



**NOTICE OF A
REGULAR JOINT MEETING OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS'
MEMBER ADVISORY COMMITTEE AND
PROVIDER ADVISORY COMMITTEE**

THURSDAY, AUGUST 8, 2024

12:00 P.M.

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

AGENDA

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(s) identifying the item(s) and submit to the Clerk. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors' Member Advisory and Provider Advisory Committees, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Approval of the Minutes portion of the agenda and/or the beginning of Public Comments. When addressing the Committee, it is requested that you state your name for the record. Address the Committee as a whole through the Chair. Comments to individual Committee 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 of Directors' Regular Member Advisory and Provider Advisory Committees joint meeting agenda and supporting materials are available for review at CalOptima Health, 505 City Parkway West, Orange, CA 92868, 8 a.m. – 5:00 p.m., Monday-Friday, and online at www.caloptima.org.

Register to Participate via Zoom at:
https://us06web.zoom.us/webinar/register/WN_Rgw3uTYSh6ic6aOZV1uxQ **and Join the Meeting.**

Webinar ID: 810 4824 8688

Passcode: 075577 – Webinar instructions are provided below.

1. **CALL TO ORDER**

Pledge of Allegiance

2. **ESTABLISH QUORUM**

3. **MINUTES**

A. [Approve Minutes from the June 13, 2024 Regular Joint Meeting of the Member and Provider Advisory Committees](#)

4. **PUBLIC COMMENT**

At this time, members of the public may address the Member and Provider Advisory Committees on matters not appearing on the agenda, but within the subject matter jurisdiction of the Member or Provider Advisory Committees. Speakers will be limited to three (3) minutes.

5. **REPORTS**

- A. Consider Recommendation of Member Advisory Committee Chair and Vice Chair
- B. Consider Recommendation of Provider Advisory Committee Chair and Vice Chair

6. **INFORMATIONAL ITEMS**

- A. [DEI and Health Equity Fundamentals Training](#)
- B. [Covered California](#)
- C. [Non-Specialty Mental Health Services \(NSMHS\) Member Outreach, Education & Experience Requirements](#)
- D. [MY2026 Auto Assignment Proposal](#)
- E. [Quality Grants Update](#)
- F. Committee Member Updates

7. **Management Reports**

- A. Chief Operating Officer Update
- B. [Chief Executive Officer Update](#)

8. **COMMITTEE MEMBER COMMENTS**

9. **ADJOURNMENT**

Webinar Information

Please register for the Regular Member Advisory and Provider Advisory Committees Joint Meeting on Thursday, August 8, 2024 at 12:00 p.m. (PDT)

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

https://us06web.zoom.us/webinar/register/WN_Rgw3uTYSh6ic6aOZV1uxQ

Join from a PC, Mac, iPad, iPhone or Android device

On day of meeting, please click this URL to join:

<https://us06web.zoom.us/j/81048248688?pwd=eFV2nOVYyWXn7fkbaWRoBV3hNAPqwd.1>

Passcode: **075577**

Or One tap mobile:

+16694449171,,81048248688#,,,*075577# US

+13462487799,,81048248688#,,,*075577# US (Houston)

Or join by phone:

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

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

Webinar ID: **810 4824 8688**

Passcode: **075577**

MINUTES

REGULAR JOINT MEETING OF THE CALOPTIMA HEALTH BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE, AND PROVIDER ADVISORY COMMITTEE

June 13, 2024

A Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory Committee (MAC) and the Provider Advisory Committee (PAC) was held on Thursday, June 13, 2024 at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

PAC Chair Jena Jensen called the meeting to order at 12:09 p.m. and MAC Chair Christine Tolbert led the Pledge of Allegiance.

ESTABLISH QUORUM

Member Advisory Committee

Members Present: Christine Tolbert, Chair; Linda Adair; Meredith Chillemi (12:14 p.m.); Josefina Diaz; Sandy Finestone (12:10 p.m.); Keiko Gamez; Sara Lee; Lee Lombardo; Nicole Mastin; Brian Nelson; Margie Moore

Members Absent: Hai Hoang, Vice Chair; Iliana Soto-Welty; Alyssa Vandenberg;

Provider Advisory Committee

Members Present: Jena Jensen, Chair; Tina Bloomer, WHNP; Gio Corzo; Andrew Inglis, M.D.; Timothy Korber, M.D.; Patty Mouton; Mary Pham, Pharm.D.; Jacob Sweidan, M.D.; Christy Ward

Members Absent: Alpesh Amin, M.D.; Ji Ei Choi, L.Ac; Junie Lazo-Pearson, Ph.D., Vice Chair; John Nishimoto, O.D.; Alex Rossel;

Others Present: Michael Hunn, Chief Executive Officer; Yunkyung Kim, Chief Operating Officer; Richard Pitts, D.O., Ph.D., Chief Medical Officer; Veronica Carpenter, Chief of Staff; Javier Sanchez, Executive Director, Medicare; Cheryl Meronk, Director, Medicare Program Operations; Hannah Kim, Director, Case Management; Troy Szabo, Outside Legal Counsel; Sharon Dwiars, Clerk of the Board; Cheryl Simmons, Staff to the Advisory Committees;

MINUTES

Approve the Minutes of the April 11, 2024 Regular Joint Meeting of the CalOptima Health Board of Directors' Member Advisory and Provider Advisory Committees

MAC Action: ***On motion of MAC Member Lee Lombardo, seconded and carried, the Committee approved the minutes of the April 11, 2024 Regular Joint Meeting (Motion carried 11-0-0; Members Meredith Chillemi, Hai Hoang, Vice Chair; Iliana Soto-Welty; Alyssa Vandenberg absent)***

PAC Action: ***On motion of PAC Member Tina Bloomer, seconded and carried, the Committee approved the minutes of the April 11, 2024 Regular Joint Meeting. (Motion carried 9-0-0; Members Alpesh Amin, M.D.; Ji Ei Choi, L.Ac; Junie Lazo-Pearson, Ph.D., Vice Chair; John Nishimoto, O.D.; Alex Rossel absent)***

PUBLIC COMMENTS

There were no public comments.

REPORTS

Consider Recommendation of MAC Slate of Candidates

Member Meredith Chillemi on behalf of the MAC Nominations Ad Hoc Committee reviewed the candidates for the open seats on MAC and recommended the following reappointments and new appointments to the committee: Junie Lazo-Pearson, Ph.D. as the Behavioral/Mental Health Representative; Kim Goll as the Family Support Representative (fulfills an existing term through 2026). Reappoint Lee Lombardo as the Children Representative and Christine Tolbert as the Persons with Special Needs Representative.

MAC Action: ***On motion of MAC Member Lee Lombardo, seconded and carried, the Committee approved the recommendation for the MAC Slate of Candidates. (Motion carried 12-0-0; Members Hai Hoang, Vice Chair; Iliana Soto-Welty; Alyssa Vandenberg absent)***

Consider Recommendation of PAC Slate of Candidates

Chair Jena Jensen on behalf of the PAC Nominations Ad Hoc Committee reviewed the candidates for the open seats on PAC and noted that there were reappointments and new appointment recommendations. The PAC recommends the following reappointments: Gio Corzo as the Allied Health Representative and Jacob Sweidan, M.D. as the Health Network Representative. New appointments recommended are: Lorry Leigh Belhumeur, Ph.D. as the Behavioral/Mental Health Representative, Tiffany Chou, FNP as the Nurse Representative; Morgan Mandigo, M.D., as the Physician Representative (fulfills an existing term through 2025).

PAC Action: On motion of PAC Member Patty Mouton, seconded and carried, the Committee approved the PAC Slate of Candidates. (Motion carried 9-0-0; Members Alpesh Amin, M.D.; Ji Ei Choi, L.Ac; Junie Lazo-Pearson, Ph.D., Vice Chair; John Nishimoto, O.D.; Alex Rossel absent)

INFORMATION ITEMS

OneCare Program

Cheryl Meronk, Director, Medicare Program Development presented a comprehensive overview of CalOptima Health's OneCare Program reviewing the benefits of having Medicare and Medi-Cal dual coverage. Ms. Meronk highlighted the current benefits available on this program and noted that OneCare was available to children with special needs who had aged out of California Children's Services and who met the Medicare guidelines required to join this program. Ms. Meronk answered many questions by the MAC and PAC during her presentation.

CalAIM Update

Kelly Bruno-Nelson, Executive Director, CalAIM provided an update on the CalAIM program and noted that CalOptima Health had launched all 14 community supports and contracted and on-boarded 73 providers or vendors for this program. She noted that CalOptima Health had provided approximately 48,000 members with community support services, housed over 1,000 members and eliminated a wait list for housing navigation services. Ms. Bruno-Nelson also discussed Enhanced Care Management noting that over 5,000 CalOptima Health members were receiving services under this program. Ms. Bruno-Nelson answered questions and heard comments on CalAIM services from various committee members one of which was to come back to a future meeting and present on how CalOptima Health was addressing and getting feedback on the quality of all CalAIM program services.

Rev.
8/8/2024

Committee Member Updates

MAC Chair Christine Tolbert asked the members for their help in recruiting for the two available OneCare/Family Member Representatives seats that are available. She also notified the members of the MAC that Chair and Vice Chair nominations were being accepted as the committee would be making a recommendation to the Board at the August meeting. She asked that any MAC member interested in the Chair or Vice Chair seat send Cheryl Simmons, Staff to the Advisory Committees their letter of interest and qualifications for the seat they are interested in. The MAC also said farewell to Iliana Soto-Welty and asked that she return to a future meeting to honor her service on MAC.

PAC Chair Jena Jensen thanked Tina Bloomer, WHNP and Vice-Chair Junie Lazo-Pearson, Ph.D., who have termed out of their seats for their service on the PAC for the last six years. She asked that they return to a future meeting to be honored for their service. Chair Jensen also notified the PAC that the Chair and Vice Chair seats would also be under recruitment and to also send their letter of

interest to Cheryl Simmons so that the PAC can also make a recommendation at the August 8, 2024 joint meeting.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Report

Yunkyung Kim, Chief Operating Officer thanked the MAC and PAC for their feedback on the draft strategic plan that was discussed at the April 11, 2024 meeting and asked that the committee members review the draft plan and continue to provide feedback as there are plans on having several more rounds of stakeholder engagement on the strategic plan draft before it is finalized. Ms. Kim also notified the committees that new contract amendments have been mailed to providers that will have an impact on nearly every provider in CalOptima Health's delivery system. These contract amendments contain rate increases over a 30-month period totaling \$526 million for nearly all of the provider categories. PAC Chair Jena Jensen thanked CalOptima Health on behalf of the providers for always being there for providers during some really difficult budget cycles.

Chief Medical Officer Report

Richard Pitts, D.O., Ph.D., Chief Medical Officer presented on how Measles and Pertussis are making a comeback and stressed the importance of vaccines. He noted that in 2023 there were 58 cases of the measles in the United States and that number in the first four months of 2024 measles cases had risen to 138. For Pertussis also known as Whooping Cough he noted that approximately 20 babies per year died in the United States between 2010 – 2020.

Chief Executive Officer Report

Michael Hunn, Chief Executive Officer reviewed his CEO Report to the Board and thanked the members of both committees for their service on the MAC and PAC and their feedback on member care. Mr. Hunn also provided more information on the provider rates increase and his hopes of maintaining a stable network of providers for the next three-years.

ADJOURNMENT

There being no further business before the Committees, PAC Chair Jena Jensen adjourned the meeting at 2:03 p.m.

/s/ Cheryl Simmons

Cheryl Simmons
Staff to the Advisory Committees

Approved: August 8, 2024 by the Member Advisory Committee and the Provider Advisory Committee



DEI and Health Equity Fundamentals Training

Member Advisory Committee and Provider Advisory Committee
August 8, 2024

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.

Diversity, Equity and Inclusion Training

- All Plan Letter 23-025: Diversity, Equity and Inclusion Training Program <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-025.pdf>
- Mandates training for CalOptima Health staff; Subcontractors, Downstream Subcontractors, and Network Providers
- Training will support:
 - Better relationship and connectivity with Members
 - An inclusive environment within CalOptima Health and externally with Network Providers and contractors
 - Improvement of Member outcomes
 - Reduction of health disparities
 - An overall better quality of care for our members

The Teams

- Elevated Diversity:
 - Multi-disciplinary team
 - Expertise in healthcare

- Internal DEI Training Workgroup:
 - Reena Bhavsar
 - Greta Rice
 - Kathleen Lee-Gilbert
 - Karen Lau
 - Adriana Ramos
 - Jane Flanagan Brown



Internal Stakeholders:

- Employee Engagement Team
- Medical Directors
- Customer Service (call centers)
 - Medi-Cal
 - OneCare
 - Behavioral Health
- Grievances and Appeals
- Equity and Community Health
- MAC/PAC
- Human Resources
- Provider Relations
- PACE

Community Stakeholders:



Stakeholder Survey

Have you taken an e-learning course/training (on any topic) in the last five years? *

- Yes
- No
- Other

If you have taken an e-learning course, which do you find to be the most effective in presenting concepts? (select all that apply) *

- Use of interactive exercises
- Use of video
- Practical strategies with key takeaways
- Use of storytelling to teach key concepts
- Appealing visuals and narration
- Clear learning objectives
- Quizzes/competency checkpoints
- Downloadable reference material
- Other
- N/A

Final Thoughts?

Is there any additional information applicable, please write 'N/A'. *

What do you think are the top considerations to bear in mind when designing and health equity training program? (i.e. the duration/completion time, the role within the organization, the organization's DEI/health equity objectives, etc.) If applicable, please write 'N/A'. *

From your vantage point, what do you believe should be the primary learning objective(s) for DEI TRAININGS conducted within healthcare organizations at CalOptima? (i.e. DEI key concepts and definitions, DEI tenets, strategies for creating a more inclusive workplace, etc.)? If not applicable, please write 'N/A'. *

From your vantage point, what do you believe should be the primary learning objective(s) for HEALTH EQUITY TRAININGS for healthcare organizations at CalOptima? (i.e. key concepts and definitions, Social Determinants of Health (SDOH), causes of health disparities/inequities, etc.)? If not applicable, please write 'N/A'. *



CalOptima Training Series

Elevated Diversity is the vendor working with CalOptima Health to develop a DEI and Health Equity training series designed to educate, inform, and inspire. This training series will include (3) online modules: DEI Fundamentals, Cultural Competency, and Health Equity. Through these modules we hope to provide practical tips and examples for staff and providers with the goal of creating an overall better quality of care for our Members. Please note: this training will be mandatory for CalOptima Health staff, and MCP Subcontractors, Downstream Subcontractors and Network Providers. In order to ensure the training is engaging, effective, and inclusive, we welcome your feedback and sentiments to help inform this effort. In advance, thank you for your time!

Subject Matter & Content

All responses are confidential.

In your opinion, how important is it for individuals working in the healthcare industry to understand the fundamentals of Diversity, Equity, and Inclusion and Health Equity? *

- Very important
- Important
- Not very important
- Not at all important
- Other

Stakeholder Feedback

“Start with DEI key concepts and definitions & why this work is so important for CalOptima.”



“Trainings should include the use of interactive exercises and practical strategies with key takeaways.”

“The concept of belonging needs to be included as it is how we can disrupt and implement practices that effectively support organizational growth.”

“Emphasizing health equity and the role folks can play in reducing health disparities at CalOptima would be key. To reduce health disparity and inequities--we need people to understand the connection between their day-to-day and the outcomes of the lives they support.”

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“We need to recognize self-biases. In order for a person to help others, they need to know what their biases are and if they can work on/change them.”

Interactive Exercises

Drag and Drop Exercise

Drag-and-Drop Activity
Instructions: Fill in the words for the missing blanks below by clicking and dragging a term or phrase to its correct placement. Not all terms will be used.

Diverse and inclusive corporations outperform _____ by 35%.

Diverse and inclusive corporations have 87% better _____ in diverse teams.

Diverse and inclusive corporations have 19% higher _____ with diverse management teams.

STABILITY DECISION-MAKING GOAL-SETTING
ENTRANTS COMPETITORS REVENUE

Reflection Exercise

What are some health equity or inequities that you are aware of?

type your text here

SUBMIT

Click & Reveal Exercise

We should prioritize DEI because our employees:
Instructions: Click each circle to learn more.

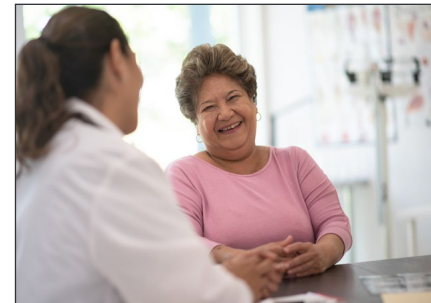
Seek Diverse Workforce
2 out of 3 job candidates seek companies with diverse workforces. (Glassdoor)

Seek Diverse Workforce **Recognize Diversity Gap**
Believe in Inclusivity

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Learning Modules

- Cultural Humility/Competency
- Diversity, Equity, Inclusion and Belonging (DEIB) Fundamentals
- Health Equity Fundamentals





Cultural Competence

The Foundation of
Equitable Healthcare

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CalOptima Health

Cultural Humility/Cultural Competency

○ Learning Objectives

- Define identity, culture, and cultural conditioning
- Articulate how culture impacts the delivery of health care services
- Identify and describe at least three cultural communities that exist within CalOptima Health Membership
- Describe one practice that you can adopt within your role to promote culturally competent care

○ Lessons

- Lesson 1: Intro to Identity, Culture, & Cultural Competency
- Lesson 2: Cultural Communities within CalOptima Health Membership
- Lesson 3: Culturally Competent Member Engagement
- Lesson 4: Linguistic Competency & Available Language Services



Diversity, Equity, Inclusion, and Belonging

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CalOptima Health

Fundamentals of DEIB

○ Learning Objectives

- Define Diversity, Equity, Inclusion, and Belonging (DEIB)
- Reflect on the many forms of diversity inherent in any organization or workplace
- Articulate the importance of DEIB in creating an effective and equitable health care system
- Learn strategies for creating a DEIB health care environment and workplace culture at Cal Optima

○ Lessons

- Lesson 1: Understanding DEIB
- Lesson 2: Applying Diversity and Equity to Healthcare
- Lesson 3: Making Inclusion and Belonging Actionable in Healthcare
- Lesson 4: Overcoming Challenges and Advancing DEIB at CalOptima Health



Health Equity Fundamentals

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CalOptima Health

Health Equity Fundamentals

○ Learning Objectives

- Define health equity and describe its importance to CalOptima Health's Members and community
- Identify social determinants of health that contribute to health outcomes
- Describe health inequities, health disparities, and the ways in which they impact marginalized communities
- Explore individual and collective actions to create greater health equity for CalOptima Health's members and community

○ Lessons

- Lesson 1: Defining and Striving for Health Equity
- Lesson 2: Social Determinants of Health, Risk Factors, and Needs
- Lesson 3: Health Inequity and Disparities
- Lesson 4: Achieving Health Equity Together

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Design and Development Approach

APL DEI Training Series Development Phases

DISCOVERY & REVIEW

- Review of the existing landscape
 - Health Equity/DEI Commitment/Mission/Vision
 - Organizational Mission/Vision & Structure
 - Identify key stakeholders

STAKEHOLDER INTERVIEWS

- Conducted stakeholder and focus group interviews with key stakeholders on an internal and external basis
- Developed and distributed online surveys for additional feedback and insights

PLANNING & PREPARATION

- Developed audit tools and gap analyses to ensure all APL and other agency requirements are met.
- Collection of stakeholder interview feedback and insights to inform/guide module development.

CURRICULUM DEVELOPMENT

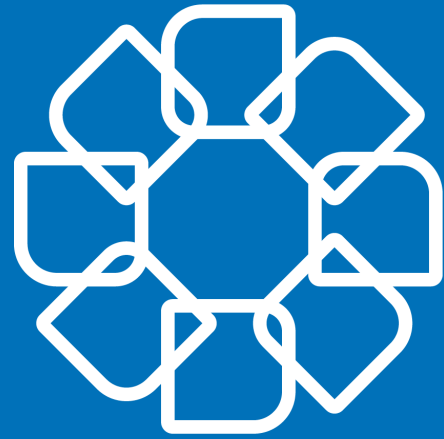
- Storyboard the identified modules for (3) audiences: Staff, Vendor, & Provider.
- Incorporate local demographics/population data.
- Design of interactive exercises for capacity building and practical skill development.
- Program/produce e-learning modules.

NEXT STEPS

- Incorporate DHCS modifications if required (10/1/24-11/22/24)
- Pilot testing phase (1/1/25 - 7/1/25)
- Develop communication/messaging
 - Initiative rollout
 - Learner correspondence (registration, reminders, notice of completion, etc.)
- Determine effectiveness metrics & measurements

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Thoughts?
Suggestions?
Questions?



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Covered California Participation Opportunity

Member and Provider Advisory Committees
Joint Meeting
August 8, 2024

Our Mission

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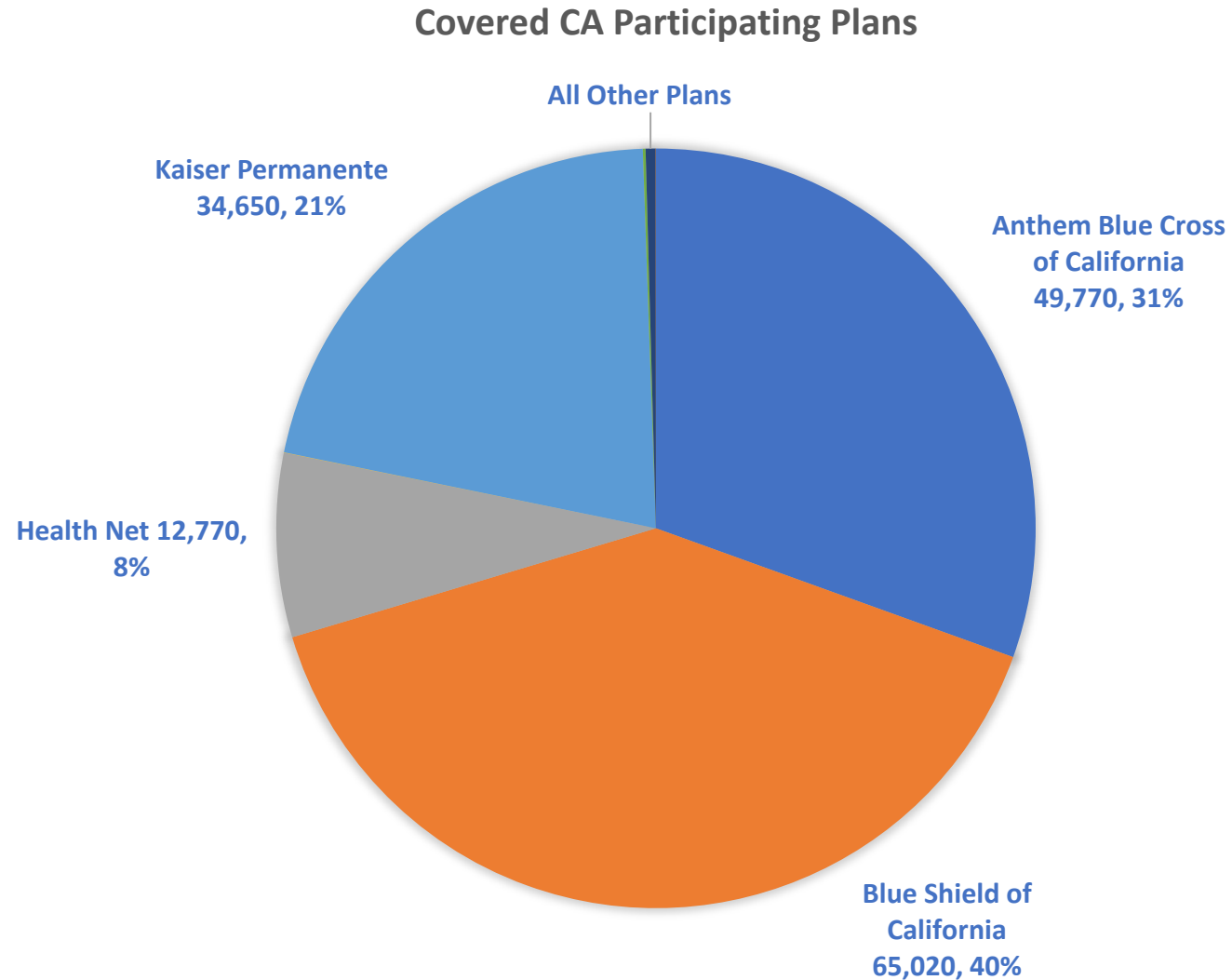
Agenda

- Covered California – Background
- Value Proposition for CalOptima Health Participation
- Member Story
- Overview of the Orange County Covered California Landscape
- High Level Timeline
- Next Steps

Background

- Covered California (Covered CA) is the California state-based Marketplace program through which eligible Californians can purchase individual insurance coverage for themselves and their families.
- California residents who are not eligible for Medi-Cal or employer-sponsored insurance can purchase a plan through Covered CA.
- Premium subsidies are available to qualifying individuals/families.
- The type of plans offered in Covered CA are called Qualified Health Plans (QHPs).
- CalOptima Health would be seeking to join the Covered CA market for the 2027 plan year.
- Covered CA advises that new plans will need a two-year runway to prepare for participation.

Orange County's Covered CA Plans



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Value Proposition for Participation

- **Opportunity:** The recent reinstatement of Medi-Cal renewals and existing churn in eligibility for low-income populations compromises continuity of care for members and results in mixed-coverage households with varying provider networks.
- **Solution:** Entry into the Covered CA market will bridge the coverage gap when our members lose Medi-Cal coverage and keep family members in aligned networks at affordable premiums.
- **Value:** CalOptima Health is the largest health plan in Orange County with broad partnerships and a commitment to reinvesting in our local community.
- **Call to Action:** CalOptima Health has a responsibility to protect access to and continuity of high-quality care for our members throughout their life span.

Member Story

- A CalOptima Health member undergoing breast cancer treatment recently received a Medi-Cal disenrollment notice due to her current income level that was assessed during the redetermination process.
- The member was very concerned about the following:
 - Maintaining access to the same providers that are administering her current treatment plan.
 - Inability to afford her out-of-pocket treatment costs under any of the currently available Covered CA plans.
- Due to her lack of Medi-Cal eligibility, CalOptima Health was prohibited from exercising “continuity of care” (COC) provisions.
 - COC provisions to maintain access to her current providers can only be exercised at the discretion of her *new* plan — and may be time-limited.

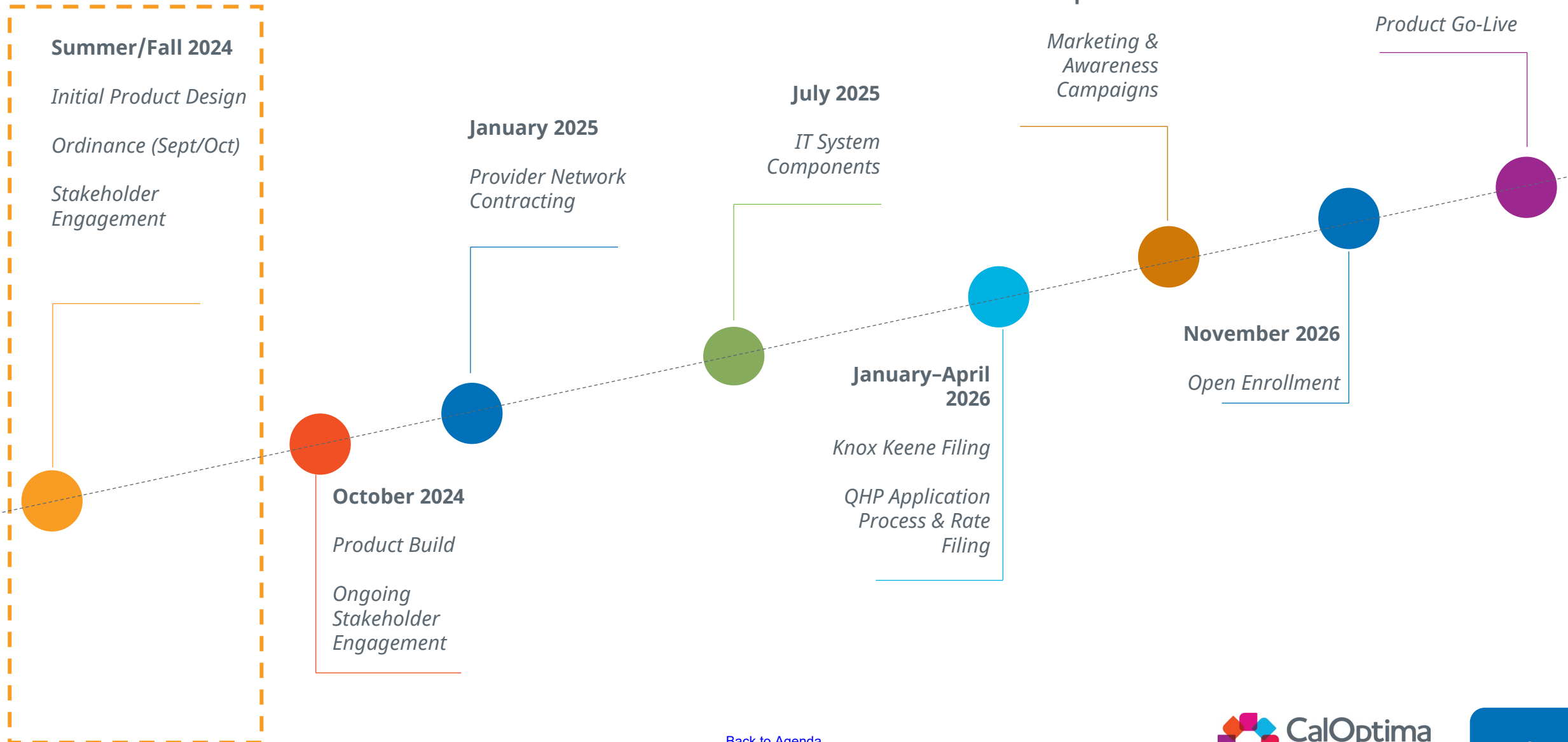
CalOptima Health Covered CA Guiding Principles

1. Through Covered CA participation, provide continuous, high-quality care to our members across changes in life circumstances.
2. Ensure sufficient provider reimbursement in alignment with the current Covered CA market in Orange County.
3. Consistently engage external stakeholders on an ongoing basis to inform the design and development of the program in a transparent way.
4. Be strong stewards of public funds by identifying opportunities for efficiency and careful investment in needed capabilities.
5. Ensure ongoing reinvestment in the Orange County community as a key tenet of Covered CA participation.
6. Start small and target individuals and families churning on and off Medi-Cal coverage.

Stakeholder Engagement

- CalOptima Health has started engaging key stakeholders in discussions about participation in Covered CA.
- A small steering group made up of external stakeholders will begin meeting in July to inform the development of the program.
- Community Listening Sessions will begin in August to obtain broad community input into the program development process.
- CalOptima Health will share information soon about how to attend a Community Listening Session.
- The Member and Provider Advisory Committee meeting in August will include a discussion topic on Covered California.

High-Level Timeline



Question & Answer

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Non-Specialty Mental Health Services (NSMHS) Member Outreach, Education & Experience Requirement

Carmen Nicole Katsarov, LPCC, CCM
Executive Director, Behavioral Health Integration

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Agenda

- Overview: CalOptima Health's Medi-Cal Non-Specialty Mental Health Services (NSMHS)
- Overview: Senate Bill 1019
- DHCS Requirements and Feedback

Overview: CalOptima Health's Medi-Cal Non-Specialty Mental Health Services (NSMHS)

- CalOptima Health manages all NSMHS benefits:
 - Outpatient psychotherapy (individual, family and group therapy)
 - Psychological testing to evaluate a mental health condition
 - Outpatient services (lab work, drugs and supplies)
 - Outpatient services (monitoring drug therapy)
 - Psychiatric consultation
 - Dyadic Services
 - Behavioral Health Treatment (BHT): Applied Behavior Analysis (ABA)
 - Substance use services
 - Screening, Assessment, Brief Intervention and Referral to Treatment (SABIRT)
 - Medication-Assisted Treatment (MAT)

Note: All "Specialty" Mental Health Services are covered through the county mental health plans (MHPs)

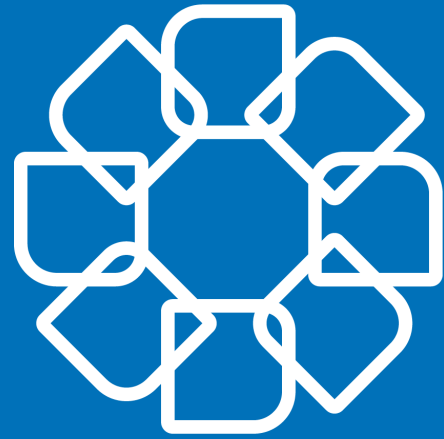
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Overview: Senate Bill 1019

- **Under Medi-Cal**, under utilized service rates of Non-Specialty Mental health Services (NSMHS)
- SB 1019 seeks to ensure that members and providers are aware of all covered NSMHS
- Framework to address gaps in utilization with emphasis on outreach and education materials

DHCS Requirements and Feedback

- Per Senate Bill 1019, APL created and expected to be finalized by end of July 2024
- All MCPs are required to develop and implement an **Outreach and Education Plan** and submit to DHCS
 - Outreach and Education Plan Submission Deadline: October 1, 2024
 - Outreach and Education Plan Implementation Date: January 1, 2025
- **Feedback/ideas** that may help us with member and provider awareness for ensuring appropriate access to CalOptima Health's Medi-Cal NSMHS benefits



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MY2025/RY2026/CY2027 Auto Assignment Policy Update

Kelli Glynn, MPH

Manager (Strategic Initiatives), Quality Analytics

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Auto Assignment Background

- CalOptima Health implements an auto-assignment process as a proxy for member selection when members do not actively choose a Health Network and primary care practitioner.
- The auto-assignment process utilizes factors that mimic selection criteria that a member may use when self-selecting.
- These factors include:
 - Geography
 - Previous member affiliation (prior Health Network, community clinic, or provider assignment) if available
 - Member family link (other eligible family members)
 - FQHC status
 - Quality scores

Auto-Assignment Policy Overview

- A process to assign new members who have not voluntarily selected a delegated HN or CCN and who have no other family members in a CalOptima Health Network.
- CalOptima's AA Policy was structured to ensure:
 - Members are assigned to a contracted Health Network to coordinate their care
 - Support Community Health Centers (Community Clinics, FQHCs and FQHC look a likes)
 - Members have access to providers near their residence
- Community Health Centers (CHCs) receive no less than 37% of the AA allocations. Each new clinic increases the allocation by 1%, not to exceed 45%. If a clinic terminates with CalOptima Health, this decreases the total allocation by 1%, not to fall below 37%.

Quality Scores in Auto Assignment

- Quality scores are used in state Medicaid auto assignment programs in several states including the California Department of Health Care Services (DHCS) in local initiative and geographic managed care counties.
- CalOptima Health has utilized quality scores in its auto assignment program since 2006
- Auto assignment is one of several quality-based incentive programs implemented by CalOptima Health. The other quality-based incentive programs include the Health Network Pay for Value program and Hospital Quality Initiative.

Auto Assignment Quality Score Proposal

- Staff proposes a modified auto assignment quality score based on the following criteria:
 - Establish performance thresholds based on industry standards
 - Select measures based on alignment with DHCS priorities including MCAS MPL, quality withhold, and auto assignment measures
 - Utilize administrative data collection as designated by NCQA
 - Determine minimum eligible population with adequate volume to calculate meaningful rates
 - Include method for new providers to participate before quality scores can be calculated
- Proposed changes apply to providers participating in the auto assignment process including Health Networks and community clinics

MY2026 Auto Assignment Quality Measurement Set

Measure

Adult Access to Preventive and Ambulatory Care Visits

Child and Adolescent Well-Care Visits

Childhood Immunization Status- Combination 10

Immunizations for Adolescents- Combination 2

Well-Child Visits in the First 30 Months of Life- 0 to 15 Months- Six or More Well-Child Visits

Well-Child Visits in the First 30 Months of Life- 15 to 30 Months- Six or More Well-Child Visits

Prenatal and Postpartum Care: Postpartum Care

Prenatal and Postpartum Care: Timeliness of Prenatal Care

Cervical Cancer Screening

CAHPS- Getting Care Quickly

CAHPS- Getting Needed Care

Auto Assignment Quality Score Methodology

- Measure rates are based on administrative data only, using claims and encounter data
- Minimum denominator of 30 eligible members required to report a rate
- Points will be allocated per reportable auto assignment measure compared to the NCQA National Medicaid percentiles
- Each provider must qualify to report three of the nine HEDIS measures to calculate a quality score for auto assignment.
- Each provider earns an auto assignment quality score based on aggregate scores
- New providers attributed a baseline score of 3.0 points per measure for the first contract year, at a minimum

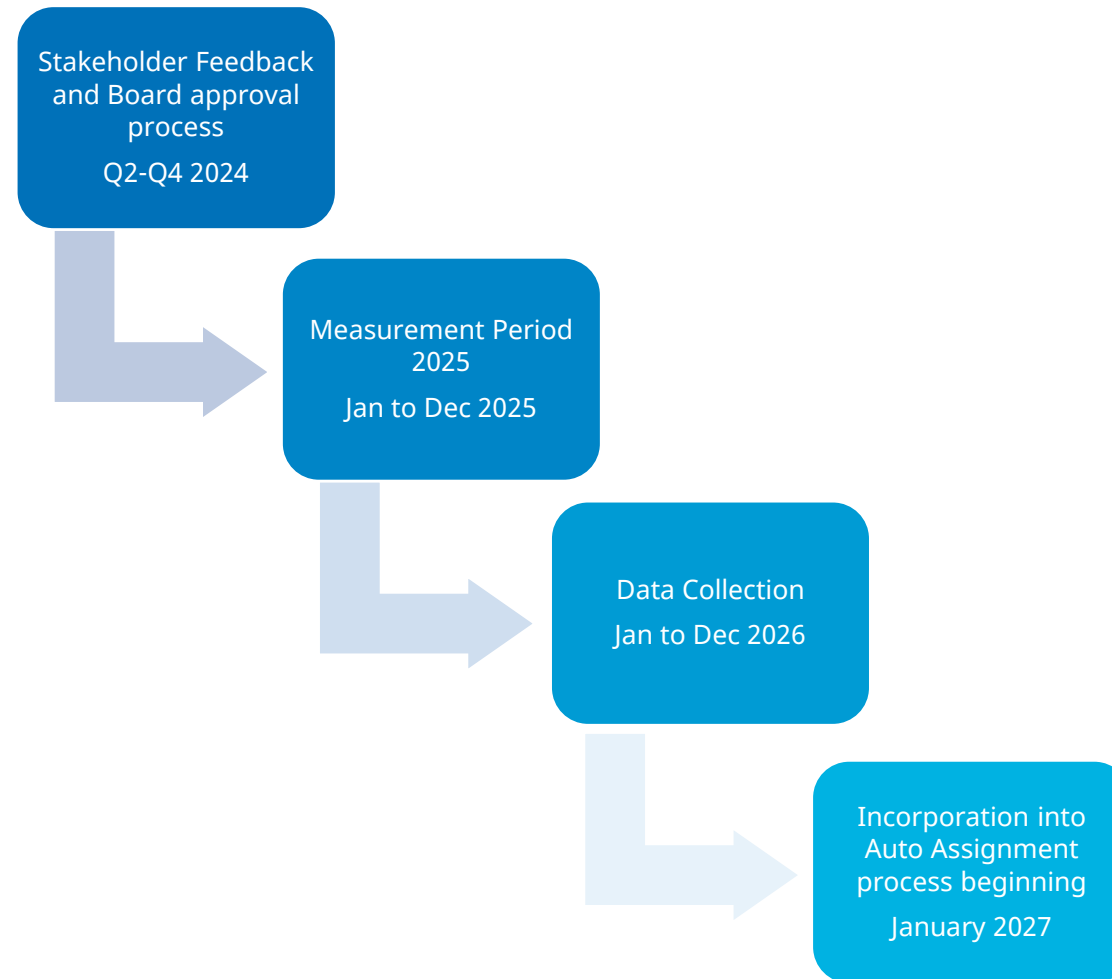
Points Earned for Individual Measures	
NCQA Percentile	Points
At or above the 75 th percentile	10
At or above the 66.67 th percentile, below the 75 th percentile	8
At or above the 50 th percentile, below the 66.67 th percentile	6
At or above the 33.33 rd percentile, below the 50 th percentile	4
At or above the 25 th percentile, below the 33.33 rd percentile	2
Below the 25 th percentile	0

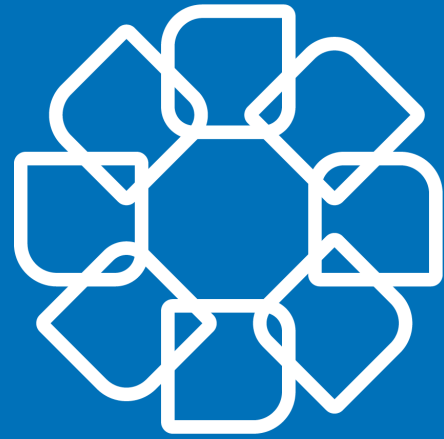
The Auto Assignment Quality Score equals sum of points for each measure divided by the total number of reported measures.

Maximum possible score is 10.0

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Proposed Implementation Timeline





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Quality Improvement Grant Program

August 8, 2024

Kelli Glynn, MPH
Manager (Strategic Initiatives), Quality Analytics

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CalOptima Health, A Public Agency

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.

Quality Grant Program (Medi-Cal)

Goal:	<ul style="list-style-type: none">Utilize the unrealized funds from the MY2023 P4V Program to offer grant opportunities for quality improvement purposes.
High-Level Requirements*:	<ul style="list-style-type: none">Measures of focus must be from the MY2024 P4V Program (see subsequent slides).Applicants may submit grant applications for individual measures or groups of measures under each domain.A Health Network that performs below the DHCS MPL must submit a grant application for the measure below the MPL, as part of a corrective action plan.Grant amounts may range from \$50,000 to \$250,000 per measure/measure group.Grant funding is for a 1-year period.The number and amounts of grants awarded will be contingent upon available funds and determination of acceptable grants.Funds must be used to provide direct support to improve quality outcomes only for CalOptima Health members.
Eligible:	<ul style="list-style-type: none">Health NetworksCommunity ClinicsCalOptima Health Community Network (CHCN) Primary Care Providers

*Complete program requirements are outlined in the NOFO

Pay for Value MY 2024: Medi-Cal Measures

Cancer Prevention Measures

Breast Cancer Screening (BCS-E)

Cervical Cancer Screening (CCS)

Children's Health Measures

Child and Adolescent Well-Care Visits: Total (WCV)

Childhood Immunization: Combo 10 (CIS)

Development Screening in the First Years of Life (DEV CMS)

Immunization for Adolescents: Combo 2 (IMA)

Lead Screening in Children (LSC)

Topical Fluoride in Children (TFL CMS)

Well-Child Visits in the First 30 Months of Life: First 15 Months (W30)

Well-Child Visits in the First 30 Months of Life: 15 Months – 30 Months (W30)

Reproductive Health Measures

Chlamydia Screening in Women: Total (CHL)

Prenatal and Postpartum Care: Prenatal Care (PPC)

Prenatal and Postpartum Care: Postpartum Care (PPC)

Behavioral Health Measures

Follow-Up After ED Visit for Mental Illness: 30 days (FUM)

Follow-Up After ED Visit for Substance Abuse: 30 days (FUA)

Chronic Disease Management Measures

Asthma Medication Ratio (AMR)

Controlling Blood Pressure (CBP)

Glycemic Status Assessment for Patients with Diabetes: Poor Control (GSD)

Member Experience (CAHPS Survey) Measures

Coordination of Care

Getting Care Quickly

Getting Needed Care

Rating of Health Care

Rating of Health Network

Rating of Personal Doctor

Rating of Specialist Seen Most Often

Quality Grant Timeline (Tentative)

Action	Medi-Cal
Application Release	7/22/2024
Informational Meeting	8/1/2024
Application Deadline	8/23/2024 at 5pm
Internal Review	August – September 2024
Announcement of Approved Grants	9/23/2024

Examples of Potential Programs or Projects

Hiring of staff to provide in-person or telehealth visits to members after emergency room visits or inpatient discharges.

Provide members with at-home testing for hemoglobin A1c or colorectal cancer screening.

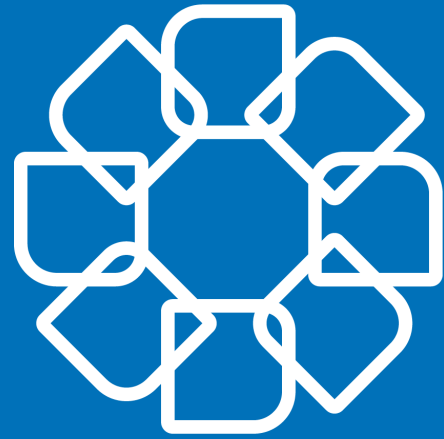
Purchase lead testing machines and test strips to complete point-of-care blood lead testing for pediatric members.

Purchase fluoride varnish and train staff to complete point-of-care application of topical fluoride to members.

Create a call center or dedicated team to complete telephonic outreach to members to schedule needed services (e.g. a PCP visit, a mammogram, a lab appointment).

Questions





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MEMORANDUM

DATE: July 26, 2024

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — August 1, 2024, Board of Directors Meeting

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

A. CalOptima Health Board of Directors Welcomes Two New Members

Current terms for nearly all members of the Board, except the two Supervisorial seats and the standing seat for the Orange County Health Care Agency (HCA) director, will expire on August 3, 2024. Following a recruitment process over several months, the Orange County Board of Supervisors voted on June 25 to appoint two new individuals and reappoint all the Board incumbents who reappplied. All will serve four-year terms, effective August 4, 2024, through August 3, 2028. The new Board members are:

- Current or former hospital administrator: Brian Helleland, MHSA, Chief Executive, Providence St. Joseph Hospital
- Practicing licensed medical provider (not affiliated with a contracted health network): Cathy Green, RN, an actively licensed registered nurse

Returning Board members are:

- Practicing licensed physician (representative of a contracted health network): José Mayorga, M.D.
- Legal resident of Orange County: Blair Contratto
- Accounting or public finance professional or an actively licensed attorney: Norma García Guillén, J.D.
- Community clinic representative: Isabel Becerra
- Current CalOptima Health member or family member: Maura Byron

The two new Board members will participate in their first meeting on September 5. On behalf of the entire staff, I want to express my gratitude for the service of our continuing Board members as well as our two outgoing Board members, Clayton Corwin and Trieu Tran, M.D., who chose not to reapply.

B. New Street Medicine Programs Launching Soon

CalOptima Health's Street Medicine Program will soon be available in two new cities — Costa Mesa and Anaheim. On August 12, contracted provider Celebrating Life Community Health Center will begin offering medical and social services for people experiencing homelessness in Costa Mesa. We will be holding a press conference on August 21 in Costa Mesa to announce the program. Anaheim's Street Medicine Program is slated to begin on September 3, with services by Healthcare in Action. To prepare for this expansion, CalOptima Health has been leading Street Medicine Steering Committee meetings with fire personnel, local police departments, the county sheriff department, HCA and other organizations to discuss program operations and services. The Steering Committee is a partnership-

driven, collaborative effort to support the most effective and sustainable outcomes for our members experiencing homelessness. Furthermore, CalOptima Health engages our contracted providers to deliver our Street Medicine model of care that is specific to Orange County and does not include distribution of clean needles and drug paraphernalia. Recent media coverage of Healthcare in Action services in Los Angeles County did not make clear that our program is different.

C. CalOptima Health to Host Second Annual Back to School Health and Wellness Fair

CalOptima Health and the Orange County Department of Education are hosting a Back-to-School Health and Wellness Fair on Saturday, August 3, from 9 a.m.–1 p.m. at Columbus Tustin Park (14712 Prospect Ave., Tustin). Families can:

- Apply for CalFresh and Medi-Cal
- Receive free naloxone
- Receive shoes, food, bike helmets and backpacks (while supplies last)
- Receive free vision exams, eyeglasses, dental services, sports physicals and haircuts (by appointment)
- Access resources for basic needs
- Enjoy fun activities, including live music, magic and face painting

D. Final FY 2024–25 State Budget Agreement Announced

On June 22, Gov. Gavin Newsom and leaders of the California State Legislature announced a final agreement on the Fiscal Year (FY) 2024–25 state budget, which went into effect on July 1. Government Affairs staff prepared an analysis (see Page 7) discussing potential CalOptima Health impacts of the enacted state budget. Most notably, the final budget agreement restores several planned Managed Care Organization (MCO) tax investments for Medi-Cal provider rate increases that had been proposed to be eliminated in the governor’s May Revision. However, total investments are still reduced when compared with the original agreement reached last year with the statewide MCO Tax Coalition of health care providers. Rate increases for some provider types will remain effective on January 1, 2025, some will be delayed until January 1, 2026, and others have been eliminated. Additional provider types not originally included in the MCO Tax Coalition will now also receive a portion of the investments. Finally, most of these investments will become inoperable if voters approve the related MCO Tax Initiative (Proposition 35) on the November 5, 2024, ballot (See Item E below). This final MCO tax agreement follows recent advocacy efforts by CalOptima Health and Orange County’s safety net health care providers — including the Coalition of Orange County Community Health Centers, the Hospital Association of Southern California and the Orange County Medical Association — who distributed a joint letter to Orange County’s state legislative delegation expressing our concerns with the May Revision proposal to divert MCO tax revenues to address the budget deficit.

E. Proposition 35 Qualifies for November 2024 Election

On July 3, California Secretary of State Shirley N. Weber, Ph.D., certified that the MCO Tax Initiative had submitted enough valid signatures and officially assigned it to the November 5, 2024, ballot as Proposition 35. If passed by voters, Proposition 35 would permanently extend the MCO tax — currently set to expire on December 31, 2026 — with strict funding allocations for Medi-Cal rate increases to a range of provider types to support quality and access to care. While CalOptima Health contributed to the coalition that helped prepare, negotiate and launch the initiative, at this point we are significantly restricted as a public agency from participating in what is now considered a political campaign.

F. U.S. Sen. Laphonza Butler Sponsors Federal Earmark Request

U.S. Sen. Laphonza Butler (D-CA) is sponsoring CalOptima Health’s federal earmark request of \$5 million for our proposed Safety Net Behavioral Health Workforce Development Program. Notably, this

was the senator’s largest sponsored earmark in Orange County. This proposed program would supplement our current Provider Workforce Development Initiative to offer funding specifically to behavioral health providers. Our Government Affairs staff and contracted federal lobbyists are now working with Sen. Butler’s office and the Senate Appropriations Committee to ensure the earmark is maintained throughout the development and finalization of FY 2025 federal appropriations legislation.

G. Supreme Court Decision Upholds Camping Ban on Public Property

On June 28, the U.S. Supreme Court ruled in the case of City of Grants Pass v. Johnson that the enforcement of generally applicable laws regulating camping on public property does not constitute “cruel and unusual punishment” as prohibited by the Eighth Amendment to the U.S. Constitution. Therefore, governments are permitted to enact “camping ban” laws that restrict unhoused individuals from sleeping on public property. CalOptima Health will continue to provide all our services — including Street Medicine, Community Supports, and other housing and homelessness initiatives — to improve the health of our unhoused members and help them reach the goal of stable housing. CalOptima Health is committed to working with all our partners — including providers, cities, community-based organizations and others — to ensure the ongoing success of these programs and to expand access to the quality care that all our members deserve.

H. Student Behavioral Health Incentive Program (SBHIP) Shares Progress Report

In May 2023, the CalOptima Health Board of Directors approved our \$25 million SBHIP funding plan and the associated programs to be implemented by our partner organizations. Those organizations are Orange County Department of Education (OCDE) and all 29 Orange County public school districts, Hazel Health, CHOC, Western Youth Services, and HCA. Over the past 14 months, work has progressed rapidly, and CalOptima Health has met Department of Health Care Services (DHCS) milestones for reporting progress thus far. Below are a few accomplishments, and a more comprehensive summary is available on Page 11 of this report.

- Expanded behavioral health staff in 22 of the 29 school districts, resulting in an overall 17% increase in staffing across those districts combined.
- Opened the first of 10 SBHIP-funded WellSpaces at Marco Forster Middle School.
- Launched Hazel’s Heart Program (telehealth counseling services for students at school or home) in 20 of the 29 Orange County public school districts, resulting in 296,850 students at 357 school campuses having access to telehealth services. In the first six months of operation, nearly 900 care inquiries were logged.
- Designed on-demand school-based mental health training modules.

I. Second Round of Grants Opens for Provider Workforce Development Initiative

CalOptima Health has announced up to \$5 million in competitive grants for programs and partnerships that train, retain and develop health professionals (non-physician primary care, behavioral health and allied health) in Orange County to serve Medi-Cal members. This funding will prioritize, but is not limited to, programs focused on increasing the behavioral health workforce serving CalOptima Health members. Orange County health systems, health care provider organizations and community organizations are eligible to apply for a maximum grant of up to \$1 million per organization. This second round of grants is part of CalOptima Health’s five-year, \$50 million Provider Workforce Development Initiative. The grant application closes on Monday, August 19, 2024, at 5 p.m. A Notice of Funding Opportunity is posted [on our website](#).

J. CalOptima Health Launches Key Advertising Campaigns

- **Program of All-Inclusive Care for the Elderly (PACE) Campaign**

In late May, we launched a new campaign to help distinguish CalOptima Health PACE as the premier PACE program in Orange County. Capturing authenticity by picturing our actual PACE participants, the campaign conveys our commitment to the highest standards of individualized care, social connection, activities and support. The campaign tagline is “Senior Care to Keep You Active and Living at Home” and emphasizes that CalOptima Health offers complete medical care that goes above and beyond. Running in English, Spanish and Vietnamese, the multimedia campaign includes print, outdoor, digital display, social media, TV and search engine advertising.

- **Medi-Cal Expansion Campaign**

In April, we launched a strategic campaign to target Latino residents ages 26–54 to increase awareness of the expanded Medi-Cal program and encourage enrollment among newly eligible individuals. Scheduled to run until June 2025, the campaign leverages messaging developed by DHCS and conveys CalOptima Health’s commitment to ensuring all eligible individuals have access to health coverage. The multifaceted campaign encompasses various traditional and digital advertising channels to effectively reach and engage the targeted audience.

K. Naloxone Distributed to Providers and Community-Based Organizations (CBOs)

On June 21, CalOptima Health hosted a Naloxone Distribution Event (part of our Drive to Revive Campaign) at our building to distribute free doses of naloxone to medical providers and CBOs. We distributed 16,608 doses of naloxone at the event and are also offering ongoing delivery of naloxone to our providers and others. Providers interested in obtaining naloxone can email naloxone@caloptima.org for information about placing an order.

L. CalOptima Health Gains Media Coverage

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

- As a result of our June 5 press conference to announce CalOptima Health’s \$5 million grant to UCI’s nursing program, we received the following coverage:
 - On June 5, [ABC](#) and [NBC](#) ran packages covering the news, and [KNX Radio](#) ran two segments with audio from our event, which as streamed live on social media channels.
 - On June 6, the [Orange County Register](#) featured an article on the front of the Local Section.
- Following the June 17 distribution of our Provider Rate Increase [press release](#) and posting on PR Newswire, we received media coverage by [OC Register](#), [KNX](#) Radio and [KFI](#) Radio. Industry trade publications also ran the news, including [Becker’s Payer Issues](#), [Modern Healthcare](#), [Healthcare Finance News](#) and [KFF Health News](#).
- On June 23, the front page of the [Orange County Register](#) featured the results of a first-ever report about housing conditions for the transgender, gender-diverse and intersex (TGI) population. With funding support from CalOptima Health, Alianza Translatinx, a group that serves the TGI community, developed the report that showed TGI individuals face challenges, discrimination, and language and financial barriers with finding housing and staying housed in Orange County.
- On June 25, the [Orange County Register](#) published an article on the front page of the Local section about La Veta Village, an affordable housing project in Orange partially funded by CalOptima Health. A quote from my remarks at the groundbreaking event was included.



Fast Facts
 August 2024

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

Membership Data* (as of June 30, 2024)

Total CalOptima Health Membership 919,052	Program	Members
	Medi-Cal	901,303
	OneCare (HMO D-SNP)	17,253
	Program of All-InclusiveCare for the Elderly (PACE)	496
*Based on unaudited financial report and includes prior period adjustment		

Operating Budget (for 12 months ended June 30, 2024)

	YTD Actual	YTD Budget	Difference
Revenues	\$5,368,374,569	\$4,014,893,010	\$1,353,481,559
Medical Expenses	\$4,501,293,527	\$3,785,719,951	(\$715,573,576)
Administrative Expenses	\$230,780,376	\$259,121,805	\$28,341,429
Operating Margin	\$636,300,666	(\$29,948,746)	\$666,249,412
Medical Loss Ratio (MLR)	83.8%	94.3 %	(10.4%)
Administrative Loss Ratio (ALR)	4.3%	6.5%	2.2%

Note: Totals may not add due to rounding

Reserve Summary (as of June 30, 2024)

	Amount (in millions)
Board Designated Reserves	\$1,005.9*
Statutory Designated Reserves	\$131.9
Capital Assets (Net of depreciation)	\$96.6
Resources Committed by the Board	\$501.5
Board Approved Provider Rate Increases	\$526.2
Resources Unallocated/Unassigned	\$187.6*
Total Net Assets	\$2,449.7

*Total of Board-designated reserves and unallocated resources can support approximately 113 days of CalOptima Health's current operations.

Total Annual Budgeted Revenue

\$4 Billion

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

CalOptima Health Fast Facts

August 2024

Personnel Summary (as of July 31, 2024, pay period)

	Filled	Open	Vacancy % Medical	Vacancy % Administrative	Vacancy % Combined
Staff	1,316.3	77.35	41.01%	58.99%	5.55%
Supervisor	80	4	75%	25%	4.76%
Manager	116	3	66.67%	33.33%	2.52%
Director	67.75	1	100%	--%	1.45%
Executive	19	3	--%	100%	13.64%
Total FTE Count	1,599.1	88.4	47.89%	52.11%	5.24%

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

Provider Network Data (as of June 30, 2024)

	Number of Providers
Primary Care Providers	1,214
Specialists	10,153
Pharmacies	528
Acute and Rehab Hospitals	40
Community Health Centers	52
Long-Term Care Facilities	104

Treatment Authorizations (as of May 31, 2024)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	33.56 hours
Prior Authorization – Urgent	72 hours	18.34 hours
Prior Authorization – Routine	5 days	2.46 days

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

Member Demographics (as of June 30, 2024)

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

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Fiscal Year 2024–25 Enacted State Budget

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- » CalOptima Health Budget and Provider Rate Increase
- » Continuing Priorities in Medi-Cal
- » Significant Adjustments to Programs
- » Next Steps

Background

On January 10, Gov. Gavin Newsom unveiled his Fiscal Year (FY) 2024–25 Proposed State Budget. With a spending plan of \$291.5 billion (\$223.6 billion General Fund [GF]), the governor predicted a budget deficit of \$37.9 billion – about half the \$68 billion initially projected by the Legislative Analyst’s Office last year. Gov. Newsom attributed the past two years’ shortfall to stock market declines in 2022, driving down revenue and delays in income tax collection. Most proposed budget solutions included reserve withdrawals, loans, fund shifts, and spending delays and deferrals.

To immediately address some of the budget deficit, the administration and California State Legislature attempted to minimize \$17.3 billion of the overall shortfall by taking “early action” in April via a limited budget agreement that included some spending cuts that largely avoided health care programs.

Despite efforts in the early budget deal, revenues continued to come in below projections and further increase the deficit by an estimated \$7 billion for a new remaining total of \$27.6 billion. On May 10, Gov. Newsom released his May Revision to the Proposed State Budget, which largely reversed an agreement to fund Medi-Cal provider rate increases using Managed Care Organization (MCO) tax dollars. The May Revision also proposed several additional spending reductions to health care programs to address both the near-term budget deficit and look beyond FY 2024-25 in hopes of achieving positive operating reserves in the future. On May 29, leaders from both houses of the Legislature released a joint counterproposal to the May Revision, which would have instead delayed future rate increases funded by MCO tax revenues by one-year year from January 1, 2025, to January 1, 2026, rather than eliminate them. On June 13, the State Senate and State Assembly both passed its counterproposal (Assembly Bill [AB] 107) as a placeholder budget to meet the constitutional deadline while negotiations with the governor remained ongoing.

On June 22, Gov. Newsom and legislative leaders announced that a final budget agreement had been reached. After both houses of the Legislatures passed the agreed-upon budget revisions as Senate Bill (SB) 108 on June 26, Gov. Newsom signed both AB 107 and SB 108 into law. Additionally, the governor signed the MCO Tax Trailer Bill (AB 160) and consolidated Health Trailer Bill (SB 159) on June 29, containing policy changes needed to implement health-related budget expenditures. Together, these bills represent the FY 2024-25 Enacted State Budget.

Fiscal Year 2024-25 Enacted State Budget (*continued*)

Overview

The final budget agreement includes obligations to support further resilience by adding financial protection so that the state doesn't overcommit anticipated revenues until it has been completely realized. The enacted budget eliminates the projected FY 2024-25 shortfall of approximately \$45 billion and the FY 2025-26 shortfall of over \$30 billion through a combination of spending cuts, fund shifts, delays, deferrals and reserves, including utilizing approximately half of the Rainy Day Fund over the next two budget years. Another goal of the final budget agreement is to strengthen the Rainy Day Fund by increasing the maximum limit from 10% to 20% of GF tax revenue, subject to future voter approval, and creating a new "Projected Surplus Temporary Holding Account."

The final Medi-Cal budget includes \$161 billion (\$35 billion GF) to cover a projected 14.5 million beneficiaries in FY 2024-25 – more than one-third of the state's population.

MCO Provider Tax

The FY 2024-25 Enacted Budget restores several MCO tax investments for future Medi-Cal provider rate increases that were proposed to be eliminated in the governor's May Revision. The final agreement includes \$133 million in FY 2024-25, \$728 million in FY 2025-26 and \$1.2 billion in FY 2026-27 in addition to the approximately \$300 million in provider rate increases that already became effective January 1, 2024, and will be maintained. However, total investments are less and partially redistributed compared with the original agreement reached with the MCO tax coalition last year. Some increases will still be effective on January 1, 2025, some will be delayed until January 1, 2026, and others have been eliminated. Additional provider types not included in the MCO tax coalition will now also receive a portion of the investments, further reducing total funding for the originally included provider types.

Effective **January 1, 2025**, Medi-Cal rate increases apply to:

- Emergency Department Physician Services (\$100 million)
- Abortion Care and Family Planning (\$90 million)
- Ground Emergency Medical Transportation (\$50 million)
- Air Emergency Medical Transportation (\$8 million)

- Community-Based Adult Services (\$8 million)
- Congregate Living Health Facilities (\$8 million)
- Pediatric Day Health Centers (\$3 million)
- Community Health Workers to achieve 100 percent of Medicare rate

Effective **January 1, 2026**, Medi-Cal rate increases apply to:

- Physician/Non-Physician Professional Health Services (\$753 million)
 - » Evaluation & Management Codes for Primary Care and Specialist Office Visits, Preventative Services and Care Management (95% of Medicare rate)
 - » Obstetric Services (95% of Medicare rate)
 - » Non-Specialty Mental Health Services (87.5% of Medicare rate)
 - » Vaccine Administration (87.5% of Medicare rate)
 - » Vision (Optometric Services (87.5% of Medicare rate)
 - » Other Evaluation & Management Codes (80% of Medicare rate)
 - » Other Procedure Codes commonly utilized by Primary Care, Specialist and Emergency Department Providers (80% of Medicare rate)
- Private Duty Nursing (\$62 million)
- Federally Qualified Health Centers (FQHCs)/Rural Health Clinics (RHCs) (\$50 million)
- Non-Emergency Medical Transportation (\$25 million)

The final agreement allows the California Department of Health Care Services (DHCS) to develop specific rate increase methodologies and supplemental payment amounts, particularly for 2025 investments.

Additional MCO tax investments include \$145.4 million in FY 2024-25 to sustain Proposition 56-funded payments to address revenue decline and \$40 million in FY 2026-27 for Medi-Cal workforce development through the California Department of Health Care Access and Information (HCAI). The final agreement also includes funding to enact continuous Medi-Cal eligibility for children 0-5, effective January 1, 2026. Notably, if Proposition 35 ("Protect Access to Care" MCO Tax Initiative) is approved by voters in the November 5, 2024, general election, the aforementioned provisions relating to the MCO provider tax will be inoperable since both are not financially sustainable.

Fiscal Year 2024-25 Enacted State Budget *(continued)*

CalOptima Health Budget and Provider Rate Increase

CalOptima Health developed our proposed FY 2024-25 operating budget factoring in assumptions related to Medi-Cal program and policy changes, including the state budget. On May 2, the CalOptima Health Board of Directors approved an investment of **\$526 million** to increase rates paid to delegated networks, hospitals, physicians, community clinics, behavioral health providers and ancillary services providers. It is the largest provider rate increase of its kind in our nearly 30-year history. This unprecedented investment is intended to support timely access to critical health care services for members and promote longer-term financial stability of the managed care network over a 30-month period from July 2024 to December 2026. The uncertain nature of the state budget negotiations underscores why CalOptima Health's action to deliver our own separate provider rate increase is so significant.

Continuing Priorities in Medi-Cal

The enacted state budget continues to reflect funding for Medi-Cal benefits that were initially proposed to be eliminated in the May Revision. Key investments that have been protected include but are not limited to:

- Full-scope Medi-Cal coverage and In-Home Supportive Services (IHSS) for all ages, regardless of immigration status.
- **Adult Acupuncture** as a Medi-Cal covered benefit.
- Continued funding for **Health Enrollment Navigators** at clinics, but not at other entities. This does not impact CalOptima Health's own reserve-funded grants for community enrollers.
- **Free Clinics Augmentation** funding.
- Nearly all funding for the **Multifamily Housing Program**.

In addition, the final budget includes \$230 million (\$115 million GF) for a new directed payment program for children's hospitals to support critically ill children.

Significant Adjustments to Programs

To address the projected budget shortfall, the final budget includes several adjustments in the form of delays, triggers and reductions to certain programs and legislation that has not been implemented. Key program adjustments include but are not limited to:

- \$39 million savings in the **Naloxone Distribution Project** from lower naloxone drug costs due to

Medi-Cal Rx, while adding \$8.3 million in special funds to expand the distribution of naloxone. This does not impact CalOptima Health's own reserve-funded naloxone distribution initiative.

- Reduced funding for **Equity and Practice Transformation (EPT) Program** payments by \$111.3 million, which will eliminate the remaining funding for the program but preserve funding previously included in the 2022 Budget Act.
- Reverts all unexpended funds for the **Clinic Workforce Stabilization & Retention Payment Program**.
- Reduces or eliminates funding for several elements of the **Children and Youth Behavioral Health Initiative (CYBHI)**, as follows:
 - » Eliminates funding for school-linked partnership and capacity grants for community colleges, University of California and California State University systems.
 - » Eliminates funding for the services and supports platform.
 - » Reduces funding for the public education and change campaign.
 - » Allows school districts to use a third-party administrator and/or managed care plans directly for billing related to the school-linked fee schedule.
 - » Despite overall reductions, allocates new funding to establish the **wellness coach** benefit, effective January 1, 2025, to provide wellness promotion, education, screening, care coordination, individual and group support, and crisis referral in school-linked settings and across the Medi-Cal behavioral health delivery system.
- Reduces some funding for state and local public health.
- Reverts \$450.7 million from the last round of the **Behavioral Health Continuum Infrastructure Program**, which leaves \$1.75 billion to support existing projects.
- Reduces and delays funding for **Behavioral Health Bridge Housing** by one year from FY 2024-25 until FY 2025-26.
- Ends continued funding for the **Medication Assisted Treatment** program, which funds startup grants for new treatment facilities.

Fiscal Year 2024-25 Enacted State Budget *(continued)*

Next Steps

State agencies, including DHCS, will begin implementing the policies included in the enacted budget. Staff will continue to monitor these policies and provide updates regarding issues that have a significant CalOptima Health impact. In addition, the Legislature will continue to advance policy bills through the legislative process. Bills with funding allocated in the enacted budget are more likely to be passed and signed into law. The Legislature has until August 31 to pass legislation, and Gov. Newsom has until September 30 to either sign or veto that passed legislation.

About CalOptima Health

CalOptima Health, a county organized health system (COHS), is the single plan providing guaranteed access to Medi-Cal for all eligible individuals in Orange County and is responsible for almost all medical acute services, including custodial long-term care. CalOptima Health is governed by a locally appointed Board of Directors, which represents the diverse interests that impact Medi-Cal.

If you have any questions, please contact GA@caloptima.org.



Student Behavioral Health Incentive Program (SBHIP) Progress Report – July 2024

Background

Serving public school children in grades TK–12, SBHIP was created by state law and is being implemented by the Department of Health Care Services (DHCS) over three years (January 1, 2022–December 31, 2024). Medi-Cal managed care plans across California are eligible for up to \$389 million in incentive payments for developing programs that increase access to preventive, early intervention and behavioral health services by school-affiliated behavioral health providers and meeting performance metrics associated with these programs. CalOptima Health has been allocated \$25 million.

Under the leadership of Carmen Katsarov, LPCC, CCM, Executive Director of Behavioral Health Integration, CalOptima Health has led the collaborative work with our SBHIP partners, including:

- Orange County Department of Education (OCDE) and all 29 Orange County public school districts
- Hazel Health
- CHOC
- Western Youth Services
- Orange County Health Care Agency

SBHIP Objectives

As part of participating in SBHIP, CalOptima Health is following the DHCS-defined objectives as we work alongside our partners to increase behavioral health staff, build capacity and add behavioral health infrastructure in schools. The SBHIP objectives are:

1. Breakdown silos and improve coordination of child and adolescent behavioral health services for those enrolled in Medi-Cal through increased communication with schools, school-affiliated programs, managed care providers, counties and mental health providers.
2. Address health equity gaps as well as inequalities and disparities in access to behavioral health services.
3. Increase the number of TK–12 students enrolled in Medi-Cal receiving behavioral health services provided by schools, school-affiliated providers, the county behavioral health department and county offices of education.
4. Increase non-specialty services on or near school campuses.

Program Status

In May 2023, the CalOptima Health Board of Directors approved the SBHIP funding plan and the associated programs to be implemented by our partner organizations. Over the past 14 months, work has progressed rapidly, and CalOptima Health has met DHCS milestones for reporting progress thus far. Please see the next page for key accomplishments by our partners to date.

SBHIP Partner Accomplishments

OCDE and All 29 Orange County School Districts

- Expanded behavioral health staff in 22 of the 29 school districts, resulting in an overall 17% increase in staffing across those districts combined.
- Planned the 2024 School-Based Mental Health Summit, themed “Cultivating Joy: Nurturing Emotional Wellness & Happiness,” taking place August 22, 2024.

Hazel Health

- Established a partnership with OCDE in January 2024, providing Hazel Health expertise as the largest telehealth solution offering online behavioral health services for K–12 schools.
- Launched Hazel’s Heart Program (telehealth counseling services for students at school or home) in 20 of the 29 Orange County public school districts, resulting in 296,850 students at 357 school campuses having access to telehealth services. In the first six months of operation, nearly 900 care inquiries were logged.

CHOC

- Opened the first of 10 SBHIP-funded WellSpaces at Marco Forster Middle School in the Capistrano Unified School District on May 3, 2024. The remaining nine SBHIP-funded WellSpaces are scheduled to open by yearend.
- Expanded SBHIP-funded services delivered by CHOC’s Mental Health Crisis Clinic to encompass a short-term stabilization program. The program provides a bridge from emergency care to outpatient care.
- Implemented a School Reintegration Program, a service that helps children transition back to school after a mental health crisis. With family consent, this program served 101 children between March and May 2024.
- Hired a psychologist who is providing consultative support for the deaf and hard of hearing program. The psychologist is developing training for CHOC providers to increase knowledge of best practices for serving youth who are deaf and hard of hearing and is offering no-cost consultative services for schools for the deaf and other educational programs serving this population.
- Developing a pilot program, Autism Comprehensive Care Program, to serve students between the ages of 12–17 with autism and acute/severe mental health concerns, such as depression, suicidal ideation, anxiety, etc. The pilot is projected to start in fourth quarter of 2024.

Western Youth Services

- Designing on-demand school-based mental health training modules to be accessible through a learning management system. Launching late July 2024, the library and training will encompass workshops covering the topics that the school districts identified as areas of need, including but not limited to:
 - Chill Skills – Stress Busters for Kids and Teens
 - Creating Safe Schools and Spaces for LGBTQIA+ Youth
 - Exploring Mindfulness
 - Triage, Coordination and Tiered Support: Optimizing Data-Driven Mental Health Services in Schools
 - Empowering Practical Cognitive Behavioral Techniques

WYS will also provide ongoing consultative support to schools’ behavioral health staff.

Orange County Health Care Agency (HCA)

- Selected an external platform, CHORUS, to improve data exchange among CalOptima Health, HCA and the county Mental Health Plan. CalOptima Health and HCA staff conduct the screenings and enter the information into CHORUS, enabling viewing of the referral information in real time and leading to more efficient care for CalOptima Health members.