

**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
PROVIDER ADVISORY COMMITTEE**

**THURSDAY, FEBRUARY 14, 2019
8:00 A.M.**

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

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committee may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda.

Information related to this agenda may be obtained by contacting the CalOptima Clerk of the Board at 714.246.8806 or by visiting our website at www.caloptima.org. In compliance with the Americans with Disabilities Act, those requiring special accommodations for this meeting should notify the Clerk of the Board's office at 714.246.8806. Notification at least 72 hours prior to the meeting will allow time to make reasonable arrangements for accessibility to this meeting.

I. CALL TO ORDER

Pledge of Allegiance

II. ESTABLISH QUORUM

III. APPROVE MINUTES

A. Approve Minutes of the December 13, 2018 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

IV. PUBLIC COMMENT

At this time, members of the public may address the Committee on general topics. Public Comment on posted item(s) will follow staff presentation of the item(s) to the Committee. If you wish to speak on an item contained in the agenda, please complete a Public Comment Request Form(s) identifying the item(s) and submit the form to the assistant to the PAC. When addressing the Committee, it is requested that you state your name for the record. Please address the Committee as a whole through the Chair. Comments to individual Committee members or staff are not permitted. Speakers will be limited to three (3) minutes.

V. REPORTS

None

VI. CEO AND MANAGEMENT REPORTS

- A. [Chief Executive Officer Update](#)
- B. Chief Operating Officer Update
- C. Chief Medical Officer Update
- D. Chief Financial Officer Update
- E. Network Operations Update
- F. Federal and State Legislative Update

VII. INFORMATION ITEMS

- A. Opioid Crisis Update
- B. Health Homes Program Update
- C. State Budget Update
- D. Update on Dental Initiatives
- E. PAC Member Updates

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' PROVIDER ADVISORY COMMITTEE

December 13, 2018

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, December 13, 2018, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

John Nishimoto, O.D., PAC Chair, called the meeting to order at 8:04 a.m. Member Lazo-Pearson led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: John Nishimoto, O.D., Chair; Teri Miranti, Vice Chair; Anjan Batra, M.D. (at 8:10 a.m.); Donald Bruhns; Theodore Caliendo, M.D.; Steve Flood; Jena Jensen (at 8:50 a.m.); Junie Lazo-Pearson, Ph.D.; Craig Myers; Mary Pham, Pharm.D., CHC; Jacob Sweidan, M.D.

Members Absent: Brian Lee, Ph.D.

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Greg Hamblin, Chief Financial Officer; Candice Gomez, Executive Director, Program Implementation; Michelle Laughlin, Executive Director, Network Operations; Arif Shaikh, Director, Government Affairs; Pallavi Patel, Director, Process Excellence; Cheryl Meronk, Director, Strategic Development; Thanh-Tam Nguyen, M.D., Medical Director; Cheryl Simmons, Staff to the PAC

MINUTES

Approve the Minutes of the September 13, 2018 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: On motion of Vice Chair Miranti, seconded and carried, the Committee approved the minutes of the September 13, 2018 meeting. (Motion carried 9-0-0; Member Lee absent)

Approve Minutes of the October 11, 2018 Special Joint Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC) and the Provider Advisory Committee (PAC)

Action: On motion of Member Myers, seconded and carried, the Committee approved the minutes of the October 11, 2018 meeting as presented. (Motion carried 9-0-0; Member Lee absent)

PUBLIC COMMENTS

Pamela Pimentel, MOM's of Orange County, Oral re: Service on PAC

CEO AND MANAGEMENT REPORTS

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, reported that at their December 6, 2018 meeting, the CalOptima Board of Directors approved the allocation of up to \$11.4M from Board-approved Intergovernmental Transfer (IGT) 5 Adult and Children Mental Health priority area funds for enhanced services to be provided to CalOptima Medi-Cal members at the Be Well Wellness Hub. The Wellness Hub must accept all CalOptima members for at least the first five years of operation or later if all the funds have not been exhausted by that date. The remaining \$3.4M in IGT 5 funds will be allocated by the Board for community grants consistent with state-approved funding categories.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, updated the committee on the Whole-Child Model (WCM) postponement. She noted that member notification of the implementation delay is ongoing. To date, seven health networks have met the provider network adequacy standards; four require additional contracts and two have eight to nine deficiencies.

CalOptima is also outreaching to members who have Medicare Part B in order to check their eligibility for Medicare Part A. An update on the Program of All-Inclusive Care for the Elderly (PACE) program was provided, and it was noted that the Department of Health Care Services (DHCS) issued guidance to County Organized Health Systems (COHS) on rules to assist with approving non-COHS PACE providers.

Chief Medical Officer Update

David Ramirez, M.D., Chief Medical Officer, introduced Thanh-Tam Nguyen, M.D. as the Medical Director for the Whole-Child Model program. Dr. Ramirez also discussed the Pay for Value (P4V) incentives.

Chief Financial Officer Update

Greg Hamblin, Chief Financial Officer, reported that CalOptima anticipates that the Fiscal Year (FY) 2019/200 rates from the state will be released in March or April of 2019. He also noted that CalOptima had recently paid over \$100M back to the DHCS related to the 85%, Medical Loss Ratio (MLR) requirements related to the Medi-Cal expansion population. Mr. Hamblin also

discussed the possibility that the Centers for Medicare & Medicaid Services (CMS) may look at rate setting based on encounters/visits and noted that accurate submittal of patient encounters will be extremely important going forward.

Network Operations Update

Michelle Laughlin, Executive Director, Network Operations, discussed Medi-Cal enrollment by physicians and noted that at their November 1, 2018 meeting, the Board of Directors authorized CalOptima to continue to contract with non-Medi-Cal enrolled providers through June 30, 2019. To be eligible, each provider must provide proof of submittal of enrollment documentation to the DHCS prior to January 1, 2019. The Board also authorized Letters of Authorization (LOA) with non-Medi-Cal enrolled specialist providers as required for access to services or continuity of care for members through December 31, 2019.

Federal and State Legislative Update

Arif Shaikh, Director, Government Affairs, reviewed November 6, 2018 election results related to the Orange County legislative delegation.

INFORMATION ITEMS

Whole-Child Model Update

Pallavi Patel, Director, Process Excellence, provided a brief update on the Whole-Child Model postponement and noted that additional information is anticipated during the week of January 7, 2019, and staff will solicit input from the advisory committees when this new information is released. The PAC will hold a special meeting at 8:00 a.m. on Tuesday, January 15, 2019 to review CalOptima's proposed implementation plan.

Intergovernmental Transfer Funds (IGT) 8 and 9 Update

Cheryl Meronk, Director, Strategic Development, presented an update on IGT 8 and 9 funding. Funds for IGT 8, which total approximately \$43M, are expected to be received during the second quarter of 2019. IGT 9, which totals approximately \$42M, has been delayed per DHCS, and a timeline for the funding has not yet been provided. As with all IGTs, IGT 8 and 9 funding must be used for Medi-Cal members. However, rather than being used exclusively for enhanced benefits for existing beneficiaries, these funds must be used for Medi-Cal covered services that are included in CalOptima's DHCS contract. Ms. Meronk reviewed the requirements CalOptima must meet in order to receive IGT funding and noted that the IGT program is subject to change or could face possible elimination from DHCS. Ms. Meronk also noted that proposed expenditure plans for IGT funds will be vetted through the advisory committees and other stakeholder groups.

Children's Hospital of Orange County (CHOC) Pediatric and Adolescent Mental Health Initiative

PAC Traditional/Safety Net Representative Jena Jensen, Chief Government Relations Officer, CHOC, presented an overview of the new CHOC mental health unit for adolescents.

PAC Member Updates

Chair Nishimoto noted that nominations for the Hospital and Nurse Representatives would open in January and asked the PAC members to assist with the recruitment. The selected applicants would fill the remaining term in each seat. The Hospital Representative would serve through June 30, 2020, and the Nurse Representative would serve through June 30, 2021.

ADJOURNMENT

There being no further business before the Committee, Chair Nishimoto wished everyone a happy holiday and adjourned the meeting at 10:05 a.m.

Cheryl Simmons
Project Manager/Staff to the PAC

MEMORANDUM

DATE: February 7, 2019
TO: CalOptima Board of Directors
FROM: Michael Schrader, CEO
SUBJECT: CEO Report
COPY: Suzanne Turf, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee; and Whole-Child Model Family Advisory Committee

Whole-Child Model (WCM) Provider Network Gains Preliminary Approval

Great news! CalOptima received preliminary approval of our WCM provider network. This success is a testament to CalOptima staff and leaders at our delegated networks who responded quickly and effectively to comply with the revised network adequacy standards released by the Department of Health Care Services (DHCS) in November. CalOptima will be submitting contract signature pages by March 1, and DHCS has stated that it will provide final approval of the networks' participation by March 15. To keep stakeholders informed about our ongoing progress toward WCM implementation on July 1, CalOptima held two special meetings with the Provider Advisory Committee and the WCM Family Advisory Committee.

CalOptima Featured in Be Well OC Regional Mental Health and Wellness Campus Debut

On January 29, Orange County learned about the public-private partnership focused on changing our community's mental health system of care. The County of Orange approved a \$16.6 million investment in the Be Well OC Regional Mental Health and Wellness Campus. This joins CalOptima's commitment of \$11.4 million for services in the new facility as well as \$12 million from Kaiser and St. Joseph Hoag Health. The campus aspires to create a new approach to mental health care that brings together a range of services from prevention and early intervention to acute care and recovery. Construction of the 60,000-square-foot facility begins in the spring. CalOptima participated in the initial press conference announcing the campus, and we anticipate further coverage as news of this first-of-its-kind facility travels.

Supervisor Doug Chaffee Appointed as Alternate CalOptima Board Member

As the new supervisor for Orange County's Fourth District, Doug Chaffee was appointed by Chairwoman Lisa Bartlett to serve as the alternate on CalOptima's Board of Directors, effective January 29. Bartlett also reappointed Supervisors Andrew Do and Michelle Steel as CalOptima Board members. Prior to Supervisor Chaffee's appointment, I met with him to share an overview of CalOptima, including our history, membership and programs. Supervisor Chaffee expressed his appreciation for CalOptima's service to the 180,000 members in his district.

California Governor Sets Out Ambitious Health Care Platform

Gov. Gavin Newsom began his term on January 7, and right away, he made it clear that health care would be a central focus of his administration's agenda. He announced a plan to expand Medi-Cal to cover undocumented young adults, proposed a statewide individual health insurance

mandate and issued an executive order to consolidate pharmacy purchasing to lower drug costs. As you know, he campaigned on a universal health care platform, so his proposals signal he intends to work diligently toward changes that address gaps in coverage, access and cost. Given the scope and significance of the governor's early effort, CalOptima is planning on extensive advocacy work alongside our associations to ensure the interests of our members are considered.

Proposed State Budget Signals Changes in Health Care Landscape

On January 10, Gov. Newsom released his FY 2019–20 state budget proposal, which provides additional detail regarding his ambitious health policy agenda. One of the most impactful elements of this agenda is the carve-out of prescription drugs from Medi-Cal managed care and the return of this benefit to a fee-for-service model no sooner than January 1, 2021, as part of an overall plan to boost the state's negotiating power with pharmaceutical companies. Despite the information in the budget proposal, many aspects of this transition are yet to be defined, and we plan to engage our associations to influence this potentially major change. Separately, regarding the proposed expansion of Medi-Cal to approximately 138,000 undocumented individuals ages 19 through 25, the budget includes the expected cost of \$260 million in FY 2019–20. Further, the budget proposes to maintain existing Prop. 56 supplemental payments to providers and create new programs funded by these revenues, which total \$3.2 billion for FY 2019–20. One new Prop. 56 program would establish incentives for providers to increase or improve services in high-impact areas, such as behavioral health, prenatal/postpartum care or chronic disease management. Both the expansion of Medi-Cal and the Prop. 56 changes would require legislation to implement. Further, these changes are predicated on the new administration's expectation that the state's economy will experience moderate growth in the next fiscal year. The governor's May Revise could include adjustments based on an updated economic outlook or potential federal policy changes.

Texas Affordable Care Act (ACA) Ruling Raises Questions About Stability of the Law

As was widely reported, a federal judge in Texas issued a ruling in December that could impact the future of the ACA. Specifically, he found that the ACA is unconstitutional based on the removal of the individual mandate tax penalty. The ACA drove the expansion of Medi-Cal and thus CalOptima's growth in membership since 2014. That said, the ruling is far from final, and government officials and legal experts expect an appeal will likely reach the U.S. Supreme Court. Until appeals are resolved, the Texas judge granted a stay, so the law is unchanged for our Medi-Cal expansion members. CalOptima will advocate through our state and national trade associations to ensure the stability of the ACA.

Homeless Health Is the Central Topic of Meetings With County Leaders

In January, CalOptima participated in key meetings addressing homeless health:

- **Judge David O. Carter:** Supervisor Andrew Do, Orange County Health Care Agency Director Richard Sanchez and I met with Judge Carter to discuss CalOptima's activities in homeless health given Orange County's ongoing homeless crisis.
- **County Agencies:** CalOptima and county leaders, including representatives from the Health Care Agency, Social Services Agency and Office of Care Coordination, met twice in January to tackle issues related to improving services for our community's homeless population. The first meeting clarified the resources available from the county and CalOptima. The second meeting focused on how to deliver physical health to homeless individuals where they are.

As a result of the meetings with the county and the judge, staff are developing proposals in collaboration with stakeholders to address the gaps in the system that separate members who are homeless from the health care they need. While the current delivery system does not work for them, there is no single alternative solution. Thus, CalOptima is exploring a flexible, multipronged approach. Our proposals center on enhanced same-day transportation, increased use of mobile clinics at shelters and clinical field teams that deliver care on the street when necessary. An Information Item at your Board meeting this month will provide additional details.

CalOptima Requests Flexibility in Start Date for Health Homes Program (HHP)

HHP is designed to serve Medi-Cal members with multiple chronic conditions who may benefit from enhanced care management and coordination. At this time, CalOptima is slated to participate in the HHP starting July 1, 2019, which is the same go-live date as the WCM transition. Our regulatory team recently asked DHCS officials if there is any flexibility around that date due to the overlap and associated demands on staff and health networks. Additionally, DHCS provided guidance requiring modifications to our proposed approach to HHP using the delegated model. CalOptima expects feedback on the issue of timing and our HHP model during an upcoming conference call with the state.