

# CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

## Action To Be Taken December 5, 2024

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

#### Report Item

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

#### Contacts

Veronica Carpenter, Chief Administrative Officer, (657) 900-1161

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#### Recommended Actions

Contingent upon and effective immediately following a second reading and majority vote of the Orange County Board of Supervisors to adopt an amendment to Section 4-11-2 of the Codified Ordinances of the County of Orange to remove the prohibition on CalOptima Health's participation in Covered California, enact the following:

1. Approve the scopes of work related to the following Covered California consulting support contracts:
  - a. Strategic Advice and Qualified Health Plan Application Support;
  - b. Actuarial Support for Financial Projections and Rate Development; and
  - c. Operational Implementation Support and Project Management;
2. Approve the release of a request for proposals related to the Operational Implementation Support and Project Management contract;
3. Make exceptions to CalOptima Health Policy GA.5002: Purchasing and authorize the Chief Executive Officer, or designees, to execute the following contracts and/or contract amendments with the designated vendors without competitive procurement:
  - a. Strategic Advice and Qualified Health Plan Application Support with Health Management Associates, Inc. through a contract amendment; and
  - b. Actuarial Support for Financial Projections and Rate Development with Milliman, Inc. through a new direct contract;
4. Approve the creation of a restricted Covered California Start-up Reserve Fund in the amount of \$4.75 million from existing reserves to fund Covered California start-up costs through December 31, 2026.

#### Background

On August 1, 2024, the CalOptima Health Board of Directors (Board) authorized the Chief Executive Officer (CEO) to convene a stakeholder steering committee comprised of key external partners and providers to discuss considerations for potential participation in Covered California. In addition, the Board authorized staff to conduct stakeholder listening sessions and other presentations to solicit feedback from broader partners and the community at large. Subsequently, CalOptima Health leadership and staff convened the Covered California Stakeholder Steering Committee (Committee) and engaged with the Committee, providers, community members and other key stakeholders through several forums and channels. Specifically, the Committee has now convened on four separate occasions and has discussed timeline, resource needs, and licensure milestones.

Based upon the positive and informative feedback received through external engagement efforts, on October 3, 2024, the Board directed the CEO to request the Orange County Board of Supervisors (BOS) to amend CalOptima Health's governing ordinance to remove the prohibition on participation in Covered California. The BOS is scheduled to consider a first and second reading of an amended ordinance on December 3 and 17, respectively.

At the same meeting on October 3, 2024, the Board adopted formal guiding principles to inform CalOptima Health's participation in Covered California, and also authorized the continued regular convening of the Committee to inform ongoing operational and regulatory considerations. The seven guiding principles are as follows:

1. Through Covered California 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 California market in Orange County.
3. Consistently engage external stakeholders on an ongoing basis to inform the design, development and implementation 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 California participation.
6. Start small, and target individuals and families churning on and off Medi-Cal coverage.
7. Ensure network adequacy to support access and availability to care for our members.

### **Discussion**

Pending a successful vote to adopt an amended ordinance by the BOS, CalOptima Health will require initial consulting contracts to facilitate and support implementation of a Covered California program ahead of a planned market entry date of January 1, 2027. The Covered California program necessitates the creation and operation of individual market health plans, which requires CalOptima Health to start a new line of business within its existing infrastructure.

The three requested contracts in this Board action represent the professional services needed to assist with developing the new Covered California line of business. The objectives included in the requested scopes of work (SOWs) include preliminary deliverables that must be completed for the Board to assess the business viability and advisability of program launch. The costs outlined below represent the estimated costs for professional services through the start-up period, up to and including the first open enrollment period and planned go-live on January 1, 2027, up to a total of \$4.75 million. In Fiscal Year (FY) 2024-25, CalOptima Health expects to spend an estimated \$1.1 million to conduct the upfront assessments and analyses needed to inform development of the program. Costs estimated for FY 2025-26 and FY 2026-27 represent support for project management, implementation, and ongoing support for operationalizing the new program.

<b>Contracted Support Estimated Costs</b>	<b>3-Year Investment</b>
Strategic Advice and Qualified Health Plan (QHP) Application Support	<b>\$250,000</b>
Actuarial Support for Financial Projections and Rate Development	<b>\$1,500,000</b>
Operational Implementation Support and Project Management	<b>\$3,000,000</b>
<b>TOTAL</b>	<b>\$4,750,000</b>

More information about the procurement approaches and SOWs associated with the three requested contracts can be found in each subsection below. The three SOWs are also attached in full and provide additional detail on the services that would be utilized. No requested actions related to these procurements or contracts will be taken until the BOS has successfully voted to adopt an amended ordinance.

**Strategic Advice and QHP Application Support**

The strategic advice and QHP application support consultant will provide specific subject matter expertise to CalOptima Health to help guide leadership and the Board throughout the development of the new product line and the submission of the QHP application to Covered California. The consultant selected for this contract needs to bring experience gained from assisting other local Medi-Cal plans with developing Covered California products and with successfully completing the QHP application and contract negotiation process. Deliverables over the start-up period are as follows:

<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<ul style="list-style-type: none"> <li>• Network strategy</li> <li>• QHP Application requirements inventory</li> <li>• QHP contract and Knox-Keene Act requirements side-by-side analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Knox-Keene Act licensure filing expertise</li> <li>• QHP Application support</li> </ul>	<ul style="list-style-type: none"> <li>• QHP Application and contract support</li> </ul>

For this contract, staff requests an exception to CalOptima Health Policy GA.5002: Purchasing, Section II.C.3, which requires a formal procurement for purchases of non-medical professional services and other contracts where the expected cost is estimated to be more than \$250,000. CalOptima Health staff request approval to utilize a contract amendment to the existing contract with Health Management Associates, Inc. (HMA) to expand the scope and extend the timeframe of the contract without competitive procurement. Given that CalOptima Health is already contracted with HMA for strategic advice on growth opportunities, including Covered California, this amended contract would augment HMA’s activities to focus on Covered California market entry strategy through the full start-up period ending December 31, 2026. The HMA team that would be included also supported Inland Empire Health Plan (IEHP) and L.A. Care Health Plan (L.A. Care) in implementing their Covered California products.

**Actuarial Support for Financial Projections and Rate Development**

Additional actuarial support with specific expertise in the individual market is required to support CalOptima Health with upfront and ongoing work necessary to develop and operate a QHP product.

The actuarial support services contractor will develop medical, pharmacy, and dental preliminary capitation rates, a 5-year financial performance pro forma, and all actuarial work necessary up to and including the final rate filing for market entry in Covered California. This support is necessary to develop provider reimbursement rates and financial projections to support the development of the CalOptima Health provider network and to inform stakeholders and the Board on the financial investments and performance expected through this new line of business. Deliverables over the start-up period are as follows:

FY 2025	FY 2026	FY 2027
<ul style="list-style-type: none"> <li>• Initial rates for medical, dental, and pharmacy benefits</li> <li>• Actuarial portions of the individual product filings</li> <li>• 5-year financial projections</li> </ul>	<ul style="list-style-type: none"> <li>• Updated rates</li> <li>• Rate filings</li> <li>• Updated financial projections</li> </ul>	<ul style="list-style-type: none"> <li>• Updated rates</li> <li>• Rate filings</li> <li>• Updated financial projections</li> </ul>

For this contract, staff requests an exception to CalOptima Health Policy GA.5002: Purchasing, Section II.C.3, which requires a formal procurement for purchases of non-medical professional services and other contracts where the expected cost is estimated to be more than \$250,000. CalOptima Health requests approval to directly contract with Milliman, Inc. without competitive procurement for Covered California actuarial support services consistent with CalOptima Health’s current approach to actuarial support services provided by Milliman, Inc. for other lines of business.

**Operational Implementation Support and Project Management**

Development of a new line of business will have impacts across all CalOptima Health operational areas and will require a consultant to manage the overall readiness and operational implementation across the organization throughout the start-up period. The consultant will conduct a detailed gap analysis to identify capabilities that can be leveraged for Covered California, as well as gaps in people, processes, and technology that will require investment. This activity will assist CalOptima Health with developing a clear Information Technology (IT) roadmap and staffing plan for the new line of business. This consultant will also provide ongoing project management support for the implementation projects identified through the detailed gap analysis and roadmap development. Deliverables over the start-up period are as follows:

FY 2025	FY 2026	FY 2027
<ul style="list-style-type: none"> <li>• Detailed gap assessment and plan to close gaps</li> <li>• Vendor solution identification assistance</li> <li>• Detailed implementation roadmap and project plan</li> <li>• Operational workflow development</li> <li>• Lessons learned from IEHP and L.A. Care related to Covered California product implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Project management support across all core operations and IT system implementation</li> <li>• Support for initial Open Enrollment Period operations and troubleshooting</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation support for product launch and stabilization</li> </ul>

For this contract, CalOptima Health will use a competitive procurement process to identify a contractor consistent with CalOptima Health Policy GA.5002: Purchasing. Following the release of the request for proposals authorized by this Board action, staff will return to a future Board meeting in spring of 2025 to request approval of a contract with the recommended vendor resulting from the competitive procurement process.

**Funding Requests**

Pending a successful vote to adopt an amended ordinance by the BOS, this Board action will create a restricted Covered California Start-up Reserve Fund in the amount of \$4.75 million. This amount will fund the full terms of the above three professional contracts through December 31, 2026, to secure the necessary expertise and ensure continuity to support a successful product launch. Of note, staff is bringing a separate Board action to this meeting requesting additional funding for legal services related to Knox-Keene licensure activities, also subject to the BOS approval of the amended ordinance.

Staff will return to the Board in June 2025 with a funding request for remaining start-up costs that will encompass additional contracted support, systems implementation contracts, and staffing costs necessary for product launch, estimated to be no earlier than January 1, 2027. In June 2025, staff will also seek approval from the Board to continue to pursue launching a Covered California line of business and the submission of the Knox-Keene Act licensure filing.

**Fiscal Impact**

An allocation of up to \$4.75 million from existing reserves will fund this action through December 31, 2026.

**Rationale for Recommendation**

The recommended actions will allow CalOptima Health to procure the necessary professional services to develop a new Covered California line of business.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

1. Proposed SOW for Strategic Advice and QHP Application Support
2. Proposed SOW for Actuarial Support for Financial Projections and Rate Development
3. Proposed SOW for Operational Implementation Support and Project Management
4. Entities Covered by This Recommended Action

/s/ Michael Hunn  
**Authorized Signature**

11/27/2024  
**Date**

## **DRAFT Scope of Work Professional Services and Consultant Support for CalOptima Health's Qualified Health Plan (QHP) Application Submission**

### **1.1 Project Objectives**

CalOptima is interested in becoming part of Covered California to ensure that more Orange County residents have access to affordable health insurance coverage and health care when they are not eligible for Medi-Cal. CalOptima is seeking a consultant to provide comprehensive and strategic guidance on business strategy and regulatory requirements for the Qualified Health Plan (QHP) Application submission process, Knox-Keene Act licensed plan requirements, and the QHP contract needed for market participation in Covered California.

### **1.2 Provider Network Design Strategic Support**

Provide strategic advice related to the development of the contracted provider network for the Covered CA line of business.

- 1.2.1 Covered CA product network design considerations.
- 1.2.2 Quality requirements and contracting considerations.
- 1.2.3 Market intelligence.
- 1.2.4 Division of Financial Responsibility.
- 1.2.5 QHP Application network submission.

### **1.3 Comprehensive Strategic Support and Guidance Related to QHP Application, Contract, and Knox-Keene Act Licensed Plan Requirements**

Provide strategic advice related to meeting the regulatory requirements for participation in Covered California throughout the application process and rate negotiations.

- 1.3.1 Knox-Keene Act licensed plan and QHP contract requirements.
- 1.3.2 QHP Application requirements.
- 1.3.3 Quality components of Knox-Keene Act licensure and the QHP contract, including quality transformation requirements, measurement requirements, reporting, and penalties.
- 1.3.4 Benefit plan designs, provider network, special enrollment documents, member materials (EOC, Schedule of Benefits, Member ID), provider or administrative service contract(s) unique to Exchange etc. (i.e., billing/premium collection, pediatric dental).

## **DRAFT Scope of Work Professional Services and Consultant Support for CalOptima Health's Qualified Health Plan (QHP) Application Submission**

- 1.3.5 CMS Health Insurance Oversight System (HIOS) Filings: Benefit Plan Designs, Drug Formulary, and Plan Management filings.
- 1.3.6 Regulatory rate filings done through the System for Electronic Rate and Form Filing (SERFF) of the National Association of Insurance Commissioners (NAIC).

### **1.4 QHP Application Submission Review**

Review licensure and QHP Application filing documents for completeness and compliance as needed. Provide advice and suggest changes to help ensure successful QHP certification.

- 1.4.1 Review QHP certification application materials and provide consultation, as requested.
- 1.4.2 Review licensure application materials and provide consultation, as requested.
- 1.4.3 Review benefit plan designs, provider network, special enrollment documents, member materials (EOC, Schedule of Benefits, Member ID), and other key regulatory filings, and provide consultation as requested.
- 1.4.4 By April 30, 2026, assist with completing QHP certification filings to secure Covered California approval for benefit plans commencing January 1, 2027, including rate negotiations.

### **1.5 Strategic Advice Related to Operational Requirements and Timeline**

Provide strategic advice on operational requirements that must be met by CalOptima Health to complete the QHP application to enroll and serve Covered California enrollees for benefits starting January 1, 2027.

- 1.5.1 Infrastructure, plan management and staffing (CalHEERS testing/interface, member effectuation and reconciliation, call center, key plan functions, compliance program).
- 1.5.2 Financial (rate development, billing/collection, accumulator, risk-adjustment).
- 1.5.3 Member-related (enrollment, effectuation, communication, policies/procedures, customer service standards, access to care, quality/value).
- 1.5.4 Provider-related (network adequacy/stability, essential community providers, access for rural and traditionally underserved populations, special rules governing American Indians and Alaskan Natives).
- 1.5.5 Certified agents (Appointment, Agent of Record delegation, compensation, training, and communication).



## **DRAFT Scope of Work Professional Services and Consultant Support for CalOptima Health's Qualified Health Plan (QHP) Application Submission**

- 1.5.6 Marketing and advertising (Co-branding, filings, and reporting)
- 1.5.7 Customer service standards (Capacity and turn-around requirements, training and communication, self-monitoring, and reporting).
- 1.5.8 Training and communication (Members, staff, certified agents, provider network, contractors, and vendors).
- 1.5.9 Quality improvement and disparities reduction programs.
- 1.5.10 Open enrollment and special enrollment periods.
- 1.5.11 Transparency and reporting (claims payment policies and practices, periodic financial disclosures, enrollment, disenrollment, claims denials, appeals, rating practices, cost-sharing, payments with respect to any out-of-network coverage, and Enrollee rights).

### **1.6 Responsibilities are specified below:**

- 1.6.1 Complete all deliverables (refer to section E for detailed list).
- 1.6.2 Be available and prepared for meetings (both virtually and in person at CalOptima Health's offices).
- 1.6.3 Provide a consultant representative to be available via telephone or email to respond to CalOptima Health's questions or concerns within one business day.
- 1.6.4 Coordinate activities and tasks needed to meet regulatory requirements and provide oversight.
- 1.6.5 Provide a monthly status summary of progress toward deliverables.
- 1.6.6 Provide documentation and requested deliverables pursuant to the scope of work on time and on budget.

### **1.7 CalOptima Responsibilities**

CalOptima Health will provide necessary resources and management involvement to support the delivery of service to perform within an agreed upon timeframe.

- 1.7.1 Be available for interviews/questions and meetings.
- 1.7.2 Make staff available for project collaboration.
- 1.7.3 Supply artifacts required to meet the scope of work objectives.
- 1.7.4 Provide feedback on all resources.

**DRAFT Scope of Work Professional Services and Consultant Support for CalOptima Health’s  
Qualified Health Plan (QHP) Application Submission**

**1.8 Deliverables**

<b>No.</b>	<b>Deliverable</b>	<b>Purpose of Deliverable</b>	<b>Format, if applicable</b>	<b>Time Frame</b>
1	Network Strategy	Strategic advice on the design of the CalOptima Health Covered CA provider network	PowerPoint presentations, Network documents	Complete by February 28, 2025
2	Comprehensive Summary of QHP Application Requirements and Timeline	Inventory all regulatory filing and QHP application requirements that must be met by the plan to obtain approval as a QHP carrier and issuer.	Word or Excel file	Complete by April 30, 2025
3	Detailed Side-by-Side Analysis	Provide a detailed side-by-side analysis of Knox Keene licensed plan requirements and QHP contract requirements, identifying what standards must to met as well as reporting requirements.	Word, Excel, or PowerPoint file	Complete by April 30, 2025
4	Knox Keene Licensure Filing Subject Matter Expertise	Review of specific licensure filing documents as needed.	Word, Excel	Complete by December 31, 2025
5	QHP Application Support	Strategic advice and document review to support the QHP Application and negotiation process	PowerPoint presentations, meeting attendance	Complete by September 30, 2026

# SOW Actuarial Services for Participation in Covered California

## SECTION 1 - SCOPE OF WORK

### 1.1 Project Objectives

CalOptima Health plans to join the Covered California market for the 2027 plan year. CalOptima intends to ensure that more Orange County residents have access to affordable health insurance coverage and quality care when they are not eligible for Medi-Cal.

### 1.2 Scope of Work

CalOptima is seeking development of medical, pharmacy, and dental preliminary capitation rates, a 5-year financial performance pro forma, and all actuarial work necessary up to and including the final rate filing for market entry in Covered California for plan year 2027. The selected consultant will provide the following services.

#### 1.2.1 Delegated group and specialty subcontractor preliminary capitation rate development

- A. Create a range of reasonable professional and institutional capitation rates based on market intelligence of Orange County's prevailing rates.
- B. Create a range of reasonable specialty plan subcontractor rates (if not given) for pharmacy and dental benefits in the Orange County market.
- C. With input from CalOptima Health staff, propose a draft commercial division of financial responsibility (DOFR) for medical benefits.
- D. Using the draft commercial DOFR, build up preliminary cap pricing by DOFR line item including utilization and unit cost assumptions.

#### 1.2.2 5-year financial performance pro forma

Based on reasonable actuarially sound assumptions, create a working model with projections that CalOptima Health may use to set expectations with stakeholders, be used as a financial road map for staff to inform the budget process, and fulfill necessary regulatory filings including but not limited to support the "material modification" in submission of the QHP.

#### 1.2.3 Areas of Focus:

- A. Benefit plan designs,
- B. Relative risk adjustment that influences final net premium revenues (transfer payment projections) and factors that influence utilization assumptions,

## **SOW Actuarial Services for Participation in Covered California**

- C. Likely mix of membership including metal tier distribution,
- D. Non-claim expense assumptions including taxes and fees

### **1.3 CY 2027 Covered California rate development and final rate filing**

Ensure timely, accurate, filing for all actuarial work in support of plan year 2027 rate documents.

- 1.3.1 Assemble a project plan from data collection to submission, including required deliverables from CalOptima Health staff to meet plan year 2027 benefit, actuarial value, and rate filing requirements.
- 1.3.2 Identify and collect from CalOptima Health staff needed information required to generate a first pass of premium rate projections. Information will include expected population counts, demographics, historical experience under Medi-Cal, expected provider network design (e.g., subcontractor, delegated, risk-bearing subcontracted entity, direct), expected provider network contractual rate arrangements, etc.
- 1.3.3 Creation of a first pass of rate projections, including development of preliminary network and demographic assumptions based on market intelligence with sufficient detail for review with CalOptima Health staff.
- 1.3.4 Based on feedback following the first pass, create a second pass of rate projections with needed network or medical management changes required to meet targeted premium rates. Implement additional iterations as needed.
- 1.3.5 Assemble, submit, and certify the final plan year 2027 rate filing documents for submission to Covered California and DMHC.
- 1.3.6 Document and report out all assumptions and methodologies used to develop the rate filing.
- 1.3.7 Engage in Covered California rate discussions and negotiations with regulators as necessary.

### **1.4 Annual support of financial operations post go-live**

Provide support for reviews and audits of materials supplied by contractor to Covered California and regulators as needed.

### **1.5 Contractor Responsibilities:**

- 1.5.1 Provide all deliverables.
- 1.5.2 Be available and prepared for Covered California filing meetings (both virtually and in person at CalOptima Health's offices).

## SOW Actuarial Services for Participation in Covered California

- 1.5.3 Provide a representative that be available via telephone or email to respond to CalOptima Health’s questions or concerns within one business day.
- 1.5.4 Coordinate activities and tasks needed to meet regulatory requirements and provide oversight.
- 1.5.5 Provide a monthly status summary of progress toward deliverables.
- 1.5.6 Provide documentation and requested deliverables pursuant to the scope of work on time and on budget

### 1.6 CalOptima Responsibilities

CalOptima Health will provide necessary resources and management involvement to support Contractor’s delivery of services. Staff will be available for interviews, meetings, and project collaboration.

### 1.7 Deliverables

No.	Deliverable	Purpose of Deliverable	Format, if applicable	Time Frame
1	Initial fully capitated rates for medical, dental, and pharmacy benefits by metal benefit tier and age/sex band.	For planning.	MS Excel	Complete by February 28, 2025
2	5-year financial projections including all financial statements and calculations of tangible net equity.	For planning and satisfaction of regulatory interest in the financial position of CalOptima Health.	MS Excel including as determined by Covered CA and regulators	Complete by March 30, 2025
3	Actuarial portions of the individual product filings to Covered California including resubmissions as needed.	Necessary for the approval of a CalOptima Health individual Covered California product offering on the exchange.	As determined by Covered CA and regulators	Complete by December 31, 2025

### 1.8 Minimum Qualifications

- 10 years in actuarial healthcare consulting business
- At least one assigned staff member qualified under applicable laws and regulations to make certified statements of actuarial opinion
- 5 years of experience assisting health plans with requirements related to the rate filing process to Covered California

## **SOW Actuarial Services for Participation in Covered California**

### **1.9 Pricing**

Provide pricing per deliverable, and include hourly rates for post go-live support.

### **1.10 Staff Requirements**

1.10.1 Provide names and titles of staff that will be involved with the project.

1.10.2 Identify working hours and time zones of staff assigned to the project.

1.10.3 Provide evidence of past engagement for assigned staff in:

- A. An initial Covered California product launch
- B. Renewal premium rate filings with Covered California

# Professional Services for Operational Readiness and Implementation Support of CalOptima Health's Participation in Covered California

## SECTION 1 - SCOPE OF WORK

### 1.1 Project Objectives

CalOptima is interested in becoming part of Covered California to ensure that Orange County residents have access to affordable health insurance coverage and quality health care when they are not eligible for Medi-Cal.

CalOptima is seeking professional services that include end-to-end implementation consultation and project management support across all operations and marketplace line-of-business functions, i.e., benefits administration, customer service, grievances and appeals, medical management, quality, care management, premium collection and reconciliation, risk adjustment, IT, reporting requirements, and other services. Services include support through navigation of open enrollment and post-stabilization monitoring.

### 1.2 Operational Gap Assessment and Gap Closure Analysis

- 1.2.1 Identify infrastructure and functions that must be modified, enhanced, or added by CalOptima Health for benefit year starting on January 1, 2027.
- 1.2.2 Conduct a thorough assessment including interviewing all functional leads, reviewing current functions and infrastructure, and identifying opportunities presented by in-flight systems enhancements. Include recommendations for closing existing gaps in the areas of people, process and technology, as well as build vs. buy options.
- 1.2.3 Conduct a lessons learned review of implementation experiences at Inland Empire Health Plan (IEHP) and LA Care based on their experience implementing the Covered CA line of business. Provide a lessons learned analysis that outlines mitigation strategies for identified areas of risk.

### 1.3 Business Process Mapping for Core Functions and IT

Develop business process mapping for internal departments that improves core operational functions and IT applications, ensuring that they comply with regulatory requirements and implement best practices/industry standards across all marketplace plan functions.

### 1.4 Outside Vendor Assistance

Identify functions that may not be performed internally by CalOptima Health but are essential to secure Covered California participation, providing the following:

## **Professional Services for Operational Readiness and Implementation Support of CalOptima Health's Participation in Covered California**

- 1.4.1 Assistance with identifying functions that could be outsourced (i.e., billing/collection, accumulator, risk adjustment, data reporting, self-service tools for members, etc.).
- 1.4.2 Guidance in developing business requirements and scopes of work for outsourced functions.
- 1.4.3 General project management support to implement outsourced functions to secure timely regulatory approval.

### **1.5 Comprehensive Implementation Support and Project Management**

- 1.5.1 Provide comprehensive project management support to close operational gaps, launch new functions, implement changes to existing functions, and assistance to oversee IT system builds to launch the commercial products (on and off exchange). Partner closely with CalOptima Health business owners and project managers to provide this ongoing project management support.
- 1.5.2 Develop a detailed implementation roadmap and work plan in Microsoft Project or another project management tool. The roadmap will take into consideration gap closure, operational readiness, cost estimates, staffing estimates, project milestones, and status reporting.
- 1.5.3 Meet regularly with CalOptima to report on project status, risks, mitigation strategies, and other project management issues.
- 1.5.4 Provide the following:
  - A. A detailed project plan that highlights the work breakdown structure and schedule to meet all implementation requirements. This includes tasks, meeting schedules, activities, resources and duration to accomplish a successful implementation, as well as post-implementation monitoring.
  - B. Weekly status reports that document progress and communicate decisions as well as any risks or issues.
  - C. Facilitate project team meetings across functional areas in collaboration with CalOptima's business owners and project stakeholders toward implementation objectives and timeline.

### **1.6 Implementation Support for Product Launch and Stabilization**

- 1.6.1 Ensure timely completion of carrier requirements for CalOptima's inaugural year of Covered California participation and continuous enhancement of product line operations.



## Professional Services for Operational Readiness and Implementation Support of CalOptima Health's Participation in Covered California

### 1.6.2 Provide the following services:

- A. Assist with the implementation activities including completion of Open Enrollment Period (OEP) milestones, timely posting of regulator-approved plan documents, member enrollment and effectuation processes, premium billing and collection functions, timely distribution of member materials, general member on-boarding cross-functional activities, and related Covered California communication/reporting requirements.
- B. Provide consultation, as requested, to support customer service functions, including Call Center staff training and internal/external communication of OEP policies and procedures, and Covered California OEP requirements and plan-specific OEP product guidelines.
- C. Assist in evaluating OEP complications, identifying effective resolution and deploying timely corrective action, as needed.
- D. Provide general project management support, as requested, to ensure compliance with Covered California OEP reporting/contract requirements (e.g., enrollment/effectuation volume, customer service metrics, marketing/advertising spend amounts, etc.).
- E. Provide general project management support, as required, to launch the commercial products (on and off exchange), and to stabilize the line of business following the completion of Open Enrollment Period (OEP) activities.
- F. Provide consultation, as requested, in evaluating the deployment of the Special Enrollment Period (SEP) and the member retention/renewal implementation plans.
- G. Assist in evaluating identified deficiencies related to product implementation, plan operation, and/or regulatory/contractual reporting, and assessing the deployment of efficient and timely solutions, as needed.
- H. Compile a high-level post-implementation assessment to document "lessons learned" during the product launch and OEP, identifying any consideration/recommendation for ongoing product operations and market strategy.
- I. Assist CalOptima Health with troubleshooting any issues, risks, or process challenges identified upon go-live.

## Professional Services for Operational Readiness and Implementation Support of CalOptima Health’s Participation in Covered California

### 1.7 Deliverables

No.	Deliverable	Purpose of Deliverable	Format, if applicable	Time Frame
1	Detailed Gap Assessment and Plan to Close Gaps	Comprehensive gap assessment and identification of strategies to close gaps	Word or Excel file	Complete by May 31, 2025
2	Vendor Procurement Strategic Advice	Identify qualified vendor options for functions that will be outsourced or where off-the-shelf products are needed. Assist with scope of work and business requirements for procurement.	Word or Excel File	Complete by June 30, 2025
3	Lessons Learned from Inland Empire Health Plan (IEHP) and LA Care Covered CA implementation experience	Documentation of lessons learned from IEHP and LA Care’s implementation of Covered CA in key functional areas including premium collection and reconciliation, pricing, etc.	PowerPoint presentation	Complete by June 30, 2025
4	Business Processing Mapping	Operational workflow mapping for all core operations areas impacted by Covered CA line of business needs	Visio or other platform as appropriate	Complete by July 31, 2025
5	Detailed Implementation Roadmap and Project Plan	Comprehensive roadmap and work plan for Covered CA implementation	PowerPoint presentations, MS Project or other project management software	Complete by July 31, 2025
6	Project Management Support	Ongoing project implementation support across all impacted functional areas, including project management for IT system implementation	Meeting minutes, weekly status reports, risk escalation, project management	Weekly throughout the entire contract period
7	Implementation Support for the Inaugural Open Enrollment Period (OEP)	Ensure timely completion of QHP requirements for a successful Open Enrollment Period.	Completion of OEP activities	Complete by December 31, 2026
8	Implementation Support for Product Launch and Stabilization	Ensure timely completion of carrier requirement for the plan’s inaugural year of Covered California participation and continuous enhancement of product line operations.	Word or Excel document, and project management tasks assigned	Complete by March 31, 2027

### 1.8 General Contractor Responsibilities:

1.8.1 Complete all deliverables (refer to section C for detailed list of deliverables).

## **Professional Services for Operational Readiness and Implementation Support of CalOptima Health's Participation in Covered California**

- 1.8.2 Develop project plans highlighting the work-breakdown structure and schedule to meet the scope of work.
- 1.8.3 Be available and prepared for operational implementation meetings (both virtually and in person at CalOptima Health's offices).
- 1.8.4 Provide project managers and an accountable account representative to be available via telephone or email to respond to CalOptima Health's questions or concerns within one business day.
- 1.8.5 Coordinate and implement the project requirements and provide oversight.
- 1.8.6 Provide a weekly status summary of progress toward deliverables and all implementation activities.
- 1.8.7 Provide documentation and requested deliverables pursuant to the scope of work on time and on budget.

### **1.9 CalOptima Responsibilities**

CalOptima will provide necessary resources and management involvement to support the delivery of services.

### **SECTION 2 - CONTRACTOR MINIMUM REQUIREMENTS**

- 10 years in business
- 5 years of experience assisting health plans with operational readiness and implementation for successful market entry into health insurance exchange programs, including Covered CA

### **SECTION 3 - PRICING**

Provide pricing per deliverables and an hourly rate for consultants, using the attached pricing sheet

**Professional Services for Operational Readiness and Implementation Support of CalOptima Health's Participation in Covered California**

<b>No.</b>	<b>Deliverable</b>	<b>Time Frame</b>	<b>Hourly Rate</b>	<b>No. of Hours</b>	<b>TOTAL COST</b>
1	Detailed Gap Assessment and Plan to Close Gaps	Complete by May 31, 2025			
2	Vendor Procurement Strategic Advice	Complete by June 30, 2025			
3	Lessons Learned from Inland Empire Health Plan (IEHP) and LA Care Covered CA implementation experience	Complete by June 30, 2025			
4	Business Processing Mapping	Complete by July 31, 2025			
5	Detailed Implementation Roadmap and Project Plan	Complete by July 31, 2025			
6	Project Management Support	Weekly throughout the entire contract period			
7	Implementation Support for the Inaugural Open Enrollment Period (OEP)	Complete by December 31, 2026			
8	Implementation Support for Product Launch and Stabilization	Complete by March 31, 2027			
9	Detailed Gap Assessment and Plan to Close Gaps	Complete by May 31, 2025			
10	Vendor Procurement Strategic Advice	Complete by June 30, 2025			
<b>TOTAL</b>					

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Health Management Associates, Inc.	2501 Woodlake Circle, Suite 100	Okemos	MI	48864
Milliman, Inc.	4370 La Jolla Village Drive, Suite 700	San Diego	CA	92122