12) months.  
 26  
 27 D. For any individual volunteering on behalf of CalOptima Health (employee or non-employee), a  
 28 criminal background check may be required if not conducted within the past twelve (12) months.  
 29  
 30 E. Post-employment background checks will be conducted, typically every two (2) years or upon  
 31 promotion into positions that have access to personal health information (PHI), direct Member  
 32 access, provide healthcare services, any position that may have access to personally identifiable  
 33 information (PII) for any Member or employee, any position authorized to enter into financial  
 34 contracts on behalf of CalOptima Health, or any position with fiduciary responsibilities.  
 35

- 1 F. Requirements specific to background checks are set out more fully in the Employment Related  
2 Background Check Guidelines. CalOptima Health may use a third-party agency to conduct the  
3 background checks and prepare a report.  
4
- 5 G. The background check is conducted to verify the accuracy of the information provided by the  
6 applicant, including, but not limited to, the applicant's social security number, education obtained,  
7 employment experience, criminal records check, etc. Some positions may require additional  
8 background screening, which may include civil records check, depending on the job requirements,  
9 duties, and responsibilities. Background checks comply with federal suspension and debarment  
10 regulations pertaining to agency Principals, in accordance with CalOptima Health Policy HH.2021:  
11 Exclusion and Preclusion Monitoring.  
12
- 13 H. CalOptima Health reserves the right to rescind an offer if a background check is still in pending  
14 status, incomplete or inconclusive after forty-five (45) calendar days from the date of submission.  
15 Written notification of the rescinded offer shall be delivered to the applicant. If the applicant's  
16 background clears after the forty-five (45) calendar day period, CalOptima Health may move  
17 forward with the selection if there is an open position available at that time.  
18
- 19 I. For positions that require physical examinations and/or tuberculosis testing, CalOptima Health shall  
20 perform the background check and drug screening first, then may commence with occupational  
21 health services exam which may include physical examination, vaccination(s), and/or tuberculosis  
22 testing provided that:  
23
- 24 1. The examination or inquiry is job-related and consistent with business necessity; and
  - 25 2. All new employees in the same job classification are subject to the same examination or  
26 screening.  
27
- 28
- 29 J. The Human Resources Department shall also be responsible for conducting exclusion monitoring  
30 for all CalOptima Health employees upon hire and monthly thereafter as outlined in the  
31 Employment Related Background Check Guidelines.  
32
- 33 K. Employees shall notify the Human Resources Department upon hire or immediately any time  
34 thereafter, if the employee knows, or has reason to know that the employee has 1) an arrest for  
35 which the employee is out on bail, or out on their own recognizance, and pending trial pursuant to  
36 Labor Code section 432.7(a)(1); or 2) post-hire felony criminal convictions that are not more than  
37 seven (7) years old and that have not been or are not in the process of being expunged, dismissed,  
38 pardoned or sealed by judicial order; or 3) is excluded from a federally funded healthcare program  
39 and/or may be listed on the Office of Inspector General (OIG) List of Excluded Individuals/Entities  
40 (LEIE), the General Services Administration's (GSA) System for Award Management (SAM), and  
41 the Medi-Cal Suspended & Ineligible (S&I) Website.  
42
- 43 L. CalOptima Health shall ensure that all background checks are held confidentially by the Human  
44 Resources Department in compliance with all federal and state statutes, such as the California  
45 Investigative Consumer Reporting Act and the Fair Credit Reporting Act.  
46
- 47 M. For positions that require an employee to drive as part of their work duties, CalOptima Health may  
48 check the applicant/employee's department of motor vehicles (DMV) records, which includes  
49 verification of car insurance and status of the driver's license. Employees shall notify the Human  
50 Resources Department upon hire or immediately any time thereafter, if the employee knows or has  
51 reason to know of any action to be taken on the employee's driver's license, including, but not  
52 limited to, suspension, revocation, restriction, or other action, or an event that occurs that could lead  
53 to such actions, including, but not limited to, accidents, citations for driving under the influence  
54 (DUI), etc. Employee's without a valid driver's license will be prohibited from driving CalOptima

1 Health vehicles, driving for CalOptima Health business, and parking on CalOptima Health  
2 premises. Failure to report such incidents to Human Resources may lead to corrective action, up to  
3 and including termination.  
4

5 N. Falsification of information on the employment application or providing false information for the  
6 purpose of hiring may result in corrective action, up to and including termination of employment.  
7

8 O. CalOptima Health follows Government Code section 12952, which requires that employers that  
9 intend to deny an applicant a position of employment solely or in part because of the applicant's  
10 conviction history, must make an individualized assessment of whether the applicant's conviction  
11 history has a direct and adverse relationship with the specific duties of the job that justify denying  
12 the applicant the position. In making the assessment described in this paragraph, the employer shall  
13 consider all of the following:  
14

- 15 1. The nature and gravity of the offense or conduct;
- 16 2. The time that has passed since the offense or conduct and completion of the sentence; and
- 17 3. The nature of the job held or sought.  
18

19 P. The Human Resources Department will maintain all pre and post-employment background check  
20 documents and pre and post-employment drug screening documents as notated in CalOptima Health  
21 Policy GA.3201: Document Management Program.  
22  
23  
24

### 25 **III. PROCEDURE**

26 Not Applicable  
27

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

29 Not Applicable  
30

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

- 32 A. California Consumer Credit Reporting Agencies Act, California Civil Code §1785.1 *et seq.*
- 33 B. California Government Code, §12952
- 34 C. California Investigative Consumer Reporting Act, California Civil Code §1786 *et seq.*
- 35 D. California Labor Code, §§432.7 and 1024.5
- 36 E. CalOptima Health Policy GA.3201: Document Management Program
- 37 F. CalOptima Health Policy GA.8052: Drug-Free and Alcohol-Free Workplace
- 38 G. CalOptima Health Policy HH.2021: Exclusion and Preclusion Monitoring
- 39 H. Employment Related Background Check Guidelines
- 40 I. Fair Credit Reporting Act [15, USC, §1681 *et seq.*]
- 41 J. Pre-Employment Background Authorization and Release
- 42 K. Sample Pre-Adverse Action Letter - Full Disclosure
- 43 L. Sample Adverse Action Notice – Denial and Withdrawal
- 44 M. Sample Background Check Disclosure, Authorization and Consent Form
- 45 N. Title 29, Code of Federal Regulations (C.F.R.), §1602.14, Equal Employment Opportunity  
46 Commission (EEOC)  
47  
48  
49  
50

### 51 **VI. REGULATORY AGENCY APPROVAL(S)**

52 None to Date  
53  
54



1 **VII. BOARD ACTION(S)**  
2

<b>Date</b>	<b>Meeting</b>
05/01/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
04/06/2017	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Board of Directors
06/06/2024	Regular Meeting of the CalOptima Health Board of Directors
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

3 **VIII. REVISION HISTORY**  
4  
5

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	04/01/2013	GA.8030	Background Check	Administrative
Revised	05/01/2014	GA.8030	Background Check	Administrative
Revised	10/01/2014	GA.8030	Background Check	Administrative
Revised	04/06/2017	GA.8030	Background Check	Administrative
Revised	12/01/2022	GA.8030	Background Check	Administrative
Revised	06/06/2024	GA.8030	Background Check	Administrative
Revised	02/06/2025	GA.8030	Background Check	Administrative

6

For 20250206 BOD Review Only

1 IX. GLOSSARY

2

Term	Definition
Member	A beneficiary who is enrolled in a CalOptima Health program.
Principal	Employees in executive, director, manager, and supervisor level positions with responsibilities related to U.S. Department of Health and Human Services (HHS) covered transactions. Also includes consultants or other persons not employed by CalOptima Health paid with Federal funds who handle Federal funds, influence or control the use of those funds, or occupies a position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.
Safety Sensitive Employee	A position where the employee has the responsibility for their own safety or other people's safety, such as administering medication, handling of controlled substances and/or providing health care services or personal care services to CalOptima Health Members. This shall include any employee who operates a CalOptima Health owned or leased motor vehicle.

3

For 20250206 BOD Review Only



Policy: GA.8033  
Title: **License and Certification Tracking**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 02/06/2025

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

1 **I. PURPOSE**

2  
3 This policy describes how CalOptima Health ensures that all staff, required to have active and current  
4 licenses and/or certifications, have the appropriate and required licensure(s) and/or certification(s) with  
5 proper renewal information.  
6

7 **II. POLICY**

8  
9 A. When a Required License and/or Certification is/are ~~mandated~~required as ~~part of a~~described in the  
10 job ~~position~~description, or ~~in the in the~~ performance of an employee's job duties, or where an  
11 employee receives supplemental pay for having a particular license and/or certification, the  
12 applicant/employee shall have, maintain, and provide proof of the applicable active and current  
13 license(s) and/or certification(s). The Human Resources (HR) Department shall verify the license(s)  
14 and/or certification(s) of each applicant, including the license/certification number(s) and expiration  
15 date(s), through the appropriate licensing/certifying board to ensure primary source verification. -A  
16 new hire employee who fails to provide proof of the Required License and/or Certification prior to  
17 their start date will not be permitted to begin work until such proof has been submitted and verified  
18 by HR. -All Required Licenses and Certifications are verified at the time of hire and prior to their  
19 expiration date.  
20

21 B. An employee whose job description specifies a Required License and/or Certification, and/or an  
22 employee who receives supplemental pay for having a particular license and/or certification, is  
23 responsible for maintaining an active and current license and/or certification for the duration of their  
24 employment at CalOptima Health. -If CalOptima Health does **not** receive proof of license and/or  
25 certification renewal prior to the expiration date, the employee may be subject to ~~suspension without~~  
26 pay unpaid administrative leave effective the following business day: ~~after the expiration date.~~  
27 CalOptima Health will ~~remove~~reinstate the ~~employment suspension~~employee to a paid status when  
28 it has obtained proof of an active and current licensure and/or certification. Failure to provide  
29 verification of renewal to CalOptima Health, within thirty (30) calendar days following the  
30 expiration date, may result in corrective action, up to and including termination.  
31

32 C. Employees shall notify the Human Resources Department immediately any time the employee  
33 knows, or has reason to know, of any action to be taken on the employee's Required License and/or  
34 Certification, or an event that occurs that could lead to such actions, including, but not limited to,

1 pending, active, or resolved licensing board investigations, restrictions, allegations, revocations,  
 2 suspensions, probation, disciplinary actions, accidents, driving under the influence (DUI), etc.  
 3 Employees shall also notify the Human Resources Department of any professional licenses that they  
 4 hold or held in other states that have been revoked, suspended, or restricted due to misconduct or  
 5 disciplinary action. CalOptima Health may place the employee on “limited work assignment,”  
 6 ~~suspend~~ place the employee ~~without pay~~ unpaid administrative leave, or terminate the employee  
 7 depending on the circumstances. Failure to provide timely notification of such action(s) will be  
 8 grounds for discipline, up to and including, termination.  
 9

10 **III. PROCEDURE**  
 11

Responsible Party	Action
<b>Employee</b>	1. Provide proof of active and current license(s) and/or certification(s) upon hire. 2. Renew all Required Licensures and/or Certifications on time. 3. Provide HR with documentation of renewed license(s) and/or certification(s) before license and/or certification expiration date. 4. Notify HR immediately if the employee knows, or has reason to know, of any actual, pending, or potential adverse action, or event, impacting the employee’s license and/or certification, including but not limited to, pending, active, or resolved investigations, restrictions, allegations, revocations, suspensions, probations, disciplinary actions, accidents, DUIs, etc.
<b>Human Resources</b>	1. Verify the validity and date of expiration of the license(s) and/or certification(s) prior to the employee’s start date, and prior to the expiration date, then place a copy in the employee’s HR file. 2. Track licensures and/or certifications to ensure all <del>required licenses</del> <u>Required Licenses</u> and/or <del>certifications</del> <u>Certifications</u> are up to date. 3. Where an employee receives supplemental pay for having a particular license and/or certification, verify and track such license and/or certification to ensure the employee continues to qualify for such supplemental pay. 4. When CalOptima Health becomes aware that an employee’s license and/or certification has been or has the potential to be placed on probation, restriction, revocation, suspension or other disciplinary action, CalOptima Health may place the employee on “limited work assignment,” <del>suspension without pay</del> <u>unpaid administrative leave</u> , or proceed with termination, as appropriate based on the circumstances determined by HR in conjunction with the employee’s Executive Director or Chief. If the probation or restriction of a license and/or certification cannot be cleared in a reasonable period of time, not to exceed a thirty (30)-day period, the employee may be terminated from employment with CalOptima Health.

For 20250226 BOB Review Only

1 **IV. ATTACHMENT(S)**

2  
3 Not Applicable

4  
5 **V. REFERENCE(S)**

6  
7 Not Applicable

8  
9 **VI. REGULATORY AGENCY APPROVAL(S)**

10  
11 None to Date

12  
13 **VII. BOARD ACTION(S)**

Date	Regulatory Agency
01/05/2012	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/01/2016	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
<u>02/06/2025</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

15  
16 **VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8033	Professional License Tracking, changed to License and Certification	Administrative
Revised	11/06/2014	GA.8033	License and Certification Tracking	Administrative
Revised	12/01/2016	GA.8033	License and Certification Tracking	Administrative
Revised	04/05/2018	GA.8033	License and Certification Tracking	Administrative
Revised	08/01/2020	GA.8033	License and Certification Tracking	Administrative
Revised	12/01/2022	GA.8033	License and Certification Tracking	Administrative
<u>Revised</u>	<u>02/06/2025</u>	<u>GA.8033</u>	<u>License and Certification Tracking</u>	<u>Administrative</u>

1 IX. GLOSSARY

2

Term	Definition
Required License and/or Certification	Licenses and/or certificates deemed “required” in the applicable job description and/or required in the performance of an employee’s job duties, including, but not limited to, professional licenses, driver licenses, etc.

3

For 20250206 BOD Review Only



Policy: GA.8033  
Title: **License and Certification Tracking**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2

3 This policy describes how CalOptima Health ensures that all staff, required to have active and current  
4 licenses and/or certifications, have the appropriate and required licensure(s) and/or certification(s) with  
5 proper renewal information.

6

7 **II. POLICY**

8

9 A. When a Required License and/or Certification is/are required as described in the job description, or  
10 in the performance of an employee's job duties, or where an employee receives supplemental pay  
11 for having a particular license and/or certification, the applicant/employee shall have, maintain, and  
12 provide proof of the applicable active and current license(s) and/or certification(s). The Human  
13 Resources (HR) Department shall verify the license(s) and/or certification(s) of each applicant,  
14 including the license/certification number(s) and expiration date(s), through the appropriate  
15 licensing/certifying board to ensure primary source verification. A new hire employee who fails to  
16 provide proof of the Required License and/or Certification prior to their start date will not be  
17 permitted to begin work until such proof has been submitted and verified by HR. All Required  
18 Licenses and Certifications are verified at the time of hire and prior to their expiration date.

19

20 B. An employee whose job description specifies a Required License and/or Certification, and/or an  
21 employee who receives supplemental pay for having a particular license and/or certification, is  
22 responsible for maintaining an active and current license and/or certification for the duration of their  
23 employment at CalOptima Health. If CalOptima Health does **not** receive proof of license and/or  
24 certification renewal prior to the expiration date, the employee may be subject to unpaid  
25 administrative leave effective the following business day after the expiration date. CalOptima  
26 Health will reinstate the employee to a paid status when it has obtained proof of an active and  
27 current licensure and/or certification. Failure to provide verification of renewal to CalOptima  
28 Health, within thirty (30) calendar days following the expiration date, may result in corrective  
29 action, up to and including termination.

30

31 C. Employees shall notify the Human Resources Department immediately any time the employee  
32 knows, or has reason to know, of any action to be taken on the employee's Required License and/or  
33 Certification, or an event that occurs that could lead to such actions, including, but not limited to,  
34 pending, active, or resolved licensing board investigations, restrictions, allegations, revocations,  
35 suspensions, probation, disciplinary actions, accidents, driving under the influence (DUI), etc.  
36 Employees shall also notify the Human Resources Department of any professional licenses that they

hold or held in other states that have been revoked, suspended, or restricted due to misconduct or disciplinary action. CalOptima Health may place the employee on “limited work assignment,” place the employee on unpaid administrative leave, or terminate the employee depending on the circumstances. Failure to provide timely notification of such action(s) will be grounds for discipline, up to and including, termination.

**III. PROCEDURE**

Responsible Party	Action
<b>Employee</b>	<ol style="list-style-type: none"> <li>1. Provide proof of active and current license(s) and/or certification(s) upon hire.</li> <li>2. Renew all Required Licensures and/or Certifications on time.</li> <li>3. Provide HR with documentation of renewed license(s) and/or certification(s) before license and/or certification expiration date.</li> <li>4. Notify HR immediately if the employee knows, or has reason to know, of any actual, pending, or potential adverse action, or event, impacting the employee’s license and/or certification, including but not limited to, pending, active, or resolved investigations, restrictions, allegations, revocations, suspensions, probations, disciplinary actions, accidents, DUIs, etc.</li> </ol>
<b>Human Resources</b>	<ol style="list-style-type: none"> <li>1. Verify the validity and date of expiration of the license(s) and/or certification(s) prior to the employee’s start date, and prior to the expiration date, then place a copy in the employee’s HR file.</li> <li>2. Track licensures and/or certifications to ensure all Required Licenses and/or Certifications are up to date.</li> <li>3. Where an employee receives supplemental pay for having a particular license and/or certification, verify and track such license and/or certification to ensure the employee continues to qualify for such supplemental pay.</li> <li>4. When CalOptima Health becomes aware that an employee’s license and/or certification has been or has the potential to be placed on probation, restriction, revocation, suspension or other disciplinary action, CalOptima Health may place the employee on “limited work assignment,” unpaid administrative leave, or proceed with termination, as appropriate based on the circumstances determined by HR in conjunction with the employee’s Executive Director or Chief. If the probation or restriction of a license and/or certification cannot be cleared in a reasonable period of time, not to exceed a thirty (30)-day period, the employee may be terminated from employment with CalOptima Health.</li> </ol>

**IV. ATTACHMENT(S)**

Not Applicable

**V. REFERENCE(S)**



1  
2 Not Applicable  
3

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

5  
6 None to Date  
7

8 **VII. BOARD ACTION(S)**  
9

Date	Regulatory Agency
01/05/2012	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/01/2016	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
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

10  
11 **VIII. REVISION HISTORY**  
12

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8033	Professional License Tracking, changed to License and Certification	Administrative
Revised	11/06/2014	GA.8033	License and Certification Tracking	Administrative
Revised	12/01/2016	GA.8033	License and Certification Tracking	Administrative
Revised	04/05/2018	GA.8033	License and Certification Tracking	Administrative
Revised	08/01/2020	GA.8033	License and Certification Tracking	Administrative
Revised	12/01/2022	GA.8033	License and Certification Tracking	Administrative
Revised	02/06/2025	GA.8033	License and Certification Tracking	Administrative

1 IX. GLOSSARY

2

Term	Definition
Required License and/or Certification	Licenses and/or certificates deemed “required” in the applicable job description and/or required in the performance of an employee’s job duties, including, but not limited to, professional licenses, driver licenses, etc.

3

For 20250206 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: 02/06/2025

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

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

14  
 15 C.D. This policy applies to individuals who are related by birth, marriage, adoption, domestic partner  
 16 status, or legal guardianship including, but not limited to, the following relationships: spouse;  
 17 registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or  
 18 foster parent; legal guardian; siblings, including step brother and step sister; grandparent;  
 19 grandchild; parents-in-law; siblings-in-law; or child-in-law- (collectively, "relatives"). -In  
 20 implementing this Policy, an applicant may be asked to state whether they have a relative or  
 21 housemate, presently employed by CalOptima Health, but such information may not be used as a  
 22 basis for an employment decision except as stated herein.

23  
 24 **IV. ATTACHMENT(S)**

25  
 26 Not Applicable

27  
 28 **V. REFERENCE(S)**

- 29  
 30 A. CalOptima Health Policy GA.8012: Conflicts of Interest  
 31 B. CalOptima Health Policy GA.8025: Equal Employment Opportunity  
 32 A.C. Government Code, §12920 *et seq.*

33  
 34 **VI. REGULATORY AGENCY APPROVAL(S)**

35  
 36 None to Date

37  
 38 **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
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

39  
 40  
 41 **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>02/06/2025</u>	<u>GA.8051</u>	<u>Hiring of Relatives</u>	<u>Administrative</u>

For 20250206 BOD Review Only

1 ~~IX.~~ **GLOSSARY**

2 ~~X.IX.~~

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, <del>volunteers,</del> and other employed personnel.</u>

For 20250206 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: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2  
3 This policy outlines CalOptima Health’s guidelines for hiring relatives.  
4

5 **II. POLICY**

6  
7 A. CalOptima Health shall not discriminate in its employment and personnel actions with respect to its  
8 Employees. Hiring and promotion decisions are competitive, based on merit, and are not made with  
9 regard to any protected characteristics as listed in CalOptima Health Policy GA.8025: Equal  
10 Employment Opportunity. Notwithstanding this policy, CalOptima Health retains the right to refuse  
11 to appoint a person to a position in the same department or division, wherein their relationship to  
12 another Employee has the potential for creating real or perceived serious conflicts, a conflict of  
13 interest (direct or indirect), or an adverse impact on supervision, safety, security, or Employee  
14 morale.  
15

16 **III. PROCEDURE**

17  
18 A. CalOptima Health shall consider the hiring of relatives, or non-relatives of the same residence  
19 (housemate), only if (1) the applicant will not be working directly for, or directly supervising, an  
20 existing Employee, or (2) a determination can be made by the department head, with concurrence by  
21 the Chief Human Resources Officer, that a potential for adverse impact on supervision, safety,  
22 security, or Employee morale does not exist. Supervising means having authority in the interest of  
23 CalOptima Health to hire, transfer, layoff, recall, promote, terminate, assign, reward, or issue  
24 corrective action, or has responsibility to direct their work.  
25

26 B. Employees and job applicants are required to promptly disclose to their management, and/or the  
27 Human Resources Department if they would be hired, transferred, promoted, or otherwise be  
28 assigned to report to a relative or non-relative of the same residence, in accordance with CalOptima  
29 Health Policy GA.8012: Conflicts of Interest.  
30

31 C. If the relationship is established after the Employees’ employment with CalOptima Health has  
32 commenced (e.g., two (2) existing Employees marry, or become housemates or relatives), and a  
33 determination has been made that the potential for adverse impact does exist, the department head in  
34 conjunction with the Human Resources Department, shall make reasonable efforts to minimize  
35 problems of supervision, safety, security, or morale, through reassignment of duties, relocation, or  
36 transfer to another position for which one (1) of the Employees is qualified, if such position is  
37 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
02/06/2025	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	02/06/2025	GA.8051	Hiring of Relatives	Administrative



1 IX. GLOSSARY

2

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 20250206 BOD Review Only



Policy: GA.8052  
Title: **Drug-Free and Alcohol-Free Workplace**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2014

Revised Date: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1  
2 **I. PURPOSE**  
3

4 This policy establishes guidelines for a drug-free and alcohol-free workplace at CalOptima Health and  
5 CalOptima Health PACE to further enhance safety in the workplace for ~~all employees, any and all~~  
6 employees, including all permanent and temporary employees, volunteers, and other employed  
7 personnel, to promote employee health, maintain a high level of quality in service to CalOptima  
8 Health's Members, ensure productivity, protect against liability, and promote the public's trust in  
9 CalOptima Health. Substance abuse, including the misuse of both legal and illegal drugs, in the  
10 workplace can negatively impact employee performance, employee safety, and/or safety of the public.  
11 For the purposes of this Policy, and in accordance with the federal law Controlled Substances Act,  
12 marijuana and other cannabis products fall under the category of "illegal drugs."  
13

14 **II. POLICY**  
15

16 A. CalOptima Health has a vital interest in maintaining a safe and productive work environment for its  
17 employees, Members, and those who come into contact with CalOptima Health. To support this  
18 interest, CalOptima Health shall maintain a workplace that is free of alcohol, illegal drugs, and  
19 controlled substances and herein discourages alcohol ~~and,~~ substance abuse, and misuse of  
20 prescription medications by its employees.  
21

22 B. While medical and non-medical recreational marijuana use may not be criminal offenses in  
23 California, this does not affect an employer's rights and interests to maintain a drug and alcohol-free  
24 workplace. Medical or recreational use of marijuana is not an acceptable explanation or excuse for  
25 impairment on the job or an active metabolites positive drug test under this Policy.  
26

27 B.C. The following behavior while on duty or on CalOptima Health Property are separately, or in  
28 combination, violations of CalOptima Health's Drug-Free and Alcohol-Free Workplace Policy:  
29

30 1. The unlawful manufacture, distribution, dispensation, possession, or use of a controlled  
31 substance;

32  
33 2. Possession or use ~~Reporting to work or performing work-related duties while under the influence~~  
34 of alcohol or an illegal or drugs, legal drugs used illegally, or any controlled substance, that  
35 impairs their ability to perform their job safely and effectively.

1  
2 2.3. Possession or being under the influence of alcohol or an illegal or controlled substance,  
3 while on duty, or on or in CalOptima Health Property, except where the controlled substance is  
4 lawfully prescribed and used consistent with a doctor's authorization; for use while working;  
5

6 3.4. Abuse of a legal drug, or the purchase, sale, manufacture, distribution, dispensation of any legal  
7 prescription drug in a manner inconsistent with the law;  
8

9 4.5. Operating a CalOptima Health owned or leased vehicle or conducting CalOptima Health  
10 business in a personal vehicle while under the influence of alcohol, illegal drugs, or controlled  
11 substance; and  
12

13 5-6. Distribution, sale, or purchase of alcohol and/or an illegal or controlled substance while on-duty  
14 or on or in CalOptima Health Property.  
15

#### 16 D. Prescription Medications

17  
18 1. Employees are prohibited from misusing prescription medications or being under the influence  
19 of prescription drugs not prescribed to them or in a manner inconsistent with the prescribed  
20 usage.  
21

22 2. Employees using prescribed medication that may affect their ability to perform their job safely  
23 must inform their supervisor. A medical evaluation may be required to determine if the  
24 employee can safely perform their duties.  
25

26 E. This Policy and each of its rules apply:  
27

28 1. Whenever an employee is on or in CalOptima Health Property;  
29

30 2. During company time (includes breaks, meal periods, and work duties offsite (e.g., representing  
31 CalOptima Health at community functions or meetings, meeting with Members, or providers,  
32 etc.));  
33

34 3. In any vehicle used on company business; and  
35

36 4. In other circumstances (such as on customer premises, or at business/sales functions) that may  
37 adversely affect CalOptima Health's operations, safety, reputation and/or the administration of  
38 this Policy.  
39

40 F. It is the policy of CalOptima Health and a condition of employment that an employee be present and  
41 able to physically and mentally perform their job free from the effects of alcohol, narcotics,  
42 depressants, stimulants, hallucinogens, ~~and cannabis~~ cannabis, prescribed medications (when used in  
43 a manner inconsistent with the prescribed usage), or any other substances which can impair job  
44 performance.  
45

46 G. Violation of this Policy \will not be tolerated, and CalOptima Health shall take appropriate actions,  
47 including, but not limited to, corrective action, up to and including termination, to protect, as fully  
48 as possible, all CalOptima Health employees and members of the public. -CalOptima Health may  
49 also bring the matter to the attention of appropriate law enforcement authorities and/or professional  
50 licensing authorities.  
51  
52

1  
2 **III. PROCEDURE**  
3

4 A. Prohibitions: An employee who violates any of these prohibitions shall be subject to corrective  
5 action, up to and including termination:  
6

7 1. Alcohol: An employee may not possess, distribute, dispense, sell, use, transfer, offer, or be  
8 under the influence of any intoxicating liquor such that the employee's blood alcohol  
9 concentration (BAC) is .04, or above, while at work, or on-duty for CalOptima Health business.  
10 Off-duty use of alcohol that adversely affects, or impairs, an employee's job performance, or  
11 results in on-duty conduct which adversely affects, or threatens to adversely affect, CalOptima  
12 Health's interest is prohibited.  
13

14 a. This rule prohibits using any alcohol prior to reporting to work such that the employee's  
15 BAC is .04 or above during breaks or meal periods, or in conjunction with any CalOptima  
16 Health activity, except social or business events where the Chief Executive Officer and/or  
17 other members of the Executive Staff has/have authorized the moderate consumption of  
18 alcoholic beverages.  
19

20 b. An employee at work or on-duty, for CalOptima Health business with a BAC level at .04, or  
21 above, shall be removed from duty and may be subject to disciplinary action, up to and  
22 including termination.  
23

24 2. Drugs: An employee may not possess, distribute, dispense, sell, use, transfer, offer, share,  
25 attempt to sell, or obtain, manufacture, or be under the influence of any illegal drug or  
26 controlled substance, or have any trace of illegal drugs or controlled substance present in the  
27 body while at work or on duty for CalOptima Health business. -Therefore, an employee who  
28 tests positive for any illegal drug or controlled substance will be deemed to have violated this  
29 rule.  
30

31 a. This rule also prohibits prescription drugs being taken while on duty without a doctor's  
32 authorization.  
33

34 b. Abuse of a legal drug or the purchase, sale, manufacture, distribution, dispensation of any  
35 legal prescription drug in a manner inconsistent with the law is also prohibited under this  
36 rule.  
37

38 3. Prescriptions/Over-The-Counter Medications: An employee is responsible for checking the  
39 potential side effects of prescription drugs and over-the-counter medications with their doctor or  
40 pharmacist before reporting to work, and to immediately let their supervisor know when such  
41 use makes it unsafe for them to report to work or do their job.  
42

43 4. Adulterants: An employee is prohibited from using any substance that is used for the purpose of  
44 manipulating the results of a drug test.  
45

46 B. Pre-Employment Testing: All employees in Safety Sensitive classifications are required to pass a  
47 pre-employment ~~urine~~ drug test as a condition of employment in the classification- within seventy-  
48 two (72) hours after accepting the offer.  
49

50 1. Notification to applicants on the sample collection and appeal process is provided.  
51

1 2. Refusal to submit to the required testing in the specified timeframe will result in disqualification  
2 and a rescinded conditional offer.

3  
4 C. Random Drug Testing: ~~Effective thirty (30) calendar days after the adoption of this Policy, the~~  
5 ~~following shall apply:~~

6  
7 1. All CalOptima Health employees who provide health care services and personal care services to  
8 CalOptima Health Members may be subject to random drug testing. -This shall include any  
9 employee who operates a CalOptima Health owned or leased motor vehicle.

10  
11 2. All CalOptima Health employees who have face-to-face interaction in the residence of a  
12 Member, or prospective Member, and provide health care services, or personal care services,  
13 such as nurses in the field, may be subject to random drug testing.

14  
15 D. Mandatory Post Traffic Accident Testing: -When a CalOptima Health employee is involved in a  
16 work-related traffic accident, CalOptima Health shall ~~request~~require a drug and/or alcohol test if  
17 there is a reasonable suspicion of the involvement of drugs and/or alcohol.

18  
19 E. Reasonable Suspicion Testing or Reasonable Cause

20  
21 1. If a supervisor, Human Resources and/or Manager, Environmental Health and Safety suspects  
22 an employee is under the influence of drugs and/or alcohol and observes two (2) or more of the  
23 following, shall immediately notify the Human Resources Department and submit a completed  
24 *Drug and Alcohol Reasonable Suspicion Checklist* form to the Human Resources Department  
25 within twenty-four (24) hours:

26  
27 a. Difficulty walking such as swaying, an unstable gait, staggering, or stumbling, especially  
28 when not consistent with the employee's normal behavior; physical signs of drug or alcohol  
29 use (e.g. ~~F~~flushed skin, bloodshot eyes, dilated pupils, inability to make eye contact, and/or  
30 slurred speech, etc.)

31  
32 ~~b. Flushed skin;~~

33  
34 ~~c. Bloodshot eyes and/or inability to make eye contact;~~

35  
36 ~~d. Slurred speech;~~

37  
38 ~~e. b.~~ Odor of alcohol or drugs on the employee's breath, clothes, or in an area (such as in a  
39 vehicle, office, work area, or restroom) immediately controlled or occupied, by the  
40 employee;

41  
42 ~~f. c.~~ Alcohol, alcohol containers, illegal drugs, or drug paraphernalia in the employee's  
43 possession, or in an area controlled or occupied by the employee (such as in a vehicle,  
44 office, work area, or restroom);

45  
46 ~~g. d.~~ Unexplained or significant deterioration in job performance;

47  
48 ~~h. e.~~ Unexplained significant changes in behavior (e.g., lethargy, abusive behavior, repeated  
49 disregard of safety rules, or procedures, insubordination, etc.);

50  
51 ~~i. f.~~ Unexplained absenteeism or tardiness;

1 j-g. Employee admissions regarding drug or alcohol use; and/or

2  
3 k-h. Involvement in any work-related accident or near misses.

4  
5 2. If a Human Resources representative or the Manager of Environmental Health and Safety or the  
6 supervisor along with the Human Resources Representative or Manager of Environmental  
7 Health and Safety have reasonable suspicion that an employee may be under the influence of or  
8 has consumed drugs or alcohol while on-duty or on CalOptima Health Property, CalOptima  
9 Health may ~~direct the employee to undergo a drug and alcohol test. If the employee refuses to~~  
10 ~~undergo the test, such refusal may result in corrective action, up to and including termination~~  
11 ~~from employment.;~~

12  
13 a. Assist the employee out of the immediate work area to a safe location such as a conference  
14 room or available office.

15  
16 b. Obtain at least two (2) independent observations that the employee appears to be under the  
17 influence of drugs or alcohol as outlined in Section III.E. of this Policy.

18  
19 c. Direct the employee to undergo a drug and/or alcohol test at an authorized testing facility.  
20 The Human Resources Department will schedule the test and confirm testing location. If the  
21 employee refuses to undergo the test, such refusal will result in corrective action, up to and  
22 including termination from employment.

23  
24 d. Coordinate and, if needed, pay for transportation services for the employee to and from the  
25 testing facility. Employees are not allowed to drive to and from the testing facility.

26  
27 3. The supervisor and/or Human Resources representative or the Manager of Environmental  
28 Health and Safety will inform the employee about the consequences to the employee if the drug  
29 and alcohol test is positive, which shall include corrective action, up to and including  
30 termination from employment, and/or required admission to a drug and/or alcohol treatment  
31 program.

32  
33 4. If appropriate, Human Resources representative may assist the employee in making  
34 arrangements to be taken home after a drug and/or alcohol test is completed. ~~CalOptima Health~~  
35 ~~employees who are not relatives of the employee may not provide the transportation themselves.~~  
36 ~~or if the employee refuses to test. This coordination may include notifying the employee's~~  
37 ~~emergency contacts on file. If an employee who refuses to test, receives a positive test result, or~~  
38 ~~is pending test results gets behind the wheel, the local authorities will be notified.~~

39  
40 5. CalOptima Health employees who are not relatives of the employee may not provide  
41 transportation to the testing facility or to the employee's home themselves.

42  
43 F. Scope of Tests: -All tests shall be conducted by a certified laboratory. The testing facility will  
44 follow their chain-of-custody procedures to ensure the integrity of the sample. Employees may be  
45 tested for, but not limited to the following:

46  
47 1. Alcohol;

48  
49 2. Amphetamines, or other stimulants;

50  
51 3. Psychoactive Cannabinoids (THC), such as marijuana and hashish;Metabolites;

52

- 1 4. Cocaine;
- 2
- 3 5. Opiates, or other narcotics;
- 4
- 5 6. Phencyclidine; and
- 6
- 7 7. Barbiturates, or other depressants.
- 8

9 G. Positive ~~Tests:-~~ Test Results: If a positive test result can be explained by the legal use of any  
10 substance, an employee may present verification by a licensed medical professional. -Any employee  
11 who tests positive for drugs that are not prescribed to them by their physician will be immediately  
12 removed from duty. Additionally, corrective action will be taken which may include:   :

- 13
- 14 1. Corrective action, up to and including termination;
- 15
- 16 2. Referral to a substance abuse professional for assessment and recommendations;
- 17
- 18 3. Requirement to pass a Return-to-Duty test; or
- 19
- 20 4. Requirement to sign a Return-to-Work Agreement.
- 21

22 H. Confidentiality:- CalOptima Health shall maintain all drug-testing information in separate  
23 confidential records.

24 I. Employee Assistance Program:

- 25
- 26
- 27 1. CalOptima Health is committed to helping employees remain productive members of  
28 CalOptima Health's team. -CalOptima Health provides an Employee Assistance Program (EAP)  
29 for employees to provide counseling and other services for employees with substance abuse and  
30 other personal or emotional problems that can affect work performance. -The EAP will treat  
31 information obtained regarding an employee during participation in such program or services;  
32 as confidential in accordance with Federal and State laws.
- 33
- 34 2. No employee shall receive corrective action or be discriminated against for simply seeking help  
35 from the EAP, if such help or request for help is prior to a violation of this Policy.
- 36
- 37 3. In certain circumstances, CalOptima Health may insist upon a mandatory referral to CalOptima  
38 Health's EAP as a condition of continued employment. -Participation in such programs will not  
39 excuse violations of this policy but may be considered in determining appropriate corrective  
40 action.
- 41

42 J. At its sole discretion, CalOptima Health may offer a Condition of Continued Employment: ~~-If a~~  
43 ~~violation of contingent upon~~ the ~~Policy has occurred continued employment with CalOptima Health~~  
44 ~~may be conditioned upon employee:~~

- 45
- 46 1. Entering into and completing a treatment program approved by CalOptima Health;
- 47
- 48 2. Signing and complying with a last chance performance agreement; and/or
- 49
- 50 3. Undergoing random drug and/or alcohol test for a specified period of time.
- 51

52 K. Fit for Duty:

- 1  
2 1. CalOptima Health may require a fit for duty exam by a certified medical practitioner. -This  
3 exam may be administered along with a drug test to determine if the employee is fit for duty.  
4

5 L. Duty to Cooperate:

- 6  
7 1. As a condition of continued employment, employees are expected to cooperate with the full  
8 administration of this Policy. -Violation of this Policy includes, but is not limited to:  
9  
10 a. Refusing to participate in testing, submit a sample, or sign required forms;  
11  
12 b. Refusing to cooperate in any way (for example, refusing to cooperate in any interview or  
13 investigation courteously and candidly, including any form of untruthfulness,  
14 misrepresentation, misleading statements, or omissions);  
15  
16 c. Any form of dishonesty in the testing process or related investigation;  
17  
18 d. Refusing to test again at a time of CalOptima Health's choosing whenever any test results in  
19 a finding of a dilute or adulterated sample, or reasonable suspicion; and/or  
20  
21 e. Failure to adhere to the conditions of continued employment.  
22

- 23 M. Self-Disclosure of Convictions: -Employees are required to report any drug and/or alcohol related  
24 convictions occurring outside of the workplace to CalOptima Health within five (5) calendar days of  
25 such conviction. -Failure to do so is considered a violation of this Policy. This information may  
26 subject the employee to corrective action, random testing requirements, referral to the EAP, and/or  
27 may be reported to the appropriate licensing authority.  
28

29 **IV. ATTACHMENT(S)**

- 30 A. Drug and Alcohol Reasonable Suspicion Checklist  
31  
32

33 **V. REFERENCE(S)**

- 34  
35 A. California Drug-Free Workplace Act of 1990 (California Government Code, §§8350-8351 and  
36 8355-8357)  
37 B. CalOptima Health Policy GA.8022: Performance and Behavior Standards-~~Performance~~  
38 ~~Improvement~~  
39 C. Supervisor's Guide -Work Performance Behaviors, Alcohol and Drug Impairment Indicators,  
40 Department of Transportation  
41 D. Federal Drug-Free Workplace Act of 1988 (41, U.S.C., §701 *et seq.*)  
42

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

44  
45 None to Date  
46

47 **VII. BOARD ACTION(S)**  
48

Date	Meeting
02/02/2017	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors



Date	Meeting
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
<u>02/06/2025</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

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3

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2014	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	02/02/2017	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	09/03/2020	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	09/01/2022	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
<u>Revised</u>	<u>02/06/2025</u>	<u>GA.8052</u>	<u>Drug-Free and Alcohol-Free Workplace</u>	<u>Administrative</u>

4

For 20250206 BOD Review ONLY

1 IX. GLOSSARY  
2

Term	Definition
CalOptima Health Property	Any property owned, operated, or leased by CalOptima Health, including but not limited to CalOptima Health owned or leased vehicles, the administration buildings at 500 and 505 City Parkway West, in the City of Orange, State of California, the PACE building at 13300 Garden Grove Boulevard, in the City of Garden Grove, State of California, and the CalOptima Health satellite office located at the County Community Service Center, 15496 Magnolia Street, Suite 111, in the City of Westminster, State of California. CalOptima Health Property shall include surrounding ground and parking lots owned, operated, or leased by CalOptima Health, as well as other leased or rented spaces.
Member	A beneficiary who is enrolled in a CalOptima Health Program.
Safety Sensitive Employee	A position where the employee has the responsibility for his or her own safety or other people’s safety, such as administering medication, handling of controlled substances and/or providing health care services or personal care services to CalOptima Health Members. -This shall include any employee who operates a CalOptima Health owned or leased motor vehicle.
Termination	The end of the employment relationship.
Under the Influence of Alcohol	An employee with a blood alcohol concentration (BAC) of .04 or above.

3  
4

For 20250206 BOD REVIEW ONLY



Policy: GA.8052  
Title: **Drug-Free and Alcohol-Free Workplace**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2014  
Revised Date: 02/06/2025

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

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**I. PURPOSE**

This policy establishes guidelines for a drug-free and alcohol-free workplace at CalOptima Health and CalOptima Health PACE to further enhance safety in the workplace for any and all employees, including all permanent and temporary employees, volunteers, and other employed personnel, to promote employee health, maintain a high level of quality in service to CalOptima Health’s Members, ensure productivity, protect against liability, and promote the public’s trust in CalOptima Health. Substance abuse, including the misuse of both legal and illegal drugs, in the workplace can negatively impact employee performance, employee safety, and/or safety of the public. For the purposes of this Policy, and in accordance with the federal Controlled Substances Act, marijuana and other cannabis products fall under the category of “illegal drugs.”

**II. POLICY**

- A. CalOptima Health has a vital interest in maintaining a safe and productive work environment for its employees, Members, and those who come into contact with CalOptima Health. To support this interest, CalOptima Health shall maintain a workplace that is free of alcohol, illegal drugs, and controlled substances and herein discourages alcohol, substance abuse, and misuse of prescription medications by its employees.
- B. While medical and non-medical recreational marijuana use may not be criminal offenses in California, this does not affect an employer’s rights and interests to maintain a drug and alcohol-free workplace. Medical or recreational use of marijuana is not an acceptable explanation or excuse for impairment on the job or an active metabolites positive drug test under this Policy.
- C. The following behavior while on duty or on CalOptima Health Property are separately, or in combination, violations of CalOptima Health’s Drug-Free and Alcohol-Free Workplace Policy:
  - 1. The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance;
  - 2. Reporting to work or performing work-related duties while under the influence of alcohol, illegal drugs, legal drugs used illegally, or any controlled substance that impairs their ability to perform their job safely and effectively.

3. Possession or use of alcohol or an illegal or controlled substance, while on duty, or on or in CalOptima Health Property, except where the controlled substance is lawfully prescribed and used consistent with a doctor's authorization for use while working;
4. Abuse of a legal drug, or the purchase, sale, manufacture, distribution, dispensation of any legal prescription drug in a manner inconsistent with the law;
5. Operating a CalOptima Health owned or leased vehicle or conducting CalOptima Health business in a personal vehicle while under the influence of alcohol, illegal drugs, or controlled substance; and
6. Distribution, sale, or purchase of alcohol and/or an illegal or controlled substance while on-duty or on or in CalOptima Health Property.

D. Prescription Medications

1. Employees are prohibited from misusing prescription medications or being under the influence of prescription drugs not prescribed to them or in a manner inconsistent with the prescribed usage.
2. Employees using prescribed medication that may affect their ability to perform their job safely must inform their supervisor. A medical evaluation may be required to determine if the employee can safely perform their duties.

E. This Policy and each of its rules apply:

1. Whenever an employee is on or in CalOptima Health Property;
2. During company time (includes breaks, meal periods, and work duties offsite (e.g., representing CalOptima Health at community functions or meetings, meeting with Members, or providers, etc.));
3. In any vehicle used on company business; and
4. In other circumstances (such as on customer premises, or at business/sales functions) that may adversely affect CalOptima Health's operations, safety, reputation and/or the administration of this Policy.

F. It is the policy of CalOptima Health and a condition of employment that an employee be present and able to physically and mentally perform their job free from the effects of alcohol, narcotics, depressants, stimulants, hallucinogens, cannabis, prescribed medications (when used in a manner inconsistent with the prescribed usage), or any other substances which can impair job performance.

G. Violation of this Policy will not be tolerated, and CalOptima Health shall take appropriate actions, including, but not limited to, corrective action, up to and including termination, to protect, as fully as possible, all CalOptima Health employees and members of the public. CalOptima Health may also bring the matter to the attention of appropriate law enforcement authorities and/or professional licensing authorities.

1 **III. PROCEDURE**

2  
3 A. Prohibitions: An employee who violates any of these prohibitions shall be subject to corrective  
4 action, up to and including termination:

- 5  
6 1. Alcohol: An employee may not possess, distribute, dispense, sell, use, transfer, offer, or be  
7 under the influence of any intoxicating liquor such that the employee's blood alcohol  
8 concentration (BAC) is .04, or above, while at work, or on-duty for CalOptima Health business.  
9 Off-duty use of alcohol that adversely affects, or impairs, an employee's job performance, or  
10 results in on-duty conduct which adversely affects, or threatens to adversely affect, CalOptima  
11 Health's interest is prohibited.  
12  
13 a. This rule prohibits using any alcohol prior to reporting to work such that the employee's  
14 BAC is .04 or above during breaks or meal periods, or in conjunction with any CalOptima  
15 Health activity, except social or business events where the Chief Executive Officer and/or  
16 other members of the Executive Staff has/have authorized the moderate consumption of  
17 alcoholic beverages.  
18  
19 b. An employee at work or on-duty, for CalOptima Health business with a BAC level at .04, or  
20 above, shall be removed from duty and may be subject to disciplinary action, up to and  
21 including termination.  
22  
23 2. Drugs: An employee may not possess, distribute, dispense, sell, use, transfer, offer, share,  
24 attempt to sell, or obtain, manufacture, or be under the influence of any illegal drug or  
25 controlled substance, or have any trace of illegal drugs or controlled substance present in the  
26 body while at work or on duty for CalOptima Health business. Therefore, an employee who  
27 tests positive for any illegal drug or controlled substance will be deemed to have violated this  
28 rule.  
29  
30 a. This rule also prohibits prescription drugs being taken while on duty without a doctor's  
31 authorization.  
32  
33 b. Abuse of a legal drug or the purchase, sale, manufacture, distribution, dispensation of any  
34 legal prescription drug in a manner inconsistent with the law is also prohibited under this  
35 rule.  
36  
37 3. Prescriptions/Over-The-Counter Medications: An employee is responsible for checking the  
38 potential side effects of prescription drugs and over-the-counter medications with their doctor or  
39 pharmacist before reporting to work, and to immediately let their supervisor know when such  
40 use makes it unsafe for them to report to work or do their job.  
41  
42 4. Adulterants: An employee is prohibited from using any substance that is used for the purpose of  
43 manipulating the results of a drug test.  
44

45 B. Pre-Employment Testing: All employees in Safety Sensitive classifications are required to pass a  
46 pre-employment drug test as a condition of employment in the classification within seventy-two  
47 (72) hours after accepting the offer.

- 48  
49 1. Notification to applicants on the sample collection and appeal process is provided.  
50  
51 2. Refusal to submit to the required testing in the specified timeframe will result in disqualification  
52 and a rescinded conditional offer.

1  
2 C. Random Drug Testing:  
3

- 4 1. All CalOptima Health employees who provide health care services and personal care services to  
5 CalOptima Health Members may be subject to random drug testing. This shall include any  
6 employee who operates a CalOptima Health owned or leased motor vehicle.  
7  
8 2. All CalOptima Health employees who have face-to-face interaction in the residence of a  
9 Member, or prospective Member, and provide health care services, or personal care services,  
10 such as nurses in the field, may be subject to random drug testing.  
11

12 D. Mandatory Post Traffic Accident Testing: When a CalOptima Health employee is involved in a  
13 work-related traffic accident, CalOptima Health shall require a drug and/or alcohol test if there is a  
14 reasonable suspicion of the involvement of drugs and/or alcohol.  
15

16 E. Reasonable Suspicion Testing or Reasonable Cause  
17

- 18 1. If a supervisor, Human Resources and/or Manager, Environmental Health and Safety suspects  
19 an employee is under the influence of drugs and/or alcohol and observes two (2) or more of the  
20 following, shall immediately notify the Human Resources Department and submit a completed  
21 *Drug and Alcohol Reasonable Suspicion Checklist* form to the Human Resources Department  
22 within twenty-four (24) hours:  
23  
24 a. Difficulty walking such as swaying, an unstable gait, staggering, or stumbling, especially  
25 when not consistent with the employee's normal behavior; physical signs of drug or alcohol  
26 use (e.g. flushed skin, bloodshot eyes, dilated pupils, inability to make eye contact, and/or  
27 slurred speech, etc.)  
28  
29 b. Odor of alcohol or drugs on the employee's breath, clothes, or in an area (such as in a  
30 vehicle, office, work area, or restroom) immediately controlled or occupied, by the  
31 employee;  
32  
33 c. Alcohol, alcohol containers, illegal drugs, or drug paraphernalia in the employee's  
34 possession, or in an area controlled or occupied by the employee (such as in a vehicle,  
35 office, work area, or restroom);  
36  
37 d. Unexplained or significant deterioration in job performance;  
38  
39 e. Unexplained significant changes in behavior (e.g., lethargy, abusive behavior, repeated  
40 disregard of safety rules, or procedures, insubordination, etc.);  
41  
42 f. Unexplained absenteeism or tardiness;  
43  
44 g. Employee admissions regarding drug or alcohol use; and/or  
45  
46 h. Involvement in any work-related accident or near misses.  
47  
48 2. If a Human Resources representative or the Manager of Environmental Health and Safety or the  
49 supervisor along with the Human Resources Representative or Manager of Environmental  
50 Health and Safety have reasonable suspicion that an employee may be under the influence of or  
51 has consumed drugs or alcohol while on-duty or on CalOptima Health Property, CalOptima  
52 Health may:

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- a. Assist the employee out of the immediate work area to a safe location such as a conference room or available office.
  - b. Obtain at least two (2) independent observations that the employee appears to be under the influence of drugs or alcohol as outlined in Section III.E. of this Policy.
  - c. Direct the employee to undergo a drug and/or alcohol test at an authorized testing facility. The Human Resources Department will schedule the test and confirm testing location. If the employee refuses to undergo the test, such refusal will result in corrective action, up to and including termination from employment.
  - d. Coordinate and, if needed, pay for transportation services for the employee to and from the testing facility. Employees are not allowed to drive to and from the testing facility.
3. The supervisor and/or Human Resources representative or the Manager of Environmental Health and Safety will inform the employee about the consequences to the employee if the drug and alcohol test is positive, which shall include corrective action, up to and including termination from employment, and/or required admission to a drug and/or alcohol treatment program.
  4. If appropriate, Human Resources representative may assist the employee in making arrangements to be taken home after a drug and/or alcohol test is completed or if the employee refuses to test. This coordination may include notifying the employee's emergency contacts on file. If an employee who refuses to test, receives a positive test result, or is pending test results gets behind the wheel, the local authorities will be notified.
  5. CalOptima Health employees who are not relatives of the employee may not provide transportation to the testing facility or to the employee's home themselves.
- F. Scope of Tests: All tests shall be conducted by a certified laboratory. The testing facility will follow their chain-of-custody procedures to ensure the integrity of the sample. Employees may be tested for, but not limited to the following:
1. Alcohol;
  2. Amphetamines, or other stimulants;
  3. Psychoactive Cannabinoids Metabolites;
  4. Cocaine;
  5. Opiates, or other narcotics;
  6. Phencyclidine; and
  7. Barbiturates, or other depressants.
- G. Positive Test Results: If a positive test result can be explained by the legal use of any substance, an employee may present verification by a licensed medical professional. Any employee who tests positive for drugs that are not prescribed to them by their physician will be immediately removed from duty. Additionally, corrective action will be taken which may include: :

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1. Corrective action, up to and including termination;
  2. Referral to a substance abuse professional for assessment and recommendations;
  3. Requirement to pass a Return-to-Duty test; or
  4. Requirement to sign a Return-to-Work Agreement.
- H. Confidentiality: CalOptima Health shall maintain all drug-testing information in separate confidential records.
- I. Employee Assistance Program:
1. CalOptima Health is committed to helping employees remain productive members of CalOptima Health's team. CalOptima Health provides an Employee Assistance Program (EAP) for employees to provide counseling and other services for employees with substance abuse and other personal or emotional problems that can affect work performance. The EAP will treat information obtained regarding an employee during participation in such program or services as confidential in accordance with Federal and State laws.
  2. No employee shall receive corrective action or be discriminated against for simply seeking help from the EAP, if such help or request for help is prior to a violation of this Policy.
  3. In certain circumstances, CalOptima Health may insist upon a mandatory referral to CalOptima Health's EAP as a condition of continued employment. Participation in such programs will not excuse violations of this policy but may be considered in determining appropriate corrective action.
- J. At its sole discretion, CalOptima Health may offer a Condition of Continued Employment contingent upon the employee:
1. Entering into and completing a treatment program approved by CalOptima Health;
  2. Signing and complying with a last chance performance agreement; and/or
  3. Undergoing random drug and/or alcohol test for a specified period of time.
- K. Fit for Duty:
1. CalOptima Health may require a fit for duty exam by a certified medical practitioner. This exam may be administered along with a drug test to determine if the employee is fit for duty.
- L. Duty to Cooperate:
1. As a condition of continued employment, employees are expected to cooperate with the full administration of this Policy. Violation of this Policy includes, but is not limited to:
    - a. Refusing to participate in testing, submit a sample, or sign required forms;



- b. Refusing to cooperate in any way (for example, refusing to cooperate in any interview or investigation courteously and candidly, including any form of untruthfulness, misrepresentation, misleading statements, or omissions);
- c. Any form of dishonesty in the testing process or related investigation;
- d. Refusing to test again at a time of CalOptima Health’s choosing whenever any test results in a finding of a dilute or adulterated sample, or reasonable suspicion; and/or
- e. Failure to adhere to the conditions of continued employment.

M. Self-Disclosure of Convictions: Employees are required to report any drug and/or alcohol related convictions occurring outside of the workplace to CalOptima Health within five (5) calendar days of such conviction. Failure to do so is considered a violation of this Policy. This information may subject the employee to corrective action, random testing requirements, referral to the EAP, and/or may be reported to the appropriate licensing authority.

**IV. ATTACHMENT(S)**

- A. Drug and Alcohol Reasonable Suspicion Checklist

**V. REFERENCE(S)**

- A. California Drug-Free Workplace Act of 1990 (California Government Code, §§8350-8351 and 8355-8357)
- B. CalOptima Health Policy GA.8022: Performance and Behavior Standards
- C. Supervisor’s Guide -Work Performance Behaviors, Alcohol and Drug Impairment Indicators, Department of Transportation
- D. Federal Drug-Free Workplace Act of 1988 (41, U.S.C., §701 *et seq.*)

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

None to Date

**VII. BOARD ACTION(S)**

Date	Meeting
02/02/2017	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2014	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	02/02/2017	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	09/03/2020	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	09/01/2022	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	02/06/2025	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative

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For 20250206 BOD Review Only

1 IX. GLOSSARY

2

Term	Definition
CalOptima Health Property	Any property owned, operated, or leased by CalOptima Health, including but not limited to CalOptima Health owned or leased vehicles, the administration buildings at 500 and 505 City Parkway West, in the City of Orange, State of California, the PACE building at 13300 Garden Grove Boulevard, in the City of Garden Grove, State of California, and the CalOptima Health satellite office located at the County Community Service Center, 15496 Magnolia Street, Suite 111, in the City of Westminster, State of California. CalOptima Health Property shall include surrounding ground and parking lots owned, operated, or leased by CalOptima Health, as well as other leased or rented spaces.
Member	A beneficiary who is enrolled in a CalOptima Health Program.
Safety Sensitive Employee	A position where the employee has the responsibility for his or her own safety or other people’s safety, such as administering medication, handling of controlled substances and/or providing health care services or personal care services to CalOptima Health Members. This shall include any employee who operates a CalOptima Health owned or leased motor vehicle.
Termination	The end of the employment relationship.
Under the Influence of Alcohol	An employee with a blood alcohol concentration (BAC) of .04 or above.

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For 20250206 BOD REVIEW ONLY



## DRUG AND ALCOHOL REASONABLE SUSPICION CHECKLIST

GENERAL		
<b>Employee Name:</b>	<b>Date of Observation:</b>	<b>Time of Observation:</b>
<b>Location:</b>	<b>Reasonable suspicion of:</b> <input type="checkbox"/> Alcohol <input type="checkbox"/> Drugs	<b>Employee agreed to testing?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No

When there is reasonable suspicion that an employee is under the influence of drugs and/or alcohol and is unfit for duty, the supervisor or manager observing the behavior, as well as another supervisor/manager as a witness, if possible, must complete the checklist below. Where "Other" is checked, please describe. **Submit the completed form to Human Resources within 24 hours of the observation.**

**Observation Checklist** (check all observations that are applicable):

Speech:	<input type="checkbox"/> Normal <input type="checkbox"/> Incoherent <input type="checkbox"/> Loud <input type="checkbox"/> Silent <input type="checkbox"/> Slurred <input type="checkbox"/> Whispering <input type="checkbox"/> Disruptive <input type="checkbox"/> Rambling <input type="checkbox"/> Slobbering <input type="checkbox"/> Slow <input type="checkbox"/> Other: _____
Standing:	<input type="checkbox"/> Normal <input type="checkbox"/> Swaying <input type="checkbox"/> Unable to Stand <input type="checkbox"/> Unsteady <input type="checkbox"/> Staggering <input type="checkbox"/> Falling <input type="checkbox"/> Other: _____
Walking:	<input type="checkbox"/> Normal <input type="checkbox"/> Stumbling <input type="checkbox"/> Unable to Walk <input type="checkbox"/> Unsteady <input type="checkbox"/> Swaying <input type="checkbox"/> Holding On/Reach for Support <input type="checkbox"/> Falling <input type="checkbox"/> Staggering <input type="checkbox"/> Other: _____
Demeanor:	<input type="checkbox"/> Normal <input type="checkbox"/> Paranoid <input type="checkbox"/> Lack of Coordination <input type="checkbox"/> Disoriented/Confused <input type="checkbox"/> Sleepy/Lethargic <input type="checkbox"/> Excited <input type="checkbox"/> Argumentative <input type="checkbox"/> Talkative <input type="checkbox"/> Crying <input type="checkbox"/> Overly Nervous <input type="checkbox"/> Difficulty Concentrating <input type="checkbox"/> Isolation <input type="checkbox"/> Other For each item checked in this box, describe your observations: _____ _____
Actions:	<input type="checkbox"/> Normal <input type="checkbox"/> Hyperactive <input type="checkbox"/> Resisting Communication <input type="checkbox"/> Hostile <input type="checkbox"/> Erratic <input type="checkbox"/> Profanity <input type="checkbox"/> Threatening <input type="checkbox"/> Drowsy <input type="checkbox"/> Calm <input type="checkbox"/> Lethargic <input type="checkbox"/> Other For each item checked in this box, describe your observations: _____ _____
Eyes:	<input type="checkbox"/> Normal <input type="checkbox"/> Closed <input type="checkbox"/> Droopy/Half-closed <input type="checkbox"/> Bloodshot/Red <input type="checkbox"/> Dilated Pupils <input type="checkbox"/> Constricted Pupils <input type="checkbox"/> Glassy <input type="checkbox"/> Inability of Make Eye Contract <input type="checkbox"/> Use of Sunglasses Indoors <input type="checkbox"/> Jerky Movement of Eyes <input type="checkbox"/> Blank Stare <input type="checkbox"/> Other: _____
Skin:	<input type="checkbox"/> Normal <input type="checkbox"/> Flushed Face/Neck/Head <input type="checkbox"/> Sweaty <input type="checkbox"/> Redness/Irritation around nasal area <input type="checkbox"/> Other: _____

Appearance/Clothing:	<input type="checkbox"/> Normal <input type="checkbox"/> Unruly/Messy <input type="checkbox"/> Dirty/Stains <input type="checkbox"/> Other Describe the appearance: _____
Odor:	<input type="checkbox"/> Normal <input type="checkbox"/> Alcohol/drug odor <input type="checkbox"/> Heavy breath spray/cologne <input type="checkbox"/> Glue/Solvent/Paint <input type="checkbox"/> Other: _____
Movements:	<input type="checkbox"/> Normal <input type="checkbox"/> Jerky <input type="checkbox"/> Nervous <input type="checkbox"/> Lack of coordination <input type="checkbox"/> Muscle Rigidity <input type="checkbox"/> Fumbling <input type="checkbox"/> Slow <input type="checkbox"/> Hyperactive <input type="checkbox"/> Hand or Finger Tremors <input type="checkbox"/> Other: _____ For each item checked in this box, describe your observations: _____ _____
Miscellaneous:	<input type="checkbox"/> Alcohol and/or drugs present in employee's possession or vicinity <input type="checkbox"/> Employee admitted to alcohol and/or drug use or possession <input type="checkbox"/> Unexplained significant deterioration in job performance <input type="checkbox"/> Unexplained absenteeism or tardiness/leaving early <input type="checkbox"/> Repeated disregard for safety and/or of safety rules/procedures <input type="checkbox"/> Amnesia <input type="checkbox"/> Hearing/Seeing things that aren't there <input type="checkbox"/> Coma <input type="checkbox"/> Convulsions <input type="checkbox"/> Other: _____

Other observations/Comments: \_\_\_\_\_

\_\_\_\_\_  
Supervisor/Manager Signature      Print Name      Date & Time

\_\_\_\_\_  
Witness Signature      Print Name      Date & Time

\_\_\_\_\_  
Human Resources Reviewer Signature      Print Name/Title      Date & Time

Policy: AA.1252  
Title: **Diversity, Equity, and Inclusion**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/01/2025  
Revised Date: Not Applicable

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2  
3 This policy describes CalOptima Health’s Diversity, Equity, and Inclusion (DEI) commitment to  
4 support and advance its health equity strategy by building a diverse and inclusive staff while supporting  
5 health equity goals that are aimed at reducing bias and improving DEI within the workplace, its  
6 Committees, and Governance Bodies.

7  
8 **II. POLICY**

9  
10 A. As part of CalOptima Health’s commitment to DEI, CalOptima Health shall:

- 11  
12 1. Promote best practices in recruitment and hiring to increase the agency’s ongoing commitment  
13 to DEI.  
14  
15 2. Build and develop a talented workforce that is reflective of the Orange County community  
16 CalOptima Health serves.  
17  
18 3. Maintain a consistent approach for building a diverse and inclusive staff.  
19  
20 4. Provide DEI training for all new hires and ongoing training for all Employees at least annually  
21 thereafter.

22  
23 B. Our hiring and recruitment practices shall promote Diversity for both Internal and External  
24 Applicants, promotions and reclassifications, and temporary and permanent positions.

25  
26 C. CalOptima Health shall regularly evaluate, at a minimum, the following:

- 27  
28 1. How our workforce reflects the Diversity of the population served.  
29  
30 2. Which groups are inadequately represented in the workforce.  
31  
32 3. Whether specific groups are marginalized, disenfranchised or disempowered by our recruitment  
33 and hiring practices.

34  
35 D. CalOptima Health shall ensure that our hiring and recruitment policies explicitly address how  
36 CalOptima Health promotes Diversity for our staff, Leadership, and Committees.

- 1  
2 E. CalOptima Health shall conduct an analysis at least annually to identify opportunities to improve  
3 Diversity, Equity, Inclusion and/or Cultural Humility for staff, Leadership, Governance Bodies, and  
4 Committees.  
5  
6 F. CalOptima Health shall implement interventions to address identified opportunities to improve  
7 Diversity, Equity, Inclusion and Cultural Humility for at least one of the groups (staff, Leadership,  
8 Committees or Governance Bodies).  
9

### 10 III. PROCEDURE

#### 11 A. Hiring and Recruiting

##### 12 1. Staff and Leadership

- 13  
14  
15  
16 a. CalOptima Health ensures that its hiring and recruitment process promotes Diversity for the  
17 staff and Leadership positions in accordance with the provisions in CalOptima Health  
18 Policy GA.8060: Recruitment, Selection, and Hiring.  
19  
20 b. To promote Diversity and Inclusion, the organization will develop and maintain all:  
21  
22 i. Job Descriptions to include the following:  
23  
24 a) Gender-neutral language;  
25  
26 b) Salary range for each position;  
27  
28 c) Mobility requirements; and  
29  
30 d) Reduce the requirements of each position to the “must-have” qualifications.  
31  
32 ii. Job Announcements to include the following:  
33  
34 a) Non-discrimination based on race, age sex, gender identity, disability, religion, and  
35 other enumerated protected characteristics as defined by law;  
36  
37 b) The organization’s commitment to Diversity and Inclusion;  
38  
39 c) Equal Employment Opportunity Statement; and  
40  
41 d) Reasonable Accommodation Announcement.  
42

##### 43 2. Committee Membership

- 44  
45 a. CalOptima Health shall ensure that its hiring and recruitment process promotes Diversity in  
46 its Quality Improvement Health Equity Committee (QIHEC) and its reporting  
47 subcommittees listed below:  
48  
49 i. Utilization Management Committee;  
50  
51 ii. Whole Child Model Clinical Advisory Committee (WCM CAC);  
52  
53 iii. Credentialing and Peer Review Committee (CPRC);

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- iv. Population Health Management Committee (PHMC);
  - v. Grievances and Appeals Resolutions Services Committee (GARS); and
  - vi. Member Experience Committee (MEMx),
- b. At a minimum, the seven (7) Committees will include a broad range of practitioners/providers and representatives from the community.
- c. At least annually, CalOptima Health’s Chief Medical Officer (CMO) or designee shall review and assess Committee membership composition to ensure representation from a diverse group of network providers and community representatives, in accordance with Policy GG.1620: Quality Improvement and Health Equity Committee, and in alignment with its membership composition.
- d. The CMO or designee shall request for consideration, nominees that represent groups identified as being inadequately represented or underrepresented in the Committee, or groups identified as marginalized, disenfranchised or disempowered.
- e. In addition, all nominees shall be vetted to ensure that they meet the following criteria:
- i. Represent a health network or community organization that provides health care services and/or community support to CalOptima Health Members;
  - ii. Meet minimum experience/qualifications as noted in the bylaws;
  - iii. Are in good standing with CalOptima Health; and
  - iv. Do not have a conflict of interest that would prohibit Committee participation.
- f. The CMO or designee, with input from other Committee members, shall select the most suitable candidate to participate on the Committee.

3. Governance Body

- a. CalOptima Health’s Governing Body is the Board of Directors (BOD), and all seats of the BOD are appointed by the Orange County Board of Supervisors, in accordance with Ordinance No. 16-001.
- b. CalOptima Health has no authority or jurisdiction over the recruiting, hiring, or seating of the members of the BOD.

B. Recruitment and Selection:

- 1. To promote equal employment opportunity in the recruitment and selection of all qualified applicants, all vacant positions will be posted in accordance with CalOptima Health’s merit-based, fair hiring policies and procedures described in CalOptima Health Policies GA.8025: Equal Employment Opportunity, GA.8030: Background Check, and GA.8060: Recruitment, Selection, and Hiring.

D. Performance Measures, Analysis and Reporting



- 1 1. To monitor its hiring and recruiting processes, CalOptima Health will assess the performance  
2 using the following measures:  
3  
4 a. Position Vacancy Rate (%);  
5  
6 b. Time to Fill Vacancy (days); and  
7  
8 c. Turnover Rate (%).  
9
- 10 2. To promote Culturally and Linguistically Appropriate Services (CLAS) and DEI, the  
11 organization performs the following tasks:  
12  
13 a. Collects and analyzes race/ethnicity, gender, age, and language data for staff and  
14 Leadership and compares it against the population served with the goal of the organization  
15 being representative of Orange County.  
16  
17 b. Collects and analyzes race/ethnicity and gender data for Committees and Governing Bodies  
18 and compares it against the population served with the goal of being reflective of Orange  
19 County.  
20  
21 c. Uses the data to identify groups that are inadequately represented in the workforce.  
22
- 23 3. CalOptima Health monitors these metrics on an ongoing basis and analyzes the aggregated  
24 results at least annually against the goals.  
25
- 26 4. CalOptima Health conducts qualitative analysis that includes identification of barriers,  
27 opportunities for improvement and actions or interventions to improve CLAS and DEI in  
28 recruiting practices.  
29
- 30 5. CalOptima Health prioritizes the opportunities and actions to determine focus for the year for  
31 each of the groups.  
32
- 33 6. CalOptima Health re-measures and analyzes the results of these metrics every year to assess  
34 whether identified actions and interventions were successful and will determine the need to  
35 discontinue, modify or implement new interventions.  
36

37 E. Training:

- 38  
39 1. CalOptima Health provides training to recruiters and hiring managers in recognizing  
40 unconscious biases and conducting standardized interviews to minimize the impact of biases  
41 and discrimination during the interview phase.  
42
- 43 2. CalOptima Health provides training in accordance with CalOptima Health Policy AA.1251:  
44 Diversity, Equity and Inclusion Training Program, as follows:  
45  
46 a. New Employees, including Leadership, complete training within ninety (90) days of hire.  
47  
48 b. Existing Employees, including Leadership, complete training annually.  
49
- 50 3. CalOptima Health offers optional self-selected training to all Employees on topics relating to  
51 CLAS and DEI in both instructor led and eLearning formats.  
52  
53

1 **IV. ATTACHMENT(S)**

2  
3 Not Applicable

4  
5 **V. REFERENCE(S)**

- 6
- 7 A. CalOptima Health Policy AA.1251: Diversity, Equity, and Inclusion Training Program
- 8 B. CalOptima Health Policy GA.8019: Promotions and Transfers
- 9 C. CalOptima Health Policy GA.8022: Performance and Behavior Standards
- 10 D. CalOptima Health Policy GA.8030: Background Check
- 11 E. CalOptima Health Policy GA.8060: Recruitment, Selection, and Hiring
- 12 F. CalOptima Health Policy GG.1620: Quality Improvement and Health Equity Committee (QIHEC)
- 13 G. NCQA Standards for the Accreditation: Health Equity Standards

14  
15 **VI. REGULATORY AGENCY APPROVAL(S)**

16  
17 None to Date

18  
19 **VII. BOARD ACTION(S)**

Date	Meeting
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

21  
22 **VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2025	AA.1252	Diversity, Equity, and Inclusion	Administrative

24

For 20250206 BOD Review Only

1 IX. GLOSSARY

2

Term	Definition
Committee	Group of individuals, who may be employees and/or external to the organization, appointed for a specific function.
Cultural Humility	Ability of organizations, systems, and health care professionals to value, respect and respond to diverse cultural health beliefs, behaviors and needs (e.g., social, cultural, linguistic) when providing health care services.
Diversity	Describes the presence of differences (e.g., race/ethnicity, preferred language, gender identity, sexual orientation, age, mobility) in the pool of candidates for employment opportunities that reflects the population served.
Employee	Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.
Equity	Developing, strengthening and supporting procedural and outcome fairness in systems, procedure and resource distribution mechanisms to create fair opportunities for all individuals. Equity and “equitable” are distinct from equality or “equal”, which refers to everyone having the same treatment but does not account for different needs to circumstances. Equity focus on eliminating barriers that have prevented the full participation of historically and currently oppressed groups.
External Applicant	Applicants to recruitments who are not employed by the organization.
Governance Body	The organization’s board of directors, which is responsible for organizational governance.
Inclusion	Intentionally designed, active and ongoing engagement with individuals that ensures opportunities and pathways for participation in all aspects of a group, organization or community, including decision-making processes. Inclusion refers to how groups show that individuals are valued as respected members of the group, team, organization or community and is often created through progressive, consistent actions to expand, include and share.
Internal Applicant	Applicants to recruitments who are currently employed by the organization.
Leadership	Employees in a position with managerial authority and/or executive roles such as supervisors, managers, directors, medical directors, executive directors or chief officers.
Member	A beneficiary who is enrolled in a CalOptima Health program.
New Position	Position that has not been available with the organization previously, any position with a new title, job duties and/or wage change may be considered a new position and includes full-time, part-time, and temporary/seasonal positions.
Quality Improvement Health Equity Committee (QIHEC)	A committee facilitated by CalOptima Health’s medical director, or the medical director’s designee, in collaboration with the Health Equity officer, that meets at least quarterly to direct all Quality Improvement and Health Equity Transformation Program (QIHETP) findings and required actions

3

4

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025 Regular Meeting of the CalOptima Health Board of Directors

### Consent Calendar

7. Approve New CalOptima Health Policy DD.2014: Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process

### Contacts

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

Ladan Khamseh, Executive Director, Operations, (714) 246-8866

### Recommended Action

Approve new CalOptima Health Policy DD.2014: Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process, in accordance with regulatory requirements.

### Background and Discussion

By January 1, 2026, CalOptima Health must obtain National Committee for Quality Assurance (NCQA) Health Equity Accreditation, as required by the Department of Health Care Services (DHCS). This accreditation is part of DHCS's overall CalAIM: Population Health Management initiative and will distinguish CalOptima Health as a health plan focused on providing equitable care that does not vary in quality because of personal characteristics such as gender, race, socioeconomic status, and geographic location.

CalOptima Health establishes new policies and procedures to implement federal and state laws and regulations, and business practices. Additionally, CalOptima Health staff performs annual reviews to add or update internal procedures to ensure compliance with applicable requirements.

CalOptima Health developed Policy DD.2014: Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process to comply with NCQA Health Equity Accreditation standards. This policy outlines CalOptima Health's process for collecting race/ethnicity, language (REL) and sexual orientation and gender identity (SOGI) data, including the process for receiving individual-level REL and SOGI data, storing the data securely, and retrieving the data for reporting and analysis.

### 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.

### Rationale for Recommendation

To ensure CalOptima Health's continuing commitment to conducting its operations in compliance with all applicable state and federal laws and regulations, staff recommends that the CalOptima Health Board of Directors approve and adopt CalOptima Health Policy DD.2014: Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process.

### Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

CalOptima Health Board Action Agenda Referral  
Approve New CalOptima Health Policy DD.2014:  
Collection of Race, Ethnicity, Language, Sexual  
Orientation and Gender Identity Data Process  
Page 2

**Attachments**

1. Policy DD.2014: Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



Policy: DD.2014  
Title: **Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process**

Department: Customer Service  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/01/2025  
Revised Date: Not Applicable

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

1 **I. PURPOSE**

2  
3 This policy outlines CalOptima Health’s process for collecting race/ethnicity, language (REL) and  
4 sexual orientation and gender identity (SOGI) data and describes its use of an Electronic Health  
5 Information system that receives individual-level REL and SOGI data, stores the data securely, and  
6 retrieves the data for reporting and analysis.  
7

8 **II. POLICY**

9  
10 A. CalOptima Health has processes in place for the following activities:

- 11
- 12 1. Maintaining an electronic health information system capable of receiving, storing, and  
13 retrieving individual-level data on:
    - 14 a. Race/Ethnicity;
    - 15 b. Language;
    - 16 c. Sexual Orientation; and
    - 17 d. Gender Identity.
  - 18 2. Receiving/ingesting REL and SOGI data from multiple sources into its electronic health  
19 information system.
  - 20 3. Reconciling differences or conflicts in REL and SOGI data when receiving data from multiple  
21 sources and includes:
    - 22 a. How CalOptima Health decides which data source to select; and
    - 23 b. How CalOptima Health prioritizes when two (2) or more data sources contain conflicting  
24 information;
- 25  
26  
27  
28  
29  
30  
31  
32  
33

4. Storing REL and SOGI data in a secured manner while ensuring consistency and accuracy of the data and retrieving REL and SOGI data for reporting.
5. Using direct sources to collect REL and SOGI data, including sex assigned at birth and pronoun information.
6. Rolling race/ethnicity data into the Office of Management and Budget (OMB) categories.
7. Estimating race/ethnicity data and validating the estimation methodology if using indirect data sources.
8. Collecting and reporting audited Health Care Effectiveness Data and Information Set (HEDIS®) Race/Ethnicity and Language Diversity of Membership measures.
9. Assessing the language profile of the population to determine the language in CalOptima Health's service area and report the language profile to the community.
10. Determining threshold and concentration language requirements using state level data at least every three (3) years.
11. Sharing pronoun information with Member facing staff.

### III. PROCEDURE

- A. CalOptima Health shall be responsible for maintaining a health information system in FACETS that ingests/receives, stores, integrates, and reports data that can provide information on areas including, but not limited to:
  1. Race/Ethnicity;
  2. Language;
  3. Sexual Orientation; and
  4. Gender Identity.
- B. REL and SOGI Data Receipt
  1. CalOptima Health receives REL data from the following sources:
    - a. The state's eligibility daily/monthly file.
    - b. Direct Member interaction with CalOptima Health staff.
  2. CalOptima Health receives SOGI data from the following sources:
    - a. Member survey posted on CalOptima Health's Member portal for Members eighteen (18) years of age and older.
    - b. Member survey mailed to CalOptima Health Members eighteen (18) years of age and older.
    - c. Direct Member interactions with CalOptima Health Staff in circumstances when the Member voluntarily provides the information.

1  
2 C. REL and SOGI Data Storage and Retrieval.  
3

- 4 1. CalOptima Health shall store data into FACETS core eligibility system.  
5  
6 2. CalOptima Health shall reconcile the REL data by reviewing data collected through the  
7 Department of Health Care Services (DHCS) daily/monthly eligibility file and data collected  
8 from direct Member interactions.  
9  
10 a. Data received from direct Member interactions will take priority over data received by way  
11 of the DHCS eligibility file. CalOptima staff shall use the Member Language Profile  
12 application to update data received directly from Members.  
13  
14 3. CalOptima Health shall manage access to REL and SOGI data by ensuring there are security  
15 controls to access to data as outlined in CalOptima Health Policy HH.3002: Minimum  
16 Necessary Uses and Disclosures of Protected Health Information (PHI) and Document Controls.  
17  
18 4. To report on REL and SOGI data, CalOptima Health shall use standard Core and Tableau  
19 reports that retrieve the data from FACETS.  
20

21 D. REL and SOGI Data Collection.  
22

- 23 1. Data sources and methodology for each data type may vary and are described below:  
24  
25 a. Race/Ethnicity:  
26  
27 i. CalOptima Health shall collect and receive all available race/ethnicity data from its  
28 Members by way of the DHCS daily/monthly eligibility file which is received and  
29 ingested into FACETS as described above.  
30  
31 ii. CalOptima Health shall collect race/ethnicity data directly from all Members whose  
32 information is not received in the DHCS eligibility file.  
33  
34 iii. CalOptima Health's Customer Service-Member Communications team shall mail a  
35 survey to Members who do not provide their Race/Ethnicity in the DHCS eligibility  
36 file. The survey shall be mailed within thirty (30) calendar days from receipt of the  
37 DHCS eligibility file.  
38  
39 iv. CalOptima Health's Customer Service-Member Communications team shall coordinate  
40 with the Information and Technology Services (ITS) Analyst to send text message  
41 reminders to Members who do not respond to the survey.  
42  
43 v. CalOptima Health shall use the Office of Management and Budget (OMB) combined  
44 question format in the collection of detailed data in accordance with Statistical Policy  
45 Directive No. 15: Standards for Maintaining, Collecting and Presenting Federal Data on  
46 Race and Ethnicity (SPD 15).  
47  
48 a) American Indian or Alaska Native.  
49 Navajo Nation, Blackfeet Tribe of the Blackfeet Indian Reservation of  
50 Montana, Native Village of Barrow Inupiat Traditional Government, Nome  
51 Eskimo Community, Aztec, Maya, etc.  
52  
53 b) Asian.



1 Chinese, Asian Indian, Filipino, Vietnamese, Korean, Japanese, Pakistani, Hmong,  
2 Afghan etc.

3  
4 c) Black or African American.

5 African American, Jamaican, Haitian, Nigerian, Ethiopian, Somali, Trinidadian  
6 Tobagonian, Ghanaian, Congolese etc.

7  
8 d) Hispanic or Latino.

9 Mexican, Puerto Rican, Salvadoran, Cuban, Dominican, Guatemalan, Colombian,  
10 Honduran, Spaniard etc.

11  
12 e) Middle Eastern or North African.

13 Lebanese, Iranian, Egyptian, Syrian, Iraqi, Israeli, Moroccan, Yemeni, Kurdish etc.

14  
15 f) Native Hawaiian or Other Pacific Islander.

16 Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese, Chuukese,  
17 Palauan, Tahitian etc.

18  
19 g) White.

20 German, Irish, Italian, Polish, Scottish, French, Swedish, Norwegian,  
21 etc.

22  
23 h) Other, please specify: \_\_\_\_\_.

24  
25 i) Choose not to share.

26  
27 vi. The OMB format report is generated via a Tableau report that uses a crosswalk to  
28 convert the race/ethnicity data from Facets (non-OMB format) into an OMB formatted  
29 report.

30  
31 vii. CalOptima Health shall collect race/ethnicity data directly from one hundred percent  
32 (100%) of its membership; therefore, CalOptima Health does not use an estimation  
33 process to determine race/ethnicity of its membership. In the event that CalOptima  
34 Health is unable to collect and receive direct data on at least eighty percent (80%) of its  
35 membership, CalOptima Health will use geocoding and surname analysis to assign race  
36 and/or ethnicity to Members as necessary.

37  
38 viii. REL and SOGI data shall be stored in FACETS and retrieved as needed from Core and  
39 Tableau reports.

40  
41 2. Language:

42  
43 a. CalOptima Health shall collect and receive language data either directly from Members or  
44 via the DHCS daily/monthly eligibility file and ingested into FACETS as described above.

45  
46 b. CalOptima Health's Customer Service-Member Communications team shall mail a survey  
47 to Members who do not provide their language in the DHCS eligibility file. The survey is  
48 mailed within thirty (30) calendar days from the receipt of the DHCS eligibility file.

49  
50 c. CalOptima Health shall send out a survey to Members who do not have identified language  
51 in the DHCS eligibility file.

- 1 d. CalOptima Health’s Customer Service-Member Communications team shall coordinate  
2 with the Information and Technology Services (ITS) analyst to send text message reminders  
3 to members who do not respond to the survey.  
4
- 5 e. The data shall be stored in FACETS and retrieved as needed from Core and Tableau  
6 reports.  
7
- 8 3. Sexual Orientation and Gender Identity (SOGI):  
9
- 10 a. CalOptima Health shall collect and receive SOGI data directly from Members through  
11 Member surveys and are ingested into FACETS as described above.  
12
- 13 b. CalOptima Health collects data directly from new Members who are eighteen (18) years of  
14 age and older through Member surveys and from all Members who are eighteen (18) years  
15 of age and older who register through the CalOptima Health Member Portal.  
16
- 17 i. The survey is mailed monthly to all new Members eighteen (18) years of age and older.  
18
- 19 ii. The survey is available to all Members eighteen (18) years of age or older who register  
20 or are registered in the CalOptima Health Member Portal.  
21
- 22 c. CalOptima Health’s Customer Service-Member Communications team shall coordinate  
23 with the Information and Technology Services (ITS) analyst to send text message reminders  
24 to Members eighteen (18) years of age or older who register or are registered in the  
25 CalOptima Health Member Portal, can access the survey therein, and have not responded to  
26 the survey.  
27
- 28 d. The Member responses shall be entered into FACETS which is used as the main repository  
29 for storage and retrieval.  
30
- 31 e. CalOptima Health staff shall receive appropriate training to ensure data is collected in a  
32 respectful manner and does not stigmatize individuals by:  
33
- 34 i. Clearly explaining to Members the reason the data is being collected.  
35
- 36 ii. Providing Frequently Asked Questions (FAQs), in addition to a Survey with answers to  
37 the following questions:  
38
- 39 a) Why am I being asked about my sexual orientation and gender identity?  
40
- 41 b) What is gender identity?  
42
- 43 c) What are other examples of gender identity words?  
44
- 45 d) What is sexual orientation?  
46
- 47 e) How do I choose the right information?  
48
- 49 f) Who will see this information?  
50
- 51 g) What if I don’t want to share this information?  
52
- 53 h) How will this information be used?  
54

1                   iii. Ensuring Member data is protected and provide information on how to obtain the  
2                   Notice of Privacy Practices.

3  
4                   f. CalOptima Health shall collect sexual orientation data using the following options:

5                   i. Straight or heterosexual;

6                   ii. Lesbian, gay or homosexual;

7                   iii. Bisexual;

8                   iv. Pansexual;

9                   v. Queer;

10                  vi. Questioning;

11                  vii. Not Listed above, please describe \_\_\_\_\_;

12                  viii. Don't know/unsure;

13                  ix. Choose not to share;

14                  x. Information not available.

15  
16                  g. CalOptima Health shall collect data on sex assigned at birth using the following options:

17                  i. Male;

18                  ii. Female;

19                  iii. Intersex or X;

20                  iv. Unknown;

21                  v. Not listed above, please describe \_\_\_\_\_;

22                  vi. Choose not to disclose; or

23                  vii. Information unavailable.

24                  h. CalOptima Health shall collect gender identity data using the following options:

25                  i. Male;

26                  ii. Female;

27                  iii. Transgender Male/Trans Man/Female-to-Male (FTM);

28                  iv. Transgender female/trans woman/male-to-female (MTF);

29                  v. Gender Non-Conforming (not matching masculine or feminine gender norms);

30                  vi. Genderqueer (not identifying exclusively as a man or woman);

- vii. Gender Nonbinary (not identifying as a man or woman at all);
- viii. Unknown;
- ix. Additional gender category/ (or other), please specify \_\_\_\_\_;
- x. Choose not to share; or
- xi. Information unavailable.

i. CalOptima Health collects pronoun data using the following options:

- i. He/him;
- ii. She/her;
- iii. They/them;
- iv. Not listed above, please describe: \_\_\_\_\_;
- v. Choose not to share; or
- vi. Information unavailable.

j. CalOptima shall make pronoun information available to CalOptima Health Member-facing staff through the Quick Member Search (QMS) Tool application.

i. The following CalOptima Health departments shall have access to QMS:

- a) Customer Service;
- b) Case Management;
- c) Utilization Management;
- d) Equity and Community Health;
- e) Grievance Appeals and Resolution Services;
- f) Long Term Care; and
- g) Cultural and Linguistic Services.

E. REL and SOGI Data Analysis and Reporting.

- 1. CalOptima Health shall use language data to assess and report the following at least every three (3) years:
  - a. Language profile:

- 1 i. CalOptima Health shall use language data it collected as well as state level census or  
2 community-level data to determine the language profile of its service area and the  
3 communities that comprise it.  
4  
5 ii. CalOptima Health shall assess the language profile to anticipate and plan for changes  
6 and make the necessary improvements to our language services program.  
7  
8 b. Threshold languages:  
9  
10 i. CalOptima Health shall follow the regulatory requirements outlined in DHCS All Plan  
11 Letter (APL) 21-004: Standards for Determining Threshold Languages, Non-  
12 Discrimination, and Language Assistance Services to determine spoken languages other  
13 than English.  
14  
15 ii. CalOptima Health shall provide translated written Member information when the  
16 eligible beneficiary population meets the numeric threshold of three thousand (3,000) or  
17 five percent (5%) of the population, whichever is lower and meets the concentration  
18 standards of one thousand (1,000) in a single ZIP code or one thousand five hundred  
19 (1,500) in two (2) contiguous ZIP codes.  
20  
21 2. CalOptima Health shall ensure that all vital information, such as Notification about Availability  
22 of Language Services, Member Handbook, Denial Letters, and Appeals Determination Letters,  
23 are provided to its population in identified threshold languages as appropriate.  
24  
25 3. CalOptima Health shall provide at least one (1) language assistance resource in threshold  
26 languages to its network practitioners/providers.  
27  
28 a. Spoken languages:  
29  
30 i. At minimum, CalOptima Health shall use language data it collected as well as state-  
31 level data or community-level data to determine and report languages spoken by one  
32 percent (1%) of the population or two hundred (200) individuals, whichever is less, up  
33 to a maximum of fifteen (15) languages.  
34  
35 ii. CalOptima Health shall use this data to distribute a notification of the availability of  
36 language services in English and in the identified languages at least annually.  
37  
38 b. Individual Language Needs:  
39  
40 i. CalOptima Health shall use language data collected, as well as state-level data to report  
41 on the individual language needs to its network Practitioners/Providers.  
42  
43 ii. CalOptima Health shall provide this information through the Health Network  
44 daily/monthly eligibility file and through the Provider Portal Connect application.  
45  
46 4. Additionally, CalOptima Health shall make available the service area population language data  
47 to Practitioners/Providers via the monthly eligibility Provider roster and the Provider portal.  
48  
49 5. CalOptima Health may use REL and SOGI data for the following:  
50  
51 a. Analyze valid measures of clinical performance and Member experience, such as HEDIS®  
52 and Consumer Assessment of Healthcare Providers and Systems (CAHPS®), stratified by  
53 REL and/or SOGI to assess health care disparities.  
54

- b. Reporting clinical HEDIS® measures stratified by REL;
- c. Reporting REL data to produce and report RDM and LDM HEDIS® measures;
- d. FACETSCore report: SOGI data;
- e. FACETS Core report: language data;
- f. FACETS Core report: Race/Ethnicity; and
- g. Availability of Practitioners/Cultural Needs and Preferences Annual Report.

**IV. ATTACHMENT(S)**

- 1. REL/SOGI Survey
- 2. Frequently Asked Questions

**V. REFERENCE(S)**

- A. 2024 Health Equity Standards and Guidelines HE2: Race/Ethnicity, Language, Gender Identity and Sexual Orientation Data.
- B. Department of Health Care Services (DHCS) All Plan Letter (APL) 21-004: Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services (Supersedes APL 17-011 and Policy Letters 99-003 and 99-004)
- C. CalOptima Health Policy HH.3002: Minimum Necessary Uses and Disclosure of Protected Health Information and Document Controls

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

Date	Regulatory Agency	Response
TBD	Department of Health Care Services (DHCS)	TBD

**VII. BOARD ACTION(S)**

Date	Meeting
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2025	DD.2014	Collection of Race, Ethnicity, Language, Sexual Orientation and Gender Identity Data Process	Medi-Cal

1 IX. GLOSSARY

2

Term	Definition
FACETS	Licensed software product that supports administrative, claims processing and adjudication, Membership data, and other information needs of managed care organizations.
Gender identity	Individual's innermost concept of self and experience of gender (how individuals perceive themselves and what they call themselves). An individual's gender identity may be the same or different from the sex assigned at birth.
Health Information System	A combination of vital and health statistical data from multiple sources, used to derive information about the health needs, health resources, use of health services, and outcomes of use by the people in a defined region or jurisdiction
Member	A beneficiary enrolled in a CalOptima Health program.
Practitioner	A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Licensed Midwife (LM) Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services.
Provider	Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.
Sexual orientation	Inherent or immutable and enduring emotional, romantic or sexual attraction or non-attraction to individuals of the same and/or other genders.
Validation	The process by which the integrity and correctness of data are established. Validation processes can occur immediately after a data item is collected or after a complete set of data is collected.
Vital Information	May be entire documents or portions of documents and includes: <ul style="list-style-type: none"> <li>• Information about eligibility for services and participation criteria</li> <li>• Information about how to use the organization's services and how to access services</li> <li>• Templates of notices pertaining to changes in service</li> <li>• Information about benefits and coverage</li> <li>• Templates of notices pertaining to denial, reduction, modification or termination of services and the right to file grievance or appeal</li> <li>• Notifications of practitioner termination</li> </ul>

3

For 20250226



# CalOptima Health

At CalOptima Health, we kindly ask our members to share information, including race, ethnicity, language, pronouns, sexual orientation and gender identity. Your responses help us better understand and support your health care needs. You can read our Notice of Privacy Practices at [www.caloptima.org](http://www.caloptima.org) or request a printed copy by calling Customer Service toll-free at **1-888-587-8088** (TTY 711).

This questionnaire is optional. If you choose not to provide the requested information it will not affect your health care coverage, Medi-Cal benefits, or services in any way.

## What is your race and/or ethnicity? (Enter all that apply)

**American Indian or Alaska Native:** \_\_\_\_\_

*Examples:* Navajo Nation, Blackfeet Tribe of the Blackfeet Indian Reservation of Montana, Native Village of Barrow Inupiat Traditional Government, Nome Eskimo Community, Aztec, Maya, etc.

**Asian:** \_\_\_\_\_

*Examples:* Chinese, Asian Indian, Filipino, Vietnamese, Korean, Japanese, Pakistani, Hmong, Afghan etc.

**Black or African American:** \_\_\_\_\_

*Examples:* African American, Jamaican, Haitian, Nigerian, Ethiopian, Somali, Trinidadian Tobagonian, Ghanaian, Congolese etc.

**Hispanic or Latino:** \_\_\_\_\_

*Examples:* Mexican, Puerto Rican, Salvadoran, Cuban, Dominican, Guatemalan, Colombian, Honduran, Spaniard etc.

**Middle Eastern or North African:** \_\_\_\_\_

*Examples:* Lebanese, Iranian, Egyptian, Syrian, Iraqi, Israeli, Moroccan, Yemeni, Kurdish etc.

**Native Hawaiian or Pacific Islander:** \_\_\_\_\_

*Examples:* Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese, Chuukese, Palauan, Tahitian etc.

**White:** \_\_\_\_\_

*Examples:* English, German, Irish, Italian, Polish, Scottish, French, Swedish, Norwegian, etc.

**Other** (please specify) \_\_\_\_\_

**Choose not to share**

**What is your preferred language?** (please specify) \_\_\_\_\_

**Which sexual orientation do you identify most closely with?** (Check one)

Straight or heterosexual

Lesbian, gay or homosexual





- Bisexual
- Pansexual
- Queer
- Questioning
- Not listed above, please describe \_\_\_\_\_
- Don't know/unsure
- Choose not to share
- Information unavailable

**What was your sex at birth?** (Check one)

- Male
- Female
- Intersex or X
- Unknown
- Not listed above, please describe \_\_\_\_\_
- Choose not to share
- Information unavailable

**What is your gender identity?** (Check all that apply)

- Male
- Female
- Transgender Male/Trans Man/Female-to-Male (FTM)
- Transgender Female/Trans Woman/Male-to-Female (MTF)
- Gender Non-Conforming (not matching masculine or feminine gender norms)
- Genderqueer (not identifying exclusively as a man or woman)
- Gender Nonbinary (not identifying as a man or woman at all)
- Unknown
- Additional gender category/ (or other), please specify \_\_\_\_\_
- Choose not to share
- Information unavailable

**How would you like us to refer to you?** (Check all that apply)

- He/him
- She/her
- They/them
- Not listed above, please describe: \_\_\_\_\_
- Choose not to share
- Information unavailable



## Frequently Asked Questions

### Why am I being asked about my sexual orientation and gender identity?

CalOptima Health knows that all members have their own health needs. Research shows that lesbian, gay, bisexual and transgender people have different health needs than others. They may experience certain health issues more often. Knowing about sexual orientation and gender identity will help us provide the right health services and culturally appropriate care to all our members.

### What is gender identity?

Gender identity is how someone feels inside about their gender. For example, a person may think of themselves as male, female, both or another gender.

### What are other examples of gender identity words?

As we learn more about gender identity, new words are created to better explain it. Gender identities include:

- Transgender: People whose gender identity and/or expression is different from cultural expectations based on the sex they were assigned at birth.
- Genderqueer: People who most often turn down the idea of strict gender categories and instead feel their gender can change. They might see themselves as both male and female or neither male nor female.
- Agender: People who feel they don't have a gender, identifying as neither male nor female.
- Gender fluid: People whose gender identity might change over time.
- Nonbinary/enby: People who don't identify only as a man or a woman.
- Cisgender: People whose gender identity matches the gender assigned at birth.

### What is sexual orientation?

Sexual orientation is how a person describes who they are emotionally and sexually attracted to.

- Heterosexual (straight) describes women who are emotionally and sexually attracted to men and men who are emotionally and sexually attracted to women.
- Gay describes a person who is emotionally and sexually attracted to people of their own gender. It's most often used when talking about men.
- Lesbian describes a woman who is emotionally and sexually attracted to other women.
- Bisexual describes a person who is emotionally and sexually attracted to people of their own gender and people of other genders.

### **How do I choose the right information?**

There are no right or wrong answers. If you don't find one that fits, you can choose "Don't know/unsure" or you can talk with your provider.

### **Who will see this information?**

CalOptima Health keeps this information secure, allowing access only to providers and staff involved in your care. Your information is confidential and protected by law, just like all your other health information. You can read our Notice of Privacy Practices at [www.caloptima.org](http://www.caloptima.org) or request a printed copy by calling CalOptima Health Customer Service toll-free at **1-888-587-8088** (TTY **711**).

### **What if I don't want to share this information?**

You can check the box that says, "Choose not to share." Later, your provider may ask you these questions privately during a visit. You can decide then if you want to share this information or ask your provider more questions. Whether or not you share this information will not affect your health care coverage, Medi-Cal benefits or services in any way.

### **How will this information be used?**

Your provider(s) will use this information to help meet your health care needs. Also, collecting this information from all members helps CalOptima Health know if different groups of people have certain needs for care or services. This helps us improve the care we give to our members.

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025

### Regular Meeting of the CalOptima Health Board of Directors

#### Consent Calendar

8. Approve New CalOptima Health Office of Compliance Policy HH.4004: Grant Auditing

#### Contact

John Tanner, Chief Compliance Officer, (714) 867-9654

#### Recommended Action

Approve new Office of Compliance Policy HH.4004: Grant Auditing

#### Background

CalOptima Health has implemented and continues to implement comprehensive monitoring and auditing activities, which are performed by the Internal Audit Department. Policy HH.4004 defines the process for post-close auditing and oversight of CalOptima Health's Board of Directors (Board)-approved initiatives and discretionary grants utilizing surplus funds. The policy provides reasonable assurance concerning each grant's attainment of its stated objectives, that expenditures of grant funds were verified against appropriate documentation, and that disbursed funds were appropriately utilized for the grant's intended purpose.

#### Discussion

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 created Policy HH.4004: Grant Auditing. Policy HH.4004 will work in conjunction with Policy AA.1400: Grant Management to provide comprehensive criteria and expectations to ensure integrity, consistency, and accountability in the administration and closeout of discretionary grant funding by CalOptima Health.

#### 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.

#### Rationale for Recommendation

To ensure CalOptima Health's continuing commitment to conducting its operations in compliance with ethical and legal standards, and all applicable laws, regulations, and rules, CalOptima Health staff recommends that the Board approve and adopt the new Policy HH.4004.

#### Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

CalOptima Health Board Action Agenda Referral  
Approve New CalOptima Health Office of Compliance  
Policy HH.4004: Grant Auditing  
Page 2

**Attachments**

1. [CalOptima Health Policy HH.4004: Grant Auditing](#)

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



Policy: HH.4004  
Title: **Grant Auditing**  
Department: Office of Compliance  
Section: Internal Audit

CEO Approval: /s/

Effective Date: 01/01/2025  
Revised Date: Not Applicable

Applicable to:  Medi-Cal  
 OneCare  
 PACE  
 Administrative

## I. PURPOSE

This policy defines the rationale and process for evaluating CalOptima Health’s Board-approved Grants through an independent assessment of each Grant’s financial and performance objectives as outlined in the Grant Award Agreement.

## II. POLICY

- A. The objective of Grant Auditing is to provide Reasonable Assurance to CalOptima Health’s management and Board of Directors concerning the effective discharge of the Grant’s objectives and that Grant funding was used for its intended purpose. Grant Auditing will provide an objective analysis, a qualitative opinion, and recommendations concerning the activities and outcomes reviewed.
- B. Grant Auditing seeks to safeguard the Grant Management process by:
1. Examining tangible evidence produced by each Grant over the course of its term to determine that: Grant goals were achieved as reported; expenditures were reasonable, allowable and fully accounted for; and essential Pre- and Post-Award Grant documentation has been preserved.
  2. Validating that Board-approved Grants followed CalOptima Health’s Grant Management process for Grant Awarding and management.
  3. Conducting special examinations and reviews of Board-approved Grants at any point throughout the Grant’s term.
    - a. In some cases, such as a multi-year grant, an interim review may be conducted of a Grant.
- C. Grants shall be established and administered in accordance with CalOptima Health Policy AA.1400: Grant Management.
- D. Post Award Grant Close-out occurs at the end of the Grant lifecycle by which the awarding entity, CalOptima Health, determines that the Grantee has completed all applicable administrative actions. Grant Close-out Review is the final stage of the Grant Management process and is performed by the Sponsoring Department. Grant Close-out Review is achieved upon completion of:

- 1
- 2
- 3
- 4
- 5
- 6
- 7
1. Completion of all provisions and requirements outlined in the Grant Award Agreement, including all Attachments, Addendums, Extensions, and Modifications.
2. Issuance of a Grant Close-out Letter from the Sponsoring Department to the Grantee.
3. Grant Close-out Review as required by CalOptima Health Policy AA.1400: Grant Management.

### 8 **III. PROCEDURE**

- 9 A. Upon completion of the Grant Close-out Review, a Grant Audit may be performed to validate the  
10 attainment of financial and performance objectives as documented in the Grant Award Agreement  
11 and Grant Close-out Review.
  - 12
  - 13 1. Grants having a stratified risk assessment of high risk will be subject to Grant Audit. Grants  
14 with total aggregate payments of \$50,000 or more are generally considered to have high risk due  
15 to size of the Grant Award and will be audited.
    - 16
    - 17 a. Grants with total payments of less than \$50,000 will be audited on a sample basis or  
18 selected specifically if considered high risk based on other factors.
    - 19
    - 20 b. Grants with total payments of less than \$50,000 that are not audited will be subjected to  
21 alternative analytical procedures and/or review.
    - 22
  - 23 2. The Sponsoring Department shall provide a copy of the final Grant Close-out Review to  
24 CalOptima Health's Internal Audit department within thirty (30) calendar days of receiving it, and  
25 determining sufficient evidence has been received to appropriately close-out the grant.
  - 26
  - 27 3. The Sponsoring Department shall provide access to the following documentary evidence to the  
28 Internal Audit Department within sixty (60) calendar days of completing the final Grant Close-out  
29 Review.
    - 30
    - 31 a. Grant Application, including evidence of approval by the Evaluation Committee.
    - 32
    - 33 b. Grant Approval Letter from the Sponsoring Department to the Grantee.
    - 34
    - 35 c. Signed Grant Award Agreement, including all Addendums, Amendments, and Extensions.
    - 36
    - 37 d. Periodic Progress Reports and Final Report as outlined in the Grant Award Agreement,  
38 including evidence of review and approval.
    - 39
    - 40 e. Grant Budget and financial reporting, including supportive evidence such as invoices, etc.
    - 41
    - 42 f. Audited Financial Statements, including Single Audits, if any, for the relevant Grant Term.  
43 Financial Statements should include supporting schedules of donor-restricted Net Assets.
    - 44
    - 45 g. IRS Form 990 and California Form 199 tax filings for the relevant Grant Term.
    - 46
    - 47 h. Copies of all Check Requests and payments from CalOptima Health's Finance Department  
48 to the Grantee, including evidence of deposit by the Grantee.
    - 49
    - 50 i. Internal newsletters, photographic material, or management reporting evidencing Grantee's  
51 attainment of the Objectives as outlined in the Grant Award Agreement.

- j. Evidence that unspent Grant funds were recouped.
  - k. Grant Close-out Letter issued by the Sponsoring Department to Grantee.
  - l. The Internal Audit Department may request additional evidence directly from the Grantee.
4. The Sponsoring Department shall coordinate the collection and retention of all documentary evidence for the Grant Audit, review such evidence for accuracy and completeness, and provide this evidence to the Internal Audit Department in a timely manner. The Sponsoring Department shall provide the Internal Audit Department with direct access to:
- a. Progress Reports and Final Report
  - b. Grant Budget and financial reports
  - c. Audited Financial Statements and supporting schedules
  - d. Tax filings
  - e. Grant payments by CalOptima Health to Grantee
  - f. Supporting documentation evidencing attainment of Grant goals and objectives
5. The Internal Audit Department shall design each Scope of Audit to confirm the Sponsoring Department collected and reviewed evidence to reasonably determine the objectives were achieved and funds were reasonably and appropriately used for the Grant's intended purpose. The Scope of Audit shall include and assess the following activities:
- a. Audit checklist of required documents and approvals.
  - b. Complete and accurate fulfillment of the Grant Management process.
  - c. Grantee reported achievement of the Grant goals as per the Grant Award Agreement and any supplementary materials.
  - d. Grant expenditures are appropriately tied to the Grant Budget, aligned with the Objectives, and supported by appropriate and legitimate documentation.
  - e. Grant funds were reasonably and wholly used for the Grant's intended purpose without any evidence of fraud, waste or abuse.
  - f. Unused Grant funds were wholly refunded to CalOptima Health.
  - g. Grant Close-out Review completed with a Final Report to CalOptima Health's leadership.
  - h. The Scope of the Audit and related audit procedures will be developed based on the particular Grant and means to report and provide evidence of expenditures and achievement of goals.
6. The Grant Audit shall begin within sixty (60) calendar days of receiving the Grant Close-Out Review and all pertinent materials and will conclude within ninety (90) calendar days of beginning the audit. In the event additional evidence is required or an expansion of scope is



1 considered appropriate, it may take longer than ninety (90) days to complete the audit.

- 2
- 3 7. Upon completion of the Grant Audit, the Internal Audit Department shall provide a report to
- 4 CalOptima Health's Chief Operating Officer, Chief Compliance Officer, and the Grant's
- 5 Sponsoring Department. The Audit Report shall include the following:
- 6
- 7 a. Executive Summary
- 8
- 9 b. General Information
- 10
- 11 c. Participants
- 12
- 13 d. Definitions
- 14
- 15 e. Scope, Activities, and Methodology
- 16
- 17 f. Listing of Documents and Evidence Reviewed
- 18
- 19 g. Observations
- 20
- 21 h. Recommendations
- 22
- 23 i. Conclusions: The Audit Report shall contain an opinion concerning the overall
- 24 reasonableness that expenditures were appropriately supported and accounted for, and the
- 25 achievement of goals was fairly reported.
- 26
- 27 8. The Internal Audit Department will coordinate with and inform management of the results of all
- 28 audits, the submission of audit responses, and implementation of audit recommendations.
- 29
- 30 9. The Internal Auditor Department may report the status of completed audits to the Compliance
- 31 Committee. The Internal Audit Department will also submit written updates directly to the
- 32 Committee Chairperson as they are completed throughout the quarter.
- 33
- 34 10. Observations, Findings, or Conclusions could result in a request for Corrective Action Plan.
- 35 Corrective Action Plans shall be administered in accordance with CalOptima Health Policy
- 36 HH.2005: Corrective Action Plan.
- 37
- 38 11. Objectivity is essential to the Grant Audit process. Internal Audit Department personnel shall
- 39 avoid actual and apparent conflicts of interest. Internal Audit Department personnel should not
- 40 be involved in the development and installation of any Grant systems or procedures, preparation
- 41 of records, or other activities that the Internal Audit staff may review or appraise that could be
- 42 subject to a Grant Audit. Internal Audit personnel may be consulted on the design or adequacy
- 43 of controls incorporated into new systems and procedures or on revisions to existing systems.
- 44

45 **IV. ATTACHMENT(S)**

46 Not Applicable

47

48 **V. REFERENCE(S)**

49

- 50 A. CalOptima Health Policy AA.1400: Grant Management
- 51 B. CalOptima Health Policy HH.2005: Corrective Action Plan
- 52

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

2 None to Date

3  
4 **VII. BOARD ACTION(S)**

5

Date	Meeting
02/06/2025	Regular Meeting of the CalOptima Health Board of Directors

6  
7 **VIII. REVISION HISTORY**

8

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2025	HH.4004	Grant Auditing	Administrative

9

For 20250206 BOD Review Only

## IX. GLOSSARY

<b>Term</b>	<b>Definition</b>
Audit Report	Formal written opinion issued by an independent auditor as an assurance service in order to make decisions based on results and conclusions derived from the audit.
Check Request	A warrant device authorizing payment to a designated beneficiary on demand or after a specific date.
Corrective Action Plan	Step-by-step plan that outlines how to address issues and deficiencies in a program or process. The goal of a CAP is to resolve issues and improve operations and processes.
Evaluation Committee	A Committee of qualified staff and subject matter experts appointed by CalOptima Health's Grants Management department to review and assess Grant Applications and program proposals.
Final Report	Document providing information about the Grant project or program's final progress in achieving the goals and objectives of the Grant provided by the Grantee to CalOptima Health. The schedule of submission is set in the Grant Award Agreement.
Financial Statements	Written records that summarize a company's financial activities and position over a specific period of time. They are used to assess an organization's financial health and help with decision-making.
Grant	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.
Grant Application	An application submitted by a Grant applicant to CalOptima Health and used to formally request funding for a specific project.
Grant Approval Letter	Written document informing a Grantee that the Grant Application they submitted has been approved.
Grant Audit	An independent review of a Grant after close-out to ensure that Grant funds were used in accordance with the Grant Award Agreement's terms and conditions.
Grant Award	The total dollar amount awarded to the Grantee by CalOptima Health through the Grant Management Policy and Procedure.
Grant Award Agreement	Funding agreement between CalOptima Health and the Grantee that sets the terms, conditions, and requirements of a Grant.
Grant Budget	Financial plan that outlines the estimated expenses and income for a project or program that is seeking funding. A Grant budget demonstrates how Grant funds will be used to achieve the project's goals and objectives.
Grant Close-out Letter	A written document that informs a Grantee that all requirements of the Grant have been fulfilled and that the Grant term has concluded.
Grant Close-out Review	The process by which the awarding entity determines that all required work and administrative actions for a Grant have been completed. It's the final phase of a Grant's lifecycle and marks the end of the awarding entity's relationship with the Grantee.
Grant Management	CalOptima Health's Sponsoring Department's overall exercise of Grant administration throughout the phases of Pre-Award, award, Post-Award, and close-out.
Grant Objectives	Statements and milestones that describe the intended outcomes of a Grant-funded project or program.
Grant Program	Funding mechanism to award single or multiple Grants in service to common projects and ideas that support the community as stated in the Notice of Funding Opportunity.
Grant Term	The duration of time in which the Grantee is expected to achieve the Grant's goals and objectives as stated in the Grant Award Agreement.
Grantee	A recipient of a Grant funds.
Notice of Funding Opportunity (NOFO)	CalOptima Health's formally issued announcement of the availability of a Board-approved and authorized Grant opportunity through one of its Community Investment programs. The announcement provides eligibility, evaluation criteria, funding priorities, and submission information.

Post-Award	The period of time in-between the date of the Grant Approval Letter and the date of the Grant Close-out Letter.
Pre-Award	The period of time in-between the date of Board-approval of the Grant or Grant Program and the date of the Grant Approval Letter.
Progress Report	Document providing information about the project or program's progress in achieving the goals and objectives of the Grant provided by the Grantee. The frequency of submission is set in the Grant Award Agreement.
Reasonable Assurance	An assessment where the assessor achieves a high level of confidence, but not absolute certainty, that information is accurate and reliable.
Scope of Audit	Set of boundaries that define what the Grant Audit will cover. It's a critical step in the audit planning process that helps ensure the audit is efficient, effective, and focused.
Sponsoring Department	CalOptima Health department responsible for informing the design and development of the Grant program and reviewing Progress Reports and the Final Report to ensure specific Grant program objectives and outcomes are achieved. The Sponsoring Department will work with Grants Management on the operationalizing and monitoring of the Grant.

For 20250206 BOD Review Only

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025 Regular Meeting of the CalOptima Health Board of Directors

### Consent Calendar

9. Adopt the Proposed CalOptima Health Board of Directors Meeting Schedule Effective July 1, 2025, through December 31, 2025

### Contact

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

### Recommended Action

Adopt the proposed meeting schedule of the CalOptima Health Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee for the period of July 1, 2025, through December 31, 2025.

### Background

Section 5.2(b) of the CalOptima Health Bylaws specifies that the Board of Directors (Board) shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

1. Adopt a schedule stating the dates, times, and places of the Board's regular meetings for the following year.
2. Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

### Discussion

The proposed schedule of meetings for the period of July 1, 2025, through December 31, 2025, is as follows:

1. The Board of Directors will meet at 2:00 p.m. on the first Thursday of each month, with the following exception:
  - Due to the Independence Day holiday, staff recommends that the Board consider not meeting in July. Should unanticipated items arise during July 2025 that require Board review/approval, the Chief Executive Officer will confer with the Board Chair or Vice Chair, and items will be presented for ratification at the following regularly scheduled Board meeting.
2. The Finance and Audit Committee will meet at 3:00 p.m. on the third Thursday in the months of September and November.
3. The Quality Assurance Committee will meet at 3:00 p.m. on the second Wednesday in the months of October and December.
4. The annual Organizational Meeting will be held at the regular meeting scheduled for December 4, 2025.

The meetings of the Board, the Finance and Audit Committee, and the Quality Assurance Committee are held at the CalOptima Health offices located at 505 City Parkway West, 1st Floor, Orange, California, unless notice of an alternate location is provided.

The proposed Board of Directors Meeting Schedule is attached.

**Fiscal Impact**

The annual fiscal impact is approximately \$21,800 in per diem costs and mileage reimbursement for Board members or \$10,900 for the six-month period. Funding for the period of July 1, 2025, through December 31, 2025, will be included in the proposed Fiscal Year 2025-26 Operating Budget.

**Rationale for Recommendation**

The recommended action will confirm the Board’s meeting schedule for the next calendar year as required in Section 5.2 of the Bylaws and align with the Election of Officers going forward.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachment**

1. Proposed Schedule of Meetings of the CalOptima Health Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee for the Period of July 1, 2025 through December 31, 2025
2. Previous Board Action dated June 6, 2024, “Adopt the Proposed CalOptima Health Board of Directors Meeting Schedule for Fiscal Year 2024-25”

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



**Board of Directors Meeting Schedule  
July 1, 2025 -- December 30, 2025**

*All meetings are held at the following location, unless notice of an alternate location is provided:*

505 City Parkway West  
Orange, California 92868

<b>Board of Directors Monthly – First Thursday Meeting Time: 2:00 p.m.</b>	<b>Finance and Audit Committee Quarterly – Third Thursday Meeting Time: 3:00 p.m.</b>	<b>Quality Assurance Committee Quarterly – Second Wednesday Meeting Time: 3:00 p.m.</b>
<i>July 2025<sup>^</sup></i>		
August 7, 2025		
September 4, 2025	September 18, 2025	
October 2, 2025		October 8, 2025
November 6, 2025	November 20, 2025	
December 4, 2025 <sup>1</sup>		December 10, 2025

<sup>^</sup>No Regular meeting scheduled

<sup>1</sup>Organizational Meeting

## CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

### Action To Be Taken June 6, 2024 Regular Meeting of the CalOptima Health Board of Directors

#### Report Item

26. Adopt the Proposed CalOptima Health Board of Directors Meeting Schedule for Fiscal Year 2024-25

#### Contact

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

#### Recommended Action

Adopt the proposed meeting schedule of the CalOptima Health Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee for the period of July 1, 2024, through June 30, 2025.

#### Background

Section 5.2(b) of the CalOptima Health Bylaws specifies that the Board of Directors (Board) shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

1. Adopt a schedule stating the dates, times, and places of the Board's regular meetings for the following year.
2. Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

#### Discussion

The proposed schedule of meetings for the period of July 1, 2024, through June 30, 2025, is as follows:

1. The Board of Directors will meet at 2:00 p.m. on the first Thursday of each month, with the following exceptions:
  - Due to the Independence Day holiday, staff recommends that the Board consider not meeting in July. Should unanticipated items arise during July 2024 that require Board review/approval, the Chief Executive Officer (CEO) will confer with the Board Chair or Vice Chair, and items will be presented for ratification at the following regularly scheduled Board meeting.
  - Due to the New Year's holiday, staff recommends that the Board consider not meeting in January 2025. Should unanticipated items arise during January requiring Board review/approval, the CEO will confer with the Board Chair or Vice Chair, and items will be presented for ratification at the following regularly scheduled Board meeting.
2. The Finance and Audit Committee will meet quarterly at 3:00 p.m. on the third Thursday in the months of September, November, February, and May<sup>1</sup>.
3. The Quality Assurance Committee will meet quarterly at 3:00 p.m. on the second Wednesday in the months of October, December, March, and June.

---

<sup>1</sup> May meeting will occur on the fourth Thursday.



4. The annual Organizational Meeting will be held at the regular meeting scheduled December 5, 2024.

The meetings of the Board, the Finance and Audit Committee, and the Quality Assurance Committee are held at the CalOptima Health offices located at 505 City Parkway West, 1st Floor, Orange, California, unless notice of an alternate location is provided.

The proposed Fiscal Year (FY) 2024-25 Board of Directors Meeting Schedule is attached.

**Fiscal Impact**

The fiscal impact for FY 2024-25 Board meetings is up to \$18,000 in per diem costs and mileage reimbursement for Board members. Funding is included as part of the proposed CalOptima Health FY 2024-25 Operating Budget pending Board approval.

**Rationale for Recommendation**

The recommended action will confirm the Board's meeting schedule for the next fiscal year as required in Section 5.2 of the Bylaws.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachment**

1. [Proposed Schedule of Meetings of the CalOptima Health Board of Directors, the Finance and Audit Committee, and the Quality Assurance Committee – July 1, 2024 through June 30, 2025](#)

/s/ Michael Hunn  
**Authorized Signature**

05/31/2024  
**Date**



## Board of Directors Meeting Schedule July 1, 2024 – June 30, 2025

*All meetings are held at the following location, unless notice of an alternate location is provided:*

505 City Parkway West  
Orange, California 92868

<b>Board of Directors</b> Monthly – First Thursday Meeting Time: 2:00 p.m.	<b>Finance and Audit</b> <b>Committee</b> Quarterly – Third Thursday Meeting Time: 3:00 p.m.	<b>Quality Assurance</b> <b>Committee</b> Quarterly – Second Wednesday Meeting Time: 3:00 p.m.
<i>July 2024<sup>^</sup></i>		
August 1, 2024		
September 5, 2024	September 19, 2024	
October 3, 2024		October 9, 2024
November 7, 2024	November 21, 2024	
December 5, 2024		December 11, 2024
<i>January 2025<sup>^</sup></i>		
February 6, 2025	February 20, 2025	
March 6, 2025		March 12, 2025
April 3, 2025		
May 1, 2025	May 22, 2025 <sup>2</sup>	
June 5, 2025 <sup>1</sup>		June 11, 2025

<sup>^</sup>No Regular meeting scheduled

<sup>1</sup>Organizational Meeting

<sup>2</sup>4th Thursday

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025

### Regular Meeting of the CalOptima Health Board of Directors

#### Consent Calendar

10. Rescind the Letter of Support for 360 PACE to Offer Program of All-Inclusive Care for the Elderly Services in Orange County

#### Contacts

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

Javier Sanchez, Executive Director of Medicare Operations, (657) 235-6851

#### Recommended Action

Authorize the Chief Executive Officer to rescind the letter of support provided to 360 PACE to operate a Program of All-Inclusive Care for the Elderly program in select zip codes in Orange County, independent of CalOptima Health.

#### Background and Discussion

The Program of All-Inclusive Care for the Elderly (PACE) is a comprehensive health care program that CalOptima Health provides for frail seniors in Orange County. The PACE model is a person-centered, community-based alternative to nursing home care. PACE supports elders and their families by providing preventive and primary care and coordinating behavioral health and acute care, as well as long-term services and supports. The intensive care coordination helps individuals with complex chronic care needs to continue living in the community as long as possible. CalOptima Health opened Orange County's first PACE center in October 2013, and the program has grown to over 500 participants.

Historically, in a County Organized Health System (COHS) county such as Orange County, the only entity that could operate a PACE program was the designated Medi-Cal managed care plan. The Department of Health Care Services (DHCS) issued PACE policy letters regarding the PACE application process, including guidance on operation of a PACE Organization (PO) in a COHS county independent of the Medi-Cal managed care plan. The guidance provides that DHCS will only consider an application from an independent PO in a COHS county if its application to DHCS includes a letter of support from the COHS Medi-Cal managed care plan. Once DHCS receives the letter of support from the COHS Medi-Cal managed care plan, the proposed PO may submit the PACE application to DHCS, and DHCS, in conjunction with the Centers for Medicare & Medicaid Services (CMS), conducts a comprehensive review of the application and the PO. A letter of support from the COHS Medi-Cal managed care plan is independent of, and does not require, any type of contract with the PO or any funding commitments to the PO.

On September 6, 2018, the CalOptima Health Board of Directors (Board) approved a process for considering requests for letters of support from interested POs. The process contained elements for considering requests, including geographic zip code designation, PACE operating experience, financial soundness, quality performance, demographic competence, and potential impact on CalOptima Health's PACE program. The process requires staff to present recommendations to the Board for decision. CalOptima Health has employed this process three (3) times since 2018.

- On April 23, 2019, CalOptima Health provided a letter of support to AltaMed Health Services. AltaMed was approved by DHCS and opened its first Orange County PACE sites in Santa Ana and Anaheim in the summer of 2021.
- On April 23, 2019, CalOptima Health provided a letter of support to Innovative Integrated Health (IIH). IIH was approved by DHCS and opened its first Orange County PACE site in Anaheim in February 2022.
- On May 4, 2023, the CalOptima Health board of directors authorized the CEO to provide a letter of support to 360 PACE. 360 PACE's application is pending DHCS and CMS review.

CalOptima Health recently became aware that an affiliate of 360 PACE is involved in a whistleblower lawsuit alleging healthcare fraud. Given this new information, staff recommends rescinding the letter of support for 360 PACE. Upon the Board's approval, the Chief Executive Officer will submit the rescission directly to DHCS.

**Fiscal Impact**

The recommended action has no fiscal impact.

**Rationale for Recommendation**

The recommended action promotes the quality of services for PACE eligible individuals in Orange County.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025 Regular Meeting of the CalOptima Health Board of Directors

### Consent Calendar

11. Appointments to the CalOptima Health Board of Directors' Member Advisory Committee

### Contact

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

### Recommended Action

Appoint the following individuals to the CalOptima Health Member Advisory Committee, effective February 6, 2025:

1. Peter Hersh as a OneCare Member or Authorized Family Member Representative to serve a term through June 30, 2026, and
2. Paul Kaiser as a OneCare Member or Authorized Family Member Representative to serve a term through June 30, 2027.

### Background

The CalOptima Health Board of Directors (Board) established the Member Advisory Committee (MAC) by resolution on February 14, 1995, to provide input to the Board. The MAC is comprised of 17 voting members with 16 MAC members serving three-year terms and one standing seat for the representative from the County of Orange Social Services Agency. The Board is responsible for the appointment of all MAC members.

### Discussion

In July 2024, the MAC undertook a three-month recruitment effort of OneCare Members or Authorized Family Members by sending out recruitment flyers to approximately 17,000 OneCare members. This endeavor received 18 applications of interest in the two seats. The MAC formed an ad hoc committee to review the applications and make a recommendation to the MAC. At the December 12, 2024, MAC meeting, the MAC reviewed the recommendations. The MAC now recommends that the Board appoint the following applicants to the MAC:

### *OneCare Member/Authorized Family Member Representative – New Appointment*

#### **Peter Hersh**

Peter Hersh is an advocate on behalf of his father Rezso Hersh, a OneCare Member. Mr. Hersh provides consulting services in the areas of planning, development, and government relations. He is an elected member of the Chamber of Commerce for the City of Laguna Niguel. Mr. Hersh has applied for the seat with a term ending June 30, 2026.

### *OneCare Member/Authorized Family Member Representative – New Appointment*

#### **Paul Kaiser**

Paul Kaiser is a OneCare member who also serves as the Continuum of Care (CoC) member of the Lived Experience Advisory Committee where he represents individuals with health and other disabling conditions. He also serves on CalOptima's Street Medicine Outreach Team and the Health Care in

Action Team. Mr. Kaiser has direct experience with assisting the homeless population. Mr. Kaiser has applied for the seat with a term ending June 30, 2027.

**Fiscal Impact**

Each authorized OneCare Member or Authorized Family Member representative appointed to the MAC may receive a stipend of up to \$50 per committee meeting attended. Funding for the stipends is a budgeted item under the CalOptima Health Fiscal Year (FY) 2024-25 Operating Budget. Management will include funding for the stipends in FY 2025-26 in future operating budgets.

**Rationale for Recommendation**

CalOptima Health's contract with the Department of Health Care Services (DHCS) for the D-SNP program, known as OneCare, requires that CalOptima Health include seats representing the OneCare program on the MAC. By appointing the recommended candidates, CalOptima Health will comply with the terms of its DHCS contract for the OneCare D-SNP program.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

None

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



# CalOptima Health

## Financial Summary

November 30, 2024

Board of Directors Meeting  
February 6, 2025

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: November 2024

November 2024				July - November 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
909,318	899,072	10,246	1.1%	Member Months	4,559,760	4,504,057	55,703	1.2%
350,141,633	355,107,981	(4,966,348)	(1.4%)	Revenues	1,973,443,448	1,778,104,815	195,338,633	11.0%
333,591,053	357,699,386	24,108,333	6.7%	Medical Expenses	1,919,595,535	1,782,424,983	(137,170,552)	(7.7%)
20,266,296	24,104,511	3,838,215	15.9%	Administrative Expenses	99,473,848	120,485,803	21,011,955	17.4%
<b>(3,715,717)</b>	<b>(26,695,916)</b>	<b>22,980,199</b>	<b>86.1%</b>	<b>Operating Margin</b>	<b>(45,625,934)</b>	<b>(124,805,971)</b>	<b>79,180,037</b>	<b>63.4%</b>
				<b>Non-Operating Income (Loss)</b>				
14,147,705	6,666,660	7,481,045	112.2%	Net Investment Income/Expense	88,810,032	33,333,300	55,476,732	166.4%
(86,476)	(117,280)	30,804	26.3%	Net Rental Income/Expense	(269,014)	(586,400)	317,386	54.1%
(1,046)	-	(1,046)	(100.0%)	Net MCO Tax	3,791	-	3,791	100.0%
(16,120)	(1,178,825)	1,162,705	98.6%	Grant Expense	(2,526,239)	(5,803,216)	3,276,977	56.5%
1,277	-	1,277	100.0%	Other Income/Expense	67,880	-	67,880	100.0%
<b>14,045,341</b>	<b>5,370,555</b>	<b>8,674,786</b>	<b>161.5%</b>	<b>Total Non-Operating Income (Loss)</b>	<b>86,086,451</b>	<b>26,943,684</b>	<b>59,142,767</b>	<b>219.5%</b>
<b>10,329,624</b>	<b>(21,325,361)</b>	<b>31,654,985</b>	<b>148.4%</b>	<b>Change in Net Assets</b>	<b>40,460,516</b>	<b>(97,862,287)</b>	<b>138,322,803</b>	<b>141.3%</b>
95.3%	100.7%	(5.5%)		Medical Loss Ratio	97.3%	100.2%	(3.0%)	
5.8%	6.8%	1.0%		Administrative Loss Ratio	5.0%	6.8%	1.7%	
(1.1%)	(7.5%)	6.5%		Operating Margin Ratio	(2.3%)	(7.0%)	4.7%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
89.9%	95.8%	(5.9%)		*Adjusted MLR	92.0%	95.3%	(3.3%)	
5.8%	6.8%	1.0%		*Adjusted ALR	5.4%	6.8%	1.3%	

\*Adjusted MLR /ALR excludes estimated Board-approved Provider Rate increases. Directed Payments and Community Reinvestment Accruals.



# Financial Highlights Notes: November 2024

- Notable events/items in November 2024
  - \$61.8 million paid to Department of Health Care Services (DHCS) for Calendar Year (CY) 2022 Proposition 56 risk corridor settlement
  - \$3.6 million paid to Centers for Medicare & Medicaid Services (CMS) for post OneCare Connect (OCC) manual deletes
    - \$1.5 million due from the Health Networks for the manual deletes

# FY 2024-25: Management Summary

- Change in Net Assets Surplus or (Deficit)
  - Month To Date (MTD) November 2024: \$10.3 million, favorable to budget \$31.7 million or 148.4% primarily due to:
    - Favorable net investment income and premium capitation rates
    - Lower than expected utilization for the month
    - Offset by CY 2022 Proposition 56 risk corridor settlement true-up
  - Year To Date (YTD) July - November 2024: \$40.5 million, favorable to budget \$138.3 million or 141.3% primarily due to:
    - Favorable net investment income
    - Favorable premium capitation rates and enrollment in the Medi-Cal (MC) Line of Business (LOB)
    - Offset by a net increase in utilization for the year

# FY 2024-25: Management Summary (cont.)

## ○ Enrollment

- MTD: 909,318 members, favorable to budget 10,246 or 1.1%
- YTD: 4,559,760 member months, favorable to budget 55,703 or 1.2%

## ○ Revenue

- MTD: \$350.1 million, unfavorable to budget \$5.0 million or 1.4% primarily due to CY 2022 Proposition 56 risk corridor settlement true-up offset by favorable premium capitation rates and favorable enrollment
- YTD: \$1,973.4 million, favorable to budget \$195.3 million or 11.0% driven by MC LOB due to CY 2022 Directed Payments (DP), premium capitation rates, and enrollment

# FY 2024-25: Management Summary (cont.)

## ○ Medical Expenses

- MTD: \$333.6 million, favorable to budget \$24.1 million or 6.7% driven by:
  - \$7.5 million in MC Professional Claims due to decreased Community Support utilization
  - \$9.0 million in MC Incentive Payments expenses due to the timing of Hospital Quality Incentive Program payments
  - \$2.7 million in net favorable variance from all other MC medical expense categories
  - \$3.0 million in favorable medical expenses for OneCare due to Provider Capitation and lower than expected utilization

# FY 2024-25: Management Summary (cont.)

- YTD: \$1,919.6 million, unfavorable to budget \$137.2 million or 7.7% driven by:
  - \$147.8 million in MC Other Medical Expenses due primarily to CY 2022 DP
  - \$26.2 million in MC Facilities claims due to increased utilization and the Board-approved provider rate increases
  - Offset by net \$21.6 million in all other MC medical expense categories and \$12.0 million from OneCare

# FY 2024-25: Management Summary (cont.)

- Administrative Expenses
  - MTD: \$20.3 million, favorable to budget \$3.8 million or 15.9%
  - YTD: \$99.5 million, favorable to budget \$21.0 million or 17.4%
- Non-Operating Income (Loss)
  - MTD: \$14.0 million, favorable to budget \$8.7 million or 161.5% primarily due to favorable net investment income
  - YTD: \$86.1 million, favorable to budget \$59.1 million or 219.5% primarily due to favorable net investment income

# FY 2024-25: Key Financial Ratios

## ○ Medical Loss Ratio (MLR)

		Actual	Budget	Variance (%)
MTD	MLR	95.3%	100.7%	(5.5%)
	Adjusted MLR*	89.9%	95.8%	(5.9%)
YTD	MLR	97.3%	100.2%	(3.0%)
	Adjusted MLR*	92.0%	95.3%	(3.3%)

## ○ Administrative Loss Ratio (ALR)

		Actual	Budget	Variance (%)
MTD	ALR	5.8%	6.8%	1.0%
	Adjusted ALR*	5.8%	6.8%	1.0%
YTD	ALR	5.0%	6.8%	1.7%
	Adjusted ALR*	5.4%	6.8%	1.3%

\* Adjusted MLR/ALR excludes estimated Board-approved Provider Rate Increases, Directed Payments and Community Reinvestment Accruals

# FY 2024-25: Key Financial Ratios (cont.)

## ○ Balance Sheet Ratios

- Current ratio\*: 1.8
- Board Designated Reserve level: 2.69
- Statutory Designated Reserve level: 1.03
- Net-position: \$2.5 billion, including required Tangible Net Equity (TNE) of \$131.5 million

\*Current ratio compares current assets to current liabilities. It measures CalOptima Health's ability to pay short-term obligations

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# Enrollment Summary: November 2024

November 2024				Enrollment (by Aid Category)	July - November 2024			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
146,300	137,257	9,043	6.6%	SPD	725,175	682,761	42,414	6.2%
266,809	271,841	(5,032)	(1.9%)	TANF Child	1,346,965	1,362,795	(15,830)	(1.2%)
131,111	137,837	(6,726)	(4.9%)	TANF Adult	654,244	689,281	(35,037)	(5.1%)
2,494	2,602	(108)	(4.2%)	LTC	12,390	13,044	(654)	(5.0%)
335,960	322,013	13,947	4.3%	MCE	1,683,697	1,618,849	64,848	4.0%
8,986	9,545	(559)	(5.9%)	WCM	48,543	47,825	718	1.5%
<b>891,660</b>	<b>881,095</b>	<b>10,565</b>	<b>1.2%</b>	<b>Medi-Cal Total</b>	<b>4,471,014</b>	<b>4,414,555</b>	<b>56,459</b>	<b>1.3%</b>
<b>17,156</b>	<b>17,499</b>	<b>(343)</b>	<b>(2.0%)</b>	<b>OneCare</b>	<b>86,229</b>	<b>87,138</b>	<b>(909)</b>	<b>(1.0%)</b>
<b>502</b>	<b>478</b>	<b>24</b>	<b>5.0%</b>	<b>PACE</b>	<b>2,517</b>	<b>2,364</b>	<b>153</b>	<b>6.5%</b>
<b>524</b>	<b>568</b>	<b>(44)</b>	<b>(7.7%)</b>	<b>MSSP</b>	<b>2,470</b>	<b>2,840</b>	<b>(370)</b>	<b>(13.0%)</b>
<b>909,318</b>	<b>899,072</b>	<b>10,246</b>	<b>1.1%</b>	<b>CalOptima Health Total</b>	<b>4,559,760</b>	<b>4,504,057</b>	<b>55,703</b>	<b>1.2%</b>

Note: MSSP enrollment is included in Medi-Cal Total.

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# Consolidated Revenue & Expenses: November 2024 MTD

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	891,660	17,156		502	524	909,318
<b>REVENUES</b>						
Capitation Revenue	\$ 316,200,289	\$ 32,622,346	\$ (3,197,365)	\$ 4,276,121	\$ 240,242	\$ 350,141,633
<b>Total Operating Revenue</b>	<b>316,200,289</b>	<b>32,622,346</b>	<b>(3,197,365)</b>	<b>4,276,121</b>	<b>240,242</b>	<b>350,141,633</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	111,993,449	13,899,704	(1,453,037)			124,440,116
Claims	122,226,352	6,052,258		1,527,576		129,806,186
MLTSS	45,711,266			2,421	46,182	45,759,869
Prescription Drugs		7,891,763		585,651		8,477,414
Case Mgmt & Other Medical	21,914,951	1,784,389		1,221,304	186,823	25,107,468
<b>Total Medical Expenses</b>	<b>301,846,019</b>	<b>29,628,114</b>	<b>(1,453,037)</b>	<b>3,336,952</b>	<b>233,005</b>	<b>333,591,053</b>
<i>Medical Loss Ratio</i>	95.5%	90.8%	45.4%	78.0%	97.0%	95.3%
<b>GROSS MARGIN</b>	<b>14,354,270</b>	<b>2,994,232</b>	<b>(1,744,328)</b>	<b>939,169</b>	<b>7,237</b>	<b>16,550,580</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	10,685,380	959,982		165,873	117,992	11,929,226
Non-Salary Operating Expenses	3,818,532	694,329		41,883	1,423	4,556,167
Depreciation & Amortization	731,866			971		732,837
Other Operating Expenses	2,662,808	25,136		16,440	8,445	2,712,828
Indirect Cost Allocation, Occupancy	(671,392)	983,956		16,321	6,353	335,238
<b>Total Administrative Expenses</b>	<b>17,227,194</b>	<b>2,663,402</b>	<b>-</b>	<b>241,488</b>	<b>134,212</b>	<b>20,266,296</b>
<i>Administrative Loss Ratio</i>	5.4%	8.2%	0.0%	5.6%	55.9%	5.8%
<b>Operating Income/(Loss)</b>	<b>(2,872,924)</b>	<b>330,830</b>	<b>(1,744,328)</b>	<b>697,681</b>	<b>(126,975)</b>	<b>(3,715,717)</b>
Investments and Other Non-Operating	231					14,045,341
<b>CHANGE IN NET ASSETS</b>	<b>\$ (2,872,693)</b>	<b>\$ 330,830</b>	<b>\$ (1,744,328)</b>	<b>\$ 697,681</b>	<b>\$ (126,975)</b>	<b>\$ 10,329,624</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(25,453,819)</b>	<b>(1,077,821)</b>	<b>-</b>	<b>(52,311)</b>	<b>(111,965)</b>	<b>(21,325,361)</b>
Variance to Budget - Fav/(Unfav)	\$ 22,581,126	\$ 1,408,651	\$ (1,744,328)	\$ 749,992	\$ (15,010)	\$ 31,654,985

# Consolidated Revenue & Expenses: November 2024 YTD

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	4,471,014	86,229		2,517	2,470	4,559,760
<b>REVENUES</b>						
Capitation Revenue	\$ 1,786,087,145	\$ 167,831,816	\$ (3,197,365)	\$ 21,597,015	\$ 1,124,836	\$ 1,973,443,448
<b>Total Operating Revenue</b>	<b>1,786,087,145</b>	<b>167,831,816</b>	<b>(3,197,365)</b>	<b>21,597,015</b>	<b>1,124,836</b>	<b>1,973,443,448</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	560,808,047	72,527,451	(1,453,037)			631,882,461
Claims	683,238,740	28,907,373		7,846,990		719,993,104
MLTSS	251,067,932			32,954	188,016	251,288,903
Prescription Drugs		43,536,457		2,994,021		46,530,478
Case Mgmt & Other Medical	255,197,452	7,600,255		6,178,230	924,652	269,900,589
<b>Total Medical Expenses</b>	<b>1,750,312,171</b>	<b>152,571,537</b>	<b>(1,453,037)</b>	<b>17,052,196</b>	<b>1,112,668</b>	<b>1,919,595,535</b>
<i>Medical Loss Ratio</i>	98.0%	90.9%	45.4%	79.0%	98.9%	97.3%
<b>GROSS MARGIN</b>	<b>35,774,974</b>	<b>15,260,280</b>	<b>(1,744,328)</b>	<b>4,544,819</b>	<b>12,168</b>	<b>53,847,913</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	55,560,644	5,322,876		813,607	489,524	62,186,651
Non-Salary Operating Expenses	16,572,733	2,281,236		240,044	7,103	19,101,116
Depreciation & Amortization	3,685,903			4,758		3,690,662
Other Operating Expenses	12,402,784	133,260		45,312	38,039	12,619,395
Indirect Cost Allocation, Occupancy	(3,157,123)	4,919,780		81,604	31,763	1,876,024
<b>Total Administrative Expenses</b>	<b>85,064,941</b>	<b>12,657,151</b>	<b>-</b>	<b>1,185,326</b>	<b>566,429</b>	<b>99,473,848</b>
<i>Administrative Loss Ratio</i>	4.8%	7.5%	0.0%	5.5%	50.4%	5.0%
<b>Operating Income/(Loss)</b>	<b>(49,289,967)</b>	<b>2,603,129</b>	<b>(1,744,328)</b>	<b>3,359,494</b>	<b>(554,261)</b>	<b>(45,625,934)</b>
Investments and Other Non-Operating	71,671					86,086,451
<b>CHANGE IN NET ASSETS</b>	<b>\$ (49,218,296)</b>	<b>\$ 2,603,129</b>	<b>\$ (1,744,328)</b>	<b>\$ 3,359,494</b>	<b>\$ (554,261)</b>	<b>\$ 40,460,516</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(117,923,868)</b>	<b>(5,734,368)</b>	<b>-</b>	<b>(581,875)</b>	<b>(565,860)</b>	<b>(97,862,287)</b>
Variance to Budget - Fav/(Unfav)	\$ 68,705,572	\$ 8,337,497	\$ (1,744,328)	\$ 3,941,369	\$ 11,599	\$ 138,322,803

# Balance Sheet: As of November 2024

## ASSETS

<b>Current Assets</b>	
Operating Cash	\$662,165,136
Short-term Investments	1,595,188,045
Receivables & Other Current Assets	730,133,198
<b>Total Current Assets</b>	<b>2,987,486,379</b>
<b>Capital Assets</b>	
Capital Assets	191,179,281
Less Accumulated Depreciation	(88,653,062)
<b>Capital Assets, Net of Depreciation</b>	<b>102,526,219</b>
<b>Other Assets</b>	
Restricted Deposits	300,000
Board Designated Reserves	1,034,590,693
Statutory Designated Reserves	135,739,244
<b>Total Other Assets</b>	<b>1,170,629,938</b>
<b>TOTAL ASSETS</b>	<b>4,260,642,536</b>
<b>Deferred Outflows</b>	<b>75,899,007</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>4,336,541,543</b>

## LIABILITIES & NET POSITION

<b>Current Liabilities</b>	
Accounts Payable	\$337,792,916
Medical Claims Liability	1,089,418,390
Capitation and Withholds	151,167,492
Other Current Liabilities	70,551,135
<b>Total Current Liabilities</b>	<b>1,648,929,932</b>
<b>Other Liabilities</b>	
GASB 96 Subscription Liabilities	21,387,713
Community Reinvestment	108,486,234
Postemployment Health Care Plan	17,567,168
Net Pension Liabilities	45,981,359
<b>Total Other Liabilities</b>	<b>193,422,475</b>
<b>TOTAL LIABILITIES</b>	<b>1,842,352,407</b>
<b>Deferred Inflows</b>	<b>8,646,445</b>
<b>Net Position</b>	
Required TNE	131,503,959
Funds in Excess of TNE	2,354,038,732
<b>TOTAL NET POSITION</b>	<b>2,485,542,691</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>4,336,541,543</b>

# Board Designated Reserve and TNE Analysis: As of November 2024

## Board Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	517,468,442				
MetLife Tier One	517,122,252				
Board Designated Reserves	1,034,590,693	959,938,521	1,151,926,225	74,652,173	(117,335,532)
<i>Current Reserve Level (X months of average monthly revenue)<sup>1</sup></i>	2.69	2.50	3.00		

## Statutory Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier Two	68,010,906				
MetLife Tier Two	67,728,338				
Statutory Designated Reserves	135,739,244	131,503,959	144,654,355	4,235,285	(8,915,110)
<i>Current Reserve Level (X min. TNE)<sup>1</sup></i>	1.03	1.00	1.10		

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information

# Spending Plan: As of November 2024

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
<b>Total Net Position @ 11/30/2024</b>		<b>\$2,485.5</b>			<b>100.0%</b>
<b>Resources Assigned</b>	Board Designated Reserve <sup>1</sup>	<b>\$1,034.6</b>			<b>41.6%</b>
	Statutory Designated Reserve <sup>1</sup>	<b>\$135.7</b>			<b>5.5%</b>
	Capital Assets, net of Depreciation <sup>2</sup>	<b>\$102.5</b>			<b>4.1%</b>
<b>Resources Allocated<sup>3</sup></b>	Homeless Health Initiative <sup>3</sup>	\$16.5	\$61.7	45.2	0.7%
	Housing and Homelessness Incentive Program <sup>3</sup>	22.2	87.4	65.2	0.9%
	Intergovernmental Transfers (IGT)	54.8	111.7	56.9	2.2%
	Digital Transformation and Workplace Modernization <sup>4</sup>	47.0	100.0	53.0	1.9%
	Mind OC Grant (Orange)	0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy	0.1	2.0	1.9	0.0%
	CalFresh and Redetermination Outreach Strategy	2.1	6.0	3.9	0.1%
	Coalition of Orange County Community Health Centers Grant	30.0	50.0	20.0	1.2%
	Mind OC Grant (Irvine)	0.0	15.0	15.0	0.0%
	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	130.2	153.5	23.3	5.2%
	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	3.5	5.0	1.5	0.1%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.7%
	Stipend Program for Master of Social Work Students Grant	0.0	5.0	5.0	0.0%
	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	1.8%
	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	6.8	107.5	100.7	0.3%
	CalOptima Health Community Reinvestment Program	38.0	38.0	0.0	1.5%
	Dyadic Services Program Academy	1.0	1.9	0.9	0.0%
	Outreach Strategy for newly eligible Adult Expansion members	5.4	7.6	2.2	0.2%
	Quality Initiatives from unearned Pay for Value Program	23.3	23.3	0.0	0.9%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy	0.7	1.0	0.3	0.0%
	Medi-Cal Provider Rate Increases	438.5	526.2	87.7	17.6%
	<b>Subtotal:</b>	<b>\$914.8</b>	<b>\$1,422.3</b>	<b>\$507.4</b>	<b>36.8%</b>
<b>Resources Available for New Initiatives</b>	Unallocated/Unassigned <sup>1</sup>	<b>\$297.9</b>			<b>12.0%</b>

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 126 days of CalOptima Health's current operations.

<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements.

<sup>3</sup> See HHI and HHIP summaries and Allocated Funds for list of Board Approved Initiatives. Amount reported includes only portion funded by reserves.

<sup>4</sup> 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 November 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	845,466	117,795
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,783,740	6,105,173
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine <sup>1</sup>	10,076,652	6,871,617	3,205,035
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>	40,100,000	-	40,100,000
<b>Subtotal of Approved Initiatives</b>	<b>\$101,800,000</b>	<b>\$45,159,776</b>	<b>\$56,640,224</b>
Transfer of funds to HHIP <sup>2</sup>	(40,100,000)	-	(40,100,000)
<b>Program Total</b>	<b>\$61,700,000</b>	<b>\$45,159,776</b>	<b>\$16,540,224</b>

**Notes:**

<sup>1</sup>On March 7, 2024, CalOptima Health's Board of Directors approved \$5 million to expand the Street Medicine Program. \$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 (Anaheim) and Celebrating Life Community Health Center (Costa Mesa).

<sup>2</sup>On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1 million from HHI to HHIP.

# Housing and Homelessness Incentive Program

## As of November 2024

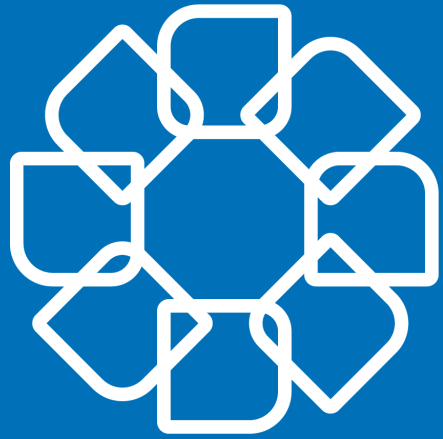
Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for New Initiatives
<b>DHCS HHIP Funds</b>	72,931,189	35,200,994	28,932,737	6,268,257	37,730,195 <sup>1</sup>
<b>Existing Reserves &amp; HHI Transfer</b>	87,384,530	87,384,530	65,161,747	22,222,783	-
<b>Total</b>	<b>160,315,719</b>	<b>122,585,524</b>	<b>94,094,484</b>	<b>28,491,040</b>	<b>37,730,195</b>

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	719,100	80,900	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	4,863,856	5,320,674	DHCS
Non-Profit Healthcare Academy	700,000	452,417	247,583	DHCS
<b>Total of Approved Initiatives</b>	<b>\$122,585,524<sup>1</sup></b>	<b>\$94,094,484</b>	<b>\$28,491,040</b>	

**Notes:**

<sup>1</sup>Total 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

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**UNAUDITED FINANCIAL STATEMENTS**

**November 30, 2024**



# CalOptima Health

## Financial Summary

December 31, 2024

Board of Directors Meeting  
February 6, 2025

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: December 2024

December 2024				July - December 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
917,669	899,701	17,968	2.0%	Member Months	5,477,429	5,403,758	73,671	1.4%
450,096,983	355,329,026	94,767,957	26.7%	Revenues	2,423,540,430	2,133,433,841	290,106,589	13.6%
355,307,821	364,200,901	8,893,080	2.4%	Medical Expenses	2,274,903,355	2,146,625,884	(128,277,471)	(6.0%)
22,056,419	24,684,749	2,628,330	10.6%	Administrative Expenses	121,530,266	145,170,552	23,640,286	16.3%
<b>72,732,743</b>	<b>(33,556,624)</b>	<b>106,289,367</b>	<b>316.7%</b>	<b>Operating Margin</b>	<b>27,106,809</b>	<b>(158,362,595)</b>	<b>185,469,404</b>	<b>117.1%</b>
				<b>Non-Operating Income (Loss)</b>				
11,715,529	6,666,660	5,048,869	75.7%	Net Investment Income/Expense	100,525,561	39,999,960	60,525,601	151.3%
(62,891)	(117,280)	54,389	46.4%	Net Rental Income/Expense	(331,905)	(703,680)	371,775	52.8%
(2,091)	-	(2,091)	(100.0%)	Net MCO Tax	1,699	-	1,699	100.0%
(10,014,657)	(1,178,825)	(8,835,832)	(749.5%)	Grant Expense	(12,540,896)	(6,982,041)	(5,558,855)	(79.6%)
1,566	-	1,566	100.0%	Other Income/Expense	69,446	-	69,446	100.0%
<b>1,637,455</b>	<b>5,370,555</b>	<b>(3,733,100)</b>	<b>(69.5%)</b>	<b>Total Non-Operating Income (Loss)</b>	<b>87,723,905</b>	<b>32,314,239</b>	<b>55,409,666</b>	<b>171.5%</b>
<b>74,370,198</b>	<b>(28,186,069)</b>	<b>102,556,267</b>	<b>363.9%</b>	<b>Change in Net Assets</b>	<b>114,830,714</b>	<b>(126,048,356)</b>	<b>240,879,070</b>	<b>191.1%</b>
78.9%	102.5%	(23.6%)		Medical Loss Ratio	93.9%	100.6%	(6.8%)	
4.9%	6.9%	2.0%		Administrative Loss Ratio	5.0%	6.8%	1.8%	
16.2%	(9.4%)	25.6%		Operating Margin Ratio	1.1%	(7.4%)	8.5%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
72.4%	97.6%	(25.1%)		*Adjusted MLR	88.1%	95.7%	(7.6%)	
4.9%	6.9%	2.0%		*Adjusted ALR	5.3%	6.8%	1.5%	

\*Adjusted MLR /ALR excludes estimated Board-approved Provider Rate increases, Directed Payments and Community Reinvestment Accruals, but includes costs associated with CalOptima Health's Digital Transformation Strategy (DTS) budget.

# Financial Highlights Notes: December 2024

- Notable events/items in December 2024
  - \$39.3 million net change in revenue related to Calendar Year (CY) 2024 Department of Health Care Services (DHCS) capitation rate true-up
  - \$32.9 million for CalAIM's Incentive Payment Program (IPP) funding received from DHCS
  - \$160.5 million of Intergovernmental Transfers (IGT) were received in December 2024 for the period of January 2023 through December 2023
    - \$158.5 million disbursed to qualifying funding partners in January 2025

# FY 2024-25: Management Summary

- Change in Net Assets Surplus or (Deficit)
  - Month To Date (MTD) December 2024: \$74.4 million, favorable to budget \$102.6 million or 363.9% primarily due to:
    - Favorable net investment income, CalAIM IPP, and updated CY 2024 premium capitation rates from DHCS
    - Lower than expected utilization for the month
  - Year To Date (YTD) July - December 2024: \$114.8 million, favorable to budget \$240.9 million or 191.1% primarily due to:
    - Favorable net investment income, premium capitation rates and enrollment in the Medi-Cal (MC) Line of Business (LOB)

# FY 2024-25: Management Summary (cont.)

## ○ Enrollment

- MTD: 917,669 members, favorable to budget 17,968 or 2.0%
- YTD: 5,477,429 member months, favorable to budget 73,671 or 1.4%

## ○ Revenue

- MTD: \$450.1 million, favorable to budget \$94.8 million or 26.7% primarily due to updated CY 2024 premium capitation rates, CalAIM IPP and favorable enrollment
- YTD: \$2,423.5 million, favorable to budget \$290.1 million or 13.6% driven by MC LOB due to CY 2022 Hospital Directed Payments (DP), favorable enrollment and premium capitation rates

# FY 2024-25: Management Summary (cont.)

## ○ Medical Expenses

- MTD: \$355.3 million, favorable to budget \$8.9 million or 2.4% driven by:
  - Net \$20.4 million in MC Facilities, Professional, and Managed Long-Term Services and Supports (MLTSS) Claims due to lower than expected utilization
  - \$7.6 million in MC Incentive Payments expenses due to the timing of Hospital Quality Program (HQP) accruals
  - Offset by:
    - \$11.5 million in MC Other Medical Expenses primarily due to CY 2024 Community Reinvestment and Quality Achievement accruals
    - \$9.0 million in MC Provider Capitation due to AltaMed's transition to HMO and CY 2022 Proposition 56 adjustments



# FY 2024-25: Management Summary (cont.)

- Medical Expenses (cont.)
  - YTD: \$2,274.9 million, unfavorable to budget \$128.3 million or 6.0% driven by:
    - \$159.4 million in MC Other Medical Expenses due primarily to CY 2022 Hospital DP and Community Reinvestment and Quality Achievement accruals
    - Offset by \$20.5 million in MC Incentive Payments expenses due to the timing of HQP accruals

# FY 2024-25: Management Summary (cont.)

- Administrative Expenses
  - MTD: \$22.1 million, favorable to budget \$2.6 million or 10.6%
  - YTD: \$121.5 million, favorable to budget \$23.6 million or 16.3%
- Non-Operating Income (Loss)
  - MTD: \$1.6 million, unfavorable to budget \$3.7 million or 69.5% primarily due to unfavorable grant expense of \$8.8 million, offset by net investment income of \$5.0 million
  - YTD: \$87.7 million, favorable to budget \$55.4 million or 171.5% primarily due to favorable net investment income of \$60.5 million, offset by unfavorable grant expense of \$5.6 million

# FY 2024-25: Key Financial Ratios

## ○ Medical Loss Ratio (MLR)

		Actual	Budget	Variance (%)
MTD	MLR	78.9%	102.5%	(23.6%)
	Adjusted MLR*	72.4%	97.6%	(25.1%)
YTD	MLR	93.9%	100.6%	(6.8%)
	Adjusted MLR*	88.1%	95.7%	(7.6%)

## ○ Administrative Loss Ratio (ALR)

		Actual	Budget	Variance (%)
MTD	ALR	4.9%	6.9%	2.0%
	Adjusted ALR*	4.9%	6.9%	2.0%
YTD	ALR	5.0%	6.8%	1.8%
	Adjusted ALR*	5.3%	6.8%	1.5%

\* Adjusted MLR/ALR excludes estimated Board-approved Provider Rate Increases, Directed Payments and Community Reinvestment Accruals, but include costs associated with DTS.

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# FY 2024-25: Key Financial Ratios (cont.)

## ○ Balance Sheet Ratios

- Current ratio\*: 1.8
- Board Designated Reserve level: 2.64
- Statutory Designated Reserve level: 1.04
- Net-position: \$2.6 billion, including required Tangible Net Equity (TNE) of \$130.1 million

\*Current ratio compares current assets to current liabilities. It measures CalOptima Health's ability to pay short-term obligations

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# Enrollment Summary: December 2024

December 2024				Enrollment (by Aid Category)	July - December 2024			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
147,617	137,572	10,045	7.3%	SPD	872,792	820,333	52,459	6.4%
267,710	271,813	(4,103)	(1.5%)	TANF Child	1,614,675	1,634,608	(19,933)	(1.2%)
132,049	138,015	(5,966)	(4.3%)	TANF Adult	786,293	827,296	(41,003)	(5.0%)
2,532	2,601	(69)	(2.7%)	LTC	14,922	15,645	(723)	(4.6%)
340,594	322,140	18,454	5.7%	MCE	2,024,291	1,940,989	83,302	4.3%
9,624	9,545	79	0.8%	WCM	58,167	57,370	797	1.4%
<b>900,126</b>	<b>881,686</b>	<b>18,440</b>	<b>2.1%</b>	<b>Medi-Cal Total</b>	<b>5,371,140</b>	<b>5,296,241</b>	<b>74,899</b>	<b>1.4%</b>
<b>17,037</b>	<b>17,535</b>	<b>(498)</b>	<b>(2.8%)</b>	<b>OneCare</b>	<b>103,266</b>	<b>104,673</b>	<b>(1,407)</b>	<b>(1.3%)</b>
<b>506</b>	<b>480</b>	<b>26</b>	<b>5.4%</b>	<b>PACE</b>	<b>3,023</b>	<b>2,844</b>	<b>179</b>	<b>6.3%</b>
<b>519</b>	<b>568</b>	<b>(49)</b>	<b>(8.6%)</b>	<b>MSSP</b>	<b>2,989</b>	<b>3,408</b>	<b>(419)</b>	<b>(12.3%)</b>
<b>917,669</b>	<b>899,701</b>	<b>17,968</b>	<b>2.0%</b>	<b>CalOptima Health Total</b>	<b>5,477,429</b>	<b>5,403,758</b>	<b>73,671</b>	<b>1.4%</b>

Note: MSSP enrollment is included in Medi-Cal Total.

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# Consolidated Revenue & Expenses: December 2024 MTD

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	900,126	17,037		506	519	917,669
<b>REVENUES</b>						
Capitation Revenue	\$ 411,265,383	\$ 34,230,598	\$ -	\$ 4,364,762	\$ 236,240	\$ 450,096,983
<b>Total Operating Revenue</b>	<b>411,265,383</b>	<b>34,230,598</b>	<b>-</b>	<b>4,364,762</b>	<b>236,240</b>	<b>450,096,983</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	120,338,569	13,862,511				134,201,079
Claims	112,498,894	7,170,718		1,580,417		121,250,029
MLTSS	51,569,460			45,347	33,486	51,648,293
Prescription Drugs		8,679,023		559,060		9,238,082
Case Mgmt & Other Medical	36,303,384	1,173,287		1,312,034	181,631	38,970,336
<b>Total Medical Expenses</b>	<b>320,710,308</b>	<b>30,885,538</b>	<b>-</b>	<b>3,496,858</b>	<b>215,117</b>	<b>355,307,821</b>
<i>Medical Loss Ratio</i>	78.0%	90.2%	0.0%	80.1%	91.1%	78.9%
<b>GROSS MARGIN</b>	<b>90,555,075</b>	<b>3,345,060</b>	<b>-</b>	<b>867,904</b>	<b>21,123</b>	<b>94,789,162</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	10,971,365	1,039,630		170,795	99,329	12,281,118
Non-Salary Operating Expenses	5,032,011	542,328		124,045	1,421	5,699,805
Depreciation & Amortization	758,991			986		759,977
Other Operating Expenses	3,016,634	24,776		8,070	8,105	3,057,585
Indirect Cost Allocation, Occupancy	(1,682,436)	1,899,944		26,252	14,174	257,934
<b>Total Administrative Expenses</b>	<b>18,096,566</b>	<b>3,506,677</b>	<b>-</b>	<b>330,148</b>	<b>123,028</b>	<b>22,056,419</b>
<i>Administrative Loss Ratio</i>	4.4%	10.2%	0.0%	7.6%	52.1%	4.9%
<b>Operating Income/(Loss)</b>	<b>72,458,509</b>	<b>(161,617)</b>	<b>-</b>	<b>537,756</b>	<b>(101,905)</b>	<b>72,732,743</b>
Investments and Other Non-Operating	(526)					1,637,455
<b>CHANGE IN NET ASSETS</b>	<b>\$ 72,457,983</b>	<b>\$ (161,617)</b>	<b>\$ -</b>	<b>\$ 537,756</b>	<b>\$ (101,905)</b>	<b>\$ 74,370,198</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(31,546,182)</b>	<b>(1,743,236)</b>	<b>-</b>	<b>(154,877)</b>	<b>(112,329)</b>	<b>(28,186,069)</b>
Variance to Budget - Fav/(Unfav)	\$ 104,004,165	\$ 1,581,619	\$ -	\$ 692,633	\$ 10,424	\$ 102,556,267

# Consolidated Revenue & Expenses: December 2024 YTD

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	5,371,140	103,266		3,023	2,989	5,477,429
<b>REVENUES</b>						
Capitation Revenue	\$ 2,197,352,528	\$ 202,062,415	\$ (3,197,365)	\$ 25,961,777	\$ 1,361,075	\$ 2,423,540,430
<b>Total Operating Revenue</b>	<b>2,197,352,528</b>	<b>202,062,415</b>	<b>(3,197,365)</b>	<b>25,961,777</b>	<b>1,361,075</b>	<b>2,423,540,430</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	681,146,616	86,389,962	(1,453,037)			766,083,541
Claims	795,737,634	36,078,091		9,427,408		841,243,133
MLTSS	302,637,393			78,301	221,502	302,937,196
Prescription Drugs		52,215,480		3,553,081		55,768,560
Case Mgmt & Other Medical	291,500,836	8,773,542		7,490,264	1,106,283	308,870,925
<b>Total Medical Expenses</b>	<b>2,071,022,479</b>	<b>183,457,075</b>	<b>(1,453,037)</b>	<b>20,549,054</b>	<b>1,327,785</b>	<b>2,274,903,355</b>
<i>Medical Loss Ratio</i>	94.3%	90.8%	45.4%	79.2%	97.6%	93.9%
<b>GROSS MARGIN</b>	<b>126,330,049</b>	<b>18,605,340</b>	<b>(1,744,328)</b>	<b>5,412,723</b>	<b>33,291</b>	<b>148,637,075</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	66,532,010	6,362,506		984,402	588,852	74,467,769
Non-Salary Operating Expenses	21,604,744	2,823,564		364,090	8,524	24,800,921
Depreciation & Amortization	4,444,894			5,745		4,450,639
Other Operating Expenses	15,419,419	158,035		53,382	46,144	15,676,980
Indirect Cost Allocation, Occupancy	(4,839,559)	6,819,724		107,856	45,937	2,133,958
<b>Total Administrative Expenses</b>	<b>103,161,508</b>	<b>16,163,828</b>	<b>-</b>	<b>1,515,474</b>	<b>689,457</b>	<b>121,530,266</b>
<i>Administrative Loss Ratio</i>	4.7%	8.0%	0.0%	5.8%	50.7%	5.0%
<b>Operating Income/(Loss)</b>	<b>23,168,542</b>	<b>2,441,512</b>	<b>(1,744,328)</b>	<b>3,897,250</b>	<b>(656,166)</b>	<b>27,106,809</b>
Investments and Other Non-Operating	71,145					87,723,905
<b>CHANGE IN NET ASSETS</b>	<b>\$ 23,239,687</b>	<b>\$ 2,441,512</b>	<b>\$ (1,744,328)</b>	<b>\$ 3,897,250</b>	<b>\$ (656,166)</b>	<b>\$ 114,830,714</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(149,470,050)</b>	<b>(7,477,604)</b>	<b>-</b>	<b>(736,752)</b>	<b>(678,189)</b>	<b>(126,048,356)</b>
Variance to Budget - Fav/(Unfav)	\$ 172,709,737	\$ 9,919,116	\$ (1,744,328)	\$ 4,634,002	\$ 22,023	\$ 240,879,070

# Balance Sheet: As of December 2024

## ASSETS

<b>Current Assets</b>	
Operating Cash	\$688,117,507
Short-term Investments	1,757,022,283
Capitation Receivable	685,650,501
Receivables - Other	95,208,691
Prepaid Expenses	14,803,823
<b>Total Current Assets</b>	<b>3,240,802,805</b>
<b>Capital Assets</b>	
Capital Assets	192,033,901
Less Accumulated Depreciation	(89,900,223)
<b>Capital Assets, Net of Depreciation</b>	<b>102,133,678</b>
<b>Other Assets</b>	
Restricted Deposits	300,000
Board Designated Reserves	1,036,698,175
Statutory Designated Reserves	135,603,541
<b>Total Other Assets</b>	<b>1,172,601,716</b>
<b>TOTAL ASSETS</b>	<b>4,515,538,199</b>
<b>Deferred Outflows</b>	<b>75,899,007</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>4,591,437,206</b>

## LIABILITIES & NET POSITION

<b>Current Liabilities</b>	
Accounts Payable	\$410,582,067
Medical Claims Liability	1,240,732,265
Accrued Payroll Liabilities	26,697,567
Deferred Revenue	14,309,427
Other Current Liabilities	-
Capitation and Withholds	122,901,380
<b>Total Current Liabilities</b>	<b>1,815,222,705</b>
<b>Other Liabilities</b>	
GASB 96 Subscription Liabilities	21,301,538
Community Reinvestment	122,500,439
Capital Lease Payable	270,397
Postemployment Health Care Plan	17,601,435
Net Pension Liabilities	45,981,359
<b>Total Other Liabilities</b>	<b>207,655,168</b>
<b>TOTAL LIABILITIES</b>	<b>2,022,877,873</b>
<b>Deferred Inflows</b>	<b>8,646,445</b>
<b>Net Position</b>	
Required TNE	130,121,242
Funds in Excess of TNE	2,429,791,647
<b>TOTAL NET POSITION</b>	<b>2,559,912,889</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>4,591,437,206</b>



# Board Designated Reserve and TNE Analysis: As of December 2024

## Board Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	518,375,635				
MetLife Tier One	518,322,540				
<b>Board Designated Reserves</b>	<b>1,036,698,175</b>	<b>981,101,907</b>	<b>1,177,322,288</b>	<b>55,596,269</b>	<b>(140,624,113)</b>
<i>Current Reserve Level ( X months of average monthly revenue) <sup>1</sup></i>	<i>2.64</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	67,902,768				
MetLife Tier Two	67,700,773				
<b>Statutory Designated Reserves</b>	<b>135,603,541</b>	<b>130,121,242</b>	<b>143,133,366</b>	<b>5,482,299</b>	<b>(7,529,825)</b>
<i>Current Reserve Level ( X min. TNE)</i>	<i>1.04</i>	<i>1.00</i>	<i>1.10</i>		

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information.

# Spending Plan: As of December 2024

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
<b>Total Net Position @ 12/31/2024</b>		<b>\$2,559.9</b>			<b>100.0%</b>
<b>Resources Assigned</b>	Board Designated Reserve <sup>1</sup>	\$1,036.7			40.5%
	Statutory Designated Reserve <sup>1</sup>	\$135.6			5.3%
	Capital Assets, net of Depreciation <sup>2</sup>	\$102.1			4.0%
<b>Resources Allocated<sup>3</sup></b>	Homeless Health Initiative <sup>3</sup>	\$16.3	\$61.7	\$45.4	0.6%
	Housing and Homelessness Incentive Program <sup>3</sup>	22.1	87.4	65.2	0.9%
	Intergovernmental Transfers (IGT)	54.6	111.7	57.1	2.1%
	Digital Transformation and Workplace Modernization <sup>4</sup>	45.8	100.0	54.2	1.8%
	Mind OC Grant (Orange)	0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy	0.0	2.0	2.0	0.0%
	CalFresh and Redetermination Outreach Strategy	2.0	6.0	4.0	0.1%
	Coalition of Orange County Community Health Centers Grant	20.0	50.0	30.0	0.8%
	Mind OC Grant (Irvine)	0.0	15.0	15.0	0.0%
	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	128.5	153.5	25.0	5.0%
	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	3.5	5.0	1.5	0.1%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.7%
	Stipend Program for Master of Social Work Students Grant	0.0	5.0	5.0	0.0%
	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	1.8%
	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	6.3	107.5	101.2	0.2%
	CalOptima Health Community Reinvestment Program	38.0	38.0	0.0	1.5%
	Dyadic Services Program Academy	1.0	1.9	0.9	0.0%
	Outreach Strategy for newly eligible Adult Expansion members	4.2	7.6	3.4	0.2%
	Quality Initiatives from unearned Pay for Value Program	21.4	23.3	1.9	0.8%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy	0.6	1.0	0.4	0.0%
	Medi-Cal Provider Rate Increases	421.0	526.2	105.2	16.4%
	Legal Services for CalOptima Health FY2024-2025	1.8	1.8	0.0	0.1%
	Homeless Prevention and Stabilization Pilot Program	0.3	0.3	0.0	0.0%
	Medi-Cal FFS Hospital Services with U of CA, Irvine--UCI Health/Placentia-Linda	0.9	0.9	0.0	0.0%
	<b>Subtotal:</b>	<b>\$883.0</b>	<b>\$1,425.2</b>	<b>\$542.2</b>	<b>34.5%</b>
<b>Resources Available for New Initiatives</b>	Unallocated/Unassigned <sup>1</sup>	<b>\$402.5</b>			<b>15.7%</b>

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 136 days of CalOptima Health's current operations.

<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements.

<sup>3</sup> See HHI and HHIP summaries and Allocated Funds for list of Board Approved Initiatives. Amount reported includes only portion funded by reserves.

<sup>4</sup> 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 December 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	858,018	105,243
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,833,740	6,055,173
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine <sup>1</sup>	10,076,652	7,076,530	3,000,122
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>	40,100,000	-	40,100,000
<b>Subtotal of Approved Initiatives</b>	<b>\$101,800,000</b>	<b>\$45,427,240</b>	<b>\$56,372,759</b>
Transfer of funds to HHIP <sup>2</sup>	(40,100,000)	-	(40,100,000)
<b>Program Total</b>	<b>\$61,700,000</b>	<b>\$45,427,240</b>	<b>\$16,272,759</b>

**Notes:**

<sup>1</sup>On March 7, 2024, CalOptima Health's Board of Directors approved \$5 million to expand the Street Medicine Program. \$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 (Anaheim) and Celebrating Life Community Health Center (Costa Mesa).

<sup>2</sup>On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1 million from HHI to HHIP.

# Housing and Homelessness Incentive Program

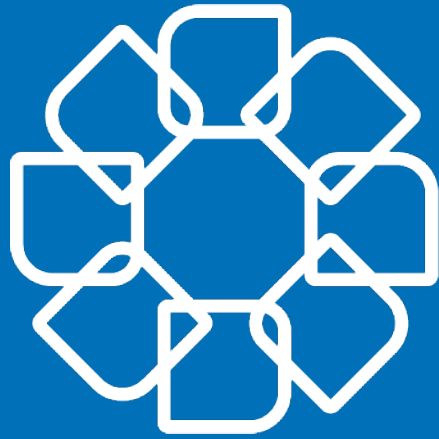
## As of December 2024

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for New Initiatives
DHCS HHIP Funds	72,931,189	54,930,994	28,932,737	25,998,257	18,000,195 <sup>1</sup>
Existing Reserves & HHI Transfer	87,384,530	87,384,530	65,249,003	22,135,527	-
<b>Total</b>	<b>160,315,719</b>	<b>142,315,524</b>	<b>94,181,740</b>	<b>48,133,784</b>	<b>18,000,195</b>

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	756,850	43,150	HHI
Consultant	600,000	-	600,000	HHI
Equity Grants for Programs Serving Underrepresented Populations	4,621,311	3,021,311	1,600,000	HHI & DHCS
Infrastructure Projects	5,832,314	5,391,731	440,583	HHI
Capital Projects	108,247,369	77,195,575	31,051,794	HHI, DHCS & Existing Reserves
System Change Projects	10,184,530	4,863,856	5,320,674	DHCS
Non-Profit Healthcare Academy	700,000	452,417	247,583	DHCS
<b>Total of Approved Initiatives</b>	<b>\$133,185,524<sup>1</sup></b>	<b>\$93,881,740</b>	<b>\$39,303,785</b>	

**Notes:**

<sup>1</sup>Total 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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**CalOptima Health - Consolidated  
Financial Highlights  
For the Five Months Ending November 30, 2024**

November 2024				July - November 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
909,318	899,072	10,246	1.1%	Member Months	4,559,760	4,504,057	55,703	1.2%
350,141,633	355,107,981	(4,966,348)	(1.4%)	Revenues	1,973,443,448	1,778,104,815	195,338,633	11.0%
333,591,053	357,699,386	24,108,333	6.7%	Medical Expenses	1,919,595,535	1,782,424,983	(137,170,552)	(7.7%)
20,266,296	24,104,511	3,838,215	15.9%	Administrative Expenses	99,473,848	120,485,803	21,011,955	17.4%
<b>(3,715,717)</b>	<b>(26,695,916)</b>	<b>22,980,199</b>	<b>86.1%</b>	<b>Operating Margin</b>	<b>(45,625,934)</b>	<b>(124,805,971)</b>	<b>79,180,037</b>	<b>63.4%</b>
				<b>Non-Operating Income (Loss)</b>				
14,147,705	6,666,660	7,481,045	112.2%	Net Investment Income/Expense	88,810,032	33,333,300	55,476,732	166.4%
(86,476)	(117,280)	30,804	26.3%	Net Rental Income/Expense	(269,014)	(586,400)	317,386	54.1%
(1,046)	-	(1,046)	(100.0%)	Net MCO Tax	3,791	-	3,791	100.0%
(16,120)	(1,178,825)	1,162,705	98.6%	Grant Expense	(2,526,239)	(5,803,216)	3,276,977	56.5%
1,277	-	1,277	100.0%	Other Income/Expense	67,880	-	67,880	100.0%
<b>14,045,341</b>	<b>5,370,555</b>	<b>8,674,786</b>	<b>161.5%</b>	<b>Total Non-Operating Income (Loss)</b>	<b>86,086,451</b>	<b>26,943,684</b>	<b>59,142,767</b>	<b>219.5%</b>
<b>10,329,624</b>	<b>(21,325,361)</b>	<b>31,654,985</b>	<b>148.4%</b>	<b>Change in Net Assets</b>	<b>40,460,516</b>	<b>(97,862,287)</b>	<b>138,322,803</b>	<b>141.3%</b>
95.3%	100.7%	(5.5%)		Medical Loss Ratio	97.3%	100.2%	(3.0%)	
5.8%	6.8%	1.0%		Administrative Loss Ratio	5.0%	6.8%	1.7%	
(1.1%)	(7.5%)	6.5%		Operating Margin Ratio	(2.3%)	(7.0%)	4.7%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
89.9%	95.8%	(5.9%)		*Adjusted MLR	92.0%	95.3%	(3.3%)	
5.8%	6.8%	1.0%		*Adjusted ALR	5.4%	6.8%	1.3%	

\*Adjusted MLR /ALR excludes estimated Board-approved Provider Rate increases, Directed Payments and Community Reinvestment Accruals.

**CalOptima Health - Consolidated  
Full-Time Equivalent (FTE) Data  
For the Five Months Ending November 30, 2024**

<b>Total FTE's MTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	1,307	1,361	54
OneCare	172	186	14
PACE	105	113	8
MSSP	22	25	3
<b>Total</b>	<b>1,605</b>	<b>1,685</b>	<b>79</b>

<b>Total FTE's YTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	6,448	6,804	356
OneCare	861	930	69
PACE	530	565	35
MSSP	104	125	21
<b>Total</b>	<b>7,943</b>	<b>8,424</b>	<b>482</b>

<b>MM per FTE MTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	682	647	(35)
OneCare	100	94	(6)
PACE	5	4	(1)
MSSP	24	23	(0)
<b>Consolidated</b>	<b>566</b>	<b>534</b>	<b>(34)</b>

<b>MM per FTE YTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	693	649	(45)
OneCare	100	94	(5)
PACE	5	4	(1)
MSSP	24	23	(1)
<b>Consolidated</b>	<b>574</b>	<b>535</b>	<b>(39)</b>

<b>Open FTE</b>			
	Total	Medical	Admin
Medi-Cal	68	20	48
OneCare	13	10	3
PACE	8	7	1
MSSP	1	1	0
<b>Total</b>	<b>90</b>	<b>38</b>	<b>52</b>



**CalOptima Health - Consolidated - Month to Date  
Statement of Revenues and Expenses  
For the One Month Ending November 30, 2024**

MEMBER MONTHS	909,318		899,072		10,246	
REVENUE	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
Medi-Cal	\$316,200,289	\$354.62	\$316,134,965	\$358.80	\$65,324	(\$4.18)
OneCare	32,622,346	1,901.51	34,767,733	1,986.84	(2,145,387)	(85.33)
OneCare Connect	(3,197,365)		-		(3,197,365)	-
PACE	4,276,121	8,518.17	3,951,766	8,267.29	324,355	250.88
MSSP	240,242	458.48	253,517	446.33	(13,275)	12.15
Total Operating Revenue	<u>350,141,633</u>	<u>385.06</u>	<u>355,107,981</u>	<u>394.97</u>	<u>(4,966,348)</u>	<u>(9.91)</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	301,846,019	338.52	321,129,968	364.47	19,283,949	25.95
OneCare	29,628,114	1,726.98	32,619,660	1,864.09	2,991,546	137.11
OneCare Connect	(1,453,037)				1,453,037	-
PACE	3,336,952	6,647.31	3,709,017	7,759.45	372,065	1,112.14
MSSP	233,005	444.67	240,741	423.84	7,736	(20.83)
Total Medical Expenses	<u>333,591,053</u>	<u>366.86</u>	<u>357,699,386</u>	<u>397.85</u>	<u>24,108,333</u>	<u>30.99</u>
<b>GROSS MARGIN</b>	16,550,580	18.20	(2,591,405)	(2.88)	19,141,985	21.08
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and Benefits	11,929,226	13.12	13,324,818	14.82	1,395,592	1.70
Professional Fees	1,550,569	1.71	1,562,470	1.74	11,902	0.03
Purchased Services	2,636,516	2.90	3,108,563	3.46	472,047	0.56
Printing & Postage	369,082	0.41	778,413	0.87	409,331	0.46
Depreciation & Amortization	732,837	0.81	1,027,958	1.14	295,121	0.33
Other Expenses	2,712,828	2.98	3,858,626	4.29	1,145,798	1.31
Indirect Cost Allocation, Occupancy	335,238	0.37	443,663	0.49	108,425	0.12
Total Administrative Expenses	<u>20,266,296</u>	<u>22.29</u>	<u>24,104,511</u>	<u>26.81</u>	<u>3,838,215</u>	<u>4.52</u>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	(3,715,717)	(4.09)	(26,695,916)	(29.69)	22,980,199	25.60
<b>INVESTMENT INCOME</b>						
Interest Income	13,627,970	14.99	6,666,660	7.42	6,961,310	7.57
Realized Gain/(Loss) on Investments	242,082	0.27	-	-	242,082	0.27
Unrealized Gain/(Loss) on Investments	277,653	0.31	-	-	277,653	0.31
Total Investment Income	<u>14,147,705</u>	<u>15.56</u>	<u>6,666,660</u>	<u>7.42</u>	<u>7,481,045</u>	<u>8.14</u>
<b>NET RENTAL INCOME/EXPENSE</b>	(86,476)	(0.10)	(117,280)	(0.13)	30,804	0.03
<b>NET MCO TAX</b>	(1,046)	-	-	-	(1,046)	-
<b>GRANT EXPENSE</b>	(16,120)	(0.02)	(1,178,825)	(1.31)	1,162,705	1.29
<b>OTHER INCOME/EXPENSE</b>	1,277	-	-	-	1,277	-
<b>CHANGE IN NET ASSETS</b>	<u>10,329,624</u>	<u>11.36</u>	<u>(21,325,361)</u>	<u>(23.72)</u>	<u>31,654,985</u>	<u>35.08</u>
<b>MEDICAL LOSS RATIO</b>	95.3%		100.7%		(5.5%)	
<b>ADMINISTRATIVE LOSS RATIO</b>	5.8%		6.8%		1.0%	

**CalOptima Health- Consolidated - Year to Date  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2024**

MEMBER MONTHS	4,559,760		4,504,057		55,703	
REVENUE	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
Medi-Cal	\$1,786,087,145	\$399.48	\$1,582,429,924	\$358.46	\$203,657,221	\$41.02
OneCare	167,831,816	1,946.35	174,792,841	2,005.93	(6,961,025)	(59.58)
OneCare Connect	(3,197,365)		-		(3,197,365)	0.00
PACE	21,597,015	8,580.46	19,614,465	8,297.15	1,982,550	283.31
MSSP	1,124,836	455.40	1,267,585	446.33	(142,749)	9.07
Total Operating Revenue	<u>1,973,443,448</u>	<u>432.8</u>	<u>1,778,104,815</u>	<u>394.78</u>	<u>195,338,633</u>	<u>38.02</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	1,750,312,171	391.48	1,597,934,497	361.97	(152,377,674)	(29.51)
OneCare	152,571,537	1,769.38	164,575,439	1,888.68	12,003,902	119.30
OneCare Connect	(1,453,037)				1,453,037	0.00
PACE	17,052,196	6,774.81	18,711,342	7,915.12	1,659,146	1,140.31
MSSP	1,112,668	450.47	1,203,705	423.84	91,037	(26.63)
Total Medical Expenses	<u>1,919,595,535</u>	<u>420.99</u>	<u>1,782,424,983</u>	<u>395.74</u>	<u>(137,170,552)</u>	<u>(25.25)</u>
<b>GROSS MARGIN</b>	53,847,913	11.81	(4,320,168)	(0.96)	58,168,081	12.77
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and Benefits	62,186,651	13.64	67,567,343	15.00	5,380,692	1.36
Professional Fees	6,420,848	1.41	7,664,519	1.70	1,243,671	0.29
Purchased Services	10,588,431	2.32	14,443,170	3.21	3,854,739	0.89
Printing & Postage	2,091,837	0.46	4,054,080	0.90	1,962,243	0.44
Depreciation & Amortization	3,690,662	0.81	5,139,790	1.14	1,449,129	0.33
Other Expenses	12,619,395	2.77	19,399,146	4.31	6,779,751	1.54
Indirect Cost Allocation, Occupancy	1,876,024	0.41	2,217,755	0.49	341,731	0.08
Total Administrative Expenses	<u>99,473,848</u>	<u>21.82</u>	<u>120,485,803</u>	<u>26.75</u>	<u>21,011,955</u>	<u>4.93</u>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	(45,625,934)	(10.01)	(124,805,971)	(27.71)	79,180,037	17.70
<b>INVESTMENT INCOME</b>						
Interest Income	74,421,958	16.32	33,333,300	7.40	41,088,658	8.92
Realized Gain/(Loss) on Investments	2,058,409	0.45	-	0.00	2,058,409	0.45
Unrealized Gain/(Loss) on Investments	12,329,665	2.70	-	0.00	12,329,665	2.70
Total Investment Income	<u>88,810,032</u>	<u>19.48</u>	<u>33,333,300</u>	<u>7.40</u>	<u>55,476,732</u>	<u>12.08</u>
<b>NET RENTAL INCOME/EXPENSE</b>	(269,014)	(0.06)	(586,400)	(0.13)	317,386	0.07
<b>NET MCO TAX</b>	3,791	0.00	-	0.00	3,791	0.00
<b>GRANT EXPENSE</b>	(2,526,239)	(0.55)	(5,803,216)	(1.29)	3,276,977	0.74
<b>OTHER INCOME/EXPENSE</b>	67,880	0.01	-	0.00	67,880	0.01
<b>CHANGE IN NET ASSETS</b>	<u>40,460,516</u>	<u>8.87</u>	<u>(97,862,287)</u>	<u>(21.73)</u>	<u>138,322,803</u>	<u>30.60</u>
<b>MEDICAL LOSS RATIO</b>	97.3%		100.2%		(3.0%)	
<b>ADMINISTRATIVE LOSS RATIO</b>	5.0%		6.8%		1.7%	

**CalOptima Health - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ending November 30, 2024**

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	891,660	17,156		502	524	909,318
<b>REVENUES</b>						
Capitation Revenue	\$ 316,200,289	\$ 32,622,346	\$ (3,197,365)	\$ 4,276,121	\$ 240,242	\$ 350,141,633
<b>Total Operating Revenue</b>	<b>316,200,289</b>	<b>32,622,346</b>	<b>(3,197,365)</b>	<b>4,276,121</b>	<b>240,242</b>	<b>350,141,633</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	111,993,449	13,899,704	(1,453,037)			124,440,116
Claims	122,226,352	6,052,258		1,527,576		129,806,186
MLTSS	45,711,266			2,421	46,182	45,759,869
Prescription Drugs		7,891,763		585,651		8,477,414
Case Mgmt & Other Medical	21,914,951	1,784,389		1,221,304	186,823	25,107,468
<b>Total Medical Expenses</b>	<b>301,846,019</b>	<b>29,628,114</b>	<b>(1,453,037)</b>	<b>3,336,952</b>	<b>233,005</b>	<b>333,591,053</b>
<i>Medical Loss Ratio</i>	95.5%	90.8%	45.4%	78.0%	97.0%	95.3%
<b>GROSS MARGIN</b>	<b>14,354,270</b>	<b>2,994,232</b>	<b>(1,744,328)</b>	<b>939,169</b>	<b>7,237</b>	<b>16,550,580</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	10,685,380	959,982		165,873	117,992	11,929,226
Non-Salary Operating Expenses	3,818,532	694,329		41,883	1,423	4,556,167
Depreciation & Amortization	731,866			971		732,837
Other Operating Expenses	2,662,808	25,136		16,440	8,445	2,712,828
Indirect Cost Allocation, Occupancy	(671,392)	983,956		16,321	6,353	335,238
<b>Total Administrative Expenses</b>	<b>17,227,194</b>	<b>2,663,402</b>	<b>-</b>	<b>241,488</b>	<b>134,212</b>	<b>20,266,296</b>
<i>Administrative Loss Ratio</i>	5.4%	8.2%	0.0%	5.6%	55.9%	5.8%
<b>Operating Income/(Loss)</b>	<b>(2,872,924)</b>	<b>330,830</b>	<b>(1,744,328)</b>	<b>697,681</b>	<b>(126,975)</b>	<b>(3,715,717)</b>
Investments and Other Non-Operating	231					14,045,341
<b>CHANGE IN NET ASSETS</b>	<b>\$ (2,872,693)</b>	<b>\$ 330,830</b>	<b>\$ (1,744,328)</b>	<b>\$ 697,681</b>	<b>\$ (126,975)</b>	<b>\$ 10,329,624</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(25,453,819)</b>	<b>(1,077,821)</b>	<b>-</b>	<b>(52,311)</b>	<b>(111,965)</b>	<b>(21,325,361)</b>
Variance to Budget - Fav/(Unfav)	\$ 22,581,126	\$ 1,408,651	\$ (1,744,328)	\$ 749,992	\$ (15,010)	\$ 31,654,985

**CalOptima Health - Consolidated - Year to Date  
Statement of Revenues and Expenses by LOB  
For the Five Months Ending November 30, 2024**

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	4,471,014	86,229		2,517	2,470	4,559,760
<b>REVENUES</b>						
Capitation Revenue	\$ 1,786,087,145	\$ 167,831,816	\$ (3,197,365)	\$ 21,597,015	\$ 1,124,836	\$ 1,973,443,448
<b>Total Operating Revenue</b>	<b>1,786,087,145</b>	<b>167,831,816</b>	<b>(3,197,365)</b>	<b>21,597,015</b>	<b>1,124,836</b>	<b>1,973,443,448</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	560,808,047	72,527,451	(1,453,037)			631,882,461
Claims	683,238,740	28,907,373		7,846,990		719,993,104
MLTSS	251,067,932			32,954	188,016	251,288,903
Prescription Drugs		43,536,457		2,994,021		46,530,478
Case Mgmt & Other Medical	255,197,452	7,600,255		6,178,230	924,652	269,900,589
<b>Total Medical Expenses</b>	<b>1,750,312,171</b>	<b>152,571,537</b>	<b>(1,453,037)</b>	<b>17,052,196</b>	<b>1,112,668</b>	<b>1,919,595,535</b>
<i>Medical Loss Ratio</i>	98.0%	90.9%	45.4%	79.0%	98.9%	97.3%
<b>GROSS MARGIN</b>	<b>35,774,974</b>	<b>15,260,280</b>	<b>(1,744,328)</b>	<b>4,544,819</b>	<b>12,168</b>	<b>53,847,913</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	55,560,644	5,322,876		813,607	489,524	62,186,651
Non-Salary Operating Expenses	16,572,733	2,281,236		240,044	7,103	19,101,116
Depreciation & Amortization	3,685,903			4,758		3,690,662
Other Operating Expenses	12,402,784	133,260		45,312	38,039	12,619,395
Indirect Cost Allocation, Occupancy	(3,157,123)	4,919,780		81,604	31,763	1,876,024
<b>Total Administrative Expenses</b>	<b>85,064,941</b>	<b>12,657,151</b>	<b>-</b>	<b>1,185,326</b>	<b>566,429</b>	<b>99,473,848</b>
<i>Administrative Loss Ratio</i>	4.8%	7.5%	0.0%	5.5%	50.4%	5.0%
<b>Operating Income/(Loss)</b>	<b>(49,289,967)</b>	<b>2,603,129</b>	<b>(1,744,328)</b>	<b>3,359,494</b>	<b>(554,261)</b>	<b>(45,625,934)</b>
Investments and Other Non-Operating	71,671					86,086,451
<b>CHANGE IN NET ASSETS</b>	<b>\$ (49,218,296)</b>	<b>\$ 2,603,129</b>	<b>\$ (1,744,328)</b>	<b>\$ 3,359,494</b>	<b>\$ (554,261)</b>	<b>\$ 40,460,516</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(117,923,868)</b>	<b>(5,734,368)</b>	<b>-</b>	<b>(581,875)</b>	<b>(565,860)</b>	<b>(97,862,287)</b>
Variance to Budget - Fav/(Unfav)	\$ 68,705,572	\$ 8,337,497	\$ (1,744,328)	\$ 3,941,369	\$ 11,599	\$ 138,322,803

# CalOptima Health

## Highlights – Consolidated, for Five Months Ending November 30, 2024

### MONTHLY RESULTS:

- Change in Net Assets is \$10.3 million, favorable to budget \$31.7 million
- Operating deficit is \$3.7 million, with a surplus in non-operating income of \$14.0 million

### YEAR TO DATE RESULTS:

- Change in Net Assets is \$40.5 million, favorable to budget \$138.3 million
- Operating deficit is \$45.6 million, with a surplus in non-operating income of \$86.1 million

### Change in Net Assets by Line of Business (LOB) (\$ millions):

November 2024				July - November 2024		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(2.9)	(25.5)	22.6	<b>Operating Income (Loss)</b>	(49.3)	(117.9)	68.6
0.3	(1.1)	1.4	Medi-Cal	2.6	(5.7)	8.3
(1.7)	0.0	(1.7)	OneCare	(1.7)	0.0	(1.7)
0.7	(0.1)	0.7	OCC	3.4	(0.6)	3.9
(0.1)	(0.1)	0.0	PACE	(0.6)	(0.6)	0.0
(3.7)	(26.7)	23.0	MSSP	(45.6)	(124.8)	79.2
			<b>Total Operating Income (Loss)</b>			
			<b>Non-Operating Income (Loss)</b>			
14.1	6.7	7.5	Net Investment Income/Expense	88.8	33.3	55.5
(0.1)	(0.1)	0.0	Net Rental Income/Expense	(0.3)	(0.6)	0.3
0.0	(1.2)	1.2	Grant Expense	(2.5)	(5.8)	3.3
0.0	0.0	0.0	Other Income/Expense	0.1	0.0	0.1
14.0	5.4	8.7	<b>Total Non-Operating Income/(Loss)</b>	86.1	26.9	59.1
<b>10.3</b>	<b>(21.3)</b>	<b>31.7</b>	<b>TOTAL</b>	<b>40.5</b>	<b>(97.9)</b>	<b>138.3</b>

**CalOptima Health - Consolidated  
Enrollment Summary  
For the Five Months Ending November 30, 2024**

November 2024				July - November 2024				
Actual	Budget	\$ Variance	%Variance	Enrollment (by Aid Category)	Actual	Budget	\$ Variance	%Variance
146,300	137,257	9,043	6.6%	SPD	725,175	682,761	42,414	6.2%
266,809	271,841	(5,032)	(1.9%)	TANF Child	1,346,965	1,362,795	(15,830)	(1.2%)
131,111	137,837	(6,726)	(4.9%)	TANF Adult	654,244	689,281	(35,037)	(5.1%)
2,494	2,602	(108)	(4.2%)	LTC	12,390	13,044	(654)	(5.0%)
335,960	322,013	13,947	4.3%	MCE	1,683,697	1,618,849	64,848	4.0%
8,986	9,545	(559)	(5.9%)	WCM	48,543	47,825	718	1.5%
<b>891,660</b>	<b>881,095</b>	<b>10,565</b>	<b>1.2%</b>	<b>Medi-Cal Total</b>	<b>4,471,014</b>	<b>4,414,555</b>	<b>56,459</b>	<b>1.3%</b>
17,156	17,499	(343)	(2.0%)	OneCare	86,229	87,138	(909)	(1.0%)
502	478	24	5.0%	PACE	2,517	2,364	153	6.5%
524	568	(44)	(7.7%)	MSSP	2,470	2,840	(370)	(13.0%)
<b>909,318</b>	<b>899,072</b>	<b>10,246</b>	<b>1.1%</b>	<b>CalOptima Health Total</b>	<b>4,559,760</b>	<b>4,504,057</b>	<b>55,703</b>	<b>1.2%</b>
				<b>Enrollment (by Network)</b>				
360,687	302,617	58,070	19.2%	HMO	1,524,990	1,517,046	7,944	0.5%
173,845	178,456	(4,611)	(2.6%)	PHC	881,213	894,867	(13,654)	(1.5%)
67,997	132,412	(64,415)	(48.6%)	Shared Risk Group	642,149	667,161	(25,012)	(3.7%)
289,131	267,610	21,521	8.0%	Fee for Service	1,422,662	1,335,481	87,181	6.5%
<b>891,660</b>	<b>881,095</b>	<b>10,565</b>	<b>1.2%</b>	<b>Medi-Cal Total</b>	<b>4,471,014</b>	<b>4,414,555</b>	<b>56,459</b>	<b>1.3%</b>
17,156	17,499	(343)	(0)	OneCare	86,229	87,138	(909)	(0)
502	478	24	5.0%	PACE	2,517	2,364	153	6.5%
524	568	(44)	(7.7%)	MSSP	2,470	2,840	(370)	(13.0%)
<b>909,318</b>	<b>899,072</b>	<b>10,246</b>	<b>1.1%</b>	<b>CalOptima Health Total</b>	<b>4,559,760</b>	<b>4,504,057</b>	<b>55,703</b>	<b>1.2%</b>

Note: MSSP enrollment is included in Medi-Cal Total.

**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
<b>HMOs</b>															
SPD	17,150	16,511	16,610	16,774	20,293								87,338	81,842	5,496
TANF Child	66,405	65,921	65,198	64,503	77,875								339,902	344,792	(4,890)
TANF Adult	54,590	55,734	55,056	54,535	70,864								290,779	314,628	(23,849)
LTC	2				1								3		3
MCE	153,578	153,602	152,129	151,153	190,284								800,746	768,888	31,858
WCM	1,241	1,234	1,214	1,163	1,370								6,222	6,896	(674)
<b>Total</b>	<b>292,966</b>	<b>293,002</b>	<b>290,207</b>	<b>288,128</b>	<b>360,687</b>								<b>1,524,990</b>	<b>1,517,046</b>	<b>7,944</b>
<b>PHCs</b>															
SPD	4,906	4,644	4,820	4,796	4,736								23,902	22,560	1,342
TANF Child	140,053	138,903	137,874	136,823	136,101								689,754	707,383	(17,629)
TANF Adult	3,994	4,186	4,191	4,104	4,165								20,640	24,688	(4,048)
LTC													0		0
MCE	22,999	22,762	22,600	22,551	22,507								113,419	108,022	5,397
WCM	6,571	7,308	6,733	6,550	6,336								33,498	32,214	1,284
<b>Total</b>	<b>178,523</b>	<b>177,803</b>	<b>176,218</b>	<b>174,824</b>	<b>173,845</b>								<b>881,213</b>	<b>894,867</b>	<b>(13,654)</b>
<b>Shared Risk Groups</b>															
SPD	7,270	7,077	7,057	7,133	3,422								31,959	32,448	(489)
TANF Child	32,783	32,842	32,545	32,325	18,564								149,059	157,583	(8,524)
TANF Adult	27,519	29,041	28,870	28,586	11,818								125,834	145,081	(19,247)
LTC				1									1	5	(4)
MCE	74,704	74,918	74,517	74,138	34,102								332,379	328,374	4,005
WCM	702	701	716	707	91								2,917	3,670	(753)
<b>Total</b>	<b>142,978</b>	<b>144,579</b>	<b>143,705</b>	<b>142,890</b>	<b>67,997</b>								<b>642,149</b>	<b>667,161</b>	<b>(25,012)</b>
<b>Fee for Service (Dual)</b>															
SPD	100,293	99,792	100,297	100,986	101,924								503,292	472,165	31,127
TANF Child													0	7	(7)
TANF Adult	1,145	1,159	1,123	1,052	1,035								5,514	9,090	(3,576)
LTC	2,178	2,203	2,209	2,222	2,208								11,020	11,676	(656)
MCE	4,008	4,703	4,593	4,431	4,388								22,123	45,170	(23,047)
WCM	6	7	8	15	12								48	45	3
<b>Total</b>	<b>107,630</b>	<b>107,864</b>	<b>108,230</b>	<b>108,706</b>	<b>109,567</b>								<b>541,997</b>	<b>538,153</b>	<b>3,844</b>
<b>Fee for Service (Non-Dual - Total)</b>															
SPD	15,636	15,436	15,868	15,819	15,925								78,684	73,746	4,938
TANF Child	32,741	33,377	33,868	33,995	34,269								168,250	153,030	15,220
TANF Adult	40,618	42,145	42,625	42,860	43,229								211,477	195,794	15,683
LTC	278	254	271	278	285								1,366	1,363	3
MCE	80,536	82,491	83,546	83,778	84,679								415,030	368,395	46,635
WCM	1,205	1,184	1,178	1,114	1,177								5,858	5,000	858
<b>Total</b>	<b>171,014</b>	<b>174,887</b>	<b>177,356</b>	<b>177,844</b>	<b>179,564</b>								<b>880,665</b>	<b>797,328</b>	<b>83,337</b>
<b>Grand Totals</b>															
SPD	145,255	143,460	144,652	145,508	146,300								725,175	682,761	42,414
TANF Child	271,982	271,043	269,485	267,646	266,809								1,346,965	1,362,795	(15,830)
TANF Adult	127,866	132,265	131,865	131,137	131,111								654,244	689,281	(35,037)
LTC	2,458	2,457	2,480	2,501	2,494								12,390	13,044	(654)
MCE	335,825	338,476	337,385	336,051	335,960								1,683,697	1,618,849	64,848
WCM	9,725	10,434	9,849	9,549	8,986								48,543	47,825	718
<b>Total MediCal MM</b>	<b>893,111</b>	<b>898,135</b>	<b>895,716</b>	<b>892,392</b>	<b>891,660</b>								<b>4,471,014</b>	<b>4,414,555</b>	<b>56,459</b>
<b>OneCare</b>	<b>17,311</b>	<b>17,307</b>	<b>17,282</b>	<b>17,173</b>	<b>17,156</b>								<b>86,229</b>	<b>87,138</b>	<b>(909)</b>
<b>PACE</b>	<b>506</b>	<b>508</b>	<b>503</b>	<b>498</b>	<b>502</b>								<b>2,517</b>	<b>2,364</b>	<b>153</b>
<b>MSSP</b>	<b>473</b>	<b>480</b>	<b>487</b>	<b>506</b>	<b>524</b>								<b>2,470</b>	<b>2,840</b>	<b>(370)</b>
<b>Grand Total</b>	<b>910,928</b>	<b>915,950</b>	<b>913,501</b>	<b>910,063</b>	<b>909,318</b>								<b>4,559,760</b>	<b>4,504,057</b>	<b>55,703</b>

Note: MSSP enrollment is included in Medi-Cal Total.

## **ENROLLMENT:**

**Overall**, November enrollment was 909,318

- Favorable to budget 10,246 or 1.1%
- Decreased 745 or 0.1% from Prior Month (PM) (October 2024)
- Decreased 54,650 or 5.7% from Prior Year (PY) (November 2023)

**Medi-Cal** enrollment was 891,660

- Favorable to budget 10,565 or 1.2%
- Medi-Cal Expansion (MCE) favorable to budget 13,947
- Seniors and Persons with Disabilities (SPD) favorable to budget 9,043
- Temporary Assistance for Needy Families (TANF) unfavorable to budget 11,758
- Whole Child Model (WCM) unfavorable to budget 559
- Long-Term Care (LTC) unfavorable to budget 108
- Decreased 732 from PM

**OneCare** enrollment was 17,156

- Unfavorable to budget 343 or 2.0%
- Decreased 17 from PM

**PACE** enrollment was 502

- Favorable to budget 24 or 5.0%
- Increased 4 from PM

**MSSP** enrollment was 524

- Unfavorable to budget 44 or 7.7%
- Increased 18 from PM



**CalOptima Health  
Medi-Cal  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
891,660	881,095	10,565	1.2%	Member Months	4,471,014	4,414,555	56,459	1.3%
				<b>Revenues</b>				
316,200,289	316,134,965	65,324	0.0%	Medi-Cal Capitation Revenue	1,786,087,145	1,582,429,924	203,657,221	12.9%
<b>316,200,289</b>	<b>316,134,965</b>	<b>65,324</b>	<b>0.0%</b>	<b>Total Operating Revenue</b>	<b>1,786,087,145</b>	<b>1,582,429,924</b>	<b>203,657,221</b>	<b>12.9%</b>
				<b>Medical Expenses</b>				
111,993,449	111,335,753	(657,696)	(0.6%)	Provider Capitation	560,808,047	558,397,112	(2,410,935)	(0.4%)
62,801,584	63,962,893	1,161,309	1.8%	Facilities Claims	350,852,749	324,665,496	(26,187,253)	(8.1%)
59,424,768	66,981,755	7,556,987	11.3%	Professional Claims	332,385,991	346,603,149	14,217,158	4.1%
45,711,266	47,969,047	2,257,781	4.7%	MLTSS	251,067,932	242,972,254	(8,095,678)	(3.3%)
11,152,485	20,140,810	8,988,325	44.6%	Incentive Payments	57,997,402	70,888,738	12,891,336	18.2%
7,890,942	8,909,501	1,018,559	11.4%	Medical Management	40,217,742	45,256,703	5,038,961	11.1%
2,871,524	1,830,209	(1,041,315)	(56.9%)	Other Medical Expenses	156,982,307	9,151,045	(147,831,262)	(1,615.5%)
<b>301,846,019</b>	<b>321,129,968</b>	<b>19,283,949</b>	<b>6.0%</b>	<b>Total Medical Expenses</b>	<b>1,750,312,171</b>	<b>1,597,934,497</b>	<b>(152,377,674)</b>	<b>(9.5%)</b>
<b>14,354,270</b>	<b>(4,995,003)</b>	<b>19,349,273</b>	<b>387.4%</b>	<b>Gross Margin</b>	<b>35,774,974</b>	<b>(15,504,573)</b>	<b>51,279,547</b>	<b>330.7%</b>
				<b>Administrative Expenses</b>				
10,685,380	11,847,345	1,161,965	9.8%	Salaries, Wages & Employee Benefits	55,560,644	60,108,405	4,547,761	7.6%
1,471,451	1,430,862	(40,589)	(2.8%)	Professional Fees	5,989,440	7,044,979	1,055,539	15.0%
2,148,707	2,524,070	375,363	14.9%	Purchased Services	9,114,190	11,756,885	2,642,695	22.5%
198,374	520,563	322,189	61.9%	Printing & Postage	1,469,103	2,722,330	1,253,227	46.0%
731,866	1,026,358	294,492	28.7%	Depreciation & Amortization	3,685,903	5,131,790	1,445,887	28.2%
2,662,808	3,716,049	1,053,241	28.3%	Other Operating Expenses	12,402,784	18,687,061	6,284,277	33.6%
(671,392)	(606,431)	64,961	10.7%	Indirect Cost Allocation, Occupancy	(3,157,123)	(3,032,155)	124,968	4.1%
<b>17,227,194</b>	<b>20,458,816</b>	<b>3,231,622</b>	<b>15.8%</b>	<b>Total Administrative Expenses</b>	<b>85,064,941</b>	<b>102,419,295</b>	<b>17,354,354</b>	<b>16.9%</b>
				<b>Non-Operating Income (Loss)</b>				
(1,046)	-	(1,046)	(100.0%)	Net Operating Tax	3,791	-	3,791	100.0%
1,277	-	1,277	100.0%	Other Income/Expense	67,880	-	67,880	100.0%
<b>231</b>	<b>-</b>	<b>231</b>	<b>100.0%</b>	<b>Total Non-Operating Income (Loss)</b>	<b>71,671</b>	<b>-</b>	<b>71,671</b>	<b>100.0%</b>
<b>(2,872,693)</b>	<b>(25,453,819)</b>	<b>22,581,126</b>	<b>88.7%</b>	<b>Change in Net Assets</b>	<b>(49,218,297)</b>	<b>(117,923,868)</b>	<b>68,705,571</b>	<b>58.3%</b>
<b>95.5%</b>	<b>101.6%</b>	<b>(6.1%)</b>		<b>Medical Loss Ratio</b>	<b>98.0%</b>	<b>101.0%</b>	<b>(3.0%)</b>	
<b>5.4%</b>	<b>6.5%</b>	<b>1.0%</b>		<b>Admin Loss Ratio</b>	<b>4.8%</b>	<b>6.5%</b>	<b>1.7%</b>	

## **MEDI-CAL INCOME STATEMENT– NOVEMBER MONTH:**

**REVENUES** are \$316.2 million, favorable to budget \$0.1 million:

- Favorable volume related variance of \$3.8 million
- Unfavorable price related variance of \$3.7 million
  - \$10.2 million due to CY 2022 Proposition 56 Risk Corridor Settlement true-up
  - \$1.7 million due to Enhanced Care Management (ECM) and Unsatisfactory Immigration Status (UIS) risk corridors
  - Offset by \$9.4 million due to favorable premium capitation rates

**MEDICAL EXPENSES** are \$301.8 million, favorable to budget \$19.3 million:

- Unfavorable volume related variance of \$3.9 million
- Favorable price related variance of \$23.1 million:
  - Incentive Payments expenses favorable variance of \$9.2 million due to the timing of Hospital Quality Program
  - Professional Claims expenses favorable variance of \$8.4 million due to decreased utilization in Community Supports services
  - Managed Long-Term Services and Supports (MLTSS) expenses favorable variance of \$2.8 million
  - Facilities Claims expenses favorable variance of \$1.9 million
  - Medical Management expenses favorable variance of \$1.1 million
  - Provider Capitation expenses favorable variance of \$0.7 million
  - Offset by Other Medical Expenses unfavorable variance of \$1.0 million

**ADMINISTRATIVE EXPENSES** are \$17.2 million, favorable to budget \$3.2 million:

- Non-Salary expenses favorable to budget \$2.1 million
- Salaries, Wages & Employee Benefits expenses favorable to budget \$1.2 million

**CHANGE IN NET ASSETS** is (\$2.9) million, favorable to budget \$22.6 million

**CalOptima Health  
OneCare  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
17,156	17,499	(343)	(2.0%)	<b>Member Months</b>	86,229	87,138	(909)	(1.0%)
				<b>Revenues</b>				
23,264,738	25,350,474	(2,085,736)	(8.2%)	Medicare Part C Revenue	120,430,454	127,846,655	(7,416,201)	(5.8%)
9,357,608	9,417,259	(59,651)	(0.6%)	Medicare Part D Revenue	47,401,362	46,946,186	455,176	1.0%
<b>32,622,346</b>	<b>34,767,733</b>	<b>(2,145,387)</b>	<b>(6.2%)</b>	<b>Total Operating Revenue</b>	<b>167,831,816</b>	<b>174,792,841</b>	<b>(6,961,025)</b>	<b>(4.0%)</b>
				<b>Medical Expenses</b>				
13,899,704	15,485,328	1,585,624	10.2%	Provider Capitation	72,527,451	78,081,934	5,554,483	7.1%
4,315,035	4,833,973	518,938	10.7%	Inpatient	19,932,395	24,063,204	4,130,809	17.2%
1,737,224	1,715,115	(22,109)	(1.3%)	Ancillary	8,974,978	8,666,770	(308,208)	(3.6%)
7,891,763	8,773,417	881,654	10.0%	Prescription Drugs	43,536,457	44,451,833	915,376	2.1%
707,454	473,395	(234,059)	(49.4%)	Incentive Payments	2,497,641	2,459,466	(38,175)	(1.6%)
1,076,935	1,338,432	261,497	19.5%	Medical Management	5,102,614	6,852,232	1,749,618	25.5%
<b>29,628,114</b>	<b>32,619,660</b>	<b>2,991,546</b>	<b>9.2%</b>	<b>Total Medical Expenses</b>	<b>152,571,537</b>	<b>164,575,439</b>	<b>12,003,902</b>	<b>7.3%</b>
<b>2,994,232</b>	<b>2,148,073</b>	<b>846,159</b>	<b>39.4%</b>	<b>Gross Margin</b>	<b>15,260,280</b>	<b>10,217,402</b>	<b>5,042,878</b>	<b>49.4%</b>
				<b>Administrative Expenses</b>				
959,982	1,198,914	238,932	19.9%	Salaries, Wages & Employee Benefits	5,322,876	6,049,850	726,974	12.0%
75,000	121,483	46,483	38.3%	Professional Fees	415,488	568,615	153,127	26.9%
448,715	513,960	65,245	12.7%	Purchased Services	1,245,359	2,375,620	1,130,261	47.6%
170,614	243,950	73,336	30.1%	Printing & Postage	620,389	1,219,750	599,361	49.1%
25,136	121,504	96,368	79.3%	Other Operating Expenses	133,260	607,520	474,260	78.1%
983,956	1,026,083	42,127	4.1%	Indirect Cost Allocation, Occupancy	4,919,780	5,130,415	210,635	4.1%
<b>2,663,402</b>	<b>3,225,894</b>	<b>562,492</b>	<b>17.4%</b>	<b>Total Administrative Expenses</b>	<b>12,657,151</b>	<b>15,951,770</b>	<b>3,294,619</b>	<b>20.7%</b>
<b>330,830</b>	<b>(1,077,821)</b>	<b>1,408,651</b>	<b>130.7%</b>	<b>Change in Net Assets</b>	<b>2,603,129</b>	<b>(5,734,368)</b>	<b>8,337,497</b>	<b>145.4%</b>
				<b>Medical Loss Ratio</b>				
<b>90.8%</b>	<b>93.8%</b>	<b>(3.0%)</b>		<b>90.9%</b>	<b>94.2%</b>	<b>(3.2%)</b>		
				<b>Admin Loss Ratio</b>				
<b>8.2%</b>	<b>9.3%</b>	<b>1.1%</b>		<b>7.5%</b>	<b>9.1%</b>	<b>1.6%</b>		

## **ONECARE INCOME STATEMENT – NOVEMBER MONTH:**

**REVENUES** are \$32.6 million, unfavorable to budget \$2.1 million:

- Unfavorable volume related variance of \$0.7 million
- Unfavorable price related variance of \$1.5 million due to post OneCare Connect (OCC) manual deletes

**MEDICAL EXPENSES** are \$29.6 million, favorable to budget \$3.0 million:

- Favorable volume related variance of \$0.6 million
- Favorable price related variance of \$2.4 million primarily due to Provider Capitation and Prescription Drugs expenses

**ADMINISTRATIVE EXPENSES** are \$2.7 million, favorable to budget \$0.6 million:

- Non-Salary expenses favorable to budget \$0.3 million
- Salaries, Wages & Employee Benefits expenses favorable to budget \$0.2 million

**CHANGE IN NET ASSETS** is \$0.3 million, favorable to budget \$1.4 million

**CalOptima Health  
PACE  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
<b>502</b>	<b>478</b>	<b>24</b>	<b>5.0%</b>	<b>Member Months</b>	<b>2,517</b>	<b>2,364</b>	<b>153</b>	<b>6.5%</b>
				<b>Revenues</b>				
3,241,969	3,000,435	241,534	8.0%	Medi-Cal Capitation Revenue	16,202,571	14,847,699	1,354,872	9.1%
748,444	713,323	35,121	4.9%	Medicare Part C Revenue	3,814,654	3,582,947	231,707	6.5%
285,707	238,008	47,699	20.0%	Medicare Part D Revenue	1,579,790	1,183,819	395,971	33.4%
<b>4,276,121</b>	<b>3,951,766</b>	<b>324,355</b>	<b>8.2%</b>	<b>Total Operating Revenue</b>	<b>21,597,015</b>	<b>19,614,465</b>	<b>1,982,550</b>	<b>10.1%</b>
				<b>Medical Expenses</b>				
1,221,304	1,334,172	112,868	8.5%	Medical Management	6,178,230	6,826,082	647,852	9.5%
644,771	733,432	88,661	12.1%	Facilities Claims	3,564,780	3,688,811	124,031	3.4%
658,924	810,340	151,416	18.7%	Professional Claims	3,184,532	4,067,325	882,793	21.7%
585,651	540,833	<b>(44,818)</b>	<b>(8.3%)</b>	Prescription Drugs	2,994,021	2,704,367	<b>(289,654)</b>	<b>(10.7%)</b>
2,421	29,793	27,372	91.9%	MLTSS	32,954	122,522	89,568	73.1%
223,880	260,447	36,567	14.0%	Patient Transportation	1,097,679	1,302,235	204,556	15.7%
<b>3,336,952</b>	<b>3,709,017</b>	<b>372,065</b>	<b>10.0%</b>	<b>Total Medical Expenses</b>	<b>17,052,196</b>	<b>18,711,342</b>	<b>1,659,146</b>	<b>8.9%</b>
<b>939,169</b>	<b>242,749</b>	<b>696,420</b>	<b>286.9%</b>	<b>Gross Margin</b>	<b>4,544,819</b>	<b>903,123</b>	<b>3,641,696</b>	<b>403.2%</b>
				<b>Administrative Expenses</b>				
165,873	170,818	4,945	2.9%	Salaries, Wages & Employee Benefits	813,607	864,348	50,741	5.9%
2,701	8,708	6,007	69.0%	Professional Fees	8,836	43,840	35,004	79.8%
39,088	70,533	31,445	44.6%	Purchased Services	228,863	310,665	81,802	26.3%
95	13,900	13,805	99.3%	Printing & Postage	2,345	112,000	109,655	97.9%
971	1,600	629	39.3%	Depreciation & Amortization	4,758	8,000	3,242	40.5%
16,440	12,823	<b>(3,617)</b>	<b>(28.2%)</b>	Other Operating Expenses	45,312	63,315	18,003	28.4%
16,321	16,678	357	2.1%	Indirect Cost Allocation, Occupancy	81,604	82,830	1,226	1.5%
<b>241,488</b>	<b>295,060</b>	<b>53,572</b>	<b>18.2%</b>	<b>Total Administrative Expenses</b>	<b>1,185,326</b>	<b>1,484,998</b>	<b>299,672</b>	<b>20.2%</b>
<b>697,681</b>	<b>(52,311)</b>	<b>749,992</b>	<b>1,433.7%</b>	<b>Change in Net Assets</b>	<b>3,359,494</b>	<b>(581,875)</b>	<b>3,941,369</b>	<b>677.4%</b>
<b>78.0%</b>	<b>93.9%</b>	<b>(15.8%)</b>		<b>Medical Loss Ratio</b>	<b>79.0%</b>	<b>95.4%</b>	<b>(16.4%)</b>	
<b>5.6%</b>	<b>7.5%</b>	<b>1.8%</b>		<b>Admin Loss Ratio</b>	<b>5.5%</b>	<b>7.6%</b>	<b>2.1%</b>	

**CalOptima Health**  
**Multipurpose Senior Services Program**  
**Statement of Revenues and Expenses**  
**For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
524	568	(44)	(7.7%)	<b>Member Months</b>	2,470	2,840	(370)	(13.0%)
				<b>Revenues</b>				
240,242	253,517	(13,275)	(5.2%)	Revenue	1,124,836	1,267,585	(142,749)	(11.3%)
<b>240,242</b>	<b>253,517</b>	<b>(13,275)</b>	<b>(5.2%)</b>	<b>Total Operating Revenue</b>	<b>1,124,836</b>	<b>1,267,585</b>	<b>(142,749)</b>	<b>(11.3%)</b>
				<b>Medical Expenses</b>				
186,823	207,784	20,961	10.1%	Medical Management	924,652	1,038,920	114,268	11.0%
46,182	32,957	(13,225)	(40.1%)	Waiver Services	188,016	164,785	(23,231)	(14.1%)
186,823	207,784	20,961	10.1%	Total Medical Management	924,652	1,038,920	114,268	11.0%
46,182	32,957	(13,225)	(40.1%)	Total Waiver Services	188,016	164,785	(23,231)	(14.1%)
<b>233,005</b>	<b>240,741</b>	<b>7,736</b>	<b>3.2%</b>	<b>Total Program Expenses</b>	<b>1,112,668</b>	<b>1,203,705</b>	<b>91,037</b>	<b>7.6%</b>
7,237	12,776	(5,539)	(43.4%)	<b>Gross Margin</b>	12,168	63,880	(51,712)	(81.0%)
				<b>Administrative Expenses</b>				
117,992	107,741	(10,251)	(9.5%)	Salaries, Wages & Employee Benefits	489,524	544,740	55,216	10.1%
1,417	1,417	0	0.0%	Professional Fees	7,083	7,085	2	0.0%
6	-	(6)	(100.0%)	Purchased Services	20	-	(20)	(100.0%)
8,445	8,250	(195)	(2.4%)	Other Operating Expenses	38,039	41,250	3,211	7.8%
6,353	7,333	980	13.4%	Indirect Cost Allocation, Occupancy	31,763	36,665	4,902	13.4%
<b>134,212</b>	<b>124,741</b>	<b>(9,471)</b>	<b>(7.6%)</b>	<b>Total Administrative Expenses</b>	<b>566,429</b>	<b>629,740</b>	<b>63,311</b>	<b>10.1%</b>
<b>(126,975)</b>	<b>(111,965)</b>	<b>(15,010)</b>	<b>(13.4%)</b>	<b>Change in Net Assets</b>	<b>(554,261)</b>	<b>(565,860)</b>	<b>11,599</b>	<b>2.0%</b>
97.0%	95.0%	2.0%		<i>Medical Loss Ratio</i>	98.9%	95.0%	4.0%	
55.9%	49.2%	(6.7%)		<i>Admin Loss Ratio</i>	50.4%	49.7%	(0.7%)	



**CalOptima Health**  
**Building - 505 City Parkway**  
**Statement of Revenues and Expenses**  
**For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	<b>0.0%</b>	<b>Total Operating Revenue</b>	-	-	-	<b>0.0%</b>
				<b>Administrative Expenses</b>				
50,502	22,905	(27,597)	(120.5%)	Purchased Services	246,251	114,525	(131,726)	(115.0%)
181,030	195,000	13,970	7.2%	Depreciation & Amortization	904,419	975,000	70,581	7.2%
24,795	26,654	1,859	7.0%	Insurance Expense	123,973	133,270	9,297	7.0%
118,744	181,186	62,442	34.5%	Repair & Maintenance	582,576	905,930	323,354	35.7%
35,242	56,824	21,582	38.0%	Other Operating Expenses	347,572	284,120	(63,452)	(22.3%)
(410,312)	(482,569)	(72,257)	(15.0%)	Indirect Cost Allocation, Occupancy	(2,204,791)	(2,412,845)	(208,054)	(8.6%)
-	-	-	<b>0.0%</b>	<b>Total Administrative Expenses</b>	-	-	-	<b>0.0%</b>
-	-	-	<b>0.0%</b>	<b>Change in Net Assets</b>	-	-	-	<b>0.0%</b>



**CalOptima Health**  
**Building - 500 City Parkway**  
**Statement of Revenues and Expenses**  
**For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>				
156,423	135,866	20,557	15.1%	Rental Income	782,117	679,330	102,787	15.1%
<b>156,423</b>	<b>135,866</b>	<b>20,557</b>	<b>15.1%</b>	<b>Total Operating Revenue</b>	<b>782,117</b>	<b>679,330</b>	<b>102,787</b>	<b>15.1%</b>
				<b>Administrative Expenses</b>				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
39,330	9,330	(30,000)	(321.5%)	Purchased Services	175,414	46,650	(128,764)	(276.0%)
115,473	51,000	(64,473)	(126.4%)	Depreciation & Amortization	253,765	255,000	1,235	0.5%
8,226	8,746	520	6.0%	Insurance Expense	41,399	43,730	2,331	5.3%
62,040	94,592	32,552	34.4%	Repair & Maintenance	302,899	472,960	170,061	36.0%
(303)	25,978	26,281	101.2%	Other Operating Expenses	169,263	129,890	(39,373)	(30.3%)
(23,803)	-	23,803	100.0%	Indirect Cost Allocation, Occupancy	(99,838)	-	99,838	100.0%
<b>200,962</b>	<b>189,646</b>	<b>(11,316)</b>	<b>(6.0%)</b>	<b>Total Administrative Expenses</b>	<b>842,902</b>	<b>948,230</b>	<b>105,328</b>	<b>11.1%</b>
<b>(44,539)</b>	<b>(53,780)</b>	<b>9,241</b>	<b>17.2%</b>	<b>Change in Net Assets</b>	<b>(60,785)</b>	<b>(268,900)</b>	<b>208,115</b>	<b>77.4%</b>

**CalOptima Health**  
**Building - 7900 Garden Grove Blvd**  
**Statement of Revenues and Expenses**  
**For the Five Months Ending November 30, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	<b>0.0%</b>	<b>Total Operating Revenue</b>	-	-	-	<b>0.0%</b>
				<b>Administrative Expenses</b>				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
26,938	42,500	15,562	36.6%	Purchased Services	131,042	212,500	81,458	38.3%
9,397	21,000	11,603	55.3%	Depreciation & Amortization	46,987	105,000	58,013	55.3%
4,751	-	(4,751)	(100.0%)	Insurance Expense	22,745	-	(22,745)	(100.0%)
(202)	-	202	100.0%	Repair & Maintenance	988	-	(988)	(100.0%)
1,053	-	(1,053)	(100.0%)	Other Operating Expenses	6,466	-	(6,466)	(100.0%)
-	-	-	0.0%	Indirect Cost Allocation, Occupancy	-	-	-	0.0%
<b>41,937</b>	<b>63,500</b>	<b>21,563</b>	<b>34.0%</b>	<b>Total Administrative Expenses</b>	<b>208,228</b>	<b>317,500</b>	<b>109,272</b>	<b>34.4%</b>
<b>(41,937)</b>	<b>(63,500)</b>	<b>21,563</b>	<b>34.0%</b>	<b>Change in Net Assets</b>	<b>(208,228)</b>	<b>(317,500)</b>	<b>109,272</b>	<b>34.4%</b>

## **OTHER PROGRAM INCOME STATEMENTS – NOVEMBER MONTH:**

### **PACE**

- **CHANGE IN NET ASSETS** is \$0.7 million, favorable to budget \$0.7 million

### **MSSP**

- **CHANGE IN NET ASSETS** is (\$126,975), unfavorable to budget \$15,010

### **OneCare Connect**

- **CHANGE IN NET ASSETS** is (\$1.7) million, unfavorable to budget \$1.7 million due to post OCC manual delete of records from CMS

## **NON-OPERATING INCOME STATEMENTS – NOVEMBER MONTH**

### **BUILDING 500 City Parkway**

- **CHANGE IN NET ASSETS** is (\$44,539), favorable to budget \$9,241
  - Net of \$156,423 in rental income and \$200,962 in expenses

### **BUILDING 7900 Garden Grove Blvd**

- **CHANGE IN NET ASSETS** is (\$41,937), favorable to budget \$21,563

### **INVESTMENT INCOME**

- Favorable variance of \$7.5 million due to \$7.0 million of interest income and \$0.5 million of realized and unrealized gain on investments

**CalOptima Health  
Balance Sheet  
November 30, 2024**

	November-24	October-24	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	662,165,136	636,183,232	25,981,904	4.1%
Short-term Investments	1,595,188,045	1,594,075,058	1,112,987	0.1%
Premiums due from State of CA and CMS	718,315,197	694,469,640	23,845,557	3.4%
Prepaid Expenses and Other	11,818,002	12,807,822	(989,820)	(7.7%)
<b>Total Current Assets</b>	<b>2,987,486,379</b>	<b>2,937,535,752</b>	<b>49,950,627</b>	<b>1.7%</b>
<b>Board Designated Assets</b>				
Board Designated Reserves	1,034,590,693	1,030,468,550	4,122,144	0.4%
Statutory Designated Reserves	135,739,244	135,091,898	647,346	0.5%
<b>Total Designated Assets</b>	<b>1,170,329,938</b>	<b>1,165,560,448</b>	<b>4,769,490</b>	<b>0.4%</b>
<b>Restricted Deposit</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0.0%</b>
<b>Capital Assets, Net</b>	<b>102,526,219</b>	<b>103,588,281</b>	<b>(1,062,062)</b>	<b>(1.0%)</b>
<b>Total Assets</b>	<b>4,260,642,536</b>	<b>4,206,984,481</b>	<b>53,658,055</b>	<b>1.3%</b>
<b>Deferred Outflows of Resources</b>				
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%
<b>Total Deferred Outflows of Resources</b>	<b>75,899,007</b>	<b>75,899,007</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,336,541,543</b>	<b>4,282,883,488</b>	<b>53,658,055</b>	<b>1.3%</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Medical Claims Liability	1,082,119,985	1,132,864,528	(50,744,542)	(4.5%)
Provider Capitation and Withholds	148,975,525	146,797,777	2,177,748	1.5%
Accrued Reinsurance Costs to Providers	9,490,371	7,890,371	1,600,000	20.3%
Unearned Revenue	51,986,758	20,093,256	31,893,502	158.7%
Accounts Payable and Other	337,792,916	272,921,907	64,871,008	23.8%
Accrued Payroll and Employee Benefits and Other	18,564,377	26,352,023	(7,787,646)	(29.6%)
Other Current Liabilities	-	3,357	(3,357)	(100.0%)
<b>Total Current Liabilities</b>	<b>1,648,929,932</b>	<b>1,606,923,220</b>	<b>42,006,713</b>	<b>2.6%</b>
GASB 96 Subscription Liabilities	21,387,713	21,387,713	-	0.0%
Community Reinvestment	108,486,234	107,217,960	1,268,274	1.2%
Postemployment Health Care Plan	17,567,168	17,513,725	53,443	0.3%
Net Pension Liability	45,981,359	45,981,359	-	0.0%
<b>Total Liabilities</b>	<b>1,842,352,407</b>	<b>1,799,023,976</b>	<b>43,328,430</b>	<b>2.4%</b>
<b>Deferred Inflows of Resources</b>				
Net Pension	2,248,445	2,248,445	-	0.0%
Other Postemployment Benefits	6,398,000	6,398,000	-	0.0%
<b>Total Deferred Inflows of Resources</b>	<b>8,646,445</b>	<b>8,646,445</b>	<b>-</b>	<b>0.0%</b>
<b>Net Position</b>				
Required TNE	131,503,959	132,168,843	(664,884)	(0.5%)
Funds in excess of TNE	2,354,038,732	2,343,044,224	10,994,508	0.5%
<b>Total Net Position</b>	<b>2,485,542,691</b>	<b>2,475,213,067</b>	<b>10,329,624</b>	<b>0.4%</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS &amp; NET POSITION</b>	<b>4,336,541,543</b>	<b>4,282,883,488</b>	<b>53,658,055</b>	<b>1.3%</b>

## **BALANCE SHEET – NOVEMBER MONTH:**

**ASSETS** of \$4.3 billion increased \$53.7 million from October or 1.3%

- Operating Cash and Short-term Investments net increase of \$27.1 million due to the receipt of December capitation checks from CMS
- Premiums due from State of California (CA) and CMS increased \$23.8 million primarily due to the timing of cash receipts

**LIABILITIES** of \$1.8 billion increased \$43.3 million from October or 2.4%

- Accounts Payable and Other increased \$64.9 million primarily due to the timing of quarterly tax payments and accruals
- Unearned Revenue increased \$31.9 million due to the receipt of the December capitation checks from CMS
- Medical Claims Liabilities decreased \$50.7 million due to the Proposition 56 Calendar Year (CY) 2022 payment of \$61.8 million to DHCS; offset by accruals
- Accrued Payroll and Employee Benefits and Other decreased \$7.8 million due to the pay date cut-off timing at month-end

**NET ASSETS** of \$2.5 billion, increased \$10.3 million from October or 0.4%

**CalOptima Health**  
**Board Designated Reserve and TNE Analysis**  
**as of November 30, 2024**

**Board Designated Reserves**

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	517,468,442				
MetLife Tier One	517,122,252				
<b>Board Designated Reserves</b>	<b>1,034,590,693</b>	<b>959,938,521</b>	<b>1,151,926,225</b>	<b>74,652,173</b>	<b>(117,335,532)</b>
<i>Current Reserve Level ( X months of average monthly revenue) <sup>1</sup></i>	<i>2.69</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	68,010,906				
MetLife Tier Two	67,728,338				
<b>Statutory Designated Reserves</b>	<b>135,739,244</b>	<b>131,503,959</b>	<b>144,654,355</b>	<b>4,235,285</b>	<b>(8,915,110)</b>
<i>Current Reserve Level ( X min. TNE) <sup>1</sup></i>	<i>1.03</i>	<i>1.00</i>	<i>1.10</i>		

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information

**CalOptima Health  
Statement of Cash Flow  
November 30, 2024**

	<b>November 2024</b>	<b>July - November 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	10,329,624	40,460,516
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation & Amortization	1,038,737	4,895,833
Changes in assets and liabilities:		
Prepaid expenses and other	989,820	(648,882)
Capitation receivable	(23,845,557)	(163,628,713)
Medical claims liability	(49,477,876)	(62,425,735)
Deferred revenue	31,893,502	36,725,595
Payable to health networks	2,511,081	(25,066,202)
Accounts payable	64,871,008	165,473,309
Accrued payroll	(7,734,203)	(7,125,123)
Other accrued liabilities	1,264,917	6,225,069
Net cash provided by/(used in) operating activities	31,841,056	(5,114,333)
 GASB 68, GASB 75 and Advance Discretionary Payment Adjustments	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Net Asset transfer from Foundation	-	-
Net cash provided by (used in) in capital and related financing activities	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in Investments	(1,112,987)	182,707,895
Change in Property and Equipment	23,324	(10,861,244)
Change in Restricted Deposit & Other	-	-
Change in Board Designated Reserve	(4,769,490)	(32,566,500)
Change in Homeless Health Reserve	-	-
Net cash provided by/(used in) investing activities	(5,859,152)	139,280,151
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,981,904	134,165,818
 CASH AND CASH EQUIVALENTS, beginning of period	636,183,232	527,999,317
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>662,165,136</b>	<b>662,165,136</b>

**CalOptima Health  
Spending Plan  
For the Five Months Ending November 30, 2024**

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
	<b>Total Net Position @ 11/30/2024</b>	<b>\$2,485.5</b>			<b>100.0%</b>
<b>Resources Assigned</b>	Board Designated Reserve <sup>1</sup>	<b>\$1,034.6</b>			<b>41.6%</b>
	Statutory Designated Reserve <sup>1</sup>	<b>\$135.7</b>			<b>5.5%</b>
	Capital Assets, net of Depreciation <sup>2</sup>	<b>\$102.5</b>			<b>4.1%</b>
<b>Resources Allocated<sup>3</sup></b>	Homeless Health Initiative <sup>3</sup>	\$16.5	\$61.7	45.2	0.7%
	Housing and Homelessness Incentive Program <sup>3</sup>	22.2	87.4	65.2	0.9%
	Intergovernmental Transfers (IGT)	54.8	111.7	56.9	2.2%
	Digital Transformation and Workplace Modernization <sup>4</sup>	47.0	100.0	53.0	1.9%
	Mind OC Grant (Orange)	0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy	0.1	2.0	1.9	0.0%
	CalFresh and Redetermination Outreach Strategy	2.1	6.0	3.9	0.1%
	Coalition of Orange County Community Health Centers Grant	30.0	50.0	20.0	1.2%
	Mind OC Grant (Irvine)	0.0	15.0	15.0	0.0%
	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	130.2	153.5	23.3	5.2%
	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	3.5	5.0	1.5	0.1%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.7%
	Stipend Program for Master of Social Work Students Grant	0.0	5.0	5.0	0.0%
	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	1.8%
	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	6.8	107.5	100.7	0.3%
	CalOptima Health Community Reinvestment Program	38.0	38.0	0.0	1.5%
	Dyadic Services Program Academy	1.0	1.9	0.9	0.0%
	Outreach Strategy for newly eligible Adult Expansion members	5.4	7.6	2.2	0.2%
	Quality Initiatives from unearned Pay for Value Program	23.3	23.3	0.0	0.9%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy	0.7	1.0	0.3	0.0%
	Medi-Cal Provider Rate Increases	438.5	526.2	87.7	17.6%
	<b>Subtotal:</b>	<b>\$914.8</b>	<b>\$1,422.3</b>	<b>\$507.4</b>	<b>36.8%</b>
<b>Resources Available for New Initiatives</b>	Unallocated/Unassigned <sup>1</sup>	<b>\$297.9</b>			<b>12.0%</b>

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 126 days of CalOptima Health's current operations.

<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements.

<sup>3</sup> See HHI and HHIP summaries and Allocated Funds for list of Board Approved Initiatives. Amount reported includes only portion funded by reserves.

<sup>4</sup> 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**  
**Digital Transformation Strategy (\$100 million total reserve)**  
**Funding Balance Tracking Summary**  
**For the Five Months Ending November 30, 2024**

	November 2024				July - November 2024				All Time to Date			
	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %
<b>Capital Assets (Cost, Information Only):</b>												
<b>Total Capital Assets</b>	<u>297,837</u>	<u>127,699</u>	<u>(170,138)</u>	<u>(133.2%)</u>	<u>2,455,488</u>	<u>571,077</u>	<u>(1,884,411)</u>	<u>(330.0%)</u>	<u>10,898,348</u>	<u>24,571,786</u>	<u>13,673,438</u>	<u>55.6%</u>
<b>Operating Expenses:</b>												
Salaries, Wages & Benefits	686,717	589,848	(96,869)	(16.4%)	2,896,281	2,949,240	52,959	1.8%	13,902,548	13,955,507	52,959	0.4%
Professional Fees	423,737	519,319	95,582	18.4%	2,545,759	2,607,264	61,505	2.4%	4,306,822	4,368,327	61,505	1.4%
Purchased Services	79,596	142,000	62,404	43.9%	187,615	710,000	522,385	73.6%	337,615	860,000	522,385	60.7%
GASB 96 Amortization Expenses	46,878	293,417	246,539	84.0%	234,389	1,467,085	1,232,696	84.0%	2,205,592	3,438,288	1,232,696	35.9%
Other Expenses	697,332	751,444	54,112	7.2%	3,924,172	3,746,551	(177,621)	(4.7%)	17,453,664	17,276,043	(177,621)	(1.0%)
Medical Management	229,257	-	(229,257)	0.0%	1,146,283	-	(1,146,283)	0.0%	3,897,361	2,751,078	(1,146,283)	(41.7%)
<b>Total Operating Expenses</b>	<u>2,163,517</u>	<u>2,296,028</u>	<u>132,511</u>	<u>5.8%</u>	<u>10,934,499</u>	<u>11,480,140</u>	<u>545,641</u>	<u>4.8%</u>	<u>42,103,602</u>	<u>42,649,243</u>	<u>545,641</u>	<u>1.3%</u>

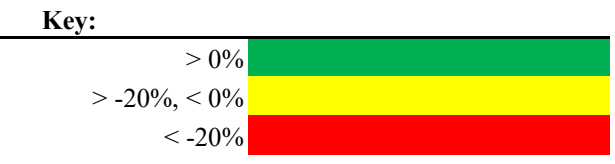
<b>Funding Balance Tracking:</b>	<b>Approved Budget</b>	<b>Actual Spend</b>	<b>Variance</b>
Beginning Funding Balance	100,000,000	100,000,000	-
Less:			
Capital Assets <sup>1</sup>	31,525,709	10,898,348	20,627,361
FY2023 Operating Budget <sup>2</sup>	8,381,011	8,381,011	-
FY2024 Operating Budget	22,788,092	22,788,092	-
FY2025 Operating Budget	27,552,335	10,934,499	16,617,836
Ending Funding Balance	<u>9,752,853</u>	<u>46,998,051</u>	<u>37,245,198</u>
Add: Prior year unspent Operating Budget	-		
Total Available Funding	<u>9,752,853</u>		

<sup>1</sup> Staff will continue to monitor the project status of DTS' Capital Assets.  
<sup>2</sup> Unspent budget from this period is added back to available DTS funding.  
Note: 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 - Based Information Technology Arrangements.

**CalOptima Health**  
**Key Financial Indicators**  
**As of November 30, 2024**

	Item Name	November 2024				July - November 2024			
		Actual	Budget	Variance	%	Actual	Budget	Variance	%
Income Statement	<i>Member Months</i>	909,318	899,072	10,246	1.1%	4,559,760	4,504,057	55,703	1.2%
	<i>Operating Revenue</i>	350,141,633	355,107,981	(4,966,348)	(1.4%)	1,973,443,448	1,778,104,815	195,338,633	11.0%
	<i>Medical Expenses</i>	333,591,053	357,699,386	24,108,333	6.7%	1,919,595,535	1,782,424,983	(137,170,552)	(7.7%)
	<i>General and Administrative Expense</i>	20,266,296	24,104,511	3,838,215	15.9%	99,473,848	120,485,803	21,011,955	17.4%
	<i>Non-Operating Income/(Loss)</i>	14,045,341	5,370,555	8,674,786	161.5%	86,086,451	26,943,684	59,142,767	219.5%
	<b>Summary of Income &amp; Expenses</b>	10,329,624	(21,325,361)	31,654,985	148.4%	40,460,516	(97,862,287)	138,322,803	141.3%
Ratios	<b>Medical Loss Ratio (MLR)</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
	<i>Consolidated</i>	95.3%	100.7%	(5.5%)		97.3%	100.2%	(3.0%)	
Ratios	<b>Administrative Loss Ratio (ALR)</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
	<i>Consolidated</i>	5.8%	6.8%	1.0%		5.0%	6.8%	1.7%	



Investment	Investment Balance (excluding CCE)	Current Month	Prior Month	Change	%
		<i>@11/30/2024</i>	2,737,157,873	2,738,497,921	(1,340,048)
Investment	Unallocated/Unassigned Reserve Balance	Current Month	Fiscal Year Ending June 2024	Change	%
	<i>Consolidated</i>	<i>@ November 2024</i>	297,856,697	187,643,914	110,212,783
	<i>Days Cash On Hand*</i>	126			

\*Total Designated Reserves and unallocated reserve amount can support approximately 126 days of CalOptima Health's current operations.

**CalOptima Health**  
**Summary of Homeless Health Initiatives (HHI) and Allocated Funds**  
**As of November 30, 2024**

<b>Funds Allocation, approved initiatives:</b>	<b>Allocated Amount</b>	<b>Utilized Amount</b>	<b>Remaining Approved Amount</b>
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	845,466	117,795
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,783,740	6,105,173
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine <sup>1</sup>	10,076,652	6,871,617	3,205,035
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>	40,100,000	-	40,100,000
<b>Subtotal of Approved Initiatives</b>	<b>\$101,800,000</b>	<b>\$45,159,776</b>	<b>\$56,640,224</b>
Transfer of funds to HHIP <sup>2</sup>	(40,100,000)	-	(40,100,000)
<b>Program Total</b>	<b>\$61,700,000</b>	<b>\$45,159,776</b>	<b>\$16,540,224</b>

**Notes:**

<sup>1</sup>On March 7, 2024, CalOptima Health's Board of Directors approved \$5 million to expand the Street Medicine Program. \$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 (Anaheim) and Celebrating Life Community Health Center (Costa Mesa).

<sup>2</sup>On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1 million from HHI to HHIP.

**CalOptima Health**  
**Summary of Housing and Homelessness Incentive Program (HHIP) and Allocated Funds**  
**As of November 30, 2024**

<b>Summary by Funding Source:</b>	<b>Total Funds</b>	<b>Allocated Amount</b>	<b>Utilized Amount</b>	<b>Remaining Approved Amount</b>	<b>Funds Available for New Initiatives</b>
<b>DHCS HHIP Funds</b>	72,931,189	35,200,994	28,932,737	6,268,257	37,730,195 <sup>1</sup>
<b>Existing Reserves &amp; HHI Transfer</b>	87,384,530	87,384,530	65,161,747	22,222,783	-
<b>Total</b>	<b>160,315,719</b>	<b>122,585,524</b>	<b>94,094,484</b>	<b>28,491,040</b>	<b>37,730,195</b>

<b>Funds Allocation, approved initiatives:</b>	<b>Allocated Amount</b>	<b>Utilized Amount</b>	<b>Remaining Approved Amount</b>	<b>Funding Source(s)</b>
Office of Care Coordination	2,200,000	2,200,000	-	HHI
Pulse For Good	800,000	719,100	80,900	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	4,863,856	5,320,674	DHCS
Non-Profit Healthcare Academy	700,000	452,417	247,583	DHCS
<b>Total of Approved Initiatives</b>	<b>\$122,585,524<sup>1</sup></b>	<b>\$94,094,484</b>	<b>\$28,491,040</b>	

**Notes:**

<sup>1</sup>Total 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 November 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	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
August	Medi-Cal	ITS - Infrastructure - Other Operating Expenses - VMWare	ITS - Infrastructure - Other Operating Expenses - IT Service Management	\$38,490	To reallocate funds from ITS - Infrastructure - Maintenance HW/SW - Server - VMWare to IT Service Management to address additional licensing needs and increased costs for the Impact Guide.	2024-25
August	Medi-Cal	IS - Applications Management - Professional Fees - Salesforce CRM	ITS - Applications Management - Other Operating Expenses - Crowe Subscription License Fee	\$38,500	To reallocate funds from ITS - Applications Management - Salesforce CRM to Crowe Subscription License Fee to provide funding needed for its licensing.	2024-25
August	Medi-Cal	ITS - Infrastructure - Modern Customer Contact Center	ITS - Infrastructure - Network Bandwidth Upgrade for All Sites (Wide Area Network)	\$10,349	To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Network Bandwidth Upgrade for All Sites (Wide Area Network) due to increase in expenses.	2024-25
August	Medi-Cal	ITS - Infrastructure - Modern Customer Contact Center	ITS - Application Development - Digital Transformation Strategy Planning and Execution Support	\$32,425	To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Digital Transformation Strategy Planning and Execution Support due to increase in expenses.	2024-25
August	Medi-Cal	ITS - Infrastructure - Modern Customer Contact Center	ITS - Applications Management - Clinical Data Sets Quality Assurance & Data Aggregator Validation	\$70,000	To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Clinical Data Sets Quality Assurance & Data Aggregator Validation due to increase in expenses.	2024-25
August	Medi-Cal	ITS - Application Development - Other Operating Expenses - Veracode Code Scanning	Executive Office - Other Operating Expenses - CEO Leadership Alliance of Orange County (CLAOC)	\$40,000	To reallocate funds from ITS - Application Development - Veracode Code Scanning to Executive Office - CEO Leadership Alliance of Orange County (CLAOC) Associations dues.	2024-25
September	OneCare	Communications - Purchased Services - Advertising	Communications - Professional Fees	\$144,000	To reallocate funds from Communications - Advertising - Outdoor to Professional Fees to provide additional funding for Runyon Saltzman for Marketing.	2024-25
September	Medi-Cal	ITS - Applications Management - Other Operating Expenses - HW/SW Maintenance	Executive Office - Other Operating Expenses - Professional Dues	\$50,000	To reallocate funds from ITS - Applications Management - HW/SW Maintenance to Executive Office - Professional Dues for coverage of expenses.	2024-25
September	Medi-Cal	Accounting - Purchased Services	Accounting - Other Operating Expenses - Office Supplies	\$15,000	To reallocate funds from Accounting - Change Health Care - Claims Processing/Mailing to Office Supplies to provide additional funding needed to replenish check stock.	2024-25
September	PACE	PACE Administrative - Professional Fees	PACE Administrative - Other Operating Expenses - Subscriptions	\$15,000	To reallocate funds from PACE Administrative - DHCS Annual Fee to Subscriptions to provide funding for DHCS PACE Licensing Fees.	2024-25
September	Medi-Cal	ITS - Application Development - Other Operating Expenses - HW/SW Maintenance	ITS - Applications Management - Other Operating Expenses - Care Management System - HealthEdge	\$158,000	To reallocate funds from ITS - Application Development - Capital Software Expense to ITS - Applications Management - HealthEdge to help pay for Guiding Care Read Only invoice.	2024-25
September	OneCare	Sales & Marketing - Purchased Services	ITS - Applications Management - Professional Fees	\$50,000	To reallocate funds from Sales & Marketings - Purchased Services - General to ITS - Applications Management – Enthrive to engage Enthrive for additional builds to the agent portal.	2024-25
September	Medi-Cal	ITS - Infrastructure - Professional Fees	ITS - Infrastructure - Other Operating Expenses - Subscriptions	\$32,000	To reallocate funds from ITS - Infrastructure - MSFT Azure Assistance to Delphix - Continuous Data FACETS to cover the renewal subscription being higher than the anticipated amount.	2024-25
November	PACE	PACE Marketing - Member Communication	PACE Marketing - Advertising	\$84,000	To reallocate funds from PACE Marketing - Printing and Postage to Purchased Services to provide additional funding needed for advertisement extension.	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.



# CalOptima Health

## Financial Summary

December 31, 2024

Board of Directors Meeting  
February 6, 2025

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: December 2024

December 2024				July - December 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
917,669	899,701	17,968	2.0%	Member Months	5,477,429	5,403,758	73,671	1.4%
450,096,983	355,329,026	94,767,957	26.7%	Revenues	2,423,540,430	2,133,433,841	290,106,589	13.6%
355,307,821	364,200,901	8,893,080	2.4%	Medical Expenses	2,274,903,355	2,146,625,884	(128,277,471)	(6.0%)
22,056,419	24,684,749	2,628,330	10.6%	Administrative Expenses	121,530,266	145,170,552	23,640,286	16.3%
<b>72,732,743</b>	<b>(33,556,624)</b>	<b>106,289,367</b>	<b>316.7%</b>	<b>Operating Margin</b>	<b>27,106,809</b>	<b>(158,362,595)</b>	<b>185,469,404</b>	<b>117.1%</b>
				<b>Non-Operating Income (Loss)</b>				
11,715,529	6,666,660	5,048,869	75.7%	Net Investment Income/Expense	100,525,561	39,999,960	60,525,601	151.3%
(62,891)	(117,280)	54,389	46.4%	Net Rental Income/Expense	(331,905)	(703,680)	371,775	52.8%
(2,091)	-	(2,091)	(100.0%)	Net MCO Tax	1,699	-	1,699	100.0%
(10,014,657)	(1,178,825)	(8,835,832)	(749.5%)	Grant Expense	(12,540,896)	(6,982,041)	(5,558,855)	(79.6%)
1,566	-	1,566	100.0%	Other Income/Expense	69,446	-	69,446	100.0%
<b>1,637,455</b>	<b>5,370,555</b>	<b>(3,733,100)</b>	<b>(69.5%)</b>	<b>Total Non-Operating Income (Loss)</b>	<b>87,723,905</b>	<b>32,314,239</b>	<b>55,409,666</b>	<b>171.5%</b>
<b>74,370,198</b>	<b>(28,186,069)</b>	<b>102,556,267</b>	<b>363.9%</b>	<b>Change in Net Assets</b>	<b>114,830,714</b>	<b>(126,048,356)</b>	<b>240,879,070</b>	<b>191.1%</b>
78.9%	102.5%	(23.6%)		Medical Loss Ratio	93.9%	100.6%	(6.8%)	
4.9%	6.9%	2.0%		Administrative Loss Ratio	5.0%	6.8%	1.8%	
16.2%	(9.4%)	25.6%		Operating Margin Ratio	1.1%	(7.4%)	8.5%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
72.4%	97.6%	(25.1%)		*Adjusted MLR	88.1%	95.7%	(7.6%)	
4.9%	6.9%	2.0%		*Adjusted ALR	5.3%	6.8%	1.5%	

\*Adjusted MLR /ALR excludes estimated Board-approved Provider Rate increases, Directed Payments and Community Reinvestment Accruals, but includes costs associated with CalOptima Health's Digital Transformation Strategy (DTS) budget.

# Financial Highlights Notes: December 2024

- Notable events/items in December 2024
  - \$39.3 million net change in revenue related to Calendar Year (CY) 2024 Department of Health Care Services (DHCS) capitation rate true-up
  - \$32.9 million for CalAIM's Incentive Payment Program (IPP) funding received from DHCS
  - \$160.5 million of Intergovernmental Transfers (IGT) were received in December 2024 for the period of January 2023 through December 2023
    - \$158.5 million disbursed to qualifying funding partners in January 2025



# FY 2024-25: Management Summary

- Change in Net Assets Surplus or (Deficit)
  - Month To Date (MTD) December 2024: \$74.4 million, favorable to budget \$102.6 million or 363.9% primarily due to:
    - Favorable net investment income, CalAIM IPP, and updated CY 2024 premium capitation rates from DHCS
    - Lower than expected utilization for the month
  - Year To Date (YTD) July - December 2024: \$114.8 million, favorable to budget \$240.9 million or 191.1% primarily due to:
    - Favorable net investment income, premium capitation rates and enrollment in the Medi-Cal (MC) Line of Business (LOB)

# FY 2024-25: Management Summary (cont.)

## ○ Enrollment

- MTD: 917,669 members, favorable to budget 17,968 or 2.0%
- YTD: 5,477,429 member months, favorable to budget 73,671 or 1.4%

## ○ Revenue

- MTD: \$450.1 million, favorable to budget \$94.8 million or 26.7% primarily due to updated CY 2024 premium capitation rates, CalAIM IPP and favorable enrollment
- YTD: \$2,423.5 million, favorable to budget \$290.1 million or 13.6% driven by MC LOB due to CY 2022 Hospital Directed Payments (DP), favorable enrollment and premium capitation rates

# FY 2024-25: Management Summary (cont.)

## ○ Medical Expenses

- MTD: \$355.3 million, favorable to budget \$8.9 million or 2.4% driven by:
  - Net \$20.4 million in MC Facilities, Professional, and Managed Long-Term Services and Supports (MLTSS) Claims due to lower than expected utilization
  - \$7.6 million in MC Incentive Payments expenses due to the timing of Hospital Quality Program (HQP) accruals
  - Offset by:
    - \$11.5 million in MC Other Medical Expenses primarily due to CY 2024 Community Reinvestment and Quality Achievement accruals
    - \$9.0 million in MC Provider Capitation due to AltaMed's transition to HMO and CY 2022 Proposition 56 adjustments

# FY 2024-25: Management Summary (cont.)

- Medical Expenses (cont.)
  - YTD: \$2,274.9 million, unfavorable to budget \$128.3 million or 6.0% driven by:
    - \$159.4 million in MC Other Medical Expenses due primarily to CY 2022 Hospital DP and Community Reinvestment and Quality Achievement accruals
    - Offset by \$20.5 million in MC Incentive Payments expenses due to the timing of HQP accruals

# FY 2024-25: Management Summary (cont.)

- Administrative Expenses
  - MTD: \$22.1 million, favorable to budget \$2.6 million or 10.6%
  - YTD: \$121.5 million, favorable to budget \$23.6 million or 16.3%
- Non-Operating Income (Loss)
  - MTD: \$1.6 million, unfavorable to budget \$3.7 million or 69.5% primarily due to unfavorable grant expense of \$8.8 million, offset by net investment income of \$5.0 million
  - YTD: \$87.7 million, favorable to budget \$55.4 million or 171.5% primarily due to favorable net investment income of \$60.5 million, offset by unfavorable grant expense of \$5.6 million

# FY 2024-25: Key Financial Ratios

## ○ Medical Loss Ratio (MLR)

		Actual	Budget	Variance (%)
MTD	MLR	78.9%	102.5%	(23.6%)
	Adjusted MLR*	72.4%	97.6%	(25.1%)
YTD	MLR	93.9%	100.6%	(6.8%)
	Adjusted MLR*	88.1%	95.7%	(7.6%)

## ○ Administrative Loss Ratio (ALR)

		Actual	Budget	Variance (%)
MTD	ALR	4.9%	6.9%	2.0%
	Adjusted ALR*	4.9%	6.9%	2.0%
YTD	ALR	5.0%	6.8%	1.8%
	Adjusted ALR*	5.3%	6.8%	1.5%

\* Adjusted MLR/ALR excludes estimated Board-approved Provider Rate Increases, Directed Payments and Community Reinvestment Accruals, but include costs associated with DTS.

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# FY 2024-25: Key Financial Ratios (cont.)

## ○ Balance Sheet Ratios

- Current ratio\*: 1.8
- Board Designated Reserve level: 2.64
- Statutory Designated Reserve level: 1.04
- Net-position: \$2.6 billion, including required Tangible Net Equity (TNE) of \$130.1 million

\*Current ratio compares current assets to current liabilities. It measures CalOptima Health's ability to pay short-term obligations

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# Enrollment Summary: December 2024

December 2024				Enrollment (by Aid Category)	July - December 2024			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
147,617	137,572	10,045	7.3%	SPD	872,792	820,333	52,459	6.4%
267,710	271,813	(4,103)	(1.5%)	TANF Child	1,614,675	1,634,608	(19,933)	(1.2%)
132,049	138,015	(5,966)	(4.3%)	TANF Adult	786,293	827,296	(41,003)	(5.0%)
2,532	2,601	(69)	(2.7%)	LTC	14,922	15,645	(723)	(4.6%)
340,594	322,140	18,454	5.7%	MCE	2,024,291	1,940,989	83,302	4.3%
9,624	9,545	79	0.8%	WCM	58,167	57,370	797	1.4%
<b>900,126</b>	<b>881,686</b>	<b>18,440</b>	<b>2.1%</b>	<b>Medi-Cal Total</b>	<b>5,371,140</b>	<b>5,296,241</b>	<b>74,899</b>	<b>1.4%</b>
<b>17,037</b>	<b>17,535</b>	<b>(498)</b>	<b>(2.8%)</b>	<b>OneCare</b>	<b>103,266</b>	<b>104,673</b>	<b>(1,407)</b>	<b>(1.3%)</b>
<b>506</b>	<b>480</b>	<b>26</b>	<b>5.4%</b>	<b>PACE</b>	<b>3,023</b>	<b>2,844</b>	<b>179</b>	<b>6.3%</b>
<b>519</b>	<b>568</b>	<b>(49)</b>	<b>(8.6%)</b>	<b>MSSP</b>	<b>2,989</b>	<b>3,408</b>	<b>(419)</b>	<b>(12.3%)</b>
<b>917,669</b>	<b>899,701</b>	<b>17,968</b>	<b>2.0%</b>	<b>CalOptima Health Total</b>	<b>5,477,429</b>	<b>5,403,758</b>	<b>73,671</b>	<b>1.4%</b>

Note: MSSP enrollment is included in Medi-Cal Total.

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# Consolidated Revenue & Expenses: December 2024 MTD

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	900,126	17,037		506	519	917,669
<b>REVENUES</b>						
Capitation Revenue	\$ 411,265,383	\$ 34,230,598	\$ -	\$ 4,364,762	\$ 236,240	\$ 450,096,983
<b>Total Operating Revenue</b>	<b>411,265,383</b>	<b>34,230,598</b>	<b>-</b>	<b>4,364,762</b>	<b>236,240</b>	<b>450,096,983</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	120,338,569	13,862,511				134,201,079
Claims	112,498,894	7,170,718		1,580,417		121,250,029
MLTSS	51,569,460			45,347	33,486	51,648,293
Prescription Drugs		8,679,023		559,060		9,238,082
Case Mgmt & Other Medical	36,303,384	1,173,287		1,312,034	181,631	38,970,336
<b>Total Medical Expenses</b>	<b>320,710,308</b>	<b>30,885,538</b>	<b>-</b>	<b>3,496,858</b>	<b>215,117</b>	<b>355,307,821</b>
<i>Medical Loss Ratio</i>	78.0%	90.2%	0.0%	80.1%	91.1%	78.9%
<b>GROSS MARGIN</b>	<b>90,555,075</b>	<b>3,345,060</b>	<b>-</b>	<b>867,904</b>	<b>21,123</b>	<b>94,789,162</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	10,971,365	1,039,630		170,795	99,329	12,281,118
Non-Salary Operating Expenses	5,032,011	542,328		124,045	1,421	5,699,805
Depreciation & Amortization	758,991			986		759,977
Other Operating Expenses	3,016,634	24,776		8,070	8,105	3,057,585
Indirect Cost Allocation, Occupancy	(1,682,436)	1,899,944		26,252	14,174	257,934
<b>Total Administrative Expenses</b>	<b>18,096,566</b>	<b>3,506,677</b>	<b>-</b>	<b>330,148</b>	<b>123,028</b>	<b>22,056,419</b>
<i>Administrative Loss Ratio</i>	4.4%	10.2%	0.0%	7.6%	52.1%	4.9%
<b>Operating Income/(Loss)</b>	<b>72,458,509</b>	<b>(161,617)</b>	<b>-</b>	<b>537,756</b>	<b>(101,905)</b>	<b>72,732,743</b>
Investments and Other Non-Operating	(526)					1,637,455
<b>CHANGE IN NET ASSETS</b>	<b>\$ 72,457,983</b>	<b>\$ (161,617)</b>	<b>\$ -</b>	<b>\$ 537,756</b>	<b>\$ (101,905)</b>	<b>\$ 74,370,198</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(31,546,182)</b>	<b>(1,743,236)</b>	<b>-</b>	<b>(154,877)</b>	<b>(112,329)</b>	<b>(28,186,069)</b>
Variance to Budget - Fav/(Unfav)	\$ 104,004,165	\$ 1,581,619	\$ -	\$ 692,633	\$ 10,424	\$ 102,556,267

# Consolidated Revenue & Expenses: December 2024 YTD

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	5,371,140	103,266		3,023	2,989	5,477,429
<b>REVENUES</b>						
Capitation Revenue	\$ 2,197,352,528	\$ 202,062,415	\$ (3,197,365)	\$ 25,961,777	\$ 1,361,075	\$ 2,423,540,430
<b>Total Operating Revenue</b>	<b>2,197,352,528</b>	<b>202,062,415</b>	<b>(3,197,365)</b>	<b>25,961,777</b>	<b>1,361,075</b>	<b>2,423,540,430</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	681,146,616	86,389,962	(1,453,037)			766,083,541
Claims	795,737,634	36,078,091		9,427,408		841,243,133
MLTSS	302,637,393			78,301	221,502	302,937,196
Prescription Drugs		52,215,480		3,553,081		55,768,560
Case Mgmt & Other Medical	291,500,836	8,773,542		7,490,264	1,106,283	308,870,925
<b>Total Medical Expenses</b>	<b>2,071,022,479</b>	<b>183,457,075</b>	<b>(1,453,037)</b>	<b>20,549,054</b>	<b>1,327,785</b>	<b>2,274,903,355</b>
<i>Medical Loss Ratio</i>	94.3%	90.8%	45.4%	79.2%	97.6%	93.9%
<b>GROSS MARGIN</b>	<b>126,330,049</b>	<b>18,605,340</b>	<b>(1,744,328)</b>	<b>5,412,723</b>	<b>33,291</b>	<b>148,637,075</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	66,532,010	6,362,506		984,402	588,852	74,467,769
Non-Salary Operating Expenses	21,604,744	2,823,564		364,090	8,524	24,800,921
Depreciation & Amortization	4,444,894			5,745		4,450,639
Other Operating Expenses	15,419,419	158,035		53,382	46,144	15,676,980
Indirect Cost Allocation, Occupancy	(4,839,559)	6,819,724		107,856	45,937	2,133,958
<b>Total Administrative Expenses</b>	<b>103,161,508</b>	<b>16,163,828</b>	<b>-</b>	<b>1,515,474</b>	<b>689,457</b>	<b>121,530,266</b>
<i>Administrative Loss Ratio</i>	4.7%	8.0%	0.0%	5.8%	50.7%	5.0%
<b>Operating Income/(Loss)</b>	<b>23,168,542</b>	<b>2,441,512</b>	<b>(1,744,328)</b>	<b>3,897,250</b>	<b>(656,166)</b>	<b>27,106,809</b>
Investments and Other Non-Operating	71,145					87,723,905
<b>CHANGE IN NET ASSETS</b>	<b>\$ 23,239,687</b>	<b>\$ 2,441,512</b>	<b>\$ (1,744,328)</b>	<b>\$ 3,897,250</b>	<b>\$ (656,166)</b>	<b>\$ 114,830,714</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(149,470,050)</b>	<b>(7,477,604)</b>	<b>-</b>	<b>(736,752)</b>	<b>(678,189)</b>	<b>(126,048,356)</b>
Variance to Budget - Fav/(Unfav)	\$ 172,709,737	\$ 9,919,116	\$ (1,744,328)	\$ 4,634,002	\$ 22,023	\$ 240,879,070

# Balance Sheet: As of December 2024

## ASSETS

<b>Current Assets</b>	
Operating Cash	\$688,117,507
Short-term Investments	1,757,022,283
Capitation Receivable	685,650,501
Receivables - Other	95,208,691
Prepaid Expenses	14,803,823
<b>Total Current Assets</b>	<b>3,240,802,805</b>
<b>Capital Assets</b>	
Capital Assets	192,033,901
Less Accumulated Depreciation	(89,900,223)
<b>Capital Assets, Net of Depreciation</b>	<b>102,133,678</b>
<b>Other Assets</b>	
Restricted Deposits	300,000
Board Designated Reserves	1,036,698,175
Statutory Designated Reserves	135,603,541
<b>Total Other Assets</b>	<b>1,172,601,716</b>
<b>TOTAL ASSETS</b>	<b>4,515,538,199</b>
<b>Deferred Outflows</b>	<b>75,899,007</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>4,591,437,206</b>

## LIABILITIES & NET POSITION

<b>Current Liabilities</b>	
Accounts Payable	\$410,582,067
Medical Claims Liability	1,240,732,265
Accrued Payroll Liabilities	26,697,567
Deferred Revenue	14,309,427
Other Current Liabilities	-
Capitation and Withholds	122,901,380
<b>Total Current Liabilities</b>	<b>1,815,222,705</b>
<b>Other Liabilities</b>	
GASB 96 Subscription Liabilities	21,301,538
Community Reinvestment	122,500,439
Capital Lease Payable	270,397
Postemployment Health Care Plan	17,601,435
Net Pension Liabilities	45,981,359
<b>Total Other Liabilities</b>	<b>207,655,168</b>
<b>TOTAL LIABILITIES</b>	<b>2,022,877,873</b>
<b>Deferred Inflows</b>	<b>8,646,445</b>
<b>Net Position</b>	
Required TNE	130,121,242
Funds in Excess of TNE	2,429,791,647
<b>TOTAL NET POSITION</b>	<b>2,559,912,889</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>4,591,437,206</b>

# Board Designated Reserve and TNE Analysis: As of December 2024

## Board Designated Reserves

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	518,375,635				
MetLife Tier One	518,322,540				
<b>Board Designated Reserves</b>	<b>1,036,698,175</b>	<b>981,101,907</b>	<b>1,177,322,288</b>	<b>55,596,269</b>	<b>(140,624,113)</b>
<i>Current Reserve Level ( X months of average monthly revenue) <sup>1</sup></i>	<i>2.64</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	67,902,768				
MetLife Tier Two	67,700,773				
<b>Statutory Designated Reserves</b>	<b>135,603,541</b>	<b>130,121,242</b>	<b>143,133,366</b>	<b>5,482,299</b>	<b>(7,529,825)</b>
<i>Current Reserve Level ( X min. TNE)</i>	<i>1.04</i>	<i>1.00</i>	<i>1.10</i>		

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information.

# Spending Plan: As of December 2024

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
<b>Total Net Position @ 12/31/2024</b>		<b>\$2,559.9</b>			<b>100.0%</b>
<b>Resources Assigned</b>	Board Designated Reserve <sup>1</sup>	\$1,036.7			40.5%
	Statutory Designated Reserve <sup>1</sup>	\$135.6			5.3%
	Capital Assets, net of Depreciation <sup>2</sup>	\$102.1			4.0%
<b>Resources Allocated<sup>3</sup></b>	Homeless Health Initiative <sup>3</sup>	\$16.3	\$61.7	\$45.4	0.6%
	Housing and Homelessness Incentive Program <sup>3</sup>	22.1	87.4	65.2	0.9%
	Intergovernmental Transfers (IGT)	54.6	111.7	57.1	2.1%
	Digital Transformation and Workplace Modernization <sup>4</sup>	45.8	100.0	54.2	1.8%
	Mind OC Grant (Orange)	0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy	0.0	2.0	2.0	0.0%
	CalFresh and Redetermination Outreach Strategy	2.0	6.0	4.0	0.1%
	Coalition of Orange County Community Health Centers Grant	20.0	50.0	30.0	0.8%
	Mind OC Grant (Irvine)	0.0	15.0	15.0	0.0%
	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	128.5	153.5	25.0	5.0%
	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	3.5	5.0	1.5	0.1%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.7%
	Stipend Program for Master of Social Work Students Grant	0.0	5.0	5.0	0.0%
	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	1.8%
	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	6.3	107.5	101.2	0.2%
	CalOptima Health Community Reinvestment Program	38.0	38.0	0.0	1.5%
	Dyadic Services Program Academy	1.0	1.9	0.9	0.0%
	Outreach Strategy for newly eligible Adult Expansion members	4.2	7.6	3.4	0.2%
	Quality Initiatives from unearned Pay for Value Program	21.4	23.3	1.9	0.8%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy	0.6	1.0	0.4	0.0%
	Medi-Cal Provider Rate Increases	421.0	526.2	105.2	16.4%
	Legal Services for CalOptima Health FY2024-2025	1.8	1.8	0.0	0.1%
	Homeless Prevention and Stabilization Pilot Program	0.3	0.3	0.0	0.0%
	Medi-Cal FFS Hospital Services with U of CA, Irvine--UCI Health/Placentia-Linda	0.9	0.9	0.0	0.0%
	<b>Subtotal:</b>	<b>\$883.0</b>	<b>\$1,425.2</b>	<b>\$542.2</b>	<b>34.5%</b>
<b>Resources Available for New Initiatives</b>	Unallocated/Unassigned <sup>1</sup>	<b>\$402.5</b>			<b>15.7%</b>

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 136 days of CalOptima Health's current operations.

<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements.

<sup>3</sup> See HHI and HHIP summaries and Allocated Funds for list of Board Approved Initiatives. Amount reported includes only portion funded by reserves.

<sup>4</sup> 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 December 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	858,018	105,243
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,833,740	6,055,173
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine <sup>1</sup>	10,076,652	7,076,530	3,000,122
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>	40,100,000	-	40,100,000
<b>Subtotal of Approved Initiatives</b>	<b>\$101,800,000</b>	<b>\$45,427,240</b>	<b>\$56,372,759</b>
Transfer of funds to HHIP <sup>2</sup>	(40,100,000)	-	(40,100,000)
<b>Program Total</b>	<b>\$61,700,000</b>	<b>\$45,427,240</b>	<b>\$16,272,759</b>

**Notes:**

<sup>1</sup>On March 7, 2024, CalOptima Health's Board of Directors approved \$5 million to expand the Street Medicine Program. \$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 (Anaheim) and Celebrating Life Community Health Center (Costa Mesa).

<sup>2</sup>On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1 million from HHI to HHIP.

# Housing and Homelessness Incentive Program

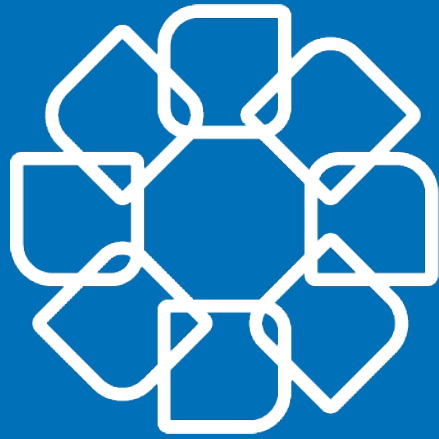
## As of December 2024

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for New Initiatives
DHCS HHIP Funds	72,931,189	54,930,994	28,932,737	25,998,257	18,000,195 <sup>1</sup>
Existing Reserves & HHI Transfer	87,384,530	87,384,530	65,249,003	22,135,527	-
<b>Total</b>	<b>160,315,719</b>	<b>142,315,524</b>	<b>94,181,740</b>	<b>48,133,784</b>	<b>18,000,195</b>

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	756,850	43,150	HHI
Consultant	600,000	-	600,000	HHI
Equity Grants for Programs Serving Underrepresented Populations	4,621,311	3,021,311	1,600,000	HHI & DHCS
Infrastructure Projects	5,832,314	5,391,731	440,583	HHI
Capital Projects	108,247,369	77,195,575	31,051,794	HHI, DHCS & Existing Reserves
System Change Projects	10,184,530	4,863,856	5,320,674	DHCS
Non-Profit Healthcare Academy	700,000	452,417	247,583	DHCS
<b>Total of Approved Initiatives</b>	<b>\$133,185,524<sup>1</sup></b>	<b>\$93,881,740</b>	<b>\$39,303,785</b>	

**Notes:**

<sup>1</sup>Total 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**

**December 31, 2024**

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**CalOptima Health - Consolidated  
Financial Highlights  
For the Six Months Ending December 31, 2024**

December 2024				July - December 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
917,669	899,701	17,968	2.0%	Member Months	5,477,429	5,403,758	73,671	1.4%
450,096,983	355,329,026	94,767,957	26.7%	Revenues	2,423,540,430	2,133,433,841	290,106,589	13.6%
355,307,821	364,200,901	8,893,080	2.4%	Medical Expenses	2,274,903,355	2,146,625,884	(128,277,471)	(6.0%)
22,056,419	24,684,749	2,628,330	10.6%	Administrative Expenses	121,530,266	145,170,552	23,640,286	16.3%
<b>72,732,743</b>	<b>(33,556,624)</b>	<b>106,289,367</b>	<b>316.7%</b>	<b>Operating Margin</b>	<b>27,106,809</b>	<b>(158,362,595)</b>	<b>185,469,404</b>	<b>117.1%</b>
				<b>Non-Operating Income (Loss)</b>				
11,715,529	6,666,660	5,048,869	75.7%	Net Investment Income/Expense	100,525,561	39,999,960	60,525,601	151.3%
(62,891)	(117,280)	54,389	46.4%	Net Rental Income/Expense	(331,905)	(703,680)	371,775	52.8%
(2,091)	-	(2,091)	(100.0%)	Net MCO Tax	1,699	-	1,699	100.0%
(10,014,657)	(1,178,825)	(8,835,832)	(749.5%)	Grant Expense	(12,540,896)	(6,982,041)	(5,558,855)	(79.6%)
1,566	-	1,566	100.0%	Other Income/Expense	69,446	-	69,446	100.0%
<b>1,637,455</b>	<b>5,370,555</b>	<b>(3,733,100)</b>	<b>(69.5%)</b>	<b>Total Non-Operating Income (Loss)</b>	<b>87,723,905</b>	<b>32,314,239</b>	<b>55,409,666</b>	<b>171.5%</b>
<b>74,370,198</b>	<b>(28,186,069)</b>	<b>102,556,267</b>	<b>363.9%</b>	<b>Change in Net Assets</b>	<b>114,830,714</b>	<b>(126,048,356)</b>	<b>240,879,070</b>	<b>191.1%</b>
78.9%	102.5%	(23.6%)		Medical Loss Ratio	93.9%	100.6%	(6.8%)	
4.9%	6.9%	2.0%		Administrative Loss Ratio	5.0%	6.8%	1.8%	
16.2%	(9.4%)	25.6%		Operating Margin Ratio	1.1%	(7.4%)	8.5%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
72.4%	97.6%	(25.1%)		*Adjusted MLR	88.1%	95.7%	(7.6%)	
4.9%	6.9%	2.0%		*Adjusted ALR	5.3%	6.8%	1.5%	

\*Adjusted MLR /ALR excludes estimated Board-approved Provider Rate increases, Directed Payments and Community Reinvestment Accruals, but includes costs associated with CalOptima Health's Digital Transformation Strategy (DTS) budget.

**CalOptima Health - Consolidated  
Full Time Equivalent (FTE) Data  
For the Six Months Ending December 31, 2024**

<b>Total FTE's MTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	1,311	1,361	50
OneCare	167	186	19
PACE	105	113	8
MSSP	22	25	3
<b>Total</b>	<b>1,605</b>	<b>1,685</b>	<b>80</b>

<b>Total FTE's YTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	7,759	8,165	406
OneCare	1,028	1,116	88
PACE	634	678	44
MSSP	125	150	25
<b>Total</b>	<b>9,547</b>	<b>10,109</b>	<b>562</b>

<b>MM per FTE MTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	687	648	(39)
OneCare	102	94	(8)
PACE	5	4	(1)
MSSP	24	23	(1)
<b>Consolidated</b>	<b>572</b>	<b>534</b>	<b>(38)</b>

<b>MM per FTE YTD</b>			
	Actual	Budget	Fav/Unfav
Medi-Cal	692	649	(43)
OneCare	100	94	(6)
PACE	5	4	(1)
MSSP	24	23	(1)
<b>Consolidated</b>	<b>574</b>	<b>535</b>	<b>(39)</b>

<b>Open FTE</b>			
	Total	Medical	Admin
Medi-Cal	58	23	35
OneCare	14	11	3
PACE	8	8	0
MSSP	1	1	0
<b>Total</b>	<b>81</b>	<b>43</b>	<b>38</b>

**CalOptima Health - Consolidated - Month to Date  
Statement of Revenues and Expenses  
For the One Month Ending December 31, 2024**

MEMBER MONTHS	917,669		899,701		17,968	
REVENUE	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
Medi-Cal	\$411,265,383	\$456.90	\$316,439,683	\$358.90	\$94,825,700	\$98.00
OneCare	34,230,598	2,009.19	34,669,664	1,977.17	(439,066)	32.02
OneCare Connect	-	-	-	-	-	-
PACE	4,364,762	8,626.01	3,966,162	8,262.84	398,600	363.17
MSSP	236,240	455.18	253,517	446.33	(17,277)	8.85
<b>Total Operating Revenue</b>	<b>450,096,983</b>	<b>490.48</b>	<b>355,329,026</b>	<b>394.94</b>	<b>94,767,957</b>	<b>95.54</b>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	320,710,308	356.29	326,949,411	370.82	6,239,103	14.53
OneCare	30,885,538	1,812.85	33,185,504	1,892.53	2,299,966	79.68
OneCare Connect	-	-	-	-	-	-
PACE	3,496,858	6,910.79	3,825,245	7,969.26	328,387	1,058.47
MSSP	215,117	414.48	240,741	423.84	25,624	9.36
<b>Total Medical Expenses</b>	<b>355,307,821</b>	<b>387.19</b>	<b>364,200,901</b>	<b>404.80</b>	<b>8,893,080</b>	<b>17.61</b>
<b>GROSS MARGIN</b>	<b>94,789,162</b>	<b>103.29</b>	<b>(8,871,875)</b>	<b>(9.86)</b>	<b>103,661,037</b>	<b>113.15</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and Benefits	12,281,118	13.38	13,423,577	14.92	1,142,459	1.54
Professional Fees	1,091,334	1.19	1,915,328	2.13	823,995	0.94
Purchased Services	3,730,839	4.07	3,171,364	3.52	(559,475)	(0.55)
Printing & Postage	877,632	0.96	784,898	0.87	(92,734)	(0.09)
Depreciation & Amortization	759,977	0.83	1,027,958	1.14	267,981	0.31
Other Expenses	3,057,585	3.33	3,917,911	4.35	860,326	1.02
Indirect Cost Allocation, Occupancy	257,934	0.28	443,713	0.49	185,779	0.21
<b>Total Administrative Expenses</b>	<b>22,056,419</b>	<b>24.04</b>	<b>24,684,749</b>	<b>27.44</b>	<b>2,628,330</b>	<b>3.40</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>72,732,743</b>	<b>79.26</b>	<b>(33,556,624)</b>	<b>(37.30)</b>	<b>106,289,367</b>	<b>116.56</b>
<b>INVESTMENT INCOME</b>						
Interest Income	14,165,531	15.44	6,666,660	7.41	7,498,871	8.03
Realized Gain/(Loss) on Investments	192,747	0.21	-	-	192,747	0.21
Unrealized Gain/(Loss) on Investments	(2,642,749)	(2.88)	-	-	(2,642,749)	(2.88)
<b>Total Investment Income</b>	<b>11,715,529</b>	<b>12.77</b>	<b>6,666,660</b>	<b>7.41</b>	<b>5,048,869</b>	<b>5.36</b>
<b>NET RENTAL INCOME/EXPENSE</b>	<b>(62,891)</b>	<b>(0.07)</b>	<b>(117,280)</b>	<b>(0.13)</b>	<b>54,389</b>	<b>0.06</b>
<b>NET MCO TAX</b>	<b>(2,091)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,091)</b>	<b>-</b>
<b>GRANT EXPENSE</b>	<b>(10,014,657)</b>	<b>(10.91)</b>	<b>(1,178,825)</b>	<b>(1.31)</b>	<b>(8,835,832)</b>	<b>(9.60)</b>
<b>OTHER INCOME/EXPENSE</b>	<b>1,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,566</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>74,370,198</b>	<b>81.04</b>	<b>(28,186,069)</b>	<b>(31.33)</b>	<b>102,556,267</b>	<b>112.37</b>
<b>MEDICAL LOSS RATIO</b>	<b>78.9%</b>		<b>102.5%</b>		<b>(23.6%)</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>4.9%</b>		<b>6.9%</b>		<b>2.0%</b>	

**CalOptima Health- Consolidated - Year to Date  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2024**

MEMBER MONTHS	5,477,429		5,403,758		73,671	
	Actual		Budget		Variance	
REVENUE	\$	PMPM	\$	PMPM	\$	PMPM
Medi-Cal	\$2,197,352,528	\$409.10	\$1,898,869,607	\$358.53	\$298,482,921	\$50.57
OneCare	202,062,415	1,956.72	209,462,505	2,001.11	(7,400,090)	(44.39)
OneCare Connect	(3,197,365)		-		(3,197,365)	0.00
PACE	25,961,777	8,588.08	23,580,627	8,291.36	2,381,150	296.72
MSSP	1,361,075	455.36	1,521,102	446.33	(160,027)	9.03
Total Operating Revenue	<u>2,423,540,430</u>	<u>442.46</u>	<u>2,133,433,841</u>	<u>394.81</u>	<u>290,106,589</u>	<u>47.65</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	2,071,022,479	385.58	1,924,883,908	363.44	(146,138,571)	(22.14)
OneCare	183,457,075	1,776.55	197,760,943	1,889.32	14,303,868	112.77
OneCare Connect	(1,453,037)				1,453,037	0.00
PACE	20,549,054	6,797.57	22,536,587	7,924.26	1,987,533	1,126.69
MSSP	1,327,785	444.22	1,444,446	423.84	116,661	(20.38)
Total Medical Expenses	<u>2,274,903,355</u>	<u>415.32</u>	<u>2,146,625,884</u>	<u>397.25</u>	<u>(128,277,471)</u>	<u>(18.07)</u>
<b>GROSS MARGIN</b>	148,637,075	27.14	(13,192,043)	(2.44)	161,829,118	29.58
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and Benefits	74,467,769	13.60	80,990,920	14.99	6,523,151	1.39
Professional Fees	7,512,182	1.37	9,579,847	1.77	2,067,666	0.40
Purchased Services	14,319,270	2.61	17,614,534	3.26	3,295,264	0.65
Printing & Postage	2,969,469	0.54	4,838,978	0.90	1,869,509	0.36
Depreciation & Amortization	4,450,639	0.81	6,167,748	1.14	1,717,109	0.33
Other Expenses	15,676,980	2.86	23,317,057	4.31	7,640,077	1.45
Indirect Cost Allocation, Occupancy	2,133,958	0.39	2,661,468	0.49	527,510	0.10
Total Administrative Expenses	<u>121,530,266</u>	<u>22.19</u>	<u>145,170,552</u>	<u>26.86</u>	<u>23,640,286</u>	<u>4.67</u>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	27,106,809	4.95	(158,362,595)	(29.31)	185,469,404	34.26
<b>INVESTMENT INCOME</b>						
Interest Income	88,587,489	16.17	39,999,960	7.40	48,587,529	8.77
Realized Gain/(Loss) on Investments	2,251,156	0.41	-	0.00	2,251,156	0.41
Unrealized Gain/(Loss) on Investments	9,686,916	1.77	-	0.00	9,686,916	1.77
Total Investment Income	<u>100,525,561</u>	<u>18.35</u>	<u>39,999,960</u>	<u>7.40</u>	<u>60,525,601</u>	<u>10.95</u>
<b>NET RENTAL INCOME/EXPENSE</b>	(331,905)	(0.06)	(703,680)	(0.13)	371,775	0.07
<b>NET MCO TAX</b>	1,699	0.00	-	0.00	1,699	0.00
<b>GRANT EXPENSE</b>	(12,540,896)	(2.29)	(6,982,041)	(1.29)	(5,558,855)	(1.00)
<b>OTHER INCOME/EXPENSE</b>	69,446	0.01	-	0.00	69,446	0.01
<b>CHANGE IN NET ASSETS</b>	<u>114,830,714</u>	<u>20.96</u>	<u>(126,048,356)</u>	<u>(23.33)</u>	<u>240,879,070</u>	<u>44.29</u>
<b>MEDICAL LOSS RATIO</b>	93.9%		100.6%		(6.8%)	
<b>ADMINISTRATIVE LOSS RATIO</b>	5.0%		6.8%		1.8%	

**CalOptima Health - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ending December 31, 2024**

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	900,126	17,037		506	519	917,669
<b>REVENUES</b>						
Capitation Revenue	\$ 411,265,383	\$ 34,230,598	\$ -	\$ 4,364,762	\$ 236,240	\$ 450,096,983
<b>Total Operating Revenue</b>	<b>411,265,383</b>	<b>34,230,598</b>	<b>-</b>	<b>4,364,762</b>	<b>236,240</b>	<b>450,096,983</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	120,338,569	13,862,511				134,201,079
Claims	112,498,894	7,170,718		1,580,417		121,250,029
MLTSS	51,569,460			45,347	33,486	51,648,293
Prescription Drugs		8,679,023		559,060		9,238,082
Case Mgmt & Other Medical	36,303,384	1,173,287		1,312,034	181,631	38,970,336
<b>Total Medical Expenses</b>	<b>320,710,308</b>	<b>30,885,538</b>	<b>-</b>	<b>3,496,858</b>	<b>215,117</b>	<b>355,307,821</b>
<i>Medical Loss Ratio</i>	78.0%	90.2%	0.0%	80.1%	91.1%	78.9%
<b>GROSS MARGIN</b>	<b>90,555,075</b>	<b>3,345,060</b>	<b>-</b>	<b>867,904</b>	<b>21,123</b>	<b>94,789,162</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	10,971,365	1,039,630		170,795	99,329	12,281,118
Non-Salary Operating Expenses	5,032,011	542,328		124,045	1,421	5,699,805
Depreciation & Amortization	758,991			986		759,977
Other Operating Expenses	3,016,634	24,776		8,070	8,105	3,057,585
Indirect Cost Allocation, Occupancy	(1,682,436)	1,899,944		26,252	14,174	257,934
<b>Total Administrative Expenses</b>	<b>18,096,566</b>	<b>3,506,677</b>	<b>-</b>	<b>330,148</b>	<b>123,028</b>	<b>22,056,419</b>
<i>Administrative Loss Ratio</i>	4.4%	10.2%	0.0%	7.6%	52.1%	4.9%
<b>Operating Income/(Loss)</b>	<b>72,458,509</b>	<b>(161,617)</b>	<b>-</b>	<b>537,756</b>	<b>(101,905)</b>	<b>72,732,743</b>
Investments and Other Non-Operating	(526)					1,637,455
<b>CHANGE IN NET ASSETS</b>	<b>\$ 72,457,983</b>	<b>\$ (161,617)</b>	<b>\$ -</b>	<b>\$ 537,756</b>	<b>\$ (101,905)</b>	<b>\$ 74,370,198</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(31,546,182)</b>	<b>(1,743,236)</b>	<b>-</b>	<b>(154,877)</b>	<b>(112,329)</b>	<b>(28,186,069)</b>
Variance to Budget - Fav/(Unfav)	\$ 104,004,165	\$ 1,581,619	\$ -	\$ 692,633	\$ 10,424	\$ 102,556,267

**CalOptima Health - Consolidated - Year to Date  
Statement of Revenues and Expenses by LOB  
For the Six Months Ending December 31, 2024**

	Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
<b>MEMBER MONTHS</b>	5,371,140	103,266		3,023	2,989	5,477,429
<b>REVENUES</b>						
Capitation Revenue	\$ 2,197,352,528	\$ 202,062,415	\$ (3,197,365)	\$ 25,961,777	\$ 1,361,075	\$ 2,423,540,430
<b>Total Operating Revenue</b>	<b>2,197,352,528</b>	<b>202,062,415</b>	<b>(3,197,365)</b>	<b>25,961,777</b>	<b>1,361,075</b>	<b>2,423,540,430</b>
<b>MEDICAL EXPENSES</b>						
Provider Capitation	681,146,616	86,389,962	(1,453,037)			766,083,541
Claims	795,737,634	36,078,091		9,427,408		841,243,133
MLTSS	302,637,393			78,301	221,502	302,937,196
Prescription Drugs		52,215,480		3,553,081		55,768,560
Case Mgmt & Other Medical	291,500,836	8,773,542		7,490,264	1,106,283	308,870,925
<b>Total Medical Expenses</b>	<b>2,071,022,479</b>	<b>183,457,075</b>	<b>(1,453,037)</b>	<b>20,549,054</b>	<b>1,327,785</b>	<b>2,274,903,355</b>
<i>Medical Loss Ratio</i>	94.3%	90.8%	45.4%	79.2%	97.6%	93.9%
<b>GROSS MARGIN</b>	<b>126,330,049</b>	<b>18,605,340</b>	<b>(1,744,328)</b>	<b>5,412,723</b>	<b>33,291</b>	<b>148,637,075</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits	66,532,010	6,362,506		984,402	588,852	74,467,769
Non-Salary Operating Expenses	21,604,744	2,823,564		364,090	8,524	24,800,921
Depreciation & Amortization	4,444,894			5,745		4,450,639
Other Operating Expenses	15,419,419	158,035		53,382	46,144	15,676,980
Indirect Cost Allocation, Occupancy	(4,839,559)	6,819,724		107,856	45,937	2,133,958
<b>Total Administrative Expenses</b>	<b>103,161,508</b>	<b>16,163,828</b>	<b>-</b>	<b>1,515,474</b>	<b>689,457</b>	<b>121,530,266</b>
<i>Administrative Loss Ratio</i>	4.7%	8.0%	0.0%	5.8%	50.7%	5.0%
<b>Operating Income/(Loss)</b>	<b>23,168,542</b>	<b>2,441,512</b>	<b>(1,744,328)</b>	<b>3,897,250</b>	<b>(656,166)</b>	<b>27,106,809</b>
Investments and Other Non-Operating	71,145					87,723,905
<b>CHANGE IN NET ASSETS</b>	<b>\$ 23,239,687</b>	<b>\$ 2,441,512</b>	<b>\$ (1,744,328)</b>	<b>\$ 3,897,250</b>	<b>\$ (656,166)</b>	<b>\$ 114,830,714</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>	<b>(149,470,050)</b>	<b>(7,477,604)</b>	<b>-</b>	<b>(736,752)</b>	<b>(678,189)</b>	<b>(126,048,356)</b>
Variance to Budget - Fav/(Unfav)	\$ 172,709,737	\$ 9,919,116	\$ (1,744,328)	\$ 4,634,002	\$ 22,023	\$ 240,879,070



## CalOptima Health

### Highlights – Consolidated, for Six Months Ending December 31, 2024

#### MONTHLY RESULTS:

- Change in Net Assets is \$74.4 million, favorable to budget \$102.6 million
- Operating surplus is \$72.7 million, with a surplus in non-operating income of \$1.6 million

#### YEAR TO DATE RESULTS:

- Change in Net Assets is \$114.8 million, favorable to budget \$240.9 million
- Operating surplus is \$27.1 million, with a surplus in non-operating income of \$87.7 million

#### Change in Net Assets by Line of Business (LOB) (\$ millions):

December 2024			July - December 2024			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<b>Operating Income (Loss)</b>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
72.5	(31.5)	104.0	Medi-Cal	23.2	(149.5)	172.6
(0.2)	(1.7)	1.6	OneCare	2.4	(7.5)	9.9
0.0	0.0	0.0	OCC	(1.7)	0.0	(1.7)
0.5	(0.2)	0.7	PACE	3.9	(0.7)	4.6
(0.1)	(0.1)	0.0	MSSP	(0.7)	(0.7)	0.0
<b>72.7</b>	<b>(33.6)</b>	<b>106.3</b>	<b>Total Operating Income (Loss)</b>	<b>27.1</b>	<b>(158.4)</b>	<b>185.5</b>
			<b>Non-Operating Income (Loss)</b>			
11.7	6.7	5.0	Net Investment Income/Expense	100.5	40.0	60.5
(0.1)	(0.1)	0.1	Net Rental Income/Expense	(0.3)	(0.7)	0.4
(10.0)	(1.2)	(8.8)	Grant Expense	(12.5)	(7.0)	(5.6)
0.0	0.0	0.0	Other Income/Expense	0.1	0.0	0.1
<b>1.6</b>	<b>5.4</b>	<b>(3.7)</b>	<b>Total Non-Operating Income/(Loss)</b>	<b>87.7</b>	<b>32.3</b>	<b>55.4</b>
<b>74.4</b>	<b>(28.2)</b>	<b>102.6</b>	<b>TOTAL</b>	<b>114.8</b>	<b>(126.0)</b>	<b>240.9</b>

**CalOptima Health - Consolidated  
Enrollment Summary  
For the Six Months Ending December 31, 2024**

December 2024				Enrollment (by Aid Category)	July - December 2024			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
147,617	137,572	10,045	7.3%	SPD	872,792	820,333	52,459	6.4%
267,710	271,813	(4,103)	(1.5%)	TANF Child	1,614,675	1,634,608	(19,933)	(1.2%)
132,049	138,015	(5,966)	(4.3%)	TANF Adult	786,293	827,296	(41,003)	(5.0%)
2,532	2,601	(69)	(2.7%)	LTC	14,922	15,645	(723)	(4.6%)
340,594	322,140	18,454	5.7%	MCE	2,024,291	1,940,989	83,302	4.3%
9,624	9,545	79	0.8%	WCM	58,167	57,370	797	1.4%
<b>900,126</b>	<b>881,686</b>	<b>18,440</b>	<b>2.1%</b>	<b>Medi-Cal Total</b>	<b>5,371,140</b>	<b>5,296,241</b>	<b>74,899</b>	<b>1.4%</b>
<b>17,037</b>	<b>17,535</b>	<b>(498)</b>	<b>(2.8%)</b>	<b>OneCare</b>	<b>103,266</b>	<b>104,673</b>	<b>(1,407)</b>	<b>(1.3%)</b>
<b>506</b>	<b>480</b>	<b>26</b>	<b>5.4%</b>	<b>PACE</b>	<b>3,023</b>	<b>2,844</b>	<b>179</b>	<b>6.3%</b>
<b>519</b>	<b>568</b>	<b>(49)</b>	<b>(8.6%)</b>	<b>MSSP</b>	<b>2,989</b>	<b>3,408</b>	<b>(419)</b>	<b>(12.3%)</b>
<b>917,669</b>	<b>899,701</b>	<b>17,968</b>	<b>2.0%</b>	<b>CalOptima Health Total</b>	<b>5,477,429</b>	<b>5,403,758</b>	<b>73,671</b>	<b>1.4%</b>
<b>Enrollment (by Network)</b>								
359,712	302,687	57,025	18.8%	HMO	1,884,702	1,819,733	64,969	3.6%
173,197	178,505	(5,308)	(3.0%)	PHC	1,054,410	1,073,372	(18,962)	(1.8%)
68,201	132,452	(64,251)	(48.5%)	Shared Risk Group	710,350	799,613	(89,263)	(11.2%)
299,016	268,042	30,974	11.6%	Fee for Service	1,721,678	1,603,523	118,155	7.4%
<b>900,126</b>	<b>881,686</b>	<b>18,440</b>	<b>2.1%</b>	<b>Medi-Cal Total</b>	<b>5,371,140</b>	<b>5,296,241</b>	<b>74,899</b>	<b>1.4%</b>
<b>17,037</b>	<b>17,535</b>	<b>(498)</b>	<b>(0)</b>	<b>OneCare</b>	<b>103,266</b>	<b>104,673</b>	<b>(1,407)</b>	<b>(0)</b>
<b>506</b>	<b>480</b>	<b>26</b>	<b>5.4%</b>	<b>PACE</b>	<b>3,023</b>	<b>2,844</b>	<b>179</b>	<b>6.3%</b>
<b>519</b>	<b>568</b>	<b>(49)</b>	<b>(8.6%)</b>	<b>MSSP</b>	<b>2,989</b>	<b>3,408</b>	<b>(419)</b>	<b>(12.3%)</b>
<b>917,669</b>	<b>899,701</b>	<b>17,968</b>	<b>2.0%</b>	<b>CalOptima Health Total</b>	<b>5,477,429</b>	<b>5,403,758</b>	<b>73,671</b>	<b>1.4%</b>

Note: MSSP enrollment is included in Medi-Cal Total.

**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
<b>HMOs</b>															
SPD	17,150	16,511	16,610	16,774	20,293	20,211							107,549	98,296	9,253
TANF Child	66,405	65,921	65,198	64,503	77,875	77,766							417,668	413,819	3,849
TANF Adult	54,590	55,734	55,056	54,535	70,864	70,611							361,390	377,564	(16,174)
LTC	2				1								3		3
MCE	153,578	153,602	152,129	151,153	190,284	189,645							990,391	921,777	68,614
WCM	1,241	1,234	1,214	1,163	1,370	1,479							7,701	8,277	(576)
<b>Total</b>	<b>292,966</b>	<b>293,002</b>	<b>290,207</b>	<b>288,128</b>	<b>360,687</b>	<b>359,712</b>							<b>1,884,702</b>	<b>1,819,733</b>	<b>64,969</b>
<b>PHCs</b>															
SPD	4,906	4,644	4,820	4,796	4,736	4,780							28,682	27,069	1,613
TANF Child	140,053	138,903	137,874	136,823	136,101	135,163							824,917	848,334	(23,417)
TANF Adult	3,994	4,186	4,191	4,104	4,165	4,170							24,810	29,746	(4,936)
LTC													0		0
MCE	22,999	22,762	22,600	22,551	22,507	22,511							135,930	129,589	6,341
WCM	6,571	7,308	6,733	6,550	6,336	6,573							40,071	38,634	1,437
<b>Total</b>	<b>178,523</b>	<b>177,803</b>	<b>176,218</b>	<b>174,824</b>	<b>173,845</b>	<b>173,197</b>							<b>1,054,410</b>	<b>1,073,372</b>	<b>(18,962)</b>
<b>Shared Risk Groups</b>															
SPD	7,270	7,077	7,057	7,133	3,422	3,411							35,370	38,945	(3,575)
TANF Child	32,783	32,842	32,545	32,325	18,564	18,412							167,471	188,901	(21,430)
TANF Adult	27,519	29,041	28,870	28,586	11,818	11,756							137,590	174,073	(36,483)
LTC				1									1	6	(5)
MCE	74,704	74,918	74,517	74,138	34,102	34,260							366,639	393,282	(26,643)
WCM	702	701	716	707	91	362							3,279	4,406	(1,127)
<b>Total</b>	<b>142,978</b>	<b>144,579</b>	<b>143,705</b>	<b>142,890</b>	<b>67,997</b>	<b>68,201</b>							<b>710,350</b>	<b>799,613</b>	<b>(89,263)</b>
<b>Fee for Service (Dual)</b>															
SPD	100,293	99,792	100,297	100,986	101,924	102,883							606,175	567,404	38,771
TANF Child													0	8	(8)
TANF Adult	1,145	1,159	1,123	1,052	1,035	1,056							6,570	10,927	(4,357)
LTC	2,178	2,203	2,209	2,222	2,208	2,237							13,257	14,009	(752)
MCE	4,008	4,703	4,593	4,431	4,388	4,283							26,406	54,300	(27,894)
WCM	6	7	8	15	12	12							60	54	6
<b>Total</b>	<b>107,630</b>	<b>107,864</b>	<b>108,230</b>	<b>108,706</b>	<b>109,567</b>	<b>110,471</b>							<b>652,468</b>	<b>646,702</b>	<b>5,766</b>
<b>Fee for Service (Non-Dual - Total)</b>															
SPD	15,636	15,436	15,868	15,819	15,925	16,332							95,016	88,619	6,397
TANF Child	32,741	33,377	33,868	33,995	34,269	36,369							204,619	183,546	21,073
TANF Adult	40,618	42,145	42,625	42,860	43,229	44,456							255,933	234,986	20,947
LTC	278	254	271	278	285	295							1,661	1,630	31
MCE	80,536	82,491	83,546	83,778	84,679	89,895							504,925	442,041	62,884
WCM	1,205	1,184	1,178	1,114	1,177	1,198							7,056	5,999	1,057
<b>Total</b>	<b>171,014</b>	<b>174,887</b>	<b>177,356</b>	<b>177,844</b>	<b>179,564</b>	<b>188,545</b>							<b>1,069,210</b>	<b>956,821</b>	<b>112,389</b>
<b>Grand Totals</b>															
SPD	145,255	143,460	144,652	145,508	146,300	147,617							872,792	820,333	52,459
TANF Child	271,982	271,043	269,485	267,646	266,809	267,710							1,614,675	1,634,608	(19,933)
TANF Adult	127,866	132,265	131,865	131,137	131,111	132,049							786,293	827,296	(41,003)
LTC	2,458	2,457	2,480	2,501	2,494	2,532							14,922	15,645	(723)
MCE	335,825	338,476	337,385	336,051	335,960	340,594							2,024,291	1,940,989	83,302
WCM	9,725	10,434	9,849	9,549	8,986	9,624							58,167	57,370	797
<b>Total Medi-Cal MM</b>	<b>893,111</b>	<b>898,135</b>	<b>895,716</b>	<b>892,392</b>	<b>891,660</b>	<b>900,126</b>							<b>5,371,140</b>	<b>5,296,241</b>	<b>74,899</b>
<b>OneCare</b>															
<b>PACE</b>	<b>506</b>	<b>508</b>	<b>503</b>	<b>498</b>	<b>502</b>	<b>506</b>							<b>3,023</b>	<b>2,844</b>	<b>179</b>
<b>MSSP</b>	<b>473</b>	<b>480</b>	<b>487</b>	<b>506</b>	<b>524</b>	<b>519</b>							<b>2,989</b>	<b>3,408</b>	<b>(419)</b>
<b>Grand Total</b>	<b>910,928</b>	<b>915,950</b>	<b>913,501</b>	<b>910,063</b>	<b>909,318</b>	<b>917,669</b>							<b>5,477,429</b>	<b>5,403,758</b>	<b>73,671</b>

Note: MSSP enrollment is included in Medi-Cal Total.

## **ENROLLMENT:**

**Overall**, December enrollment was 917,669

- Favorable to budget 17,968 or 2.0%
- Increased 8,351 or 0.9% from Prior Month (PM) (November 2024)
- Decreased 36,545 or 3.8% from Prior Year (PY) (December 2023)

**Medi-Cal** enrollment was 900,126

- Favorable to budget 18,440 or 2.1%
- Medi-Cal Expansion (MCE) favorable to budget 18,454
- Seniors and Persons with Disabilities (SPD) favorable to budget 10,045
- Whole Child Model (WCM) favorable to budget 79
- Temporary Assistance for Needy Families (TANF) unfavorable to budget 10,069
- Long-Term Care (LTC) unfavorable to budget 69
- Increased 8,466 from PM

**OneCare** enrollment was 17,037

- Unfavorable to budget 498 or 2.8%
- Decreased 119 from PM

**PACE** enrollment was 506

- Favorable to budget 26 or 5.4%
- Increased 4 from PM

**MSSP** enrollment was 519

- Unfavorable to budget 49 or 8.6%
- Decreased 5 from PM

**CalOptima Health  
Medi-Cal  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
900,126	881,686	18,440	2.1%	Member Months	5,371,140	5,296,241	74,899	1.4%
				<b>Revenues</b>				
411,265,383	316,439,683	94,825,700	30.0%	Medi-Cal Capitation Revenue	2,197,352,528	1,898,869,607	298,482,921	15.7%
<b>411,265,383</b>	<b>316,439,683</b>	<b>94,825,700</b>	<b>30.0%</b>	<b>Total Operating Revenue</b>	<b>2,197,352,528</b>	<b>1,898,869,607</b>	<b>298,482,921</b>	<b>15.7%</b>
				<b>Medical Expenses</b>				
120,338,569	111,370,132	(8,968,437)	(8.1%)	Provider Capitation	681,146,616	669,767,244	(11,379,372)	(1.7%)
52,594,959	66,349,900	13,754,941	20.7%	Facilities Claims	403,447,708	391,015,396	(12,432,312)	(3.2%)
59,903,935	68,398,932	8,494,997	12.4%	Professional Claims	392,289,926	415,002,081	22,712,155	5.5%
51,569,460	49,762,861	(1,806,599)	(3.6%)	MLTSS	302,637,393	292,735,115	(9,902,278)	(3.4%)
12,498,637	20,145,298	7,646,661	38.0%	Incentive Payments	70,496,040	91,034,036	20,537,996	22.6%
10,451,511	9,092,079	(1,359,432)	(15.0%)	Medical Management	50,669,252	54,348,782	3,679,530	6.8%
13,353,237	1,830,209	(11,523,028)	(629.6%)	Other Medical Expenses	170,335,544	10,981,254	(159,354,290)	(1,451.1%)
<b>320,710,308</b>	<b>326,949,411</b>	<b>6,239,103</b>	<b>1.9%</b>	<b>Total Medical Expenses</b>	<b>2,071,022,479</b>	<b>1,924,883,908</b>	<b>(146,138,571)</b>	<b>(7.6%)</b>
<b>90,555,075</b>	<b>(10,509,728)</b>	<b>101,064,803</b>	<b>961.6%</b>	<b>Gross Margin</b>	<b>126,330,049</b>	<b>(26,014,301)</b>	<b>152,344,350</b>	<b>585.6%</b>
				<b>Administrative Expenses</b>				
10,971,365	11,943,554	972,189	8.1%	Salaries, Wages & Employee Benefits	66,532,010	72,051,959	5,519,949	7.7%
1,003,279	1,783,720	780,442	43.8%	Professional Fees	6,992,718	8,828,699	1,835,981	20.8%
3,381,387	2,586,871	(794,516)	(30.7%)	Purchased Services	12,495,576	14,343,756	1,848,180	12.9%
647,346	527,048	(120,298)	(22.8%)	Printing & Postage	2,116,449	3,249,378	1,132,929	34.9%
758,991	1,026,358	267,367	26.1%	Depreciation & Amortization	4,444,894	6,158,148	1,713,254	27.8%
3,016,634	3,775,334	758,699	20.1%	Other Operating Expenses	15,419,419	22,462,395	7,042,976	31.4%
(1,682,436)	(606,431)	1,076,005	177.4%	Indirect Cost Allocation, Occupancy	(4,839,559)	(3,638,586)	1,200,973	33.0%
<b>18,096,566</b>	<b>21,036,454</b>	<b>2,939,888</b>	<b>14.0%</b>	<b>Total Administrative Expenses</b>	<b>103,161,508</b>	<b>123,455,749</b>	<b>20,294,241</b>	<b>16.4%</b>
				<b>Non-Operating Income (Loss)</b>				
(2,091)	-	(2,091)	(100.0%)	Net Operating Tax	1,699	-	1,699	100.0%
1,566	-	1,566	100.0%	Other Income/Expense	69,446	-	69,446	100.0%
<b>(526)</b>	<b>-</b>	<b>(526)</b>	<b>(100.0%)</b>	<b>Total Non-Operating Income (Loss)</b>	<b>71,145</b>	<b>-</b>	<b>71,145</b>	<b>100.0%</b>
<b>72,457,983</b>	<b>(31,546,182)</b>	<b>104,004,165</b>	<b>329.7%</b>	<b>Change in Net Assets</b>	<b>23,239,687</b>	<b>(149,470,050)</b>	<b>172,709,737</b>	<b>115.5%</b>
<b>78.0%</b>	<b>103.3%</b>	<b>(25.3%)</b>		<b>Medical Loss Ratio</b>	<b>94.3%</b>	<b>101.4%</b>	<b>(7.1%)</b>	
<b>4.4%</b>	<b>6.6%</b>	<b>2.2%</b>		<b>Admin Loss Ratio</b>	<b>4.7%</b>	<b>6.5%</b>	<b>1.8%</b>	

## **MEDI-CAL INCOME STATEMENT– DECEMBER MONTH:**

**REVENUES** are \$411.3 million, favorable to budget \$94.8 million:

- Favorable volume related variance of \$6.6 million
- Favorable price related variance of \$88.2 million
  - \$54.8 million due to Calendar Year (CY) 2024 rate adjustments by the Department of Health Care Services (DHCS)
  - \$32.9 million due to CalAIM’s Incentive Payment Program (IPP) funding from DHCS
  - Offset by \$4.1 million from Proposition 56, Enhanced Care Management (ECM) and Unsatisfactory Immigration Status (UIS) risk corridors

**MEDICAL EXPENSES** are \$320.7 million, favorable to budget \$6.2 million:

- Unfavorable volume related variance of \$6.8 million
- Favorable price related variance of \$13.1 million:
  - Facilities Claims expenses favorable variance of \$15.1 million due to lower than expected utilization
  - Professional Claims expenses favorable variance of \$9.9 million due to decreased utilization in Community Supports services
  - Incentive Payments expenses favorable variance of \$8.1 million due to the timing of Hospital Quality Program (HQP) accruals
  - Offset by:
    - Other Medical Expenses unfavorable variance of \$11.5 million due primarily to CY 2024 Community Reinvestment and Quality Achievement accruals
    - Provider Capitation expenses unfavorable variance of \$6.6 million

**ADMINISTRATIVE EXPENSES** are \$18.1 million, favorable to budget \$2.9 million:

- Non-Salary expenses favorable to budget \$2.0 million
- Salaries, Wages & Employee Benefits expenses favorable to budget \$1.0 million

**CHANGE IN NET ASSETS** is \$72.5 million, favorable to budget \$104.0 million

**CalOptima Health  
OneCare  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
17,037	17,535	(498)	(2.8%)	<b>Member Months</b>	103,266	104,673	(1,407)	(1.3%)
				<b>Revenues</b>				
23,639,984	25,239,339	(1,599,355)	(6.3%)	Medicare Part C Revenue	144,070,438	153,085,994	(9,015,556)	(5.9%)
10,590,614	9,430,325	1,160,289	12.3%	Medicare Part D Revenue	57,991,976	56,376,511	1,615,465	2.9%
<b>34,230,598</b>	<b>34,669,664</b>	<b>(439,066)</b>	<b>(1.3%)</b>	<b>Total Operating Revenue</b>	<b>202,062,415</b>	<b>209,462,505</b>	<b>(7,400,090)</b>	<b>(3.5%)</b>
				<b>Medical Expenses</b>				
13,862,511	15,418,747	1,556,236	10.1%	Provider Capitation	86,389,962	93,500,681	7,110,719	7.6%
5,279,955	5,023,854	(256,101)	(5.1%)	Inpatient	25,212,351	29,087,058	3,874,707	13.3%
1,890,762	1,776,156	(114,606)	(6.5%)	Ancillary	10,865,740	10,442,926	(422,814)	(4.0%)
8,679,023	9,179,848	500,825	5.5%	Prescription Drugs	52,215,480	53,631,681	1,416,201	2.6%
322,796	419,872	97,076	23.1%	Incentive Payments	2,820,437	2,879,338	58,901	2.0%
850,490	1,367,027	516,537	37.8%	Medical Management	5,953,104	8,219,259	2,266,155	27.6%
<b>30,885,538</b>	<b>33,185,504</b>	<b>2,299,966</b>	<b>6.9%</b>	<b>Total Medical Expenses</b>	<b>183,457,075</b>	<b>197,760,943</b>	<b>14,303,868</b>	<b>7.2%</b>
<b>3,345,060</b>	<b>1,484,160</b>	<b>1,860,900</b>	<b>125.4%</b>	<b>Gross Margin</b>	<b>18,605,340</b>	<b>11,701,562</b>	<b>6,903,778</b>	<b>59.0%</b>
				<b>Administrative Expenses</b>				
1,039,630	1,200,416	160,786	13.4%	Salaries, Wages & Employee Benefits	6,362,506	7,250,266	887,760	12.2%
82,750	121,483	38,733	31.9%	Professional Fees	498,238	690,098	191,860	27.8%
321,361	513,960	192,599	37.5%	Purchased Services	1,566,720	2,889,580	1,322,860	45.8%
138,217	243,950	105,733	43.3%	Printing & Postage	758,605	1,463,700	705,095	48.2%
24,776	121,504	96,728	79.6%	Other Operating Expenses	158,035	729,024	570,989	78.3%
1,899,944	1,026,083	(873,861)	(85.2%)	Indirect Cost Allocation, Occupancy	6,819,724	6,156,498	(663,226)	(10.8%)
<b>3,506,677</b>	<b>3,227,396</b>	<b>(279,281)</b>	<b>(8.7%)</b>	<b>Total Administrative Expenses</b>	<b>16,163,828</b>	<b>19,179,166</b>	<b>3,015,338</b>	<b>15.7%</b>
<b>(161,617)</b>	<b>(1,743,236)</b>	<b>1,581,619</b>	<b>90.7%</b>	<b>Change in Net Assets</b>	<b>2,441,512</b>	<b>(7,477,604)</b>	<b>9,919,116</b>	<b>132.7%</b>
<b>90.2%</b>	<b>95.7%</b>	<b>(5.5%)</b>		<b>Medical Loss Ratio</b>	<b>90.8%</b>	<b>94.4%</b>	<b>(3.6%)</b>	
<b>10.2%</b>	<b>9.3%</b>	<b>(0.9%)</b>		<b>Admin Loss Ratio</b>	<b>8.0%</b>	<b>9.2%</b>	<b>1.2%</b>	

## **ONECARE INCOME STATEMENT – DECEMBER MONTH:**

**REVENUES** are \$34.2 million, unfavorable to budget \$0.4 million:

- Unfavorable volume related variance of \$1.0 million
- Favorable price related variance of \$0.5 million

**MEDICAL EXPENSES** are \$30.9 million, favorable to budget \$2.3 million:

- Favorable volume related variance of \$0.9 million
- Favorable price related variance of \$1.4 million

**ADMINISTRATIVE EXPENSES** are \$3.5 million, unfavorable to budget \$0.3 million:

- Non-Salary expenses unfavorable to budget \$0.4 million
- Salaries, Wages & Employee Benefits expenses favorable to budget \$0.2 million

**CHANGE IN NET ASSETS** is (\$0.2) million, favorable to budget \$1.6 million



**CalOptima Health  
PACE  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2024**

Month to Date				Year to Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
<b>506</b>	<b>480</b>	<b>26</b>	<b>5.4%</b>	<b>3,023</b>	<b>2,844</b>	<b>179</b>	<b>6.3%</b>
<b>Member Months</b>							
<b>Revenues</b>							
3,271,009	3,015,882	255,127	8.5%	19,473,580	17,863,581	1,609,999	9.0%
719,248	711,657	7,591	1.1%	4,533,902	4,294,604	239,298	5.6%
374,505	238,623	135,882	56.9%	1,954,295	1,422,442	531,853	37.4%
<b>4,364,762</b>	<b>3,966,162</b>	<b>398,600</b>	<b>10.1%</b>	<b>25,961,777</b>	<b>23,580,627</b>	<b>2,381,150</b>	<b>10.1%</b>
<b>Medical Expenses</b>							
1,312,034	1,361,168	49,134	3.6%	7,490,264	8,187,250	696,986	8.5%
568,893	763,111	194,218	25.5%	4,133,673	4,451,922	318,249	7.1%
764,828	842,493	77,665	9.2%	3,949,360	4,909,818	960,458	19.6%
559,060	564,279	5,219	0.9%	3,553,081	3,268,646	(284,435)	(8.7%)
45,347	33,747	(11,600)	(34.4%)	78,301	156,269	77,968	49.9%
246,696	260,447	13,751	5.3%	1,344,375	1,562,682	218,307	14.0%
<b>3,496,858</b>	<b>3,825,245</b>	<b>328,387</b>	<b>8.6%</b>	<b>20,549,054</b>	<b>22,536,587</b>	<b>1,987,533</b>	<b>8.8%</b>
<b>867,904</b>	<b>140,917</b>	<b>726,987</b>	<b>515.9%</b>	<b>5,412,723</b>	<b>1,044,040</b>	<b>4,368,683</b>	<b>418.4%</b>
<b>Gross Margin</b>							
<b>Administrative Expenses</b>							
170,795	171,502	707	0.4%	984,402	1,035,850	51,448	5.0%
3,889	8,708	4,819	55.3%	12,725	52,548	39,823	75.8%
28,087	70,533	42,446	60.2%	256,950	381,198	124,248	32.6%
92,069	13,900	(78,169)	(562.4%)	94,415	125,900	31,485	25.0%
986	1,600	614	38.4%	5,745	9,600	3,855	40.2%
8,070	12,823	4,753	37.1%	53,382	76,138	22,756	29.9%
26,252	16,728	(9,524)	(56.9%)	107,856	99,558	(8,297)	(8.3%)
<b>330,148</b>	<b>295,794</b>	<b>(34,354)</b>	<b>(11.6%)</b>	<b>1,515,474</b>	<b>1,780,792</b>	<b>265,318</b>	<b>14.9%</b>
<b>537,756</b>	<b>(154,877)</b>	<b>692,633</b>	<b>447.2%</b>	<b>3,897,250</b>	<b>(736,752)</b>	<b>4,634,002</b>	<b>629.0%</b>
<b>Change in Net Assets</b>							
<b>80.1%</b>	<b>96.4%</b>	<b>(16.3%)</b>	<b>Medical Loss Ratio</b>	<b>79.2%</b>	<b>95.6%</b>	<b>(16.4%)</b>	
<b>7.6%</b>	<b>7.5%</b>	<b>(0.1%)</b>	<b>Admin Loss Ratio</b>	<b>5.8%</b>	<b>7.6%</b>	<b>1.7%</b>	

**CalOptima Health**  
**Multipurpose Senior Services Program**  
**Statement of Revenues and Expenses**  
**For the Six Months Ending December 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
519	568	(49)	(8.6%)	<b>Member Months</b>	2,989	3,408	(419)	(12.3%)
				<b>Revenues</b>				
236,240	253,517	(17,277)	(6.8%)	Revenue	1,361,075	1,521,102	(160,027)	(10.5%)
<b>236,240</b>	<b>253,517</b>	<b>(17,277)</b>	<b>(6.8%)</b>	<b>Total Operating Revenue</b>	<b>1,361,075</b>	<b>1,521,102</b>	<b>(160,027)</b>	<b>(10.5%)</b>
				<b>Medical Expenses</b>				
181,631	207,784	26,153	12.6%	Medical Management	1,106,283	1,246,704	140,421	11.3%
33,486	32,957	(529)	(1.6%)	Waiver Services	221,502	197,742	(23,760)	(12.0%)
181,631	207,784	26,153	12.6%	<b>Total Medical Management</b>	1,106,283	1,246,704	140,421	11.3%
33,486	32,957	(529)	(1.6%)	<b>Total Waiver Services</b>	221,502	197,742	(23,760)	(12.0%)
<b>215,117</b>	<b>240,741</b>	<b>25,624</b>	<b>10.6%</b>	<b>Total Program Expenses</b>	<b>1,327,785</b>	<b>1,444,446</b>	<b>116,661</b>	<b>8.1%</b>
<b>21,123</b>	<b>12,776</b>	<b>8,347</b>	<b>65.3%</b>	<b>Gross Margin</b>	<b>33,291</b>	<b>76,656</b>	<b>(43,365)</b>	<b>(56.6%)</b>
				<b>Administrative Expenses</b>				
99,329	108,105	8,776	8.1%	Salaries, Wages & Employee Benefits	588,852	652,845	63,993	9.8%
1,417	1,417	0	0.0%	Professional Fees	8,500	8,502	2	0.0%
4	-	(4)	(100.0%)	Purchased Services	24	-	(24)	(100.0%)
8,105	8,250	145	1.8%	Other Operating Expenses	46,144	49,500	3,356	6.8%
14,174	7,333	(6,841)	(93.3%)	Indirect Cost Allocation, Occupancy	45,937	43,998	(1,939)	(4.4%)
<b>123,028</b>	<b>125,105</b>	<b>2,077</b>	<b>1.7%</b>	<b>Total Administrative Expenses</b>	<b>689,457</b>	<b>754,845</b>	<b>65,388</b>	<b>8.7%</b>
<b>(101,905)</b>	<b>(112,329)</b>	<b>10,424</b>	<b>9.3%</b>	<b>Change in Net Assets</b>	<b>(656,166)</b>	<b>(678,189)</b>	<b>22,023</b>	<b>3.2%</b>
<b>91.1%</b>	<b>95.0%</b>	<b>(3.9%)</b>		<b>Medical Loss Ratio</b>	<b>97.6%</b>	<b>95.0%</b>	<b>2.6%</b>	
<b>52.1%</b>	<b>49.3%</b>	<b>(2.7%)</b>		<b>Admin Loss Ratio</b>	<b>50.7%</b>	<b>49.6%</b>	<b>(1.0%)</b>	

**CalOptima Health  
OneCare Connect - Total  
Statement of Revenue and Expenses  
For the Six Months Ending December 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
-	-	-	<b>0.0%</b>	<b>Member Months</b>	-	-	-	<b>0.0%</b>
				Revenues				
-	-	-	0.0%	Medicare Part C Revenue	<b>(3,197,365)</b>	-	<b>(3,197,365)</b>	<b>(100.0%)</b>
-	-	-	<b>0.0%</b>	<b>Total Operating Revenue</b>	<b>(3,197,365)</b>	-	<b>(3,197,365)</b>	<b>(100.0%)</b>
				Medical Expenses				
-	-	-	0.0%	Provider Capitation	<b>(1,453,037)</b>	-	1,453,037	100.0%
-	-	-	<b>0.0%</b>	<b>Total Medical Expenses</b>	<b>(1,453,037)</b>	-	<b>1,453,037</b>	<b>100.0%</b>
-	-	-	<b>0.0%</b>	<b>Gross Margin</b>	<b>(1,744,328)</b>	-	<b>(1,744,328)</b>	<b>(100.0%)</b>
				Administrative Expenses				
-	-	-	<b>0.0%</b>	<b>Total Administrative Expenses</b>	-	-	-	<b>0.0%</b>
-	-	-	<b>0.0%</b>	<b>Change in Net Assets</b>	<b>(1,744,328)</b>	-	<b>(1,744,328)</b>	<b>(100.0%)</b>
<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		<i>Medical Loss Ratio</i>	<b>45.4%</b>	<b>0.0%</b>	<b>45.4%</b>	
<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		<i>Admin Loss Ratio</i>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

**CalOptima Health**  
**Building - 505 City Parkway**  
**Statement of Revenues and Expenses**  
**For the Six Months Ending December 31, 2024**

<b>Month to Date</b>				<b>Year to Date</b>			
<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Revenues</b>							
-	-	-	0.0%	-	-	-	0.0%
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
<b>Administrative Expenses</b>							
50,596	22,905	(27,691)	(120.9%)	296,846	137,430	(159,416)	(116.0%)
181,030	195,000	13,970	7.2%	1,085,449	1,170,000	84,551	7.2%
24,431	26,654	2,223	8.3%	148,404	159,924	11,520	7.2%
109,554	181,186	71,632	39.5%	692,130	1,087,116	394,986	36.3%
42,487	56,824	14,337	25.2%	390,059	340,944	(49,115)	(14.4%)
(408,098)	(482,569)	(74,471)	(15.4%)	(2,612,888)	(2,895,414)	(282,526)	(9.8%)
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
<b>Change in Net Assets</b>							

**CalOptima Health  
Building - 500 City Parkway  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>				
156,423	135,866	20,557	15.1%	Rental Income	938,540	815,196	123,344	15.1%
<b>156,423</b>	<b>135,866</b>	<b>20,557</b>	<b>15.1%</b>	<b>Total Operating Revenue</b>	<b>938,540</b>	<b>815,196</b>	<b>123,344</b>	<b>15.1%</b>
				<b>Administrative Expenses</b>				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
66,047	9,330	(56,717)	(607.9%)	Purchased Services	241,461	55,980	(185,481)	(331.3%)
61,631	51,000	(10,631)	(20.8%)	Depreciation & Amortization	315,396	306,000	(9,396)	(3.1%)
8,226	8,746	520	6.0%	Insurance Expense	49,624	52,476	2,852	5.4%
37,178	94,592	57,414	60.7%	Repair & Maintenance	340,076	567,552	227,476	40.1%
20,223	25,978	5,755	22.2%	Other Operating Expenses	189,486	155,868	(33,618)	(21.6%)
(18,431)	-	18,431	100.0%	Indirect Cost Allocation, Occupancy	(118,269)	-	118,269	100.0%
<b>174,873</b>	<b>189,646</b>	<b>14,773</b>	<b>7.8%</b>	<b>Total Administrative Expenses</b>	<b>1,017,775</b>	<b>1,137,876</b>	<b>120,101</b>	<b>10.6%</b>
<b>(18,449)</b>	<b>(53,780)</b>	<b>35,331</b>	<b>65.7%</b>	<b>Change in Net Assets</b>	<b>(79,235)</b>	<b>(322,680)</b>	<b>243,445</b>	<b>75.4%</b>

**CalOptima Health**  
**Building - 7900 Garden Grove Blvd**  
**Statement of Revenues and Expenses**  
**For the Six Months Ending December 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	<b>0.0%</b>	<b>Total Operating Revenue</b>	-	-	-	<b>0.0%</b>
				<b>Administrative Expenses</b>				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
29,723	42,500	12,777	30.1%	Purchased Services	160,765	255,000	94,235	37.0%
9,397	21,000	11,603	55.3%	Depreciation & Amortization	56,385	126,000	69,615	55.3%
4,751	-	(4,751)	(100.0%)	Insurance Expense	27,496	-	(27,496)	(100.0%)
298	-	(298)	(100.0%)	Repair & Maintenance	1,285	-	(1,285)	(100.0%)
273	-	(273)	(100.0%)	Other Operating Expenses	6,739	-	(6,739)	(100.0%)
-	-	-	0.0%	Indirect Cost Allocation, Occupancy	-	-	-	0.0%
<b>44,442</b>	<b>63,500</b>	<b>19,058</b>	<b>30.0%</b>	<b>Total Administrative Expenses</b>	<b>252,670</b>	<b>381,000</b>	<b>128,330</b>	<b>33.7%</b>
<b>(44,442)</b>	<b>(63,500)</b>	<b>19,058</b>	<b>30.0%</b>	<b>Change in Net Assets</b>	<b>(252,670)</b>	<b>(381,000)</b>	<b>128,330</b>	<b>33.7%</b>

## **OTHER PROGRAM INCOME STATEMENTS – DECEMBER MONTH:**

### **PACE**

- **CHANGE IN NET ASSETS** is \$0.5 million, favorable to budget \$0.7 million

### **MSSP**

- **CHANGE IN NET ASSETS** is (\$101,905), favorable to budget \$10,424

## **NON-OPERATING INCOME STATEMENTS – DECEMBER MONTH:**

### **BUILDING 500 City Parkway**

- **CHANGE IN NET ASSETS** is (\$18,449), favorable to budget \$35,331
  - Net of \$156,423 in rental income and \$174,873 in expenses

### **BUILDING 7900 Garden Grove Blvd**

- **CHANGE IN NET ASSETS** is (\$44,442), favorable to budget \$19,058

### **INVESTMENT INCOME**

- Favorable variance of \$5.0 million due to \$7.5 million of interest income and \$2.5 million of realized and unrealized loss on investments

### **GRANT EXPENSE**

- Unfavorable variance of \$8.8 million due to \$10 million for the Coalition of Orange County Community Health Centers grant

**CalOptima Health  
Balance Sheet  
December 31, 2024**

		<u>December-24</u>	<u>November-24</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
	Cash and Cash Equivalents	688,117,507	662,165,136	25,952,371	3.9%
	Short-term Investments	1,757,022,283	1,595,188,045	161,834,239	10.1%
	Capitation Receivable	685,650,501	620,736,333	64,914,168	10.5%
	Receivables - Other	95,208,691	97,578,863	(2,370,172)	(2.4%)
	Prepaid Expenses	14,803,823	11,818,002	2,985,821	25.3%
	<b>Total Current Assets</b>	<b>3,240,802,805</b>	<b>2,987,486,379</b>	<b>253,316,426</b>	<b>8.5%</b>
<b>Board Designated Assets</b>					
	Board Designated Reserves	1,036,698,175	1,034,590,693	2,107,482	0.2%
	Statutory Designated Reserves	135,603,541	135,739,244	(135,703)	(0.1%)
	<b>Total Designated Assets</b>	<b>1,172,301,716</b>	<b>1,170,329,938</b>	<b>1,971,779</b>	<b>0.2%</b>
	<b>Restricted Deposit</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0.0%</b>
	<b>Capital Assets, Net</b>	<b>102,133,678</b>	<b>102,526,219</b>	<b>(392,541)</b>	<b>(0.4%)</b>
	<b>Total Assets</b>	<b>4,515,538,199</b>	<b>4,260,642,536</b>	<b>254,895,664</b>	<b>6.0%</b>
<b>Deferred Outflows of Resources</b>					
	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%
	<b>Total Deferred Outflows of Resources</b>	<b>75,899,007</b>	<b>75,899,007</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<b>4,591,437,206</b>	<b>4,336,541,543</b>	<b>254,895,664</b>	<b>5.9%</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
	Accounts Payable	410,582,067	337,792,916	72,789,151	21.5%
	Medical Claims Liability	1,240,732,265	1,089,418,390	151,313,875	13.9%
	Accrued Payroll Liabilities	26,697,567	18,564,377	8,133,190	43.8%
	Deferred Revenue	14,309,427	51,986,758	(37,677,331)	(72.5%)
	Other Current Liabilities	-	-	-	0.0%
	Capitation & Withholds	122,901,380	151,167,492	(28,266,112)	(18.7%)
	<b>Total Current Liabilities</b>	<b>1,815,222,705</b>	<b>1,648,929,932</b>	<b>166,292,773</b>	<b>10.1%</b>
	GASB 96 Subscription Liabilities	21,301,538	21,387,713	(86,175)	(0.4%)
	Community Reinvestment	122,500,439	108,486,234	14,014,205	12.9%
	Capital Lease Payable	270,397	-	270,397	100.0%
	Postemployment Health Care Plan	17,601,435	17,567,168	34,267	0.2%
	Net Pension Liability	45,981,359	45,981,359	-	0.0%
	<b>Total Liabilities</b>	<b>2,022,877,873</b>	<b>1,842,352,407</b>	<b>180,525,466</b>	<b>9.8%</b>
<b>Deferred Inflows of Resources</b>					
	Net Pension	2,248,445	2,248,445	-	0.0%
	Other Postemployment Benefits	6,398,000	6,398,000	-	0.0%
	<b>Total Deferred Inflows of Resources</b>	<b>8,646,445</b>	<b>8,646,445</b>	<b>-</b>	<b>0.0%</b>
<b>Net Position</b>					
	Required TNE	130,121,242	131,503,959	(1,382,717)	(1.1%)
	Funds in excess of TNE	2,429,791,647	2,354,038,732	75,752,915	3.2%
	<b>Total Net Position</b>	<b>2,559,912,889</b>	<b>2,485,542,691</b>	<b>74,370,198</b>	<b>3.0%</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS &amp; NET POSITION</b>		<b>4,591,437,206</b>	<b>4,336,541,543</b>	<b>254,895,664</b>	<b>5.9%</b>



## **BALANCE SHEET – DECEMBER MONTH:**

**ASSETS** of \$4.6 billion increased \$254.9 million from November or 5.9%

- Operating Cash and Short-term Investments net increase of \$187.8 million due to the receipt of the Intergovernmental Transfers (IGT) 13 funding of \$160.4 million and CalAIM's IPP of \$32.9 million
- Capitation Receivables increased \$64.9 million due to the updated CY 2024 premium capitation rates and timing of cash receipts

**LIABILITIES** of \$2.0 billion increased \$180.5 million from November or 9.8%

- Medical Claims Liabilities increased \$151.3 million primarily due to the timing of the quarterly Managed Care Organization (MCO) tax payments and accruals
- Accounts Payable increased \$72.8 million primarily due to an increase of \$63.1 million due to the timing of quarterly MCO tax payments along with an accrual of \$10 million for a grant payable to the Coalition of Orange County
- Community Reinvestment increased \$14.0 million
- Deferred Revenue decreased \$37.7 million due to the receipt of the December capitation checks from the Centers for Medicare & Medicaid Services (CMS)
- Capitation and Withholds decreased \$28.3 million due to payments to providers for quality incentives of \$32.2 million and shared risk pools of \$8.1 million

**NET ASSETS** of \$2.6 billion, increased \$74.4 million from November or 3.0%

**CalOptima Health**  
**Board Designated Reserve and TNE Analysis**  
**as of December 31, 2024**

**Board Designated Reserves**

Investment Account Name	Market Value	Benchmark		Variance	
		Low	High	Mkt - Low	Mkt - High
Payden & Rygel Tier One	518,375,635				
MetLife Tier One	518,322,540				
<b>Board Designated Reserves</b>	<b>1,036,698,175</b>	<b>981,101,907</b>	<b>1,177,322,288</b>	<b>55,596,269</b>	<b>(140,624,113)</b>
<i>Current Reserve Level ( X months of average monthly revenue) <sup>1</sup></i>	<i>2.64</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	67,902,768				
MetLife Tier Two	67,700,773				
<b>Statutory Designated Reserves</b>	<b>135,603,541</b>	<b>130,121,242</b>	<b>143,133,366</b>	<b>5,482,299</b>	<b>(7,529,825)</b>
<i>Current Reserve Level ( X min. TNE) <sup>1</sup></i>	<i>1.04</i>	<i>1.00</i>	<i>1.10</i>		

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information.

**CalOptima Health  
Statement of Cash Flow  
December 31, 2024**

	<b>December 2024</b>	<b>July - December 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	74,370,198	114,830,714
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation & Amortization	1,012,035	5,907,868
Changes in assets and liabilities:		
Prepaid expenses and other	(2,985,821)	(3,634,703)
Capitation receivable	(62,543,996)	(226,172,709)
Medical claims liability	151,313,875	88,888,140
Deferred revenue	(37,677,331)	(951,736)
Payable to health networks	(28,266,112)	(53,332,314)
Accounts payable	72,789,151	238,262,460
Accrued payroll	8,167,456	1,042,333
Other accrued liabilities	14,198,426	20,423,496
Net cash provided by/(used in) operating activities	190,377,883	185,263,549
 GASB 68, GASB 75 and Advance Discretionary Payment Adjustments	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Net Asset transfer from Foundation	-	-
Net cash provided by (used in) in capital and related financing activities	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in Investments	(161,834,239)	20,873,657
Change in Property and Equipment	(619,494)	(11,480,738)
Change in Restricted Deposit & Other	-	-
Change in Board Designated Reserve	(1,971,779)	(34,538,278)
Change in Homeless Health Reserve	-	-
Net cash provided by/(used in) investing activities	(164,425,512)	(25,145,360)
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,952,371	160,118,189
 CASH AND CASH EQUIVALENTS, beginning of period	662,165,136	527,999,317
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>688,117,507</b>	<b>688,117,507</b>

**CalOptima Health  
Spending Plan  
For the Six Months Ending December 31, 2024**

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
	<b>Total Net Position @ 12/31/2024</b>	<b>\$2,559.9</b>			<b>100.0%</b>
<b>Resources Assigned</b>	Board Designated Reserve <sup>1</sup>	<b>\$1,036.7</b>			<b>40.5%</b>
	Statutory Designated Reserve <sup>1</sup>	<b>\$135.6</b>			<b>5.3%</b>
	Capital Assets, net of Depreciation <sup>2</sup>	<b>\$102.1</b>			<b>4.0%</b>
<b>Resources Allocated<sup>3</sup></b>	Homeless Health Initiative <sup>3</sup>	\$16.3	\$61.7	\$45.4	0.6%
	Housing and Homelessness Incentive Program <sup>3</sup>	22.1	87.4	65.2	0.9%
	Intergovernmental Transfers (IGT)	54.6	111.7	57.1	2.1%
	Digital Transformation and Workplace Modernization <sup>4</sup>	45.8	100.0	54.2	1.8%
	Mind OC Grant (Orange)	0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy	0.0	2.0	2.0	0.0%
	CalFresh and Redetermination Outreach Strategy	2.0	6.0	4.0	0.1%
	Coalition of Orange County Community Health Centers Grant	20.0	50.0	30.0	0.8%
	Mind OC Grant (Irvine)	0.0	15.0	15.0	0.0%
	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	128.5	153.5	25.0	5.0%
	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	3.5	5.0	1.5	0.1%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.7%
	Stipend Program for Master of Social Work Students Grant	0.0	5.0	5.0	0.0%
	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	1.8%
	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	6.3	107.5	101.2	0.2%
	CalOptima Health Community Reinvestment Program	38.0	38.0	0.0	1.5%
	Dyadic Services Program Academy	1.0	1.9	0.9	0.0%
	Outreach Strategy for newly eligible Adult Expansion members	4.2	7.6	3.4	0.2%
	Quality Initiatives from unearned Pay for Value Program	21.4	23.3	1.9	0.8%
	Expansion of CalOptima Health OC Outreach and Engagement Strategy	0.6	1.0	0.4	0.0%
	Medi-Cal Provider Rate Increases	421.0	526.2	105.2	16.4%
	Legal Services for CalOptima Health FY2024-2025	1.8	1.8	0.0	0.1%
	Homeless Prevention and Stabilization Pilot Program	0.3	0.3	0.0	0.0%
	Medi-Cal FFS Hospital Services with U of CA, Irvine--UCI Health/Placentia-Linda	0.9	0.9	0.0	0.0%
	<b>Subtotal:</b>	<b>\$883.0</b>	<b>\$1,425.2</b>	<b>\$542.2</b>	<b>34.5%</b>
<b>Resources Available for New Initiatives</b>	Unallocated/Unassigned <sup>1</sup>	<b>\$402.5</b>			<b>15.7%</b>

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 136 days of CalOptima Health's current operations.

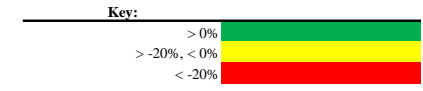
<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements.

<sup>3</sup> See HHI and HHIP summaries and Allocated Funds for list of Board Approved Initiatives. Amount reported includes only portion funded by reserves.

<sup>4</sup> 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 December 31, 2024

	Item Name	December 2024				July - December 2024			
		Actual	Budget	Variance	%	Actual	Budget	Variance	%
Income Statement	Member Months	917,669	899,701	17,968	2.0%	5,477,429	5,403,758	73,671	1.4%
	Operating Revenue	450,096,983	355,329,026	94,767,957	26.7%	2,423,540,430	2,133,433,841	290,106,589	13.6%
	Medical Expenses	355,307,821	364,200,901	8,893,080	2.4%	2,274,903,355	2,146,625,884	(128,277,471)	(6.0%)
	General and Administrative Expense	22,056,419	24,684,749	2,628,330	10.6%	121,530,266	145,170,552	23,640,286	16.3%
	Non-Operating Income/(Loss)	1,637,455	5,370,555	(3,733,100)	(69.5%)	87,723,905	32,314,239	55,409,666	171.5%
	<b>Summary of Income &amp; Expenses</b>	<b>74,370,198</b>	<b>(28,186,069)</b>	<b>102,556,267</b>	<b>363.9%</b>	<b>114,830,714</b>	<b>(126,048,356)</b>	<b>240,879,070</b>	<b>191.1%</b>
Ratios	<b>Medical Loss Ratio (MLR)</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
	Consolidated	78.9%	102.5%	(23.6%)		93.9%	100.6%	(6.8%)	
Ratios	<b>Administrative Loss Ratio (ALR)</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	
	Consolidated	4.9%	6.9%	2.0%		5.0%	6.8%	1.8%	



Investment	Investment Balance (excluding CCE)	Current Month	Prior Month	Change	%
		@ 12/31/2024			
		2,905,940,415	2,737,157,873	168,782,542	6.2%
Investment	<b>Unallocated/Unassigned Reserve Balance</b>	<b>Current Month</b>	<b>Fiscal Year Ending June 2024</b>	<b>Change</b>	<b>%</b>
	Consolidated	@ December 2024	187,643,914	214,809,179	114.5%
	Days Cash On Hand*	136			

\*Total Designated Reserves and unallocated reserve amount can support approximately 136 days of CalOptima Health's current operations.

**CalOptima Health**  
**Digital Transformation Strategy (\$100 million total reserve)**  
**Funding Balance Tracking Summary**  
**For the Six Months Ending December 31, 2024**

	<b>December 2024</b>				<b>July - December 2024</b>			
	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %
<b>Capital Assets (Cost, Information Only):</b>								
<b>Total Capital Assets</b>	<b>517,612</b>	<b>513,413</b>	<b>(4,199)</b>	<b>(0.8%)</b>	<b>2,973,100</b>	<b>1,084,490</b>	<b>(1,888,610)</b>	<b>(174.1%)</b>

<b>All Time to Date</b>			
Actual Spend	Approved Budget	Variance \$	Variance %
<b>11,415,960</b>	<b>25,148,199</b>	<b>13,732,239</b>	<b>54.6%</b>

<b>Operating Expenses:</b>								
Salaries, Wages & Benefits	589,922	589,848	(74)	(0.0%)	3,486,203	3,539,088	52,885	1.5%
Professional Fees	443,137	519,319	76,182	14.7%	2,988,896	3,126,583	137,687	4.4%
Purchased Services	(63,918)	142,000	205,918	145.0%	123,697	852,000	728,303	85.5%
GASB 96 Amortization Expenses	46,878	293,417	246,539	84.0%	281,267	1,760,502	1,479,235	84.0%
Other Expenses	(605,775)	751,444	1,357,219	180.6%	3,318,397	4,497,995	1,179,598	26.2%
Medical Management	229,256	-	(229,256)	0.0%	1,375,539	-	(1,375,539)	0.0%
<b>Total Operating Expenses</b>	<b>639,500</b>	<b>2,296,028</b>	<b>1,656,528</b>	<b>72.1%</b>	<b>11,573,999</b>	<b>13,776,168</b>	<b>2,202,169</b>	<b>16.0%</b>

14,492,470	14,545,355	52,885	0.4%
4,749,959	4,887,646	137,687	2.8%
273,697	1,002,000	728,303	72.7%
2,252,470	3,731,705	1,479,235	39.6%
16,847,889	18,027,487	1,179,598	6.5%
4,126,617	2,751,078	(1,375,539)	(50.0%)
<b>42,743,102</b>	<b>44,945,271</b>	<b>2,202,169</b>	<b>4.9%</b>

<b>Funding Balance Tracking:</b>			
	Approved Budget	Actual Spend	Variance
Beginning Funding Balance	100,000,000	100,000,000	-
Less:			
Capital Assets <sup>1</sup>	31,525,709	11,415,960	20,109,749
FY2023 Operating Budget <sup>2</sup>	8,381,011	8,381,011	-
FY2024 Operating Budget	22,788,092	22,788,092	-
FY2025 Operating Budget	27,552,335	11,573,999	15,978,336
Ending Funding Balance	<b>9,752,853</b>	<b>45,840,938</b>	<b>36,088,085</b>
Add: Prior year unspent Operating Budget	-	-	-
Total Available Funding	<b>9,752,853</b>		

<sup>1</sup> Staff will continue to monitor the project status of DTS' Capital Assets.  
<sup>2</sup> Unspent budget from this period is added back to available DTS funding.  
Note: 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, Subscriptions - Based Information Technology Arrangements.

**CalOptima Health**  
**Summary of Homeless Health Initiatives (HHI) and Allocated Funds**  
**As of December 31, 2024**

<b>Funds Allocation, approved initiatives:</b>	<b>Allocated Amount</b>	<b>Utilized Amount</b>	<b>Remaining Approved Amount</b>
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	858,018	105,243
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,833,740	6,055,173
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine <sup>1</sup>	10,076,652	7,076,530	3,000,122
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>	40,100,000	-	40,100,000
<b>Subtotal of Approved Initiatives</b>	<b>\$101,800,000</b>	<b>\$45,427,240</b>	<b>\$56,372,759</b>
Transfer of funds to HHIP <sup>2</sup>	(40,100,000)	-	(40,100,000)
<b>Program Total</b>	<b>\$61,700,000</b>	<b>\$45,427,240</b>	<b>\$16,272,759</b>

**Notes:**

<sup>1</sup>On March 7, 2024, CalOptima Health's Board of Directors approved \$5 million to expand the Street Medicine Program. \$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 (Anaheim) and Celebrating Life Community Health Center (Costa Mesa).

<sup>2</sup>On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1 million from HHI to HHIP.

**CalOptima Health**  
**Summary of Housing and Homelessness Incentive Program (HHIP) and Allocated Funds**  
**As of December 31, 2024**

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for New Initiatives
<b>DHCS HHIP Funds</b>	72,931,189	54,930,994	28,932,737	25,998,257	18,000,195 <sup>1</sup>
<b>Existing Reserves &amp; HHI Transfer</b>	87,384,530	87,384,530	65,249,003	22,135,527	-
<b>Total</b>	<b>160,315,719</b>	<b>142,315,524</b>	<b>94,181,740</b>	<b>48,133,784</b>	<b>18,000,195</b>

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	756,850	43,150	HHI
Consultant	600,000	-	600,000	HHI
Equity Grants for Programs Serving Underrepresented Populations	4,621,311	3,021,311	1,600,000	HHI & DHCS
Infrastructure Projects	5,832,314	5,391,731	440,583	HHI
Capital Projects	108,247,369	77,195,575	31,051,794	HHI, DHCS & Existing Reserves
System Change Projects	10,184,530	4,863,856	5,320,674	DHCS
Non-Profit Healthcare Academy	700,000	452,417	247,583	DHCS
<b>Total of Approved Initiatives</b>	<b>\$133,185,524<sup>1</sup></b>	<b>\$93,881,740</b>	<b>\$39,303,785</b>	

**Notes:**

<sup>1</sup>Total 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 December 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	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
August	Medi-Cal	ITS - Infrastructure - Other Operating Expenses - VMWare	ITS - Infrastructure - Other Operating Expenses - IT Service Management	\$38,490	To reallocate funds from ITS - Infrastructure - Maintenance HW/SW - Server - VMWare to IT Service Management to address additional licensing needs and increased costs for the Impact Guide.	2024-25
August	Medi-Cal	IS - Applications Management - Professional Fees - Salesforce CRM	ITS - Applications Management - Other Operating Expenses - Crowe Subscription License Fee	\$38,500	To reallocate funds from ITS - Applications Management - Salesforce CRM to Crowe Subscription License Fee to provide funding needed for its licensing.	2024-25
August	Medi-Cal	ITS - Infrastructure - Modern Customer Contact Center	ITS - Infrastructure - Network Bandwidth Upgrade for All Sites (Wide Area Network)	\$10,349	To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Network Bandwidth Upgrade for All Sites (Wide Area Network) due to increase in expenses.	2024-25
August	Medi-Cal	ITS - Infrastructure - Modern Customer Contact Center	ITS - Application Development - Digital Transformation Strategy Planning and Execution Support	\$32,425	To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Digital Transformation Strategy Planning and Execution Support due to increase in expenses.	2024-25
August	Medi-Cal	ITS - Infrastructure - Modern Customer Contact Center	ITS - Applications Management - Clinical Data Sets Quality Assurance & Data Aggregator Validation	\$70,000	To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Clinical Data Sets Quality Assurance & Data Aggregator Validation due to increase in expenses.	2024-25
August	Medi-Cal	ITS - Application Development - Other Operating Expenses - Veracode Code Scanning	Executive Office - Other Operating Expenses - CEO Leadership Alliance of Orange County (CLAOC)	\$40,000	To reallocate funds from ITS - Application Development - Veracode Code Scanning to Executive Office - CEO Leadership Alliance of Orange County (CLAOC) Associations dues.	2024-25
September	OneCare	Communications - Purchased Services - Advertising	Communications - Professional Fees	\$144,000	To reallocate funds from Communications - Advertising - Outdoor to Professional Fees to provide additional funding for Runyon Saltzman for Marketing.	2024-25
September	Medi-Cal	ITS - Applications Management - Other Operating Expenses - HW/SW Maintenance	Executive Office - Other Operating Expenses - Professional Dues	\$50,000	To reallocate funds from ITS - Applications Management - HW/SW Maintenance to Executive Office - Professional Dues for coverage of expenses.	2024-25
September	Medi-Cal	Accounting - Purchased Services	Accounting - Other Operating Expenses - Office Supplies	\$15,000	To reallocate funds from Accounting - Change Health Care - Claims Processing/Mailing to Office Supplies to provide additional funding needed to replenish check stock.	2024-25
September	PACE	PACE Administrative - Professional Fees	PACE Administrative - Other Operating Expenses - Subscriptions	\$15,000	To reallocate funds from PACE Administrative - DHCS Annual Fee to Subscriptions to provide funding for DHCS PACE Licensing Fees.	2024-25
September	Medi-Cal	ITS - Application Development - Other Operating Expenses - HW/SW Maintenance	ITS - Applications Management - Other Operating Expenses - Care Management System - HealthEdge	\$158,000	To reallocate funds from ITS - Application Development - Capital Software Expense to ITS - Applications Management - HealthEdge to help pay for Guiding Care Read Only invoice.	2024-25
September	OneCare	Sales & Marketing - Purchased Services	ITS - Applications Management - Professional Fees	\$50,000	To reallocate funds from Sales & Marketings - Purchased Services - General to ITS - Applications Management – Enthrive to engage Enthrive for additional builds to the agent portal.	2024-25
September	Medi-Cal	ITS - Infrastructure - Professional Fees	ITS - Infrastructure - Other Operating Expenses - Subscriptions	\$32,000	To reallocate funds from ITS - Infrastructure - MSFT Azure Assistance to Delphix - Continuous Data FACETS to cover the renewal subscription being higher than the anticipated amount.	2024-25
November	PACE	PACE Marketing - Member Communication	PACE Marketing - Advertising	\$84,000	To reallocate funds from PACE Marketing - Printing and Postage to Purchased Services to provide additional funding needed for advertisement extension.	2024-25
December	Medi-Cal	Executive Office - Professional Fees	Executive Office - Professional Dues	\$30,000	To reallocate fund from Executive Office - Professional Fees to Other Operating Expenses - Professional Dues for the Center for Corporate Innovation Membership due.	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  
February 6, 2025**

**Monthly Compliance Report**

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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. California State Auditor – Joint Legislative Audit Committee (JLAC) Audit**

**Update**

- On November 21, 2024, the California State Auditor (CSA) updated the CSA website to reflect the closure of this audit. All seven (7) recommendations are considered “Fully Implemented” with no further action necessary.

**Previously Reported**

- October 22, 2024, the California State Auditor (CSA) confirmed that CalOptima Health has fully implemented all audit recommendations and has officially closed the audit with no further responses or actions required.
- CSA indicated it expects to formally publish the final audit status on its website within two weeks of October 22, 2024.
- As a recap, CSA released a report on May 2, 2023, following a comprehensive nine-month audit of CalOptima Health that covered an eight-year period from January 2014 through June 2022. In accordance with the terms of the audit, CalOptima Health was required to submit 60-day, six-month and one-year status updates to CSA regarding the implementation of the report’s seven recommendations.
- As of the one-year update submitted on May 2, 2024, four of the seven audit recommendations required further updates.
- CSA reviewed the updates for the four recommendations and provided notification via email to CalOptima Health on October 22, 2024, that the four remaining recommendations were accepted as fully implemented.
- ALL the recommendations have been successfully completed and closed.

**2. Medicare**

- a. **Calendar Year (CY) 2022 Centers for Medicare & Medicaid Services (CMS) 1/3 Financial Audit (applicable to OneCare)**

**Update**

- January 21, 2025 -- CMS communicated audit is closed with no further action required.

**Previously Reported**

- CMS is required by statute to audit at least one-third of Medicare Advantage (MA) organizations' financial records each year which will include data relating to Medicare utilization, costs and development of the bid.
- CMS notified CalOptima Health that its OneCare plan had been selected for the CY 2022 CMS Financial Audit and Davis Farr LLP (CPA firm) will conduct the audit. Davis Farr LLP acted in the capacity of CMS agents and requested records and supporting documentation for, but not limited to, the following items:
  - Claims data
  - Solvency
  - Enrollment
  - Base year entries on the bids
  - Medical and/or drug expenses
  - Related party transactions
  - General administrative expenses
  - Direct and Indirect Remuneration (DIR)

**Note: The findings described below pertain to a portion of the samples tested.**

- September 12, 2024 – CalOptima Health received the Final Audit Report, which included two (2) Findings and two (2) Observations.
  - Finding #1: Section E, Medicare Secondary Payer (MSP) – The Plan did not coordinate benefits with other insurers and paid claims as primary when they should have been paid as secondary.
  - Finding #2: Section F, General Payments to Medical Service Providers- Copayments/Coinsurance were not in accordance with the Plan Benefit Package (PBP).
  - Observation #1: Section A, Bid Reconciliation – The Plan underestimated Direct and Indirect Remuneration (DIR) in the Part D Bid.
  - Observation #2: Section E, Part B Drugs – The Plan paid Prescription Drug Events (PDEs) under Part D when they should have been paid under Part B.

b. **2025 Department of Managed Care (DMHC) Routine Financial Examination:**

**Update**

- Audit to be conducted via audio/video conference January 13, 2025, through January 31, 2025.

**Previously Reported**

- Pursuant to Section 1382 of the Knox-Keene Health Care Service Plan Act, the DMHC is responsible for conducting routine financial examinations of each health plan and issuing a public report for each plan.
- The purpose of the financial examinations is to evaluate and report on regulatory compliance with the Knox Keene Act. Each financial examination discusses plan performance in the areas of health plan fiscal and administrative functions.

- September 5, 2024 – the DMHC engaged CalOptima Health for the 2025 DMHC Routine Examination.
  - The examination will be of the Plan’s fiscal and administrative affairs, including an examination of CalOptima Health’s financial reports.
- December 16, 2024 – Pre-audit deliverables due to DMHC
- January 13, 2025 – Examination to commence and will be conducted remotely via audio/video conference.
- Regulatory Affairs and Compliance (RAC) Medicare has provided a copy of the Entrance Letter and pre-audit deliverables to the business areas and will continue to work with the areas impacted to ensure audit readiness.

c. **2025 CMS Readiness Checklist (applicable to OneCare)**

**Update**

- RAC Medicare is leading the 2025 Readiness Checklist activities with all applicable departments to ensure compliance with requirements impacting their respective operational area(s).
- The validation audit activities are expected to conclude by the end of January.

**Background**

- The 2025 CMS Readiness Checklist summarized a subset of key operational requirements solely for the purpose of providing a tool to be used in preparation for the upcoming year. It does not supersede requirements established in statutes or regulations as they related to Medicare Advantage Organizations (MAOs), Prescription Drug Plans (PDPs), 1876 Cost Plans and the Program of All-inclusive Care for the Elderly (PACE). CMS recommends that organizations review this checklist and take necessary steps to fulfill requirements for CY 2025.

d. **2025 Medicare Part C and Part D Data Validation Audit (MDVA) (applicable to OneCare)**

**Update**

- CalOptima Health has contracted with an independent consulting firm to conduct its annual MDVA audit, which is a Medicare requirement.
- The consulting firm has started training sessions to prepare the plan for the upcoming 2025 MDVA audit season.
- December 2, 2024 – Regulatory Affairs & Compliance (RAC), requested the collection of the universes.
- The regulatory submission deadlines are February 3, 2025 and February 24, 2025.

e. **Triennial Network Adequacy Review (applicable to OneCare)**

**Update**

- December 5, 2024 – CalOptima Health received notification that the OneCare contract (H5433) has been selected for the CMS Three-Year Provider Network Adequacy Review.
- The formal review will begin in June 2025.

**Background**

- Medicare Advantage organizations are required to maintain a network of appropriate providers that is sufficient to provide adequate access to covered services to meet the needs of the population served.
- If CMS finds deficiencies in the contract’s provider or facility network, the contract may be subject to compliance action.

f. **CY 2025 Monitoring of Posted Comprehensive Formularies**

**Update**

- November 5, 2024 – CMS selected contract H5433 for the inclusion in the CY 2025 Monitoring of Posted Comprehensive Formularies analysis.
- December 5, 2024 – CMS notified CalOptima Health that they did not identify any discrepancies within the review sample. No further action is required at this time.

2. **Medi-Cal**

a. **2025 Department of Health Care Services (DHCS) Routine Medical Audit**

**Update**

- December 6, 2024 – pre-audit documents submitted to DHCS.
- January 3, 2025 –125+ Verification Studies (File Selections) and a completed interview schedule listing all key participants submitted to DHCS.
- The Regulatory Affairs and Compliance (RAC) Medi-Cal team continues to coordinate and respond to DHCS’s requests in follow-up to December’s pre-audit submission.
- RAC Medi-Cal is coordinating readiness activities with CalOptima Health operational areas that will participate in the audit.

**Previously Reported**

- October 23, 2024 – DHCS engaged CalOptima Health in its annual, routine medical audit.
  - The audit will consist of an evaluation of CalOptima Health’s compliance with its contract and regulations in six (6) categories:
    - Utilization management
    - Case management and coordination of care
      - > New area to be audited in this category:
        - Enhanced Care Management (ECM)
    - Availability and accessibility
    - Member’s rights
    - Quality management
    - Administrative and organizational capacity
      - > New area to be audited in this category:
        - Encounters
  - New areas to be audited
    - Enhanced Care Management (ECM)
    - Encounters

- The audit is considered a limited-scope audit and requires the participation of two (2) CalOptima Health Networks: Children’s Hospital of Orange County Health Alliance (CHOC) and Optum for UM only
- Onsite interviews will be conducted with CalOptima Health staff, including Medical Director, Director of Quality Management, Director of Utilization Management, Member Services Manager, Provider Relations Manager, Health Education Coordinator, Grievance Coordinator, and other staff as necessary.
- The audit will involve a review of pre-onsite documents, staff interviews and medical record review.
- January 27, 2025 through February 7, 2025 – DHCS begin the onsite visit with an Entrance Conference and conduct staff interviews throughout the rest of the onsite visit.

**b. 2024 DHCS Routine Medical Audit**

**Update**

- January 15, 2025 - CalOptima Health is on-track to provide its monthly update to DHCS.
- DHCS provided a response on January 9, 2025, accepting 8 of the 10 CAPS.
  - The 2 remaining CAPS are pending agreed upon evidence (no additional follow-up questions).

**Previously Reported**

- August 22, 2024 – CalOptima Health received a formal request for corrective action plan (CAP) from DHCS.
- September 23, 2024 – CalOptima Health provided its timely Corrective Action Plan (CAP) submission to DHCS.
  - CalOptima Health is required to submit monthly updates, on the 15<sup>th</sup> of each month, to DHCS until the final CAP deliverable is completed.
  - Final CAP deliverable is scheduled to be completed by January 2025
    - October 15, 2024 – CalOptima Health provided its first monthly update to DHCS following the initial CAP submission in September.
- For background 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 & Final Report Identified **10 Findings**
  - Secondary Contract - State Supported Services (SSS)
    - Draft & Final Report Identified **No Findings**

**c. 2023 DHCS Routine Medical Audit (Focused Scope)**

**Update**

- 1/9/25 – Closure letter received from DHCS

**Previously Reported**

- 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; the draft report with findings for the *focused audit* were issued 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.
- The areas reviewed and results are as follows:

<ul style="list-style-type: none"> <li>▪ <b>Audit Period:</b> 2/1/22-1/31/23</li> <li>▪ <b>Audit Dates:</b> 2/27/23-3/10/23</li> <li>▪ <b>Draft Report Date:</b> 6/19/24</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <b>Transportation</b> <ul style="list-style-type: none"> <li>○ Non-Emergency Medical Transportation (NEMT)</li> <li>○ Non-Medical Transportation (NMT)</li> </ul> </li> </ul>	No findings
<ul style="list-style-type: none"> <li>▪ <b>Behavioral Health</b> <ul style="list-style-type: none"> <li>○ Specialty Mental Health Services (SMHS)</li> <li>○ Non-Specialty Mental Health Services (NSMHS)</li> <li>○ Substance Use Disorder Services (SUDS)</li> </ul> </li> </ul>	Two Findings

**2024 Network Adequacy Validation audit – Conducted by HSAG related to DHCS Network Adequacy Requirements**

- Health Services Advisory Group (HSAG) conducted a Network Adequacy Validation (NAV) audit on behalf of DHCS – live session conducted July 25, 2024. HSAG reviewed related documents over an extended period.
- 1/17/25 -- CalOptima received notice of a
  - Validation Rating of HIGH Confidence
  - Validation Score of 100% met for all standards and elements of the audit
- The audit included a detailed report of CalOptima’s systems, processes and methodologies related to DHCS Network Adequacy requirements
  - CalOptima was evaluated on 3 standards:
    - > Time and Distance requirements
    - > Mandatory provider types
    - > Provider to Member ratios
- For each Standard, HSAG assessed:
  - Data Collection procedures and
  - Methodologies

**B. Regulatory Notices of Non-Compliance**

- CalOptima Health did not receive any notices of non-compliance from its regulators for the months of November and December 2024.

**C. Updates on Health Network Monitoring and Audits**

**a. 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:
  - Noble Mid-Orange County – Lookback: July 1, 2023 to July 31, 2024
  - Optum Care Network – Lookback: September 1, 2023 to July 31, 2024
  - AltaMed Health Services – Lookback: August 1, 2023 to August 31, 2024

#### **D. Internal Audit Department (IAD)**

##### **a. Internal Audits**

- 2024 Grievances and Appeals (OneCare) Annual Audit
  - Final Results and CAPs issued on 10/24/2024
  - Audit closed on 11/18/2024
- 2024 Grievances and Appeals (Medi-Cal) Annual Audit
  - Final Results and CAPs issued on 11/15/2024
  - Audit closed on 12/09/2024
- 2024 Utilization Management (OneCare) Annual Audit
  - Preliminary Results issued to UM department on 12/09/2024
  - Department submitted rebuttal on 12/17/2024
  - IAD will issue memorandum on 1/3/2025
- 2024 Utilization Management (Medi-Cal) Annual Audit
  - UM file selection received on 11/22/2024
  - IAD will issue DRF on 12/31/2024
  - Part 2 of Universe data submission is due after DHCS audit file selections are known
  - IAD selected DHCS files within the internal audit lookback period
- 2024 Behavioral Health Department Annual Audit
  - Audit engaged on 10/15/2024
  - File selections sent to BH department on 12/23/2024
  - Department response due on 1/03/2025
- 2024 Case Management Department Annual Audit
  - Audit engaged on 10/28/2024
  - Initial evidence received on 11/27/2024
  - Per Executive leadership and CCO, due to DHCS ongoing audit, Case Management’s file review preliminary results via webinar sessions will commence in April 2025 – TBD
- 2024 Pharmacy (Medi-Cal) Annual Audit
  - Audit engaged on 12/2/2024
  - Initial evidence deliverables due back from Pharmacy on 1/2/2025
- Pharmacy (OneCare) Annual Audit
  - Audit engaged on 12/17/2024
  - Initial evidence deliverables due back from Pharmacy on 1/15/2025

##### **b. Board-Approved Initiatives Review**

###### **Update:**

- Be Well/Mind OC, Irvine
  - GRANT IN PROCESS
  - Consultant review conducted through August 31, 2024

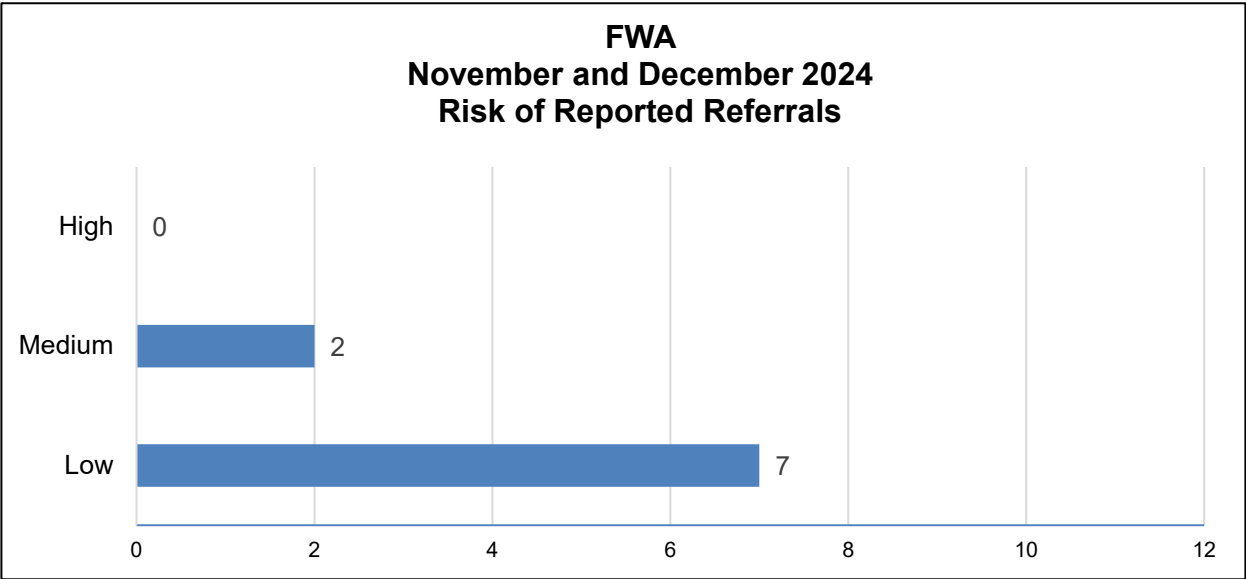
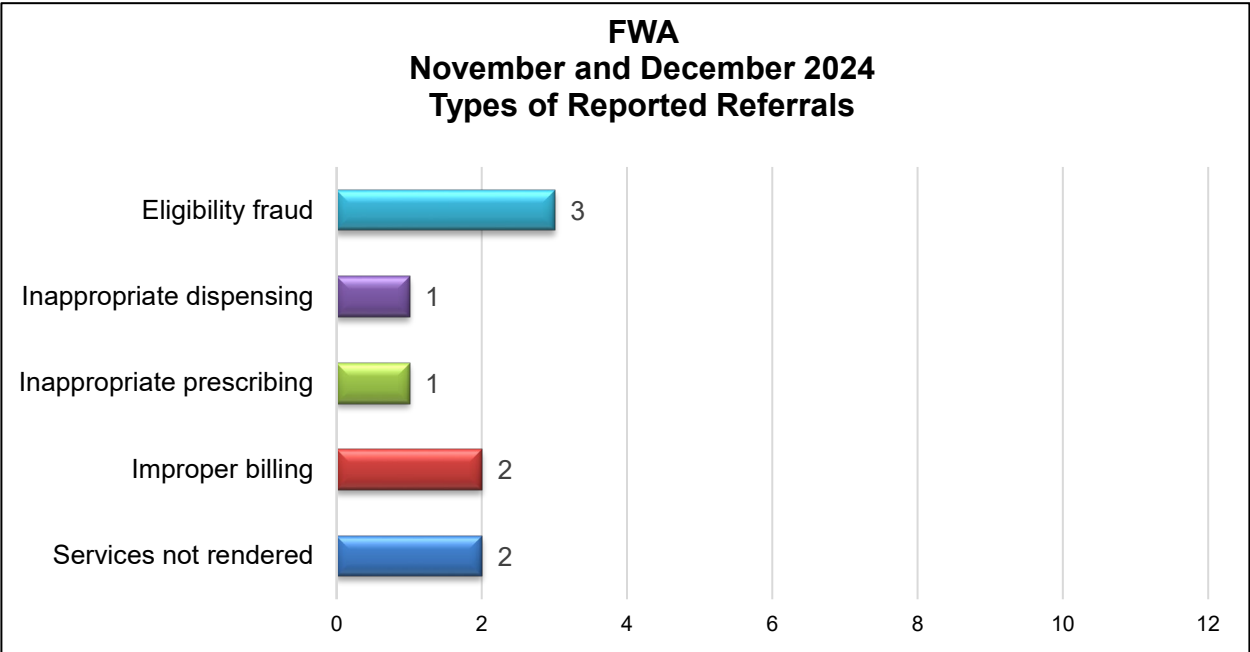


- Mind OC submitted their latest update through November 30, 2024. Materials submitted include:
  - Quarterly progress report
  - Expenditures report with supporting documents
  - Actual-to-budget project financial statement
- Review continues as further materials are received from the Grantee
- The Internal Audit department is developing a new grants auditing policy. It will be submitted for Board approval at the February Board meeting.

**Previously Reported**

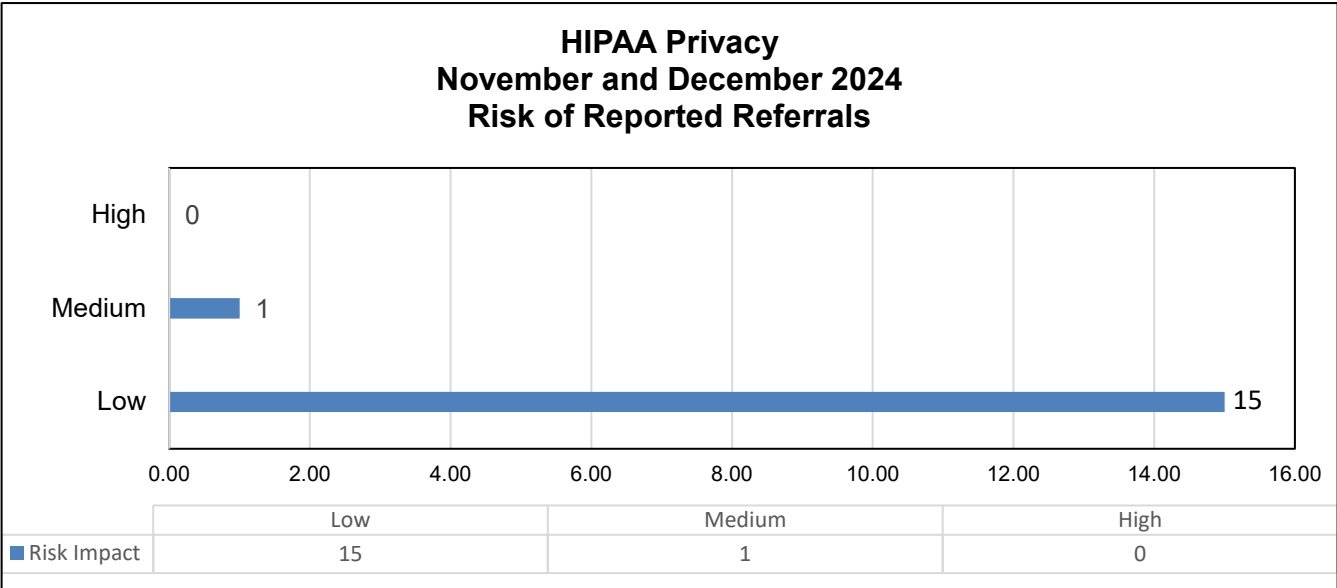
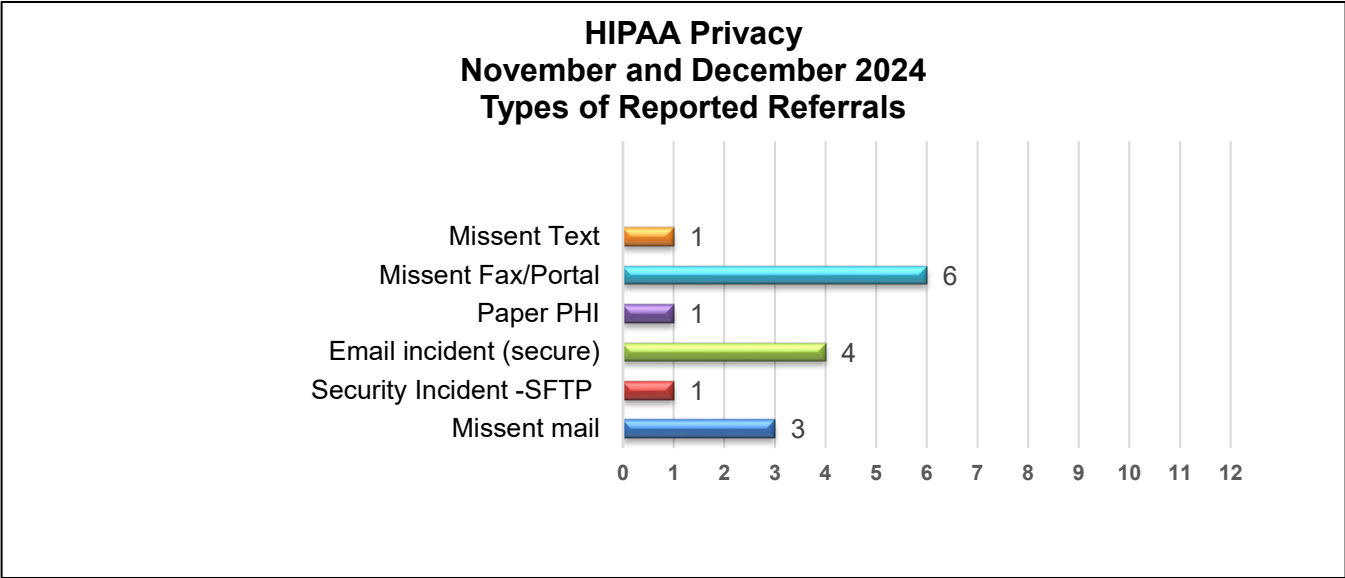
- CalOptima Health's Internal Audit department is currently in the process of reviewing CalOptima Health's Board-approved initiatives. Internal Audit's goal is to identify opportunities to strengthen the oversight of the fund's surplus expenditure management process, including the structure for reviewing and signing off on grant programs and initiatives as they are completed.
- Phase II Scope of Work includes assistance to implement phase I recommendations and close-out review of grants as they are completed.
- Ankura completed their final closeout review of the Mind OC Orange grant. The review concluded that the grant reasonably achieved its objectives and that all expenditures appeared to be reasonable and appropriately related to the grant's intended purpose.

**E. Fraud, Waste & Abuse (FWA) Investigations**



Total Number of New Cases Referred to DHCS (State)	9
Total Number of New Cases Referred to DHCS and CMS	5
<b>Total Number of Referrals Reported</b>	<b>9</b>

**F. Privacy Update**



Total Number of Referrals Reported to DHCS (State)	16
Total Number of Referrals / Breaches Reported to DHCS and Office for Civil Rights (OCR)	0

## MEMORANDUM

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TO: CalOptima Health  
Board of Directors

FROM: Chamber Hill Strategies

DATE: January 27, 2025

SUBJECT: Board of Directors Report – February 2025

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### **Chamber Hill Strategies Shares Policy Priorities, Covered California Updates with Delegation**

Chamber Hill Strategies (CHS) continues to be in contact with congressional offices representing CalOptima Health's members and Orange County in Congress. In December, CHS was in contact with delegation offices regarding CalOptima Health activities and the latest developments in CalOptima Health's move to join Covered California. In January, CHS shared correspondence from CalOptima Health Chief Executive Officer Michael Hunn with the delegation offices, which outlined CalOptima Health's policy priorities for 2025 and included information regarding CalOptima Health's membership in Orange County and in the congressional districts representing Orange County in the U.S. House of Representatives. Offices contacted included Senator Alex Padilla (D-CA), Senator Adam Schiff (D-CA), Representative Lou Correa (D-CA-46), Representative Young Kim (R-CA-40), Representative Derek Tran (D-CA-45), Representative Dave Min (D-CA-47), Representative Linda Sanchez (D-CA-38), and Representative Mike Levin (D-CA-49).

### **Timing for HHS and CMS Nominations**

With President Donald Trump's inauguration, the U.S. Senate has moved quickly to approve Cabinet-level nominations. The early focus has been on national security-related appointments, but as of this writing, the [Senate Finance Committee](#) and [Senate Health, Education, Labor & Pensions Committee](#) have announced hearings on January 29 and 30, respectively, to hear testimony from and ask questions of Robert F. Kennedy, Jr., President Trump's nominee for the position of U.S. Secretary of Health & Human Services. Senate Majority Leader John Thune (R-SD) has stated his plan to move expeditiously on nominations, so a full Senate vote on Kennedy's nomination would be expected to follow in the coming weeks. To date, hearings have not been scheduled to hear testimony from Mehmet Oz, MD, the nominee to serve as Administrator of the Centers for Medicare & Medicaid Services (CMS).

### **Congress Extends Government Funding and Health Provisions, Outlook for 2025**

On December 21, following Senate and House approval, President Joe Biden signed legislation ([H.R. 10545](#)) into law to fund the government at current levels through March 14, 2025. After a larger deal to fund the government fell apart, a narrow agreement was reached among congressional leaders that included a measure known as "continuing resolution" (CR) to fund the federal government at current levels through mid-March. The legislation also included a reauthorization of the Farm Bill, \$30 billion in economic assistance for farmers, \$100 billion in disaster relief for areas impacted by the 2024 hurricanes, and a 3-month extension of funding for several health programs, including community health centers and COVID-19 telehealth flexibilities, that were set to expire at the end of 2024. While there was considerable debate, the legislation passed both chambers with broad bipartisan support. The House passed the legislation in a 366 to 34 vote, with one member

voting present, on December 20. Early on the morning of December 21, the Senate followed and passed H.R. 10545 in an 85 to 11 vote, which sent the bill to the White House for President Biden's signature.

With government funding only extending through March 14, congressional leaders will need to reach a new agreement to fund the government for the remainder of Fiscal Year 2025 (FY25), which runs through September 30, 2025. As of this writing, it is rumored that House and Senate Appropriations Committee leaders are close to reaching an agreement on spending targets for FY25 funding, which could set the stage for a larger deal. It is also expected that Congress would most likely use the funding legislation to extend funding for certain health programs, but it could also move those items as part of a larger health legislative package. Other potential items that are being discussed for possible inclusion in government funding legislation for FY25 are disaster relief for those impacted by the wildfires in southern California and provisions that would increase the debt ceiling, which sets a limit on the amount of debt the federal government is allowed to carry.

### **Congressional Leaders Begin 2026 Budget Discussions, Release List of Proposed Cuts**

With President Trump's election and Republican majorities in the House and Senate, there has been considerable attention paid to the congressional budget process and what is referred to as the budget reconciliation. Through budget reconciliation, Congress can bypass normal Senate procedures and pass legislation impacting revenues and mandatory spending through an expedited consideration process, which allows for a simple majority in the Senate to pass the legislation—as opposed to the 60 votes normally required to cut off debate. In recent years, both parties have utilized the process. Most recently, Democrats utilized reconciliation to pass the Inflation Reduction Act in 2022; and in 2017, during the first Trump Administration, Republicans used the process to enact the Tax Cuts and Jobs Act (TCJA), which include several tax provisions and cuts that are set to expire at the end of 2025. With these tax provisions from the TCJA set to expire, the White House and congressional Republicans have stated their intent to pass budget reconciliation legislation to extend these tax cuts into 2026 and beyond. Included in this legislation would also be other provisions with the potential to impact a range of issues, including trade, energy, and health policy.

Speaker of the House Mike Johnson (R-LA) has stated that it is his aim to have the House and Senate agree to and pass a final budget by the end of February. He has also indicated that it is his desire to have a final budget reconciliation package passed by both chambers and sent to President Trump for signature by Easter (i.e. April 20). While the timeline may be ambitious and hard for Congress to hold to, it is a sign of the importance that congressional leadership is placing on passing a reconciliation package this year. Earlier in January, the House Budget Committee Republicans released a set of options for consideration by the various House committees; in addition to tax, trade, energy, and other issues, also included are a range of health policy options. It is important to note that the document was a “catch-all” set of options that offers a range of possible approaches on different policy areas; for example, in the non-health space, the document included 5 different, competing proposals related to the treatment of state and local tax deductions. Among the various health policy options that were included for discussion were limits on Medicaid eligibility for immigrants without legal status, allowing for recapture of certain premium tax credits, lowering the Medicaid matching rate formula, establishing Medicaid work requirements, limiting Medicaid provider taxes, and Medicaid per capita caps.

### **CMS Releases Advance Notice for Medicare Advantage, Prescription Drug Programs**

On January 10, the Centers for Medicare and Medicaid (CMS) [released](#) the [Advance Notice](#) for Medicare Advantage (MA) and Medicare Part D Prescription Drug Programs, which includes proposed payment updates for these programs. The Final Rate Announcement and Rule is scheduled to be published on April 7, 2025, but since the final rule will be released after the change in Presidential Administration, it is unclear if these numbers will remain the same in the final rule or be modified. Among the provisions of interest, the Advance Notice proposes to increase MA payments by 4.33%. Also in the Notice, CMS finalizes the 3-year phase-in of a new risk adjustment model. (Note: The update will be different for PACE programs as CMS does not have complete encounter data for PACE programs.) Under the Notice, CMS will also continue to consider frailty scores for PACE population and certain D-SNPs (Fully Integrated Dual Eligible Special Needs Plans [FIDE SNPs]) when calculating payments. The Notice also includes the newly defined standard Part D drug benefit for CY 2026 and is proposing updates to the Part D risk adjustment model to reflect the Inflation Reduction Act's (IRA's)

changes to the Part D benefit for CY 2026. For MA and Part D, the Notice includes star ratings updates that include providing the list of eligible disasters for adjustment, non-substantive measure specification updates, and changes to the list of measures included in the Part C and D improvement measures. CMS is also asking for comment on many aspects of star ratings including more focus on clinical care, patient experience, and whether to include geography in the Health Equity Index reward. More information can be found in the [Advance Notice Fact Sheet](#). Public comments are due on February 10.

### **MACPAC Holds January Meeting, Includes Discussion of PACE Programs**

The Medicaid and CHIP Payment and Access Commission (MACPAC) held its [January Meeting](#) on January 23 and 24. Topics of interest included medication coverage for opioid use disorders, home and community based services (HCBS), access to care for children with behavioral health needs, and a discussion of a study of the Program of All-Inclusive Care for the Elderly (PACE). During the meeting, Commissioners approved five recommendations for MACPAC's March 2025 report to Congress related to external quality review (EQR) reporting and protocols, provisional plans of care, and a recommendation to extend the renewal period for HCBS waivers from 5 years to 10 years.

MACPAC staff [presented](#) findings from a [study](#) of PACE programs, which highlighted PACE as a comprehensive care model for dual-eligible individuals that complements other long-term services and supports (LTSS). Among the PACE study findings, it was noted that states have expressed interest in expanding PACE but have faced challenges, particularly in rural areas, due to financial and staffing constraints. The study also found that quality measurement is inconsistent, and there have been calls for national quality standards to better assess and compare PACE programs. In the study, stakeholders also noted difficulties in accurately capturing provider costs and aligning rates with services offered. During their discussion, Commissioners highlighted PACE's strengths as an integrated care model for dual-eligibles, but they also raised concerns regarding limitations in rural areas, minimal oversight, lack of transparency, inadequate quality reporting, and insufficient reimbursement. The findings will be incorporated into a draft report for further discussion, with updates planned for April and June 2025.

### **MACPAC Holds December Meeting, Includes Review of Latest Medicaid and CHIP Numbers**

MACPAC held its [December meeting](#) on December 12 and 13, 2024. On the first day, topics included actions that could be taken to ensure accountability of Medicaid managed care, draft recommendations for improving managed care external quality review, policy options related to the transitions of care for children and youth with special health care needs, potential areas for comment on the proposed Medicare Advantage (MA) and Part D rule for contract year 2026 (CY26), and self-direction for HCBS. The second day included sessions on topics related to HCBS in Medicaid, and the final [session](#) of the day reviewed [highlights](#) of [MACStats: Medicaid and CHIP Data Book](#), which compiles the most current data available on Medicaid and the State Children's Health Insurance Program (CHIP) and contains statistics on key aspects of both programs.

Among the findings of note: More than 32 percent of the U.S. population was enrolled in Medicaid or CHIP in 2023; excluding federal funds, Medicaid made up 14.2 percent of state budgets in 2022; and Medicaid and CHIP were 18.5 percent of national health expenditures in 2022. Also of note were the following: Nearly three-quarters of Medicaid and CHIP enrollees were in comprehensive managed care as of July 2022, and capitation payments to managed care accounted for over 50 percent of Medicaid benefit spending. Commissioners were positive about the report but asked for additional information in future reports about spending on dual eligibles.

### **MedPAC Holds January Meeting, Discussion includes Medicare Prescription Drug Benefit**

The Medicare Payment Advisory Commission (MedPAC) met on January 16 and 17 for its [January 2025](#) public meeting. While primary purpose of the meetings was for MedPAC to vote on payment update recommendations for hospitals, physicians, and post-acute care for MedPAC's 2025 March Report to Congress, the meeting also included an overview and discussion of the status of Medicare's prescription drug benefit (i.e. Medicare Part D).

During the [discussion of Medicare Part D](#), it was noted that the number of Part D enrollees is increasing and that the strongest enrollment growth has been in Special Needs Plans (e.g., D-SNPs). In spite of increased enrollment, it was also noted that there are 35% fewer stand-alone prescription drug plans (PDPs) available to beneficiaries than were available last year. MedPAC staff found spending on Part D increased 11% and that more beneficiaries reached the catastrophic phase in the most current year of data. Staff also found overall beneficiaries have high satisfaction ratings with their drug plans. Staff reviewed regulations under the Inflation Reduction Act (IRA) and found that the IRA was expected to increase basic benefit costs and decrease the share of benefits paid by Medicare's reinsurance.

The Commissioners' greatest concern was the decline in the number of plans in the standalone PDP market. Commissioners were concerned that the decline in standalone plans would push more beneficiaries into MA plans and that the markets were not working properly because of a lack of competition. Commissioners also expressed concern about the impact of pharmacy closures on drug plan models, especially in rural areas.

# CALOPTIMA HEALTH - STATE LEGISLATIVE REPORT

January 27, 2025

## General Update

On December 2, 2024, a new legislature was sworn in for a two-year session and was immediately called into a Special Session by the Governor to consider \$25 million for the Attorney General to defend against expected policy discrepancies with the incoming Trump Administration. Anticipated areas of concern relate to Medicaid (Medi-Cal), immigration, civil liberties and the climate. The issue was delayed because fire recovery funding for Los Angeles was added to the Special Session and took priority. The legislature is now set to approve funding to “Trump Proof” the state this week.

The legislature had a 30% turnover since last session. The Assembly has 23 freshman members with the Senate having gained 12 new members. About half of the legislative districts are now represented by women. Leadership in both houses remains stable with every Orange County *Democratic* caucus member in powerful roles, including:

Orange County Legislator	Chairmanship
Senator Tom Umberg	Judiciary
Senator Catherine Blakespear	Environmental Quality
Assemblymember Sharon Quirk Silva	Budget Sub on State Administration
Assemblymember Cottie Petrie-Norris	Utilities and Energy
Assemblymember Avelino Valencia	Banking and Finance
Assemblymember Blanca Pacheco	Rules

Senator Caroline Menjivar (D-San Fernando Valley) takes the helm of the Senate Health Committee. Senator Akilah Weber Pierson (D-San Diego) will now chair the Senate Budget Subcommittee on Health. Assemblymember Mia Bonta (D-Oakland) will continue to chair the Assembly Health Committee with Assemblymember Dawn Addis (D-Morro Bay) now leading the Assembly Budget Subcommittee on Health.

New rules dictated by the leadership in both houses decrease the number of bill introductions in a two-year term. The Assembly and Senate each allow 35 bills per member, reducing the number from 50 in the Assembly and 40 in the Senate. February 21 is the deadline for new bill introductions.

## Budget Update

The devastating fires in Los Angeles have and will continue to dominate the energy in Sacramento. The Los Angeles legislative caucus comprises nearly 33% of the legislature. The legislature and Governor utilized the Special Session last week to approve \$2.5 billion in emergency recovery efforts which included transparency and accountability measures. These funds will come out of the current year emergency reserve funds and are expected to be reimbursed by the federal government. This early action will allow Los Angeles to expedite recovery.

It’s widely acknowledged that the Governor’s budget submitted to the Legislature on January 10, as the catastrophic Los Angeles fires were just beginning, will change significantly through early budget actions.



In the early draft, there were no major spending cuts, and it highlighted a modest budget surplus of \$363 million. However, the budget still relies on the \$7.1 billion from the state's main reserve account. The Governor's budget also projected Medi-Cal expenditures to increase \$4.5 billion in General Fund dollars compared to the 2024-25 revised expenditures. It is unlikely these numbers will remain stable as new information is learned. Much uncertainty in the budget remains, including:

**Trump Administration's interest in spending cuts (likely Medicaid (Medi-Cal))** – While revenue in the state is projected to be \$16.5 billion higher than earlier estimates, the Newsom Administration has warned that the loss of federal funding for Medicaid could place the state in red, potentially necessitating substantive cuts before the final June budget.

**Delayed tax filings for Los Angeles County** - As a result of devastating fires, State and Federal tax filings have been extended to all Los Angeles County residents (10 million people). This could strain the state budget further because of the delay in tax revenues.

**Existing Medi-Cal expenditure uncertainty** – There is still significant uncertainty in Medi-Cal spending growth in the coming years related to: a Senior Medi-Cal caseload surge; the impact of the healthcare worker minimum wage increases; and the effects of the Proposition 35 allocations of the MCO Tax.

The Governor's budget also suggests creating the California Housing and Homelessness Agency to have a more integrated and effective administrative framework for addressing housing and homelessness challenges. More details are expected in the spring.

## Propositions, Initiatives and Grants

**Proposition 35 (MCO Tax)** – As anticipated, DHCS received approval of their MCO Tax Waiver in late December 2024 from the Biden Administration's CMS. That waiver is valid through December 2026. While some of the proposition's provider rate increases are consistent with 2024-25 budget allocations and are included in the proposed 2025-26 budget, the final spending plan is subject to consultation with the stakeholder advisory committee approved as part of Proposition 35. The legislature may want to reconsider the programs currently funded that are no longer supported by the proposition.

**Behavioral Health Transformation (BHT) (Proposition 1)** – Round 1 (Launch Ready) grant funding for the Behavioral Health Continuum Infrastructure Program (BHCIP) is underway. DHCS will award up to \$3.3 billion to eligible counties, cities, tribes, non-profits, and for-profits. Proposals were due in December, with awards being announced in May 2025. Round 2 (Unmet Needs) solicitations are scheduled for release in May 2025.

**Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT)** – In December 2024, DHCS secured federal approval and funding for behavioral health supports for Medi-Cal members living with significant behavioral health conditions (children and youth, individuals experiencing or at risk of homelessness, and justice-involved individuals). The demonstration is effective January 1, 2025, through December 31, 2029. This includes up to six months of transitional rent starting July 2025, providing \$1.9 billion in funding for a behavioral health workforce initiative, and allowing disparities to be addressed through targeted funding and innovation.

## 2025–26 Legislative Tracking Matrix

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<b>Behavioral Health</b>			
<b><u>AB 37</u></b> Elhawary	<b>Behavioral Health Workforce:</b> States the intent of the Legislature to enact legislation related to expanding the workforce of those who provide mental health services to persons experiencing homelessness.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b>Budget</b>			
<b><u>SB 65</u></b> Weiner	<b>Budget Act of 2025:</b> Would make appropriations for the government of the State of California for the 2025–26 fiscal year in alignment with the governor’s proposed budget released on January 10, 2025.	<b>01/10/2025</b> Introduced	CalOptima: Watch
<b>California Advancing and Innovating Medi-Cal (CalAIM)</b>			
<b>Covered Benefits</b>			
<b><u>SB 40</u></b> Wiener	<b>Insulin Coverage:</b> Effective January 1, 2026, would prohibit a health plan from imposing a copayment of more than \$35 for a 30-day supply of an insulin prescription drug or imposing a deductible, coinsurance, or any other cost sharing on an insulin prescription drug. Would also prohibit a health plan from imposing step therapy protocols as a prerequisite to authorizing coverage of insulin.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b><u>SB 62</u></b> Menjivar <b><u>AB 224</u></b> Bonta	<b>Essential Health Benefits:</b> States the intent of the Legislature to review California’s essential health benefits (EHB) benchmark plan and establish a new benchmark plan for the 2027 plan year. Would limit the applicability of the current benchmark plan benefits to plan years on or before the 2027 plan year.	<b>01/09/2025</b> Introduced	CalOptima: Watch
<b><u>AB 50</u></b> Bonta	<b>Over-the-Counter Contraceptives:</b> Would allow pharmacists to provide over-the-counter hormonal contraceptives without following certain procedures and protocols, such as requiring patients to complete a self-screening tool. As such, these requirements would become limited to prescription-only hormonal contraceptives.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b><u>AB 54</u></b> Krell	<b>Access to Safe Abortion Care Act:</b> States the intent of the Legislature to enact legislation that would ensure access to medication abortion, such as mifepristone and misoprostol.	<b>12/02/2024</b> Introduced	CalOptima: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<b><u>AB 260</u></b> Aguiar-Curry	<b>Reproductive Care Access:</b> States the intent of the Legislature to enact legislation ensuring patient access to care, including abortion, gender-affirming care, and other sexual and reproductive health care, and to allow patients to access care through asynchronous telehealth modalities.	<b>01/17/2025</b> Introduced	CalOptima: Watch
<b>Medi-Cal Eligibility and Enrollment</b>			
<b><u>AB 315</u></b> Bonta	<b>Home and Community-Based Alternatives (HCBA) Waiver:</b> Would remove the cap on the number of HCBA Waiver slots and instead require the California Department of Health Care Services (DHCS) to enroll all eligible individuals who apply for HCBA Waiver services. By March 1, 2026, would require DHCS to seek any necessary waiver amendments to ensure there is sufficient capacity to enroll all individuals currently on a waiting list. Would also require DHCS by March 1, 2026, to submit a rate study to the Legislature addressing the sustainability, quality and transparency of rates for the HCBA Waiver.	<b>01/23/2025</b> Introduced	CalOptima: Watch
<b>Medi-Cal Operations and Administration</b>			
<b><u>AB 45</u></b> Bauer-Kahan	<b>Reproductive Privacy Data:</b> States the intent of the Legislature to enact legislation to make it unlawful to geofence an entity that provides in-person health care services. Would also prohibit health care providers from releasing medical research information related to an individual seeking or obtaining an abortion in response to a subpoena or request, if that subpoena or request is based on another state's laws that interfere with a person's rights under the Reproductive Privacy Act.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b><u>AB 55</u></b> Bonta	<b>Alternative Birth Centers Licensing:</b> Would remove the requirement for alternative birth centers to provide comprehensive perinatal services as a condition of licensing by the California Department of Public Health (CDPH) and Medi-Cal reimbursement.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b><u>AB 302</u></b> Bauer-Kahan	<b>Confidentiality of Medical Information Act:</b> Would prohibit a health care provider, health plan or contractor from disclosing medical information in response to another state's court order based on a law in that state which interferes with California law. Would also prohibit such entities from disclosing medical information based solely on patient authorization.	<b>01/23/2025</b> Introduced	CalOptima: Watch
<b>Older Adult Services</b>			
<b>Providers</b>			
<b><u>SB 32</u></b> Weber	<b>Maternity Ward Closures:</b> States the intent of the Legislature to enact legislation to address maternity ward closures.	<b>12/02/2024</b> Introduced	CalOptima: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<b><u>AB 29</u></b> Arambula	<b>Adverse Childhood Experiences (ACEs) Screening Providers:</b> Would require DHCS to include community-based organizations, local health jurisdictions, and douglas as qualified providers for ACEs trauma screenings under Medi-Cal.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b><u>AB 40</u></b> Bonta	<b>Abortion as Emergency Service:</b> Would expand the definition of emergency services to include reproductive health services, including abortion.	<b>12/02/2024</b> Introduced	CalOptima: Watch
<b><u>AB 220</u></b> Jackson	<b>Medi-Cal Subacute Care Authorization:</b> Would mandate health facilities providing pediatric or adult subacute care to include a specific DHCS form with treatment authorization requests, preventing Medi-Cal managed care plans (MCPs) from creating their own criteria for determining medical necessity outside of those specified in the form. Would allow DHCS to impose sanctions on non-compliant Medi-Cal MCPs.	<b>01/08/2025</b> Introduced	CalOptima: Watch
<b><u>AB 257</u></b> Flora	<b>Specialty Telehealth Network Demonstration:</b> Would require the establishment of a demonstration project for a telehealth and other virtual services specialty care network designed to serve patients of safety-net providers.	<b>01/16/2025</b> Introduced	CalOptima: Watch
<b><u>AB 280</u></b> Aguiar-Curry	<b>Provider Directories:</b> Would require health plans to maintain accurate provider directories, starting with minimum 60% accuracy by July 1, 2026, and increasing to 95% by July 1, 2029, or otherwise receive administrative penalties. If a patient relies on inaccurate directory information, would require the provider to be reimbursed at the out-of-network rate without the patient incurring charges beyond in-network cost-sharing amounts. Would also allow the California Department of Managed Health Care (DMHC) to create a standardized format to collect directory information as well as establish methodologies to ensure accuracy, such as use of a central utility, by January 1, 2026.	<b>01/21/2025</b> Introduced	CalOptima: Watch
<b>Rates &amp; Financing</b>			
<b><u>AB 298</u></b> Bonta	<b>Cost-Sharing Under Age 21:</b> Effective January 1, 2026, would prohibit a health plan from imposing a deductible, coinsurance, copayment, or other cost-sharing requirement for services provided to an individual under 21 years of age, with certain exceptions for high deductible health plans that are combined with a health savings account.	<b>01/23/2025</b> Introduced	CalOptima: Watch
<b>Social Determinants of Health</b>			
<b><u>SB 16</u></b> Blakespear	<b>Homelessness:</b> States the intent of the Legislature to enact legislation to address homelessness.	<b>12/02/2024</b> Introduced	CalOptima: Watch

Information in this document is subject to change as bills proceed through the legislative process.

**Last Updated: January 27, 2025**

## 2025 Federal Legislative Dates

January 3	119th Congress, 1st Session convenes
July 25–September 1	Summer recess for House
August 2–September 1	Summer recess for Senate
December 19	1st session adjourns

Source: Floor Calendars, United States Congress: <https://www.congress.gov/calendars-and-schedules>

## 2025 State Legislative Dates

January 6	Legislature reconvenes
January 10	Proposed budget must be submitted by Governor
February 21	Last day for legislation to be introduced
April 10–20	Spring recess
May 2	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house
May 9	Last day for policy committees to hear and report to the Floor any non-fiscal bills introduced in that house
May 23	Last day for fiscal committees to hear and report to the Floor any bills introduced in that house
June 2–6	Floor session only
June 6	Last day for each house to pass bills introduced in that house
June 15	Budget bill must be passed by midnight
July 18	Last day for policy committees to hear and report bills in their second house to fiscal committees or the Floor
July 18–August 17	Summer recess
August 29	Last day for fiscal committees to report bills in their second house to the Floor
September 2–12	Floor session only
September 5	Last day to amend bills on the Floor
September 12	Last day for each house to pass bills; interim recess begins upon adjournment
October 12	Last day for Governor to sign or veto bills passed by the Legislature

Source: 2025 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).

# CalOptima Health Community Outreach Summary —January and February 2025

## 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 and 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

In 2024, CalOptima Health reinforced our commitment to community engagement and member support through impactful outreach efforts and sponsorships. This past year, CalOptima Health participated in 235 community events, sponsoring 88 with \$127,450 in funding. Additionally, through the launch of the Medi-Cal Expansion sponsorship opportunity, we sponsored 28 additional events, investing \$292,300 and engaging with approximately 107,275 members and community members at these events. In addition to attending our community stakeholder's events, CalOptima Health hosted 12 community events in collaboration with 144 community partners, supporting the needs of 12,191 members and community members. These events included four Community Resource Fairs focused on Medi-Cal Renewal and Expansion, two Naloxone Distribution Events for providers, a Back-to-School Health and Wellness Fair, two events focused on serving older adults, an inaugural Thanksgiving Open House and Food Distribution Event, and two Holiday Events. Beyond event participation, CalOptima Health led additional initiatives. As an organization, we distributed 187,500 boxes of Naloxone (two doses per box) to combat the opioid crisis in our local community. We supported our community's access to Medi-Cal and CalFresh by securing \$2.6 million to fund 12 community partners for Community Enrollers. CalOptima Health remains committed to enhancing these efforts in 2025, focusing on Medi-Cal expansion and other critical initiatives to improve the health and well-being of our members and communities.

## Summary of Public Activities

As of January 8, CalOptima Health plans to participate in, organize or convene 50 public activities in January and February. In January, there were 21 public activities, including 12 virtual community/collaborative meetings, six community events, and three community-based presentations. In February, there will be 29 public activities, including 15 virtual community/collaborative meetings, 10 community events, two community-based

presentations, one Cafecito Meeting and one Health Network Forum. A summary of the agency's participation in community events throughout Orange County is attached.

## Endorsements

CalOptima Health provided two 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 Moving Forward Psychological Institute, Inc. (MFPI) application for the Suicide and Self-Harm Reduction Services grant.
2. Letter of support for the National Alliance on Mental Illness Orange County (NAMI-OC) for continued provision of the county's Warm Line services.

For additional information or questions, contact CalOptima Health Community Relations Director Tiffany Kaaiakamanu at 714-222-0637 or [tkaaiakamanu@caloptima.org](mailto:tkaaiakamanu@caloptima.org).

## Community events hosted by CalOptima Health and community partners in January and February 2025:

### January 2025



#### January 9, 8:30–9:30 a.m., CalOptima Health Medi-Cal Overview in Spanish

Washington Elementary School, 910 W. Anahurst Pl., Santa Ana

- At least one staff member presented (in person)
- Community-based organization presentation, open to members/community



#### January 10, 8:30–9:30 a.m., CalOptima Health Medi-Cal Overview in Spanish

Roosevelt-Walker Academy, 501S. Halladay St., Santa Ana

- At least one staff member presented (in person)
- Community-based organization presentation, open to members/community



#### January 10, 12–3 p.m., Community Resource Fair, hosted by the Scholarship Prep Academy

Scholarship Prep Academy, 1010 W. 17th St., Santa Ana

- At least one staff member attended (in person)
- Health/Resource Fair, open to the public



#### January 16, 4–6 p.m., Anaheim Mobile Family Resource Center, hosted by the City of Anaheim Neighborhood Services

Roberts Juno Neighborhood

- At least one staff member attended (in person)
- Health/Resource Fair, open to the public



#### January 23, 4–6 p.m., Anaheim Mobile Family Resource Center, hosted by the City of Anaheim Neighborhood Services

Del Monte Westchester Neighborhood

- At least one staff member attended (in person)
- Health/Resource Fair, open to the public



#### January 25, 10:30 a.m.–2 p.m., Community Health & Wellness, hosted by Abrazar Inc.

Midway City Community Center, 4900 Park Ln., Midway City

- At least one staff member attended (in person)
- Health/Resource Fair, open to the public



#### January 28, 8:30–9:30 a.m., CalOptima Health Medi-Cal Overview in Spanish

Mendez Fundamental Intermediate School, 2000 N. Bristol St., Santa Ana

- At least one staff member presented (in person)
- Community-based organization presentation, open to members/community



CalOptima Health-hosted  
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation





### **January 28, 11 a.m.–12:30 p.m., Lunar New Year Tet Show, hosted by the Huntington Beach Adult School**

Huntington Beach Adult School, 17231 Gothard St., Huntington Beach

- Sponsorship fee: \$1,500; included a resource booth and logo on flyer.
- At least one staff member attended (in person)
- Health/Resource Fair, open to the public



### **January 30, 4–6 p.m., Anaheim Mobile Family Resource Center, hosted by the City of Anaheim Neighborhood Services**

Catalpa Neighborhood

- At least one staff member attended (in person)
- Health/Resource Fair, open to the public

## **February 2025**



### **February 1 through 2, 11 a.m.–7 p.m., Tet Festival, hosted by The Union of Vietnamese Students Association**

Garden Grove Park, 9301 Westminster Blvd., Garden Grove

- Sponsorship fee: \$15,000; included a resource booth, logo on all posters, flyers and website for one year, three banners displayed throughout the event, 60 admission tickets, six VIP admissions and six VIP parking permits, an honorary plaque from Tet Festival Board of Directors, half page color ad in magazine, speech at Opening Ceremony, five mentions on stage and 30 radio impressions.
- At least 20 staff members attended (in person)
- Health/Resource Fair, open to the public



### **February 1, 8 a.m.–4 p.m., Black History Parade and Unity Festival, hosted by the Orange County Heritage Council**

Anaheim Promenade, 205 W. Center St. Promenade, Anaheim

- Sponsorship fee: \$25,000; included website and social media recognition, Unity Festival stage recognition, full-page advertisement in the event’s souvenir book, eight optional resource booths provided at the event, three banners displayed prominently at the festival, 10 VIP badges, two cars in the parade featuring CalOptima Health’s logo and CalOptima Health’s logo printed on event T-shirts.
- At least 10 staff members attended (in person)
- Health/Resource Fair, open to the public



### **February 6, 3–6 p.m., OC Equity Profile, hosted by OC Grantmakers**

The Cove at UCI, 5270 California Ave. #100, Irvine

- Sponsorship fee: \$1,000; includes four tickets to the event, logo recognition at the event, and logo recognition on OC Grantmaker’s equity profile website.
- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



CalOptima Health-hosted



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



Exhibitor/Attendee



**February 6, 4–6 p.m., Anaheim Mobile Family Resource Center, hosted by the City of Anaheim Neighborhood Services**

Anna Drive Neighborhood

- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



**February 8, 4–6 p.m., Love Shouldn't Hurt Teen Conference, hosted by Human Options**

Santa Ana High School, 520 W. Walnut St., Santa Ana

- Sponsorship fee: \$5,000; includes a resource table and logo on flyer.
- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



**February 20, 4–6 p.m., Health Care Forecast Conference, hosted by the University of California Irvine**

Beckman Center, 100 Academy Way, Irvine

- Sponsorship fee: \$5,000; includes a marketing tool kit for social media posts and visibility, a display table to provide brochures and take-aways for attendees, included in social media announcement featuring sponsors, company logo recognition in pre-conference emails, company logo on all marketing materials, conference and website, and complimentary conference registration for two guests.
- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



**February 20, 4–6 p.m., Anaheim Mobile Family Resource Center, hosted by the City of Anaheim Neighborhood Services**

Acacia Romney Drive Neighborhood

- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



**February 21, 2–6 p.m., We Care Wellness and Education Fair, hosted by Santa Ana Unified School District**

Saddleback High School, 2802 S Flower St., Santa Ana

- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



**February 22, 4–6 p.m., Mental Health Summit, hosted by Big Brothers, Big Sisters of Orange County**

Samueli Academy, 1901 N. Fairview St., Santa Ana

- At least one staff member to attend (in person)
- Health/Resource Fair, open to the public



**February 25, 9–10:30 a.m., Cafecito Meeting, hosted by CalOptima Health**

Virtual

- At least four staff members to attend
- Steering committee meeting, open to collaborative members



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



### **February 27, 8:45–9:45 a.m., CalOptima Health Medi-Cal Overview in Spanish**

Madison Elementary School, 1124 Hobart St., Santa Ana

- At least one staff member to present (in person)
- Community-based organization presentation, open to members/community



### **February 27, 4–6 p.m., Anaheim Mobile Family Resource Center, hosted by the City of Anaheim Neighborhood Services**

Laxore Embassy Neighborhood

- 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 February 6, 2025

### Regular Meeting of the CalOptima Health Board of Directors

#### Report Item

13. Adopt a New CalOptima Health Fiscal Year 2025-2027 Strategic Plan

#### Contact

Donna Laverdiere, Executive Director of Strategic Development, (714) 986-6981

#### Recommended Action

1. Adopt the new CalOptima Health Fiscal Year 2025-2027 Strategic Plan.

#### Background

In December 2021, CalOptima Health staff developed five strategic and tactical priorities and sought feedback from advisory committees, health networks, hospitals, and clinics (among others). The strategic and tactical priorities were developed for 2022-2025 in alignment with the updated mission and vision the CalOptima Health Board of Directors (Board) formally adopted on March 17, 2022. The staff made consistent progress in operationalizing these strategic priorities, which demonstrated significant operational efficiencies and performance improvements within the organization. These efforts have resulted in improved member and provider experiences, as well as increased community engagement, recognizing CalOptima Health's purpose and role in meeting the needs of Orange County residents and providers. CalOptima Health staff reported on accomplishments against the prior set of priorities in 2023.

To continue working toward a clear strategic roadmap for the upcoming years, CalOptima Health has developed a new Fiscal Year (FY) 2025-2027 Strategic Plan utilizing input from senior leadership and community partners, as well as best practices from other Medi-Cal managed care plans. A draft of the plan was presented to various stakeholder forums, leadership, and staff throughout the summer of 2024, as listed below:

- Member and Provider Advisory Committee – April 11, 2024
- Health Network Forum – May 16, 2024
- Whole Child Model Committee – June 18, 2024
- Monthly Community Health Centers Forum – July 12, 2024
- CalOptima Health Monthly All Staff Meeting – July 17, 2024
- Community Network Virtual Learn – September 25, 2024

#### Discussion

A discussion draft of the new FY 2025-2027 Strategic Plan was presented to the Board for review on November 7, 2024. CalOptima Health staff has revised the FY 2025-2027 Strategic Plan based on feedback received during and after the November Board meeting. Based on feedback received from the Board, the following revisions have been made to the FY 2025-2027 Strategic Plan.

- Revised the Vision Statement to be more succinct and address comments.
- Revised the Values Statement.

- Revised the health equity-related goal 1.4 to include a focus on access to preventive services for vulnerable populations.
- Added a new goal 3.4 focused on grants management reporting and accountability.
- Revised goal 4.7 to be more comprehensive related to overall financial performance
- Added goal 4.8 on human resources priorities

The FY 2025-2027 Strategic Plan reflects broad stakeholder input and provides a clear strategic roadmap for CalOptima Health activities and investments through FY 2027.

The new FY 2025-2027 Strategic Plan consists of the following five components:

- **Mission Statement** - A mission statement defines the organization's business, its objectives, and how it will reach these objectives.
- **Vision Statement** - A vision statement details where the organization aspires to go.
- **Values** - Values articulate what the organization believes in and how it aspires to operate.
- **Strategic Priorities** - Strategic priorities are organizational priorities that provide guidance to leadership and signal the direction of the organization to the community.
- **Organizational Goals** - Organizational goals are a targeted set of goals for a three-year period that help prioritize activities and investments.

### **Mission Statement**

CalOptima Health proposes in FY 2025-2027 to maintain the organization's current mission statement: *To serve member health with excellence and dignity, respecting the value and needs of each person.*

### **Vision Statement**

CalOptima Health staff propose to revise the organization's vision statement to focus less on tactical strategies and more on the aspirations for the organization in terms of how CalOptima Health best serves its members. The proposed revised vision statement reads as follows: *Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.*

### **Values**

CalOptima Health proposes to memorialize our existing organizational values statement. The values statement reads as follows: *CalOptima Health C-A-R-E-S. We believe that to best serve the people of Orange County, we will lead with **Collaboration, Accountability, Respect, Excellence and Stewardship.***

### **Strategic Priorities**

CalOptima Health staff propose four Strategic Priorities for the FY 2025-2027 Strategic Plan.

<b>Strategic Priority</b>	<b>Definition</b>
Equity and Population Health	CalOptima Health will infuse the pursuit of health equity throughout our work and will continue to innovate and develop tools and interventions that advance the physical, behavioral, and social health of our members.
Quality and Value	CalOptima Health is committed to providing the highest quality of physical, behavioral, and social health care to our members and to ensuring sound stewardship of public dollars by achieving greater value.
Community Partnerships and Investment	CalOptima Health will continue to demonstrate our partnership with Orange County members, providers, county agencies, and community organizations through Medi-Cal Transformation programs and robust community investments and partnerships to advance health equity.
Operations, Finance, and People	CalOptima Health’s continued investment in our performance and people is vital to ensuring the highest level of care and service to our members across their lifespan.

### **Organizational Goals**

Within each Strategic Priority, CalOptima Health staff have developed three-year Organizational Goals. Each goal has a single accountable goal owner.

<b>Equity and Population Health</b>
1.1 Utilize technology and innovation to strengthen equity and population health management programs.
1.2 Implement a consistent model of care for population health/care management, including delegated networks.
1.3 Annually assess members’ health and social needs and utilize data to develop targeted interventions.
1.4 Increase access to preventive services for vulnerable populations in pursuit of health equity.

<b>Quality and Value</b>
2.1 Achieve NCQA rating of 4-stars for Medi-Cal. Achieve CMS rating of 3.5-stars for Medicare.
2.2 Improve access to care by strengthening the delivery system through provider support and workforce initiatives.
2.3 Increase provider engagement through improved provider tools, data exchange, and collaboration.
2.4 Expand the delivery of behavioral health services, invest in the workforce, and drive quality improvement through innovation.

<b>Community Partnerships and Investment</b>
3.1 Expand social support services through Medi-Cal Transformation and other social health initiatives.
3.2 Expand community involvement in co-creation of solutions that best serve members.
3.3 Prioritize community investments that advance health equity, drive prevention, and improve access to care.

3.4 Ensure that all community investment programs include clear accountability metrics and regular performance monitoring requirements.

**Operations, Finance, and People**

4.1 Improve the turnaround time for treatment authorization for direct and delegated networks.

4.2 Improve the turnaround time for claims payment for direct and delegated networks.

4.3 Launch and grow programs that take care of our members and their families across their lifespans.

4.4 Optimize the Medicare line of business to improve the member retention rate and support growth.

4.5 Implement the comprehensive Digital Transformation strategic roadmap to improve member experience and efficiency.

4.6 Optimize member engagement functions to improve member retention, satisfaction, and outcomes.

4.7 Achieve the Board-approved Administrative Loss Ratio and ensure fiscal accountability and stewardship, including a balanced operating budget, quarterly budget reconciliation, and vendor and provider contracting.

4.8 Launch expanded employee development and retention efforts to drive employee engagement and advancement.

**Performance Metrics**

CalOptima Health staff will report quarterly on a three-year performance metric for each Organizational Goal. Each performance metric will be tracked over the three-year period of the Strategic Plan. Baseline performance will be provided to track progress. Mitigation strategies will also be presented where performance is not on track. Draft three-year performance metrics are provided in Attachment 3.

**Fiscal Impact**

The recommended action has no immediate fiscal impact.

**Rationale for Recommendation**

The new FY 2025-2027 Strategic Plan provides a clear roadmap to support CalOptima Health in focusing its activities and investments on strategic priorities. Approval of the FY 2025-2027 Strategic Plan will facilitate execution against the identified Strategic Priorities and Organizational Goals.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

1. Previous Board Action, June 2, 2022, Adopt Strategic and Tactical Priorities for 2022-2025.
2. FY 2025-2027 CalOptima Health Strategic Plan Summary Presentation.
3. FY 2025-2027 Strategic Plan Performance Metrics Summary.

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**

**CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 2, 2022**

**Regular Meeting of the CalOptima Board of Directors**

**Report Item**

18. Adopt Strategic and Tactical Priorities for 2022-2025

**Contacts**

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

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

**Recommended Action(s)**

1. Adopt Strategic and Tactical Priorities for 2022-2025

**Background and Discussion**

CalOptima was created by the Orange County Board of Supervisors in 1993 as a County Organized Health System (COHS) to meet the needs of Orange County residents and providers in the Medicaid system.

In July of 1994, the CalOptima Board of Directors (Board) adopted the Mission, Goals, and Objective Statement for O.P.T.I.M.A as developed by the Provider Advisory Committee and the Consumer/Beneficiary Advisory Committee.

At that time, the Board wanted to ensure that the statement regarding the inclusion of the County-responsible indigent population in O.P.T.I.M.A was linked to the availability of adequate funding for services provided to this population.

The following mission was adopted and defined in Policy #AA. 1201:

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

CalOptima also adopted the following vision statement:

- To be a model public agency and community health plan that provides an integrated and well-coordinated system of care to ensure optimal health outcomes for all our members.

In 2013, during a strategic planning session conducted by the Board updating the mission was considered. Ultimately, it was agreed upon that the original mission statement did not require any changes.

Today, CalOptima is the single largest health insurer in Orange County, providing coverage for one in four residents through four programs:

- Medi-Cal
- OneCare
- OneCare Connect



- PACE

On March 17, 2022, the Board formally adopted new mission and vision statements.

- Mission-To serve member health with excellence and dignity, respecting the value and needs of each person.
- Vision-By 2027, remove barriers to healthcare 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.

Beginning in December of 2021, staff developed five strategic priorities and tactical priorities. Over the last six months, CalOptima has sought feedback from advisory committees, health networks, hospitals, and clinics among others. The five strategic priority areas are as follows:

- Organizational and Leadership Development
- Overcoming Health Disparities
- Finance and Resource Allocation
- Accountability and Results Tracking
- Future Growth

The strategic priority areas and tactical priorities will support planning and development for CalOptima through 2025. Staff will return to the Board with a Strategic Plan using these priorities for approval.

### **Fiscal Impact**

There is no fiscal impact.

### **Rationale for Recommendation**

Development of the proposed Strategic Priority Areas is consistent with the direction provided by the Board of Directors to support planning and development of CalOptima programs and initiatives.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. [Strategic Priorities One Pager](#)
2. [Resolution of New Mission and Vision Statement for CalOptima](#)

/s/ Michael Hunn  
**Authorized Signature**

05/27/2022  
**Date**

<b>Mission</b>	<i>To serve member health with excellence and dignity, respecting the value and needs of each person.</i>				
<b>Vision</b>	<i>By 2027, remove barriers to healthcare 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.</i>				
<b>Core Strategy</b>	<b>The 'inter-agency' co-creation of services and programs, together with our delegated networks, providers, and community partners, to support the mission and vision.</b>				
<b>Strategic Priorities 2022-2025</b>	<b>Organizational and Leadership Development</b>	<b>Overcoming Health Disparities</b>	<b>Finance and Resource Allocation</b>	<b>Accountabilities &amp; Results Tracking</b>	<b>Future Growth</b>
<b>Tactical Priorities 2022-2025</b>	<ul style="list-style-type: none"> <li>• Cultural Alignment throughout CalOptima</li> <li>• Talent Development &amp; Succession Planning</li> <li>• Effective &amp; Efficient Organizational Structures</li> <li>• Aligned Operating Systems &amp; Structures</li> <li>• Staff Leadership Development Institutes (Training) &amp; Executive Coaching</li> <li>• Organizational Excellence Annual Priorities</li> <li>• On-going updated Policies &amp; Procedures</li> <li>• Governance &amp; Regulatory Compliance Trainings</li> <li>• Board Priorities</li> </ul>	<ul style="list-style-type: none"> <li>• CalOptima's 'Voice &amp; Influence'</li> <li>• Local, Federal &amp; State Advocacy</li> <li>• Collaboration with the County, HCA, BeWell, the Networks and Community Based Organizations</li> <li>• Support for Community Clinics &amp; Safety Net Providers</li> <li>• Medical Affairs Value Based Care Delivery</li> <li>• CalAIM initiatives</li> <li>• Focus on Equity &amp; Communities Impacted by Health Inequities</li> <li>• Co-Created Needs Assessment within Equity Communities &amp; Neighborhoods</li> <li>• ITS Architecture that supports the Core Strategy</li> <li>• DHCS Comprehensive Quality Strategy</li> </ul>	<p><b>Operating Budget Priorities</b></p> <ul style="list-style-type: none"> <li>• Balanced Operating Budget</li> <li>• New Programs &amp; Services Budgeting (CalAIM, DHCS Quality Strategy)</li> <li>• Fiscal Strategic Plan Priorities (KPI/KFI)</li> <li>• Quarterly Budget Reconciliation</li> </ul> <p><b>Capital Budget Priorities</b></p> <ul style="list-style-type: none"> <li>• Capital Planning &amp; Asset Management, including Real-Estate Management and Acquisition(s)</li> <li>• New ITS Architecture</li> </ul> <p><b>New Policy and Program Development based on Funding</b></p> <ul style="list-style-type: none"> <li>• Reserve/Spending Policies &amp; Priorities</li> <li>• Aligned Incentives for Network Quality &amp; Compliance</li> <li>• Contracting &amp; Vendor/Provider Management</li> </ul>	<ul style="list-style-type: none"> <li>• Updated By-Laws</li> <li>• Executive Priorities &amp; Outcomes</li> <li>• COBAR Clarity</li> <li>• Inter-Agency Team Priorities</li> <li>• Public/Private Implementation Work Group</li> <li>• Resource Allocation for Inter-Agency Initiatives</li> <li>• Partner CalAIM Opportunities for Outcomes Metrics</li> <li>• Research Analytics for Efficacy Reporting (Metrics of Success)</li> <li>• Regular Board Training Sessions</li> </ul> <p style="text-align: center;"><b>DRAFT STRATEGIC AND TACTICAL PRIORITIES May_2022</b></p>	<ul style="list-style-type: none"> <li>• Member Access to Quality Care</li> <li>• Participate in Covered California</li> <li>• Site Utilization (PACE etc.)</li> <li>• Services/Programs Aligned with Future Reimbursements from DHCS and CMS</li> <li>• Demographic &amp; Analytics by Micro-Community</li> <li>• ITS Data Sharing to benefit the member</li> <li>• Implement Programs &amp; Services (CalAIM) &amp; Plan for Site Locations</li> <li>• Industry Trends Analysis (Trade Associations, Lobbyists etc.)</li> <li>• Enhanced ITS security posture</li> </ul>
	<a href="#">Back to Agenda</a>		<a href="#">Back To Item</a>		

**RESOLUTION NO. 22-0317-01**

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

**RESOLUTION FOR MISSION AND VISION STATEMENT**

WHEREAS, the governing body of the Orange County Health Authority, dba CalOptima, (“CalOptima”) adopted Mission, Goals, and Objective Statement O.P.T.I.M.A in July of 1994;

WHEREAS, this mission statement adopted in 1994 stated, the mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner;

WHEREAS, the adoption of the mission statement was reflected in Policy #AA. 1201;

WHEREAS, the governing body of CalOptima has adopted a new mission and vision statement on March 17, 2022 and will be reflected in Policy #AA. 1201;

WHEREAS, the governing body adopted CalOptima’s new mission and vision statement as follows;

- Mission: To serve member health with excellence and dignity, respecting the value and needs of each person.
- Vision: By 2027, remove barriers to healthcare 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.

NOW, THEREFORE, BE IT RESOLVED that the governing body of CalOptima adopts a new mission and vision statement.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 17th day of March 2022.

AYES: Becerra, Chaffee, Contratto, Corwin, Do, Mayorga, Schoeffel, Shivers

NOES: None

ABSENT: Tran

ABSTAIN: None

/s/ 

Title: Chair, Board of Directors

Printed Name and Title: Andrew Do, Chair, CalOptima Board of Directors

Attest: 

Sharon Dwiers, Clerk of the Board



# CalOptima Health

## Fiscal Year 2025-2027 Strategic Plan

Board of Directors Meeting  
February 6, 2025

Donna Laverdiere, Executive Director, Strategic  
Development

### 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.

# Contents

- Components of the FY 2025-2027 Strategic Plan
- Mission Statement and Vision Statement
- CalOptima Health Values
- Four Strategic Priority Areas
- Three-Year Organizational Goals

# Strategic Plan Components

## Mission

A **mission statement** defines the organization's business, its objectives, and how it will reach these objectives.

## Vision

A **vision statement** details where the organization aspires to go.

## Values

**Values** articulate what the organization believes in and how it aspires to operate.

## Strategic Priorities

**Strategic Priorities** are organizational priorities that provide guidance to leadership and signal the direction of the organization to the community.

## Organizational Goals

**Organizational Goals** are a targeted set of goals for a three-year period that help prioritize activities and investments.

# Mission and Vision Statements

## ○ Mission

- Maintain the current Mission Statement – *To serve member health with excellence and dignity, respecting the value and needs of each person.*

## ○ Vision

- Replace the current Vision Statement with a more aspirational statement:
  - *Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.*

# CalOptima Health Values

- CalOptima Health currently utilizes a values statement internally. We are proposing to adopt this values statement as part of our Strategic Plan.
  - CalOptima Health **C-A-R-E-S** – We believe that to best serve the people of Orange County, we will lead with **C**ollaboration, **A**ccountability, **R**espect, **E**xcellence and **S**tewardship.



# Four Strategic Priority Areas

- For FY 2025-2027, CalOptima Health will focus on four strategic priority areas to achieve our mission, vision and values.





# Equity & Population Health

Description	Organizational Goals
<p>CalOptima Health will infuse the <b>pursuit of health equity</b> throughout our work and will continue to <b>innovate and develop tools</b> and interventions that advance the physical, behavioral and social health of our members.</p>	1.1 Utilize technology and innovation to strengthen health equity and population health management programs.
	1.2 Implement a consistent model of care for population health and care management, including delegated networks.
	1.3 Annually assess members' health and social needs and utilize data to inform targeted interventions.
	1.4 Increase access to preventive services for vulnerable populations in pursuit of health equity.



# Quality & Value

Description	Organizational Goals
<p>CalOptima Health is committed to providing the <b>highest quality of physical, behavioral and social health care</b> to our members and to ensuring <b>sound stewardship of public dollars</b> by achieving greater value.</p>	2.1 Achieve NCQA rating of 4 stars for Medi-Cal. Achieve CMS rating of 3.5 stars for Medicare.
	2.2 Improve access to care by strengthening the delivery system through provider support and workforce initiatives.
	2.3 Increase provider engagement through improved provider tools, data exchange and collaboration.
	2.4 Expand the delivery of behavioral health services, invest in the workforce and drive quality improvement through innovation.



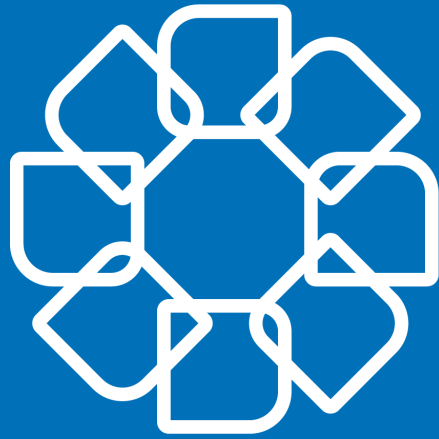
# Community Partnerships & Investments

Description	Organizational Goals
CalOptima Health will continue to demonstrate our <b>partnership with Orange County members, providers, county agencies and community organizations</b> through Medi-Cal Transformation programs and robust community investments and partnerships to <b>advance health equity</b> .	3.1 Expand social health services through Medi-Cal Transformation programs and additional social needs.
	3.2 Launch a comprehensive framework for community collaboration to co-create equitable solutions.
	3.3 Prioritize community investments that advance health equity, drive prevention and improve access to care.
	3.4 Ensure that all community investment programs include clear accountability metrics and regular performance monitoring requirements.



# Operations, Finance & People

Description	Organizational Goals
CalOptima Health's continued investment in our <b>performance and people</b> are vital to ensuring the <b>highest level of care and service</b> to our members across their lifespan.	4.1 Improve the turnaround time for treatment authorizations for direct and delegated networks.
	4.2 Improve the turnaround time for claims payment for direct and delegated networks.
	4.3 Launch and grow new programs that take care of our members and their families across their lifespan.
	4.4 Optimize the Medicare line of business to improve member retention rate and support growth.
	4.5 Implement the comprehensive Digital Transformation strategic roadmap.
	4.6 Optimize member engagement functions to improve member retention, satisfaction and outcomes.
	4.7 Achieve the Board approved ALR and ensure fiscal accountability and stewardship, including a balanced operating budget, quarterly budget reconciliation, and vendor and provider contracting.
	4.8 Launch expanded employee development and retention efforts to drive employee engagement and advancement.



# CalOptima Health

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   @CalOptima

**FY 2025-2027 Strategic Plan – 3-year Performance Metrics Summary – WORKING DRAFT**

Organizational Goal	Goal Owner	3-Year Performance Metric	Baseline	3-year Performance Target
<b>1. Equity &amp; Population Health</b>				
1.1 Utilize technology and innovation to strengthen equity and population health management programs.	Marie Jeannis	% compliance with HbA1c Control for Patients with Diabetes (HBD) - Adequate Control <8.0% measure	58.7%	60.3%
1.2 Implement a consistent model of care for population health/care management, including delegated networks.	Kelly Giardina	% of members successfully enrolled in Complex Case Management	New Measure	0.05% (approx. 400 members)
1.3 Annually assess members’ health and social needs and utilize data to develop targeted interventions.	Marie Jeannis	% of new members assessed for social needs and referred for appropriate interventions within 120 days	New Measure	30%
1.4 Increase access to preventive services for vulnerable populations in pursuit of health equity.	Dr. Michael Rose	% compliance with Prenatal and Postpartum Care (PPC) measures	Prenatal Care: 88.1% (< 66 <sup>th</sup> percentile)  Postpartum Care: 80% (< 66 <sup>th</sup> percentile)	Prenatal and Postpartum Care (PPC) measures ≥ 90 <sup>th</sup> percentile
<b>2. Quality &amp; Value</b>				
2.1 Achieve NCQA rating of 4-stars for Medi-Cal. Achieve CMS rating of 3.5-stars for Medicare.	Linda Lee	Medi-Cal Star Rating Medicare Star Rating	Medi-Cal: 3.5 Medicare: 2.5	Medi-Cal: 4 Medicare: 3.5
2.2 Improve access to care by strengthening the delivery system through provider support and workforce initiatives.	Michael Gomez	% of our providers meeting Time and Distance standards – Plan and Subdelegate level (DHCS)	CCN: 100%  Health Network: 97.3%	CCN: 100%  Health Network: 100%

Organizational Goal	Goal Owner	3-Year Performance Metric	Baseline	3-year Performance Target
2.3 Increase provider engagement through improved provider tools, data exchange, and collaboration.	Michael Gomez	Overall provider satisfaction score	New Measure	70%
2.4 Expand the delivery of BH services, invest in the workforce, and drive quality improvement through innovation.	Carmen Katsarov	% Follow-Up After Emergency Department Visit for Mental Illness (FUM) within 30 days	15% (<33 <sup>rd</sup> percentile)	60% (90 <sup>th</sup> percentile)
<b>3. Community Partnerships &amp; Investments</b>				
3.1 Expand social support services through Medi-Cal Transformation and other social health initiatives.	Dr. Kelly Bruno-Nelson	# of members served through Street Medicine	250	750
3.2 Expand community involvement in co-creation of solutions that best serve members.	Dr. Michael Rose	# of individuals who attend or participate in community listening sessions, focus groups, or stakeholder engagement sessions	New Measure	20% increase in participation annually
3.3 Prioritize community investments that advance health equity, drive prevention, and improve access to care.	Donna Laverdiere	% of net income allocated to community investments in health equity, prevention, and access to care	6.5%	7.5% (DHCS-designated percentage)
3.4 Ensure that all community investment programs include clear accountability metrics and regular performance monitoring requirements.	Donna Laverdiere	% of grant agreements in compliance with reporting requirements	New Measure	100%
<b>4. Operations, Finance &amp; People</b>				
4.1 Improve the turnaround time for treatment authorization for direct and delegated networks.	Kelly Giardina	Treatment authorization processing time for all providers	New Measure	10% reduction compared to previous year
4.2 Improve the turnaround time for claims payment for direct and delegated networks.	Ladan Khamseh	Claims auto-adjudication rate	Medi-Cal: 80% OneCare: 70%	Medi-Cal: 84% OneCare: 74%



<b>Organizational Goal</b>	<b>Goal Owner</b>	<b>3-Year Performance Metric</b>	<b>Baseline</b>	<b>3-year Performance Target</b>
4.3 Launch and grow programs that take care of our members and their families across their lifespan.	Donna Laverdiere	Membership by Line of Business	OneCare: 17,282 PACE: 503 Covered CA: N/A	OneCare: 30,000 PACE: 700 Covered CA: 10,000
4.4 Optimize the Medicare line of business to improve the member retention rate and support growth.	Javier Sanchez	Voluntary Disenrollment rate	8%	5%
4.5 Implement the comprehensive Digital Transformation strategic roadmap to improve member experience and efficiency.	Donna Laverdiere	% of Digital Transformation projects completed on time and within budget	100%	100%
4.6 Optimize member engagement functions to improve member retention, satisfaction, and outcomes.	Ladan Khamseh	CAHPS Rating of Health Plan	2	4
4.7 Achieve the Board approved ALR and ensure fiscal accountability and stewardship, including a balanced operating budget, quarterly budget reconciliation, and vendor and provider contracting.	Nancy Huang	Quarterly ALR measure	5.8%	At or below Board-approved ALR
4.8 Launch expanded employee development and retention efforts to drive employee engagement and advancement.	Steve Eckberg	% of open positions filled by qualified internal candidates	New Measure	50% (final target TBD)

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025 Regular Meeting of the CalOptima Health Board of Directors

### Report Item

14. Authorize Actions Related to the Medi-Cal Fee-for-Service Hospital Services Contract with HealthBridge Children's Hospital

### Contacts

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

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

### Recommended Action

Authorize the Chief Executive Officer (CEO), or designee, to negotiate and execute a contract amendment with HealthBridge Children's Hospital effective on or after March 1, 2025, to reimburse the contracted hospital at the same All Patient Refined Diagnosis Related Groups rates and payment methodologies as other contracted fee for service (FFS) hospitals, using a Board of Director-approved contract amendment.

### Background and Discussion

On May 2, 2024, the CalOptima Health Board of Directors (Board) approved sunsetting the temporary post-public health emergency supplemental funding program, effective for dates of service on and after July 1, 2024. In addition, the Board committed to increase provider rates over a period of thirty (30) months, beginning July 1, 2024, for certain contracted Medi-Cal providers. Through these actions, the Board approved inpatient and outpatient rate increases for fee-for-service (FFS) hospitals.

On June 6, 2024, the Board authorized CalOptima Health to execute amendments to the CalOptima Health Medi-Cal FFS Hospital Services contracts to update rates for inpatient hospital services when contracted at Department of Healthcare Services (DHCS) All Patient Refined Diagnosis Related Groups (APR-DRG) rates for inpatient services, as well as update rates for certain outpatient hospital procedures.

HealthBridge Children's Hospital is a general acute care hospital specializing in children's services. HealthBridge Children's Hospital currently services CalOptima Health members under a contract that started on December 1, 2009. Currently, CalOptima Health reimburses the hospital at a per diem rate structure for inpatient services, and the hospital has requested a change to APR-DRG rates and methodology. To address the hospital's request, CalOptima Health's staff evaluated the change and determined the request was appropriate because the request tracks how CalOptima Health pays similarly situated hospitals and aligns with state payment methodology, where appropriate.

The recommended action will allow staff to update the contractual arrangement with HealthBridge Children's Hospital to reimburse covered services at the Board-approved rates for FFS hospitals effective on or after March 1, 2025.

### Fiscal Impact

The recommended action to update reimbursement rates pursuant to the APR-DRG payment methodology for HealthBridge Children's Hospital for the Medi-Cal line of business has an estimated annual fiscal impact of \$4,500 or 9.3%. There is no net fiscal impact as the forecasted expense trend

included in the Fiscal Year 2024-25 Operating Budget will be sufficient to cover the anticipated costs. Staff will include updated medical expenses in future operating budgets.

**Rationale for Recommendation**

Approval of the recommended Board actions will allow CalOptima Health to maintain its robust hospital network and provide continued access to CalOptima Health’s Medi-Cal members.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

1. [Entities Covered by this Recommended Action](#)

**Board Actions**

<b>Board Meeting Dates</b>	<b>Action</b>
June 6, 2024	Authorize the Chief Executive Officer to execute amendments to the CalOptima Health Medi-Cal Fee-for-Service Hospital Services Contracts to: <ol style="list-style-type: none"> <li>1. Update rates for inpatient hospital services when contracted at APR-DRG rates, effective July 1, 2024.</li> <li>2. Update rates for certain outpatient hospital claims, effective July 1, 2024.</li> <li>3. Add language to operationalize a payment methodology to comply with DHCS mandatory targeted rate increases, effective January 1, 2024.</li> </ol>
May 2, 2024	<ol style="list-style-type: none"> <li>1. Direct the CEO, or designees, to make a commitment of up to \$526 million from undesignated reserves to support provider rates to ensure longer-term provider network stability, network adequacy, and access to care for CalOptima Health members throughout Orange County.</li> <li>2. As part of this initiative, authorize the CEO, or designees, to develop and implement rate increases to contracted fee for service hospitals for July 1, 2024, through December 31, 2026; and</li> <li>3. Sunset the temporary, short-term supplemental Medi-Cal payment increases of up to 7.5% for contracted fee for service hospitals to support expenses for services provided to members during the transition out of the public health emergency, effective for dates of service on and after July 1, 2024.</li> </ol>

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



# CalOptima Health

*Attachment to the February 6, 2025, Board of Directors Meeting – Agenda 14*

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
VSO HBO, LLC <i>dba</i> HealthBridge Children's Hospital	393 S Tustin Street	Orange	CA	92866

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025 Regular Meeting of the CalOptima Health Board of Directors

### Report Item

15. Authorize Actions Related to the Providence Medical Foundation Medi-Cal Contract

### Contacts

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

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

### Recommended Actions

1. Approve staff pursuing a shared risk group-model health network contract with Providence Medical Foundation for the Medi-Cal program, with a targeted effective date no earlier than July 1, 2025.

### Background and Discussion

CalOptima Health utilizes three (3) different contract risk models for delegated health networks: Shared risk group (SRG), physician hospital consortia (PHC), and health maintenance organization (HMO). Under the SRG model, the health network is responsible for providing professional services to members assigned to the health network, and CalOptima Health is responsible for providing facility services. Under both the PHC and HMO models, the health network is responsible for providing assigned members with both professional and facility services.

Providence Medical Foundation (Providence) was founded in 1994 and includes eight medical groups throughout California. In addition to its medical groups, Providence supports six distinct affiliated physician networks throughout California. CalOptima Health has been contracted with Providence to provide primary care, maternity, specialty, surgical care, imaging, and laboratory covered services under a fee-for-service professional services contract since November 1, 2010. Currently, Providence provides professional services to approximately 20,027 CalOptima Health Medi-Cal members assigned to Providence primary care providers (PCPs) and specialty care services to other CalOptima Health Community Network (CHCN) members. For non-pediatric CalOptima Health members, access to a Providence PCP is only available through CHCN. Providence is delegated for credentialing and recredentialing of professional providers participating in the Providence provider network.

CalOptima Health and Providence have evaluated Providence becoming a delegated health network several times since 2010. Over the past two years, staff have worked with Providence to explore the benefits and impact of Providence contracting as a health network and have aligned on the SRG model as providing the best balance to enhance member experiences, provide members with access to care, and support prudent risk management. Under a SRG contract, CalOptima Health Medi-Cal members currently assigned to Providence PCPs would still be assigned to Providence PCPs, unless a member requested assignment to a new CalOptima Health PCP. Providence would continue to provide the services it provides now to members assigned to Providence, as well as additional services under a capitated arrangement. Under the SRG health network arrangement, CalOptima Health would delegate additional responsibilities to Providence, including utilization management, claims payment, and care management (as noted above, Providence is already delegated for provider credentialing).

Providence is registered with the CA Department of Managed Health Care as a risk-bearing organization (RBO) to perform the following activities:

- Contract directly with a health care service plan (like CalOptima Health) or arrange for health care services for the health care service plan's enrollees,
- Receive compensation for those services on any capitated or fixed periodic payment basis, and
- Process and pay claims made by providers for services rendered by those providers on behalf of a health care service plan when those services are covered under the capitation or fixed periodic payment made by the plan to the RBO.

To ensure Providence meets the requirements for a SRG model contract, Providence will complete CalOptima Health's readiness assessment to determine their ability to perform delegated activities and responsibilities, including credentialing, recredentialing, claims processing and utilization management.

Staff request Board authorization to pursue a SRG model health network contract with Providence for CalOptima Health members enrolled in the Medi-Cal program, subject to Providence agreeing to CalOptima Health's contract terms and successfully completing CalOptima Health's readiness assessment and requirements.

Staff will return to the Board to request approval of the final SRG health network contract in future Board action.

### **Fiscal Impact**

There is no additional fiscal impact in the current fiscal year. Staff will include forecasted medical expenses related to the recommended action in the CalOptima Health Fiscal Year 2025-26 Operating Budget.

### **Rationale for Recommendation**

Approval of the recommended Board action will allow CalOptima Health to proceed with development of the new risk arrangement agreed upon by CalOptima Health and Providence.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. [Entities Covered by this Recommended Action](#)

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



# CalOptima Health

*Attachment to the February 6, 2025, Board of Directors Meeting – Agenda Item 15*

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Providence Medical Group	200 W. Center Street, Promenade Suite 300	Anaheim	CA	92805-3960

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025

### Regular Meeting of the CalOptima Health Board of Directors

#### Report Item

16. Approve Actions Related to the Housing and Homelessness Incentive Program

#### Contacts

Kelly Bruno Nelson, Executive Director, Medi-Cal and CalAIM, (657) 550-4741

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

#### Recommended Actions

1. Authorize reallocation of \$0.6 million within the Housing and Homelessness Incentive Program, Priority 1: Delivery of services and member engagement, from the consultant/continuum mapping project to the following:
  - a. \$230,000 to the Pulse for Good contract; and
  - b. \$370,000 to fund the provider incentives for community entities through the Pulse for Good project.
2. Make a finding that such expenditures are for a public purpose and in furtherance of CalOptima Health's mission and purpose.

#### Background

CalOptima Health began participating in the California Department of Health Care Services' Housing and Homelessness Incentive Program (HHIP) in April 2022 with the submission of a letter of intent to participate. Since that time, CalOptima Health has completed each program component and earned associated incentive dollars to spend against an investment plan with priority investment areas. These investment areas, and subsequent community investments through grant awards, are designed to improve the services and care for members experiencing (or at risk of experiencing) homelessness and to facilitate stronger partnerships and a more seamless continuum of services within Orange County.

On December 1, 2022, the CalOptima Health Board of Directors (Board) authorized staff to develop and administer contracts or grants with the Orange County Office of Care Coordination and Pulse For Good, and reviewed the three HHIP priority areas and corresponding allocations. Within Priority 1, the Board approved the following efforts and related contracts:

Priority 1: Delivery of services and member engagement				
Entity/Activity	Project Description	Rationale	Amount	Method
Office of Care Coordination (to be used in partnership with	Funding to support administration of annual point in time, stipends for lived experience committee	Bolster activities with county-wide reach; could include staffing to support data entry and evolution of	\$2.2 million	Contract



Priority 1: Delivery of services and member engagement				
Entity/Activity	Project Description	Rationale	Amount	Method
the Continuum of Care)	participants and other capacity building.	the Coordinated Entry System (currently unfunded).		
Pulse For Good	Establish a feedback process for members who receive homeless services to share their experience; pilot in shelters.	No mechanism exists to collect feedback on member experience with homeless services.	\$0.8 million	Contract
Consultant	Contract with a specified vendor, with unique expertise in visual mapping of complex government systems, to map out the Orange County homeless service continuum to move closer to a county-wide system of care for the unhoused, with gaps and barriers collectively identified and understood.	Often overly complex systems and service duplication make it challenging to understand the consumer experience.	\$0.6 million	Contract

The first item, Office of Care Coordination contract, has been executed and remains active. The second item, Pulse for Good project, has launched (please see Attachment 1: Pulse for Good Progress Report. . The third item, consultant for the continuum mapping project, has not been executed to-date and this \$0.6 million remains unspent.

As part of the Pulse for Good project, CalOptima contracted with Pulse for Good in April 2023 to provide standalone, self-service kiosks that give individuals experiencing homelessness the ability to provide anonymous feedback and share critical experience insights. The \$800,000 Board investment in this project funded the following:

- \$170,000 to Pulse for Good to provide and manage the kiosks for the period April 1, 2023, through December 31, 2024; and
- \$630,000 in incentive grants to 21 community support providers to install and use Pulse for Good kiosks (\$30,000 per provider)

**Discussion**

After two years of substantial community investment, CalOptima Health has taken stock of the collective impact of HHIP funds and clarified the funding priorities for future investments. During a series of five community listening sessions in the late summer and early fall of 2024, and after review of existing grant awards through HHIP, staff concluded that the Pulse for Good program has been effective for providers and members alike. A status report on the Pulse for Good program can be found in

Attachment 1. To date, twenty-one (21) of CalOptima Health’s community supports providers have installed thirty (30) Pulse for Good kiosks and are benefiting from direct member feedback to support improvements in their operations and services.

At the same time, review of investments and community feedback has resulted in lack of need for a continuum mapping project. This is especially true considering the Orange County Office of Care Coordination recently launched a similar project, rendering a CalOptima Health-driven effort duplicative.

Therefore, staff is requesting to reallocate the \$0.6 million from the consultant/continuum mapping project to the Pulse for Good project. Staff propose to invest the \$0.6 million as follows:

- \$230,000 to Pulse for Good to extend the contract (allowed in the current contract) to provide additional kiosks and to provide ongoing kiosk management through June 30, 2027; and
- \$370,000 in incentive grants to new community providers to host and use the Pulse for Good kiosks.

Staff proposes the following revised investment plan for Priority 1: Delivery of services and member engagement.

<b>Entity/Activity</b>	<b>12/1/22 Board Action</b>	<b>Proposed Board Action</b>	<b>Total Allocation Amount</b>
Office of Care Coordination	\$2.2 million	--	\$2.2 million
Pulse for Good			
• Vendor Contract	\$170,000	\$230,000	\$400,000
• Provider Incentives for Community Entities	\$630,000	\$370,000	\$1.0 million
Consultant	\$600,000	-\$600,000	\$0
<b>Total</b>	<b>\$3.6 million</b>	<b>--</b>	<b>\$3.6 million</b>

**Fiscal Impact**

The recommended action will be funded by a reallocation of \$0.6 million from the HHIP, Priority 1 consultant/continuum mapping project and has no additional net fiscal impact.

**Rationale for Recommendation**

CalOptima Health does not have other targeted efforts to solicit feedback directly from its members who are experiencing homelessness. Not only does the Pulse for Good project enable CalOptima Health to hear directly from that subset of members, but it also supports its provider network in improving services based on that feedback.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

1. [Pulse for Good Progress Report](#)

**Board Actions**

<b>Board Meeting Dates</b>	<b>Action</b>	<b>Term</b>	<b>Not to Exceed Amount</b>
December 1, 2022	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$36.5 million
March 2, 2023	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$19.25 million
June 2, 2023	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$52.3 million
December 7, 2023	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$25 million
April 4, 2024	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$16.18 million
May 2, 2024	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$25 million
December 5, 2024	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$0.6 million

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**



# CalOptima Health

## Pulse for Good: Annual Progress Report

Board of Directors Meeting  
February 6, 2025

Kelly Bruno-Nelson, DSW  
Executive Director, Medi-Cal and CalAIM

### 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.

# What is Pulse for Good?

- Pulse For Good: Self-service kiosks to gather real-time lived experience feedback
  - Human Services Feedback Management Platform to efficiently ask for, accept, analyze, and act on feedback from vulnerable individuals.
- CalOptima Health offered this platform free-of-charge the first year to all housing navigation providers (with regular foot traffic through their physical space) who opt-in to the program. CalOptima Health also funds the second year if providers are willing to cover the third year of operating costs.
- CalOptima Health also provided a \$30,000 grant to each provider to help build the feedback loop into their workflow.
- **Outcome: Members experiencing or at-risk of experiencing homelessness are empowered to provide anonymous feedback that will enhance and/or improve service.**

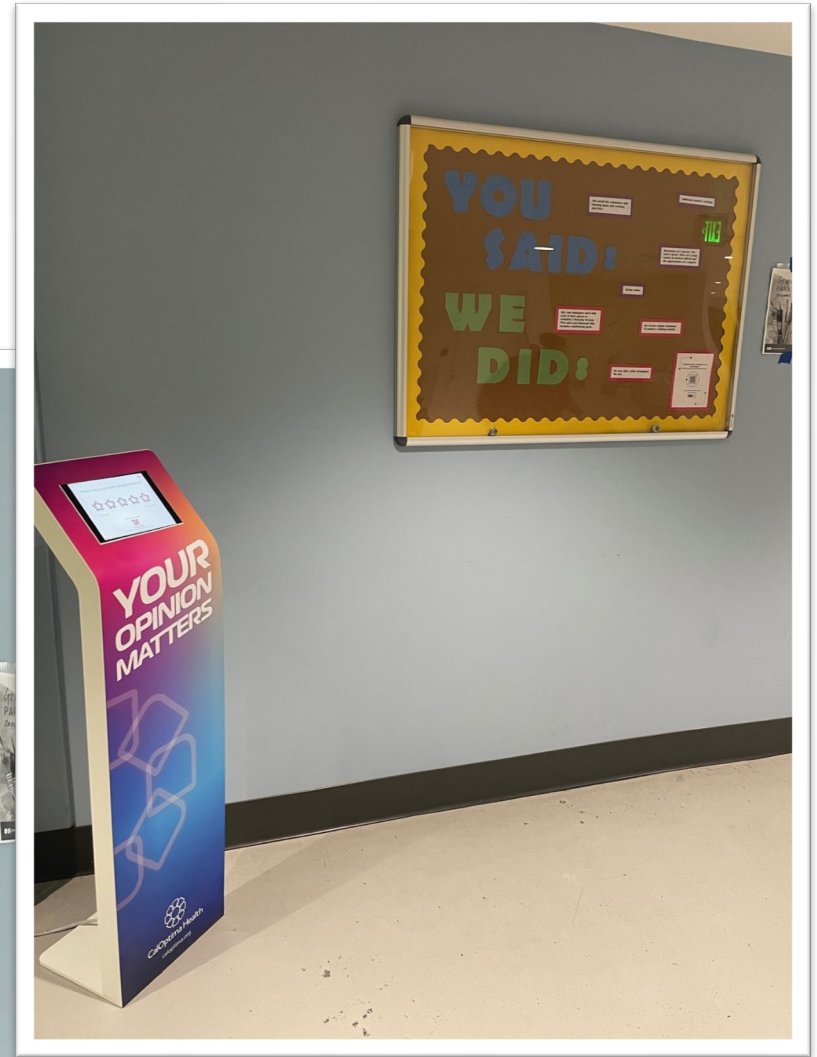
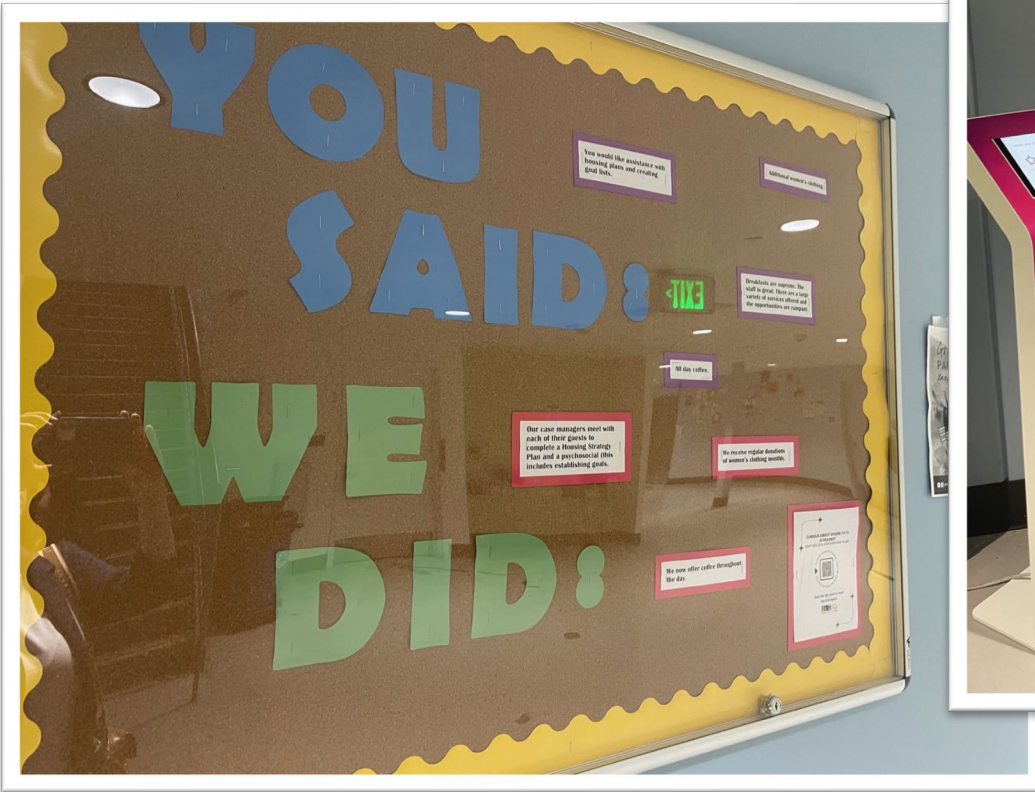
# Cross-County Input

- **Currently in 30 locations throughout Orange County.**
  - **Initial Roll-Out: August 2023**
    - 11 Housing navigation providers opt-in; representing 18 sites
  - **Expansion Phase**
    - 10 out of 11 Housing navigation providers remain and 11 new providers join = 21 total
      - Now located at 30 sites
      - 2 iPads with street medicine providers



# Site Example

- Yale Navigation Center
  - Operated by PATH



# 1<sup>st</sup> Year of Feedback

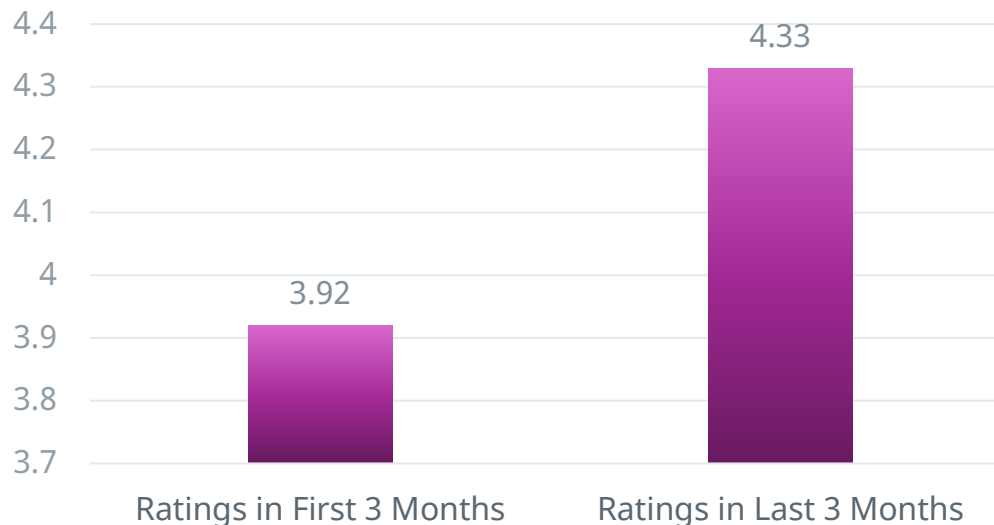
- 4482 reviews from August 2023 – August 2024 across the initial 18 sites.

CORE QUESTIONS	
QUESTION	SCORE
How clean was the facility?	4.18/5
How respectful was the staff?	4.17/5
How satisfied are you with the services offered here?	4.08/5
How safe did you feel?	4.07/5
How was your overall experience?	3.86/5



# 1<sup>st</sup> Year of Feedback

- Above Average Ratings: The average ratings across different questions are above average, indicating generally positive experiences among respondents.



- Ratings increased over the first year of service from 3.92 in the first 3 months to 4.33 in the last 3 months, suggesting that improvements have been made in service quality throughout the year.

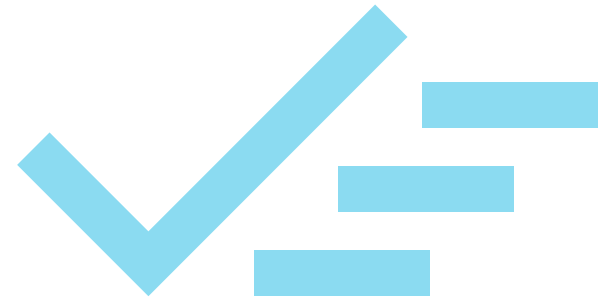
# How is Feedback Integrated?

- A Steering Committee of all participating providers:
  - Share key findings gathered through the survey and discuss opportunities to improve on site operations or organizational services/programs;
  - Report-out to peers (other providers) on operational or program improvements resulting from feedback; and
  - Brainstorm with peers on ways to better support clients or improve services.



# Resulting Improvements

- Sites report the following changes and improvements thanks to Pulse for Good feedback:
  - Improved cleaning standards.
  - Operational changes for faster food service (75% reduction in wait times).
  - Deployed a case manager rotation to expand service access.
  - Introduced monthly resident meetings, quarterly Community Feedback Forums, and a Housing Experience Advisory Committee to create dedicated spaces for participants to share insights and recommend improvements.
  - Streamlined intake processes and created an appointment-based food delivery system.
  - Enhanced trauma-informed care and client-centered training through targeted retraining and onboarding initiatives.



# Hearing from the Clients

“This is the friendliest food pantry I have been to. Everything has become extremely updated.”

“The appointment system relieved me of all the stress waiting in line and people cutting in line or not following rules! THANK YOU VERY MUCH!”

“The place is really clean and the food is great.”

“Yes, thank you for this great opportunity to be blessed, and for the kitchen may we please have meatballs and cheese sandwiches. Keep up the good work, thank you for opening the doors for me and my daughter.”

# Provider Testimonials

“...The most helpful has been the display kiosks that were provided at the onset of the CalOptima/Pulse for Good partnership – these physical, standing kiosks make it easier for our community members accessing our services to take the surveys in real time on an easy-to-use iPad/platform. ...we have taken the kiosk surveys one step further and are hosting in-person feedback forums biannually to solicit additional feedback from those we serve. The responses we continue to receive are invaluable to the small changes we can make to better serve our community and are a testament to how well we serve our participants!”

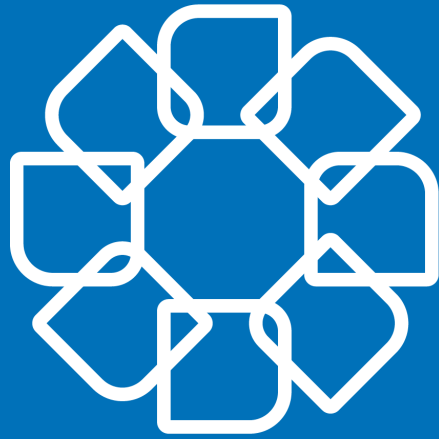
- Senior Director of Programs, Pathways of Hope

“Pulse for Good provides an opportunity for our guests to give anonymous feedback on their shelter stay. We respond via a ‘you said, we did’ feedback board posted in the shelter. It provides additional opportunities for client engagement in the program and enhances PATH’s client feedback mechanisms, underpinning continuous improvement.”

- Regional Director, Orange County, PATH (People Assisting the Homeless)

# Opportunities for Providers to Enhance Program Utilization

1. Celebrate Client Satisfaction and Staff Performance: Promote positive feedback and recognize staff efforts.
2. Enhancing Engagement and Response Rates: Focus on increasing survey participation and responsiveness to improve communication and service quality.
3. Optimize Survey Insights: Enhance the quality of feedback to gain deeper insights and improve group practices.



# CalOptima Health

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# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken February 6, 2025

### Regular Meeting of the CalOptima Health Board of Directors

#### Report Item

17. Authorize the Chief Executive Officer to Execute a Sole Source Contract with Applied Research Works, Inc. to Acquire Data from CalOptima Health-contracted Health Networks Using Applied Research Works' Common Core of Data Files and Electronic Health Record Integration Service

#### Contacts

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

Linda Lee, Executive Director, (657) 900-1069

#### Recommended Actions

Authorize the Chief Executive Officer to negotiate and execute a sole source contract with Applied Research Works, Inc. for a two-year term with three one-year extension options, each exercisable at CalOptima Health's sole discretion, to acquire Common Core of Data files and electronic health record data for contracted health networks and CalOptima Health Community Network providers, in accordance with CalOptima Health Policy GA.5002: Purchasing Policy.

#### Background

At its December 7, 2023, meeting, the CalOptima Health Board of Directors (Board) approved the use of unearned Measurement Year (MY) 2023 and 2024 Pay for Value Performance Program funds for quality improvement initiatives and grants to health networks to improve quality measures. The recommended action represents a quality improvement initiative for contracted health networks and CalOptima Health Community Network (CHCN) providers.

Applied Research Works, Inc. (ARW) provides health care technology and data solutions to integrate data across health plans and providers utilizing its real-time data integration platform, Cozeva. A majority of CalOptima Health's health networks and affiliated providers are currently using Cozeva to capture clinical data in a real-time data platform for quality improvement purposes. The data services utilized by health networks and providers include Common Core of Data (CCD) aggregator validation and electronic health record (EHR) integration. These services allow provider offices to submit clinical data through a web-based portal and through automated EHR integration into a centralized data platform. Cozeva then extracts clinical data for submission to health plans, eliminating the need for medical record review.

Clinical data is used by CalOptima Health to monitor adherence to evidence-based services, identify members in need of services, calculate quality measures, and update member health records and care plans.

Acquisition of CCD through Cozeva is part of a larger strategy for an electronic health information exchange (HIE). CalOptima Health is developing an HIE strategy that will include electronic data exchange with all provider partners. Leveraging Cozeva as the first step in CalOptima Health's HIE strategy will allow CalOptima Health to access data that is already being exchanged between participating health networks and providers.



CalOptima Health Board Action Agenda Referral  
Authorize the Chief Executive Officer to execute a contract with Applied Research Works, Inc. to acquire data from CalOptima Health contracted Health Networks using Applied Research Works' Common Core of Data Files and electronic health record integration service  
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### **Discussion**

CalOptima Health Policy GA.5002: Purchasing outlines the processes for the procurement of goods and services essential to the operations of CalOptima Health. Policy GA.5002 allows for sole source contracting without competitive bidding when goods or services are only available from a single source. Currently, seven CalOptima Health health networks utilize Cozeva data services (AltaMed Health Services, AMVI Care Health Network, CHOC Health Alliance, Family Choice Medical Group, Optum, Prospect Medical Group, and United Care Medical Network). These 7 health networks provide care for 580,000, or 64%, of CalOptima Health members. While other vendors provide similar services as Cozeva, these health networks are not utilizing these vendors.

By establishing a direct data exchange with Cozeva, CalOptima Health will be able to receive and process CCD files and avoid a redundant process of requesting that health networks and providers submit the same data directly to CalOptima Health. If CalOptima Health were to select a vendor other than Cozeva, health networks would need to establish contracts with the new vendor, set up a new data exchange, load historical data, train providers on the new system, and reconnect EHR integration. This would result in duplication and administrative burdens to health networks and providers that would be avoided by CalOptima Health acquiring data from Cozeva.

CCD files will be transmitted to CalOptima Health on a regular basis and integrated into CalOptima Health's data warehouse, allowing CalOptima Health to produce more accurate and timely reports to monitor quality performance and to identify clinical care gaps. Accurate identification of care gaps allows for the efficient use of resources to outreach to members who are missing needed services such as cancer screenings, chronic care management, and follow-up after inpatient visits. This approach will save time and reduce unnecessary efforts by CalOptima Health and health networks, including contacting members to schedule services that have already been rendered.

CalOptima Health does not receive CCD for its directly managed network, CHCN. However, a portion of CHCN providers are also contracted with health networks that use Cozeva. Because these providers are already utilizing Cozeva, CalOptima Health will be able to gain clinical data from CHCN providers by establishing integration between CalOptima Health and the provider's EMR through Cozeva. EHR integration will also improve the accuracy and completeness of clinical data sets provided to CalOptima Health. CalOptima Health will support an estimated 50 additional CHCN providers with EHR integration to improve electronic data exchange. This will result in access to CCD for the 170,000 members enrolled in CHCN. CalOptima Health will also work with the 2 health networks that do not use Cozeva to determine provider overlap and the value of supporting EHR integration for their contracted providers.

CalOptima Health will fund integration between Cozeva and CHCN providers' EHR systems to augment the clinical data included within the CCDs. EHR systems capture and store clinically relevant information collected directly from patients, such as past medical, surgical, and family history, and clinical findings, such as pathology, laboratory, and diagnostic reports. EHR integration is a critical quality improvement strategy as it reduces data latency and provides access to in-depth clinical data,

CalOptima Health Board Action Agenda Referral  
Authorize the Chief Executive Officer to execute a contract with Applied Research Works, Inc. to acquire data from CalOptima Health contracted Health Networks using Applied Research Works' Common Core of Data Files and electronic health record integration service  
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while simultaneously reducing the administrative burden of physician offices, health network partners, and CalOptima Health staff through automated data exchange.

Staff is requesting an initial two-year contract with ARW beginning March 2025 with three one-year extension options for CCD aggregator validation services and EHR integration.

**Fiscal Impact**

The recommended action to negotiate and execute a sole source contract with ARW has no additional fiscal impact to the operating budget. Staff estimates that the annual fiscal impact is \$2 million (inclusive of licensing, set-up, and file exchange fees) or \$4 million for the initial two-year contract term.

The balance of Measurement Year (MY) 2023 Pay for Value (P4V) Performance Program unearned funds available for allocation is approximately \$31 million. Unearned funds from the MY 2023 P4V Performance Program will be sufficient to fund up to \$4 million for the two-year contract with ARW.

**Rationale for Recommendation**

By establishing direct data exchange of CCD files and implementing EHR integration for providers using Cozeva, CalOptima Health will improve the accuracy and timeliness of quality data and reports. CCD data exchange and EHR integration will enable more accurate monitoring of quality services while reducing administration burden to providers, office staff, and health networks.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

1. [Entities Covered by this Recommended Action](#)

/s/ Michael Hunn  
**Authorized Signature**

01/30/2025  
**Date**

*Attachment to the February 6, 2025 Board of Directors Meeting -- Agenda Item 17*

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Applied Research Works, Inc.	6111 Bollinger Canyon Road, Suite #580	San Ramon	CA	94583