# Santa Cruz – Monterey – Merced Managed Medical Care Commission

## Meeting Agenda

## Wednesday, March 22, 2023

## 3:00 p.m. – 5:00 p.m.

**Location**: **In Santa Cruz County**:
Central California Alliance for Health, Board Room
1600 Green Hills Road, Suite 101, Scotts Valley, CA
**In Monterey County:**
Central California Alliance for Health, Board Room
950 East Blanco Road, Suite 101, Salinas, CA
**In Merced County:**
Central California Alliance for Health, Board Room
530 West 16th Street, Suite B, Merced, CA

Alliance offices have opened for Board meetings in each county. Face coverings are not required in Alliance offices but are highly encouraged.

1. Members of the public wishing to observe the meeting remotely via online livestreaming may do so as follows.
    a. Computer, tablet or smartphone via Microsoft Teams:
    Click here to join the meeting
    b. Or by telephone at:
    United States: +1 (323) 705-3950
    Phone Conference ID: 230 124 717#

2. Members of the public wishing to provide public comment on items not listed on the agenda that are within jurisdiction of the commission or to address an item that is listed on the agenda may do so in one of the following ways.
    a. Email comments by 5:00 p.m. on Tuesday, March 21, 2023 to the Clerk of the Board at clerkoftheboard@ccah-alliance.org.
        i. Indicate in the subject line "Public Comment". Include your name, organization, agenda item number, and title of the item in the body of the e-mail along with your comments.
        ii. Comments will be read during the meeting and are limited to five minutes.
    b. In person, during the meeting, when that item is announced.
        i. State your name and organization prior to providing comment.
        ii. Comments are limited to five minutes.

**1. Call to Order by Chairperson Jimenez. 3:00 p.m.**

A. Roll call; establish quorum.
B. Supplements and deletions to the agenda.
C. Recognize Board service of Commissioner Dori Rose Inda.

**2. Oral Communications. 3:05 p.m.**

A. Members of the public may address the Commission on items not listed on today's agenda that are within the jurisdiction of the Commission. Presentations must not exceed five minutes in length, and any individuals may speak only once during Oral Communications.
B. If any member of the public wishes to address the Commission on any item that is listed on today's agenda, they may do so when that item is called. Speakers are limited to five minutes per item.

**3. Comments and announcements by Commission members.**

A. Board members may provide comments and announcements.

**4. Comments and announcements by Chief Executive Officer.**

A. The Chief Executive Officer (CEO) may provide comments and announcements.

**Consent Agenda Items: (5. – 9B.): 3:10 p.m.**

**5. Accept Executive Summary from the Chief Executive Officer (CEO).**

- Reference materials: Executive Summary from the CEO.

Pages 5-01 to 5-08

**6. Accept Alliance Financial Highlights, Balance Sheet, Income Statement and Statement of Cash Flow for the first month ending January 31, 2023.**

- Reference materials: Financial Statements as above.

Pages 6-01 to 6-08

**Appointments: (7A.)**

**7A. Approve appointment of Ms. Margaret O'Shea, Dr. Ericka Peterson and Ms. Guadalupe Barajas-Iniquez to the Member Services Advisory Group.**

- Reference materials: Staff report and recommendation on above topic.

Page 7A-01

**Minutes: (8A. – 8E.)**

**8A. Approve Commission meeting minutes of February 22, 2023.**

- Reference materials: Minutes as above.

Pages 8A-01 to 8A-05

**8B. Accept Compliance Committee meeting minutes of January 18, 2023.**

- Reference materials: Minutes as above.

Pages 8B-01 to 8B-04

**8C. Accept Physicians Advisory Group meeting minutes of December 1, 2022.**

- Reference materials: Minutes as above.

Pages 8C-01 to 8C-06

**8D. Accept Whole Child Model Clinical Advisory Committee meeting minutes of December 15, 2022.**

- Reference materials: Minutes as above.

Pages 8D-01 to 8D-04

**8E.** **Accept Whole Child Model Family Advisory Committee meeting minutes of January 23, 2023.**

- Reference materials: Minutes as above.

Pages 8E-01 to 8E-08

**Reports: (9A. – 9B.)**

**9A.** **Authorize the Chairperson to sign an amendment described below to the Alliance's primary Medi-Cal contract number 08-85216 to incorporate technical updates as well as programmatic and regulatory required language assuming that the final amendment and any associated revenue rates are consistent with staff understandings and expectations.**

- Reference materials: Staff report and recommendation on above topic.

Pages 9A-01 to 9A-02

**9B.** **Accept agenda for April 26, 2023 Board meeting in Merced County.**

- Reference materials: Board meeting agenda.

Pages 9B-01 to 9B-02

**Regular Agenda Items: (10. – 13.): 3:15 p.m.**

**10.** **Consider approving the Alliance's legal and regulatory Compliance Program Report for 2022 and receive required Board training in Compliance. (3:15 – 3:45 p.m.)**

A. Ms. Jenifer Mandella, Chief Compliance Officer, will review and Board will consider approving the Alliance's Compliance Program Report for 2022.
B. Ms. Mandella will provide required compliance training for Board members.

- Reference materials: Staff report and recommendation on above topic; 2022 Annual Internal A&M Dashboard; 2022 Annual HIPAA Dashboard; and 2022 Annual Program Integrity Dashboard.

Pages 10-01 to 10-11

**11.** **Consider approving new Medi-Cal Capacity Grant Program (MCGP) Funding Opportunities (2023 - Phase 1). (3:45 – 4:05 p.m.)**

A. Ms. Jessica Finney, Grants Director, will review and Board will consider approving recommendations for new MCGP funding opportunities, including a policy change in the Provider Recruitment Program's funding approval process, new funding opportunities in 2023 and approve associated MCGP budget allocations.

- Reference materials: Staff report and recommendation on above topic; Medi-Cal Capacity Grant Program Framework; and Medi-Cal Capacity Grant Program Focus Areas, Goals and Priorities.

Pages 11-01 to 11-11

**12.** **Consider approving Proposed Urgent Care Payment Rates and Access Policy. (4:05 – 4:35 p.m.)**

A. Ms. Lisa Ba, Chief Financial Officer, will review and Board will consider approving: 1) a change in payment rate for urgent care services from 150% of the Medi-Cal fee-schedule to 100% of the Medicare fee-schedule, and 2) member access to any contracted urgent care and, any contracted primary care practice that offers after hours and weekend care, regardless of member primary care linkage.

- Reference materials: Staff report and recommendation on above topic.

Pages 12-01 to 12-02

**13.** **Discuss County Expansion. (4:35 – 5:00 p.m.)**

A. Ms. Stephanie Sonnenshine, CEO, will review and Board will discuss expansion into San Benito County and Mariposa County.

- Reference material: Staff report on above topic.

Pages 13-01 to 13-05

**Information Items: (14A. – 14E.)**

A. Letter of Support — Page 14A-01
B. Membership Enrollment Report — Page 14B-01
C. Member Newsletter (English) – March 2023
https://thealliance.health/wp-content/uploads/MSNewsletter_202303-E-lowres.pdf
D. Member Newsletter (Spanish) – March 2023
https://thealliance.health/wp-content/uploads/MSNewsletter_202303-S-lowres.pdf
E. Provider Bulletin – March 2023
https://thealliance.health/wp-content/uploads/ProviderBulletin.Mar23.HiRes_.pdf

**Announcements:**

**Meetings of Advisory Groups and Committees of the Commission**
The next meetings of the Advisory Groups and Committees of the Commission are:

- Finance Committee
  Wednesday, March 22, 2023; 1:30 – 2:45 p.m.

- Member Services Advisory Group
  Thursday, May 11, 2023; 10:00 – 11:30 a.m.

- Physicians Advisory Group
  Thursday, June 1, 2023; 12:00 – 1:30 p.m.

- Whole Child Model Clinical Advisory Committee [*In-person and remote teleconference*]
  Thursday, June 15, 2023; 12:00 – 1:00 p.m.

- Whole Child Model Family Advisory Committee [*In-person and remote teleconference*]
  Monday, May 8, 2023; 1:30 – 3:00 p.m.

The above meetings will be held in person unless otherwise noticed. Audio livestreaming will be available to listen to the meeting. Note: Livestreaming for the public is listening only.

**The next regular meeting of the Commission, after this March 22, 2023 meeting, unless otherwise noticed:**

- Santa Cruz – Monterey – Merced Managed Medical Care Commission

  Date: Wednesday, April 26, 2023

  Time: 10:00 a.m. – 2:30 p.m.

  Location: El Capitan Hotel
  Sentinel Conference Room
  609 W Main Street
  Merced, CA 95340

Members of the public interested in attending should call the Alliance at (831) 430-5523 to verify meeting dates and locations prior to the meetings.

*The complete agenda packet is available for review on the Alliance website at https://thealliance.health/about-the-alliance/public-meetings/. The Commission complies with the Americans with Disabilities Act (ADA). Individuals who need special assistance or a disability-related accommodation to participate in this meeting should contact the Clerk of the Board at least 72 hours prior to the meeting at (831) 430-5523. Board meeting locations in Salinas and Merced are directly accessible by bus. As a courtesy to persons affected, please attend the meeting smoke and scent free.*

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Stephanie Sonnenshine, Chief Executive Officer

**SUBJECT:** Executive Summary from the Chief Executive Officer

## Executive

California State Public Health Emergency. Governor Newsom terminated the State of California's State Public Health Emergency effective February 28, 2023 ending the Brown Act flexibilities for virtual public meetings. The Board and its Brown Act compliant Advisory Groups will return to in-person, Brown Act compliant, public meetings beginning in March, while still minimizing attendance and potential exposure by offering live-stream video for interested individuals of the public and non-essential staff.

Federal Public Health Emergency (PHE). The Biden Administration has announced that the PHE that has been in place for over three years will end on May 11, 2023. Staff will review and monitor potential impacts of the end of the federal PHE, which included rate increases and flexibilities for specified providers.

Continuous Coverage Unwinding. The federal Omnibus reconciliation package passed by Congress late last year included a provision to end the Medi-Cal continuous coverage provisions allowed through the federal PHE. Thus, requiring states to begin eligibility redeterminations in April 2023. Staff are coordinating with county eligibility departments in an effort to communicate to members regarding the need to ensure their contact information is current so that the counties may reach out to them to initiate the redetermination process.

San Benito and Mariposa County Expansion. Ongoing activities towards a January 1, 2024, expansion of the Alliance service area are detailed in the staff report in the Board packet. Staff will provide a report on these activities as well as issues potentially impacting the expansion at the Board meeting on March 22, 2023.

Community Involvement. On March 2, 2023 I participated in the Medi-Cal Children's Health Advisory Panel Meeting in Sacramento and attended the virtual Department of Health Care Services All Plan CEO Meeting on March 8, 2023. I attended the virtual Health Improvement Partnership of Santa Cruz County Council Meeting on March 9, 2023.

## Health Services

The Health Services Division priorities in March include continuing development of the Population Health Program, increasing member enrollment in Enhanced Care Management/Community Supports (ECM/CS), and continuing the measurement year 2022 MCAS audit.

*Quality Improvement and Population Health (QIPH)*

Healthcare Effectiveness Data and Information Set (HEDIS) Report 2023. The annual HEDIS audit of measurement year 2022 is underway and the final report will be provided to Health Services Advisory Group and Department of Health Care Services (DHCS) in June.

Member Workshops 2023. The Quality and Health Programs team has started providing member workshops for 2023. The Healthier Living Program was conducted for members with chronic condition(s) in February-March. The Health Educators are trained to offer the program in three modalities including telephonic, virtual, and in-person. The first two series in 2023 were offered telephonically, one workshop series was provided in English and one workshop series was provided in Spanish.

Member incentives. New member incentives which include rewards for well-child visits and immunizations are on track to launch on April 1, 2023. Communications is working on a promotional flyer and website updates which should be available by the launch date.

*Utilization Management*

Inpatient and Emergency Department. The Health Services teams continue with the build of internal transitions of care processes to further support readmission reductions and overall population health initiatives. Inpatient utilization trended downward through January 2023.

Admissions per 1,000 members per year in January averaged 54, compared to the Q4 2022 average of 63 and significantly lower than the Alliance Dashboard target, which is also 63 for this area. COVID-19 cases continue to be reported at low rates in all three Alliance counties and remain a co-factor in hospitalizations but in most cases are not the primary reason for admission.

Emergency Department volumes also continue to trend downward through January, with an average of 476 emergency Department visits per 1,000 members per year, compared to 491 in Q4 2022. The Alliance's Dashboard target for this area is 591, significantly higher than recent performance.

Prior Authorization. Prior Authorization activity continues to increase through January 2023. In Q4 2022, prior authorization activity reflected consistent distribution across authorization types, with overall volumes in 2022 surpassing pre-pandemic 2019 authorization activity by over 3%. While configuration updates and removal of authorization requirements reduced total authorization volumes in some categories (e.g., DME), continued utilization and code analysis continues to progress to further optimize authorization processes, particularly as increases in membership and member engagement positively impact overall authorization volumes.

Non-Emergency Medical Transportation (NEMT) Optimization. NEMT process optimization continues into the new year, with Physician Certification Statement form submissions continuing to be monitored week to week and reported through the Utilization Management Work Group.

Member Benefits. Several benefits were recently implemented in response to new legislation and All Plan Letters disseminated by the Plan's regulators, including Street Medicine-related benefits (DHCS APL 22-023), and Doula services (DHCS APL 22-031). Increased utilization in the

year ahead is anticipated. Both of these benefits will provide further support for organizational population health initiatives. Additional work is underway in an effort to implement benefits in response to SB 987 – Complex Cancer Care and AB 2585 - Nonpharmacological Pain Management.

*Pharmacy*

Site of Care Program. The Alliance initiated the Site of Care Program in December 2022 to improve access for our members, quality of care and patient convenience. The goal of the program is to transition from hospital-based outpatient infusion of the medication to a more convenient site of care, such as home-based infusion. The member and prescribing provider can opt in or out of the Site of Care Program depending on the member's clinical and social needs. Currently, we are focusing on members who are 13 years of age or older and on either infliximab (Remicade), its biosimilars, or vedolizumab (Entyvio). Thus far, three members have accepted the program and their transition to home infusion is pending prescribing provider decision. The members who have declined the program have done so for multiple reasons, including not wanting anyone in their home or they would like to continue at their current site of care because they receive other services from the site at the same time. We are currently training more pharmacy team members on the program and in the future, we will begin targeting members on other infusion medications.

Drug Utilization Review (DUR) Program.

Stimulant Medications in Children Drug Utilization Review: A drug utilization review was performed on Alliance members who were less than 18 years of age and had a prescription for a stimulant medication during the period of January 2022 through December 2022. 1,693 pediatric members, or 1.14% of all pediatric members at the Alliance, were on a stimulant in 2022. Santa Cruz County had the highest rate of stimulant use in pediatrics with 1.55%, compared to 0.9% in Monterey and 1.29% in Merced County. A focused review was done for 17 members ages four to five who were on a stimulant. There were no prescribing concerns for these four to five year-old members when looking at age and dose appropriateness of the medication using either Food and Drug Administration approval or American Academy of Pediatrics guidelines. Also, none of the four to five year-old members had concerns for polypharmacy (concurrent use of two or more stimulant medications). We will continue to monitor this DUR topic annually for inappropriate prescribing and trends.

High-Risk Medications in the Elderly Drug Utilization Review: The Pharmacy Department reviewed claims data to identify elderly members who were prescribed certain high-risk medications (such as first generation antihistamines and skeletal muscle relaxants) that should be avoided in elderly patients per the American Geriatrics Society. These drugs often result in adverse drug events that contribute to hospitalization, prolonging duration of illness, and increase the risk of falls and fractures. Among 30,465 members ages 65 and older, 1,812 members (6%) had at least one fill for first generation antihistamines and 302 members (1%) had at least one fill for a muscle relaxant. A notification will be sent via fax to the 31 providers who had prescribed these medications to at least three or more patients over the last year. The fax will address the providers to reassess the need for the listed medications for patients and discuss strategies for discontinuation or switching to more appropriate and safer medications when possible. A member bulletin is being prepared to educate members regarding the safe use of these medications, and what necessary steps they should take to address their concerns with their providers if they are currently on any of these medications.

*Community Care Coordination*

Complex Care Management (CCM). As part of the new Alliance Population Health Management (PHM) Program that began in January, staff are providing CCM to those members who have been identified as having medium to rising risk, utilizing an internal risk stratification system. In alignment with DHCS requirements, the Alliance has modified existing CCM practices to provide members receiving CCM services that meet National Committee for Quality Assurance standards for CCM.

Another component of PHM is providing high-risk members who are transitioning from one level of care to another transitional care service (TCS). Under PHM and in line with CalAIM, the Alliance is responsible for providing strengthened TCS beginning on January 1, 2023 and be fully implemented for all members by January 1, 2024 across all settings and delivery systems. This will support members to receive coordinated discharge planning until they have been successfully connected to all needed services and supports. To that end, each member receiving TCS will be provided a single point of contact to a care manager. Additional work is underway to strengthen communication within the Alliance's Utilization Management Department, as well as collaboration with hospital DC planning staff.

Enhanced Care Management/Community Supports. The Alliance brought on two new populations of focus for ECM at the beginning of` the year, 1) Adults Living in the Community and At Risk for Long Term Care Institutionalization and 2) Adult Nursing Facility Residents Transitioning to the Community. The Alliance was able to identify and contract with Community Based Organizations that have experience serving these member populations. Training is ongoing to support these new ECM providers in the delivery of ECM core service delivery, and operationalizing ECM components for reporting, data sharing, billing, etc.

In addition to the new ECM populations of focus, the Alliance also initiated a new CS at the beginning of this year: Environmental Accessibility Adaptations, or Home Modifications. This new CS service was added to the suite of CS that the Alliance provides members, to support physical adaptations to a home that are necessary to ensure the health, welfare, and safety of the member, or enable them to function with greater independence in the home, without which the member may require institutionalization.

Interdepartmental teams are also preparing for the new Populations of Focus to be implemented in July. This will include Children and Youth Enrolled in CCS or CCS Whole Child Model (WCM) with additional needs beyond the CCS Medical Condition, as well as Children and Youth Involved in the Child Welfare System. Additional CS services will also be added in July, including Respite Care Services and Personal Care and Homemaker Services. Staff will hold at least two provider engagement sessions to identify and recruit new ECM and CS contracted providers.

Whole Child. As of the first reporting day of March, there was a CCS total member count of 8,262 members. Overall, CCS member and referral volumes continue to steadily increase across the three counties. In Q4 2022, the Alliance averaged 62 members across the Alliance's service area who transitioned out of WCM services per month and receive coordination of care into adult health care service delivery, as appropriate.

The Pediatric CCM team continues engagement in Alliance proactive outreach initiatives, having participated in the call campaign activated in January related to the impacts of inclement weather within the Alliance's service area. Current Population Health Management

initiatives are aimed at effectively addressing preventive care, member education, disease management, and in identifying additional case management needs. The current PHM campaign is well underway and is specific to high-risk pediatric members.

The Alliance also continues ongoing collaborative meetings with County CCS agencies, Medical Therapy Units/Clinics, Specialty Care Providers, as well as participating in the Alliance's WCM Family Advisory Group and WCM Clinical Advisory Group. These meetings allow for continuous process improvement identification and relationship building.

*Behavioral Health*

This month, Behavioral Health (BH) was a focus area for our annual state DHCS audit. The Alliance partnered closely with our delegate, Beacon, to deliver evidence of behavioral healthcare that meets or exceeds mandates and expectations for our members. The audit focused heavily on care coordination across systems, including county mental health and substance use services. We are pleased to report that DHCS indicated no findings for BH in the preliminary exit interview.

BH also worked with Beacon to prepare for their upcoming rebranding. On March 1, 2023, Beacon became Carelon Behavioral Health. While this change does not alter our agreement or the services provided to members, it does require coordination in messaging across our partners. BH collaborated with the Member Services and Communications departments to prepare our members and stakeholders for the change.

The BH Director has continued the task of conducting a comprehensive landscape and gaps assessment which culminated in a presentation to Chiefs. In this meeting, the BH Director shared data on the statewide behavioral health continuum, analysis of the performance of our current delegate, and potential options for an improved future state. The Chiefs engaged in rigorous discussion about the options available to ensure the future of BH care is optimal for members in line with the strategic vision.

## Employee Services and Communications

*Human Resources*

Alliance Workforce. As of February 27, 2023, the Alliance has 546.9 budgeted positions of which our active workforce number is 523 (active FTE and temporary workers). There are 32 positions in active recruitment, and we are 95.6% staffed. We have hired 38 positions in 2023. The organization continues to review and monitor all position requests to ensure we are meeting FTE targets. Human Resources continues to partner with Finance to ensure alignment in this area.

Q4 Check-in and Annual Compensation Review (ACR). Human Resources has concluded the 2023 ACR process. We are pleased to report that we completed the work on schedule and within budget.

Competencies and Career Development. In response to feedback from the 2021 Employee Engagement Survey results, Human Resources is developing a competency and career development/pathway system designed to focus on position competency and career navigation and growth. Human Resources has finalized the core and leadership competencies

and will begin department classifications review and assignment over the next several months. Once Chiefs approve the core and leadership competencies, we will communicate this information broadly.

New Employee Onboarding. Training & Development, in collaboration with Talent Acquisition, has completed a newly designed, interactive onboarding process for all new hires. The purpose of this update focuses on ensuring all new staff understand the importance of the Alliance values and feel a strong sense of inclusion and belonging from their first day at the Alliance. The Onboarding Program has many facets, and we've created different modules for our individual contributors, leaders, and temporary staff, tailoring the information to what is important for each of them to know.

*Facilities and Administrative Services*

Alliance Footprint Reduction. The Facilities Department is working to clear out employee workstations/offices in the areas targeted for footprint reduction. The team is proceeding with an 80,000 square foot reduction of Alliance occupied square footage and an increase of potential space for leasing which was included in the Annual Facilities Management report.

1098 38th Avenue (Capitola Manor). Under contract with MidPen Housing with an estimated close of escrow date of March 8, 2023.

Winter Storm Clean Up and Mitigation. Facilities is continuing efforts to clean up, repair, and mitigate areas impacted by flooding in the Scotts Valley location due the unprecedented rainfall in January 2023.

Service Area Expansion. Facilities is actively working with the County of Mariposa and San Benito to coordinate leasing space with a targeted occupancy of October 1, 2023 in both service areas.

*Communications*

Staff recently launched a texting pilot program for members, in conjunction with Government Relations, Compliance and Member Services. The text messages focus solely on redetermination and the ending of PHE and all messages were approved by DHCS. In addition to the redetermination pilot, the project will scope the feasibility of standing up a member texting campaign at the Alliance, adhering to all regulatory requirements. We hope to wrap up the feasibility project within the next few months.

A paid campaign promoting Redetermination is launching March 26, 2023 and will run from eight to 12 weeks, depending on tactic. The revised messaging and media tactics received approval from DHCS. Tactics include website copy, social media ads, Member Bulletin articles, The Beat articles, mobile ads, and bus ads.

In conjunction with Health Services, staff has been working on rebranding the Member Incentives program and creating new branding for the new incentives program for well-checks and immunizations. The umbrella program is now called Health Rewards Program, and the new well-checks/immunizations is called Healthy Start. The rebranding will consist of new brochures and flyers, new website content, social media ads, member, community, and provider newsletter articles. In addition, we will be launching a paid media campaign to raise

awareness of Healthy Start and to encourage members to see their doctor for checkups and to remain on track with vaccinations. The paid media campaign elements are being finalized and is expected to launch in May.

**Operations**

Member Services. The Member Services Department is actively working to prepare for the end of the continuous coverage requirement which requires California counties to resume the full Medi-Cal eligibility redetermination process effective April 1, 2023. The Alliance is finalizing a process with our county partners to freely share member information to ensure we collectively engage with as many members as possible to limit the number of members falling off Medi-Cal. This information sharing will involve exchanging updated member contact information, as well as monthly data on members who were sent redetermination packets for that month. The Alliance will use this information to ensure our members are aware of the resumption of Medi-Cal eligibility redetermination and respond timely to the redetermination packet request. As part of our communication effort, the Alliance launched a texting campaign which generated member calls for address updates.

Provider Services. The recruitment team has been working to build strong provider partnerships with San Benito and Mariposa County providers as part of ensuring a quality network for Medi-Cal members in 2024 when the Alliance expands into those two counties. The team has also been meeting with multiple community-based organizations about the Community Health Worker (CHW) benefit working on building a CHW network. Effective January 1, 2023, doula services became a Medi-Cal benefit. The team is engaging with community organizations to develop a network development for doulas. The annual DHCS Network Certification file was fully submitted in a timely manner. The Provider Quality Network Development team has dedicated significant time to ensuring the file submission and data was as clean and accurate as possible.

Community Engagement Santa Cruz/Monterey/Merced. The Community Engagement Department has been leading the work in the Member Support and Engagement Committee (MSEC). The group has created a five-year roadmap, member voice feedback tool and member voice data dashboard. MSEC is currently working on implementing a consistent process to track and act on member voice across all our member touchpoints. Lastly, to socialize this effort further in the organization, MSEC will be conducting a Member Support and Engagement roadshow.

Claims. Our first official HSP Platform Audit was completed and presented in February. It involved claims processed in December 2022. The criteria for the HSP Platform audit involves a statistically valid sample of all claims processed each month (claims processed manually, and claims processed through auto adjudication). We utilize a 95% Confidence Level and 6% Margin of Error to determine our claims sample size. Finally, we utilize 11 Financial Strata to ensure we are capturing a mix of paid dollar categories. For our first HSP Platform audit, the results were as follows:

| Category | Target | Results |
|---|---|---|
| Financial Accuracy | 97% or above | 98.05% |
| Payment Accuracy | 95% or above | 90.53% |
| Processing Accuracy | 95% or above | 98.11% |

Results of the audit help us identify improvement opportunities on claims accuracy. We continue to audit claims processed in January and February 2023.

Operational Excellence. The Alliance's annual Operational Readiness Assessment identified an opportunity to assess the Alliance Dashboard and adjust metrics to align with industry benchmarks where appropriate. This is a significant endeavor that will also seek to automate the Dashboard, thus decreasing staff manual effort. Substantive changes to the to the Dashboard, particularly new measures will be shared in future Board reports.

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Lisa Ba, Chief Financial Officer

**SUBJECT:** Financial Highlights for the First Month Ending January 31, 2023

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For the month ending January 31, 2023, the Alliance reported an Operating Income of $16.2M with a Medical Loss Ratio (MLR) of 82.9% and an Administrative Loss Ratio (ALR) of 5.4%. The net income is $20.8M after accounting for Non-Operating Income/Expenses.

The budget expected a $8.8M Operating Income for January. The actual result is favorable to budget by $7.4M or 85.1%, driven primarily by the boosted enrollment from the Public Health Emergency (PHE).

| | Jan-23 (In $000s) | | | |
|---|---|---|---|---|
| Key Indicators | Current Actual | Current Budget | Current Variance | % Variance to Budget |
| *Member Months* | *421,212* | *412,231* | *8,981* | *2.2%* |
| Revenue | 137,686 | 131,070 | 6,616 | 5.0% |
| Medical Expenses | 114,102 | 114,360 | 259 | 0.2% |
| Administrative Expenses | 7,386 | 7,958 | 572 | 7.2% |
| Operating Income/(Loss) | 16,198 | 8,751 | 7,447 | 85.1% |
| Net Income/(Loss) | 20,805 | 6,067 | 14,738 | 100.0% |
| **PMPM** | | | | |
| Revenue | 326.88 | 317.95 | 8.93 | 2.8% |
| Medical Expenses | 270.89 | 277.42 | 6.53 | 2.4% |
| Administrative Expenses | 17.54 | 19.30 | 1.77 | 9.2% |
| Operating Income/(Loss) | 38.46 | 21.23 | 17.23 | 81.1% |
| *MLR %* | 82.9% | *87.3%* | *4.4%* | |
| *ALR %* | *5.4%* | *6.1%* | *0.7%* | |
| *Operating Income %* | *11.8%* | *6.7%* | *5.1%* | |
| *Net Income %* | *15.1%* | *4.6%* | *10.5%* | |

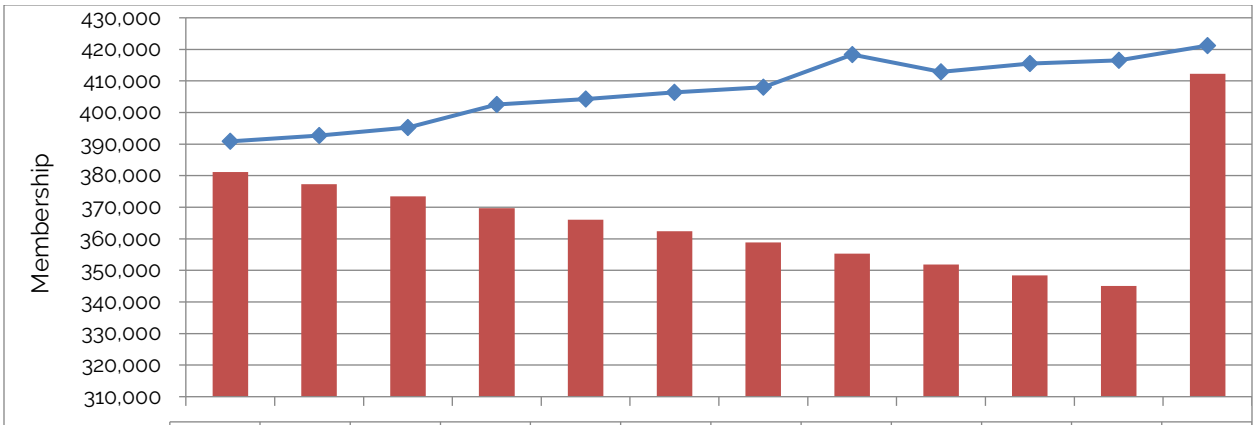
Per Member Per Month. Capitation revenue and medical expenses are variable based on enrollment fluctuations; therefore, the PMPM view offers more clarity than the total dollar amount. Conversely, administrative expenses do not usually correspond with enrollment and should be evaluated at the dollar amount.

At a PMPM level, revenue is $326.88, which is favorable to budget by $8.93 or 2.8%. Medical cost PMPM is $270.89, which is favorable by $6.53 or 2.4%. The resulting operating income PMPM is $38.46, which is favorable by $17.23 compared to the budget.

HEALTHY PEOPLE. HEALTHY COMMUNITIES.

Membership. January 2023 membership is favorable to budget by 2.2%. Please note that the 2023 budget assumed the PHE would end in January 2023, with membership beginning to decline in April 2023. As of January 17, 2023, the Department of Health Care Services (DHCS) states the redetermination begins in April 2023 for the July 2023 renewal date, with the actual enrollment loss expected to begin in July 2023. The Health and Human Services department announced that the PHE will end on May 11, 2023.

Membership. Actual vs. Budget (based on actual enrollment trend for Jan-23 rolling 12 months)




| | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Budget | 381,158 | 377,272 | 373,452 | 369,700 | 366,008 | 362,379 | 358,808 | 355,301 | 351,849 | 348,456 | 345,117 | 412,231 |
| Actual | 390,866 | 392,688 | 395,252 | 402,517 | 404,261 | 406,414 | 407,983 | 418,380 | 412,859 | 415,506 | 416,529 | 421,212 |
| Variance | 9,708 | 15,416 | 21,800 | 32,817 | 38,253 | 44,035 | 49,175 | 63,079 | 61,010 | 67,050 | 71,412 | 8,981 |
| Variance % | 2.5% | 4.1% | 5.8% | 8.9% | 10.5% | 12.2% | 13.7% | 17.8% | 17.3% | 19.2% | 20.7% | 2.2% |

Revenue. The 2023 revenue budget was based on the current DHCS 2022 draft rate package and includes a 1.2% rate increase. Furthermore, the budget assumed breakeven for Enhanced Care Management (ECM) and Community Supports (CS), both were new programs in 2022. The prospective CY 2023 draft rates from DHCS (dated 12/8/2022, including Maternity) are favorable to the rates assumed in the CY 2023 budget by 0.7%. January 2023 capitation revenue of $137.3M is favorable to budget by $6.6M or 5.0%, mainly attributed to higher enrollment of $2.7M, and rate variances of $3.9M.

**Jan-23 Capitation Revenue Summary (In $000s)**

| County | Actual | Budget | Variance | Variance Due to Enrollment | Variance Due to Rate |
|---|---|---|---|---|---|
| Santa Cruz | 28,282 | 27,915 | 367 | 277 | 90 |
| Monterey | 58,770 | 56,089 | 2,681 | 1,366 | 1,315 |
| Merced | 50,265 | 46,722 | 3,543 | 1,085 | 2,458 |
| **Total** | **137,317** | **130,726** | **6,592** | **2,729** | **3,863** |

Note: Excludes Jan-23 In-Home Supportive Services (IHSS) premiums revenue of $0.4M.

Medical Expenses. The 2023 budget assumed a 5% increase in utilization from 2019 and a 3% unit cost increase that included case mix and changes in fee schedules. 2023 incentives include $15M Care-Based Incentive (CBI), $10M for the Hospital Quality Incentive

Program (HQIP), and $5M for the Specialist Care Incentive (SCI). The budget for HQIP is under Inpatient Services (Hospital), SCI and CBI are under Physician Services.

January 2023 Medical Expenses of $114.1M are $0.3M or 0.2% favorable to budget. Of this amount, $2.8M is due to rate and offset by $2.5M higher enrollment. Other Medical expense is unfavorable to budget by $4.4M or 26.9% due to higher utilization in behavioral health services and medical transportation and incentive accruals.

**Jan-23 Medical Expense Summary (In $000s)**

| Category | Actual | Budget | Variance | Variance Due to Enrollment | Variance Due to Rate |
|---|---|---|---|---|---|
| Inpatient Services (Hospital) | 41,380 | 42,771 | 1,391 | (932) | 2,323 |
| Inpatient Services (LTC) | 13,309 | 15,319 | 2,010 | (334) | 2,344 |
| Physician Services | 24,205 | 23,908 | (297) | (521) | 224 |
| Outpatient Facility | 14,067 | 15,837 | 1,770 | (345) | 2,115 |
| Pharmacy | 293 | 99 | (193) | (2) | (191) |
| Other Medical | 20,848 | 16,426 | (4,423) | (358) | (4,065) |
| **Total** | **114,102** | **114,360** | **259** | **(2,491)** | **2,750** |

Note: Other Medical Actual includes Allied Health, Non-Claims HC Cost, transportation, ECM, ILOS, BHT, Lab, CBI, SCI and HQIP. The budget for HQIP is under Inpatient Services (Hospital), SCI and CBI are under Physician Services.

At a PMPM level, Medical Expenses are $270.89, which is favorable by $6.53 or 2.4% compared to the budget. Please note that the rate (PMPM) is the unit cost for a service multiplied by the utilization.

**Jan-23 Medical Expense by Category of Service (In PMPM)**

| Category | Actual | Budget | Variance | Variance % |
|---|---|---|---|---|
| Inpatient Services (Hospital) | 98.24 | 103.76 | 5.51 | 5.3% |
| Inpatient Services (LTC) | 31.60 | 37.16 | 5.56 | 15.0% |
| Physician Services | 57.46 | 58.00 | 0.53 | 0.9% |
| Outpatient Facility | 33.40 | 38.42 | 5.02 | 13.1% |
| Pharmacy | 0.69 | 0.24 | (0.45) | -100.0% |
| Other Medical | 49.50 | 39.85 | (9.65) | -24.2% |
| **Total** | **270.89** | **277.42** | **6.53** | **2.4%** |

Administrative Expenses. January 2023 Administrative Expenses are favorable to budget by $0.6M or 7.2% with a 5.4% ALR. Salaries, Wages, & Benefits (SWB) are favorable by $0.2M or 3.7% due to savings from vacant positions and employee benefits. Non-Salary Administrative Expenses are favorable by $0.4M or 14.9% due to the timing of the actual spend versus budget.

Non-Operating Revenue/Expenses. January 2023 Total Non-Operating Income is favorable to budget by $7.3M. This is composed of favorability of $1.2M in Interest, $6M of Unrealized Gain on Investments, and $0.1M in grants.

Summary of Results. Overall, the Alliance generated a YTD Net Income of $20.8M, with an MLR of 82.9% and an ALR of 5.4%.

**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**
**Balance Sheet**
**For The First Month Ending January 31, 2023**
**(In $000s)**

| | |
|---|---|
| **Assets** | |
| Cash | $151,274 |
| Restricted Cash | 300 |
| Short Term Investments | 679,715 |
| Receivables | 152,545 |
| Prepaid Expenses | 4,380 |
| Other Current Assets | 14,281 |
| **Total Current Assets** | **$1,002,496** |
| | |
| Building, Land, Furniture & Equipment | |
| Capital Assets | $83,938 |
| Accumulated Depreciation | (44,866) |
| CIP | 192 |
| **Total Non-Current Assets** | **39,263** |
| **Total Assets** | **$1,041,759** |
| | |
| **Liabilities** | |
| Accounts Payable | $26,484 |
| IBNR/Claims Payable | 299,652 |
| Accrued Expenses | - |
| Estimated Risk Share Payable | 12,500 |
| Other Current Liabilities | 6,325 |
| Due to State | - |
| **Total Current Liabilities** | **$344,961** |
| | |
| **Fund Balance** | |
| Fund Balance - Prior | $675,993 |
| Retained Earnings - CY | 20,805 |
| **Total Fund Balance** | **696,798** |
| **Total Liabilities & Fund Balance** | **$1,041,759** |
| | |
| **Additional Information** | |
| **Total Fund Balance** | **$696,798** |
| Board Designated Reserves Target | 413,058 |
| Strategic Reserve (DSNP) | 56,700 |
| Medi-Cal Capacity Grant Program (MCGP)* | 173,130 |
| **Total Reserves** | **642,888** |
| **Total Operating Reserve** | **$53,911** |

* MCGP includes Additional Contribution of $43.6M

**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**
**Income Statement - Actual vs. Budget**
**For The First Month Ending January 31, 2023**
**(In $000s)**

| | MTD Actual | MTD Budget | Variance | % | YTD Actual | YTD Budget | Variance | % |
|---|---|---|---|---|---|---|---|---|
| ***Member Months*** | *421,212* | *412,231* | *8,981* | *2.2%* | *421,212* | *412,231* | *8,981* | *2.2%* |
| **Capitation Revenue** | | | | | | | | |
| Capitation Revenue Medi-Cal | $137,317 | $130,726 | $6,592 | 5.0% | $137,317 | $130,726 | $6,592 | 5.0% |
| Premiums Commercial | 369 | 344 | 24 | 7.1% | 369 | 344 | 24 | 7.1% |
| **Total Operating Revenue** | **$137,686** | **$131,070** | **$6,616** | **5.0%** | **$137,686** | **$131,070** | **$6,616** | **5.0%** |
| **Medical Expenses** | | | | | | | | |
| Inpatient Services (Hospital) | $41,380 | $42,771 | $1,391 | 3.3% | $41,380 | $42,771 | $1,391 | 3.3% |
| Inpatient Services (LTC) | 13,309 | 15,319 | 2,010 | 13.1% | 13,309 | 15,319 | 2,010 | 13.1% |
| Physician Services | 24,205 | 23,908 | (297) | -1.2% | 24,205 | 23,908 | (297) | -1.2% |
| Outpatient Facility | 14,067 | 15,837 | 1,770 | 11.2% | 14,067 | 15,837 | 1,770 | 11.2% |
| Pharmacy | 293 | 99 | (193) | -100.0% | 293 | 99 | (193) | -100.0% |
| Other Medical | 20,848 | 16,426 | (4,423) | -26.9% | 20,848 | 16,426 | (4,423) | -26.9% |
| **Total Medical Expenses** | **$114,102** | **$114,360** | **$259** | **0.2%** | **$114,102** | **$114,360** | **$259** | **0.2%** |
| **Gross Margin** | **$23,584** | **$16,709** | **$6,875** | **41.1%** | **$23,584** | **$16,709** | **$6,875** | **41.1%** |
| **Administrative Expenses** | | | | | | | | |
| Salaries | $5,298 | $5,503 | $205 | 3.7% | $5,298 | $5,503 | $205 | 3.7% |
| Professional Fees | 180 | 206 | 25 | 12.3% | 180 | 206 | 25 | 12.3% |
| Purchased Services | 791 | 925 | 134 | 14.5% | 791 | 925 | 134 | 14.5% |
| Supplies & Other | 682 | 933 | 251 | 26.9% | 682 | 933 | 251 | 26.9% |
| Occupancy | 151 | 101 | (50) | -49.2% | 151 | 101 | (50) | -49.2% |
| Depreciation/Amortization | 284 | 291 | 7 | 2.3% | 284 | 291 | 7 | 2.3% |
| **Total Administrative Expenses** | **$7,386** | **$7,958** | **$572** | **7.2%** | **$7,386** | **$7,958** | **$572** | **7.2%** |
| **Operating Income** | **$16,198** | **$8,751** | **$7,447** | **85.1%** | **$16,198** | **$8,751** | **$7,447** | **85.1%** |
| **Non-Op Income/(Expense)** | | | | | | | | |
| Interest | $2,217 | $1,025 | $1,192 | 100.0% | $2,217 | $1,025 | $1,192 | 100.0% |
| Gain/(Loss) on Investments | 3,681 | (2,364) | 6,046 | 100.0% | 3,681 | (2,364) | 6,046 | 100.0% |
| Other Revenues | 137 | 155 | (18) | -11.5% | 137 | 155 | (18) | -11.5% |
| Grants | (1,429) | (1,500) | 71 | 4.7% | (1,429) | (1,500) | 71 | 4.7% |
| **Total Non-Op Income/(Expense)** | **$4,607** | **($2,684)** | **$7,291** | **100.0%** | **$4,607** | **($2,684)** | **$7,291** | **100.0%** |
| **Net Income/(Loss)** | **$20,805** | **$6,067** | **$14,738** | **100.0%** | **$20,805** | **$6,067** | **$14,738** | **100.0%** |
| *MLR* | *82.9%* | *87.3%* | | | *82.9%* | *87.3%* | | |
| *ALR* | *5.4%* | *6.1%* | | | *5.4%* | *6.1%* | | |
| *Operating Income* | *11.8%* | *6.7%* | | | *11.8%* | *6.7%* | | |
| *Net Income %* | *15.1%* | *4.6%* | | | *15.1%* | *4.6%* | | |

**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**
**Income Statement - Actual vs. Budget**
**For The First Month Ending January 31, 2023**
**(In PMPM)**

| | MTD Actual | MTD Budget | Variance | % | YTD Actual | YTD Budget | Variance | % |
|---|---|---|---|---|---|---|---|---|
| ***Member Months*** | *421,212* | *412,231* | *8,981* | *2.2%* | *421,212* | *412,231* | *8,981* | *2.2%* |
| **Capitation Revenue** | | | | | | | | |
| Capitation Revenue Medi-Cal | $326.01 | $317.12 | $8.89 | 2.8% | $326.01 | $317.12 | $8.89 | 2.8% |
| Premiums Commercial | 0.87 | 0.83 | 0.04 | 4.8% | 0.87 | 0.83 | 0.04 | 4.8% |
| **Total Operating Revenue** | **$326.88** | **$317.95** | **$8.93** | **2.8%** | **$326.88** | **$317.95** | **$8.93** | **2.8%** |
| **Medical Expenses** | | | | | | | | |
| Inpatient Services (Hospital) | $98.24 | $103.76 | $5.51 | 5.3% | $98.24 | $103.76 | $5.51 | 5.3% |
| Inpatient Services (LTC) | 31.60 | 37.16 | 5.56 | 15.0% | 31.60 | 37.16 | 5.56 | 15.0% |
| Physician Services | 57.46 | 58.00 | 0.53 | 0.9% | 57.46 | 58.00 | 0.53 | 0.9% |
| Outpatient Facility | 33.40 | 38.42 | 5.02 | 13.1% | 33.40 | 38.42 | 5.02 | 13.1% |
| Pharmacy | 0.69 | 0.24 | (0.45) | -100.0% | 0.69 | 0.24 | (0.45) | -100.0% |
| Other Medical | 49.50 | 39.85 | (9.65) | -24.2% | 49.50 | 39.85 | (9.65) | -24.2% |
| **Total Medical Expenses** | **$270.89** | **$277.42** | **$6.53** | **2.4%** | **$270.89** | **$277.42** | **$6.53** | **2.4%** |
| **Gross Margin** | **$55.99** | **$40.53** | **$15.46** | **38.1%** | **$55.99** | **$40.53** | **$15.46** | **38.1%** |
| **Administrative Expenses** | | | | | | | | |
| Salaries | $12.58 | $13.35 | $0.77 | 5.8% | $12.58 | $13.35 | $0.77 | 5.8% |
| Professional Fees | 0.43 | 0.50 | 0.07 | 14.2% | 0.43 | 0.50 | 0.07 | 14.2% |
| Purchased Services | 1.88 | 2.24 | 0.37 | 16.3% | 1.88 | 2.24 | 0.37 | 16.3% |
| Supplies & Other | 1.62 | 2.26 | 0.64 | 28.5% | 1.62 | 2.26 | 0.64 | 28.5% |
| Occupancy | 0.36 | 0.25 | (0.11) | -46.0% | 0.36 | 0.25 | (0.11) | -46.0% |
| Depreciation/Amortization | 0.67 | 0.71 | 0.03 | 4.3% | 0.67 | 0.71 | 0.03 | 4.3% |
| **Total Administrative Expenses** | **$17.54** | **$19.30** | **$1.77** | **9.2%** | **$17.54** | **$19.30** | **$1.77** | **9.2%** |
| **Operating Income** | **$38.46** | **$21.23** | **$17.23** | **81.1%** | **$38.46** | **$21.23** | **$17.23** | **81.1%** |

**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**
**Statement of Cash Flow**
**For The First Month Ending January 31, 2023**
**(In $000s)**

| | MTD | YTD |
|---|---|---|
| Net Income | $20,805 | $20,805 |
| Items not requiring the use of cash: Depreciation | 284 | 284 |
| Adjustments to reconcile Net Income to Net Cash provided by operating activities: | | |
| Changes to Assets: | | |
| Receivables | 18,235 | 18,235 |
| Prepaid Expenses | (330) | (330) |
| Current Assets | (866) | (866) |
| **Net Changes to Assets** | **$17,038** | **$17,038** |
| | | |
| Changes to Payables: | | |
| Accounts Payable | (44,190) | (44,190) |
| Accrued Expenses | - | - |
| Other Current Liabilities | (1,383) | (1,383) |
| Incurred But Not Reported Claims/Claims Payable | 21,606 | 21,606 |
| Estimated Risk Share Payable | 2,500 | 2,500 |
| Due to State | - | - |
| **Net Changes to Payables** | **($21,468)** | **($21,468)** |
| | | |
| **Net Cash Provided by (Used in) Operating Activities** | **$16,659** | **$16,659** |
| | | |
| Change in Investments | (3,720) | (3,720) |
| Other Equipment Acquisitions | (4) | (4) |
| **Net Cash Provided by (Used in) Investing Activities** | **($3,724)** | **($3,724)** |
| | | |
| **Net Increase (Decrease) in Cash & Cash Equivalents** | **$12,936** | **$12,936** |
| **Cash & Cash Equivalents at Beginning of Period** | **$138,338** | **$138,338** |
| **Cash & Cash Equivalents at January 31, 2023** | **$151,274** | **$151,274** |

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Ronita Margain, Community Engagement Director

**SUBJECT:** Member Services Advisory Group: Member Appointment

---

Recommendation. Staff recommend the Board approve the appointment of the individuals listed below to the Member Services Advisory Group (MSAG).

Background. The Board established the MSAG authorized in the Bylaws of the Santa Cruz-Monterey-Merced Managed Medical Care Commission.

Discussion. The following individuals have indicated interest in participating on the MSAG.

| Name | Affiliation | County |
|---|---|---|
| Margaret O'Shea | Consumer | Santa Cruz |
| Dr. Ericka Peterson | Community Partner | Merced |
| Guadalupe Barajas-Iniquez | Consumer [Parent] | Merced |

Fiscal Impact. There is no fiscal impact associated with this agenda item.

Attachments. N/A

# SANTA CRUZ – MONTEREY – MERCED
# MANAGED MEDICAL CARE COMMISSION

## Meeting Minutes

**Wednesday, February 22, 2023**

## Teleconference Meeting
**(Pursuant to Assembly Bill 361 signed by Governor Newsom, September 16, 2021)**

**Commissioners Present:**

| | |
|---|---|
| Supervisor Wendy Root Askew | County Board of Supervisors |
| Ms. Dorothy Bizzini | Public Representative |
| Ms. Leslie Conner | Provider Representative |
| Dr. Maximiliano Cuevas | Provider Representative |
| Dr. Larry deGhetaldi | Provider Representative |
| Ms. Julie Edgcomb | Public Representative |
| Ms. Janna Espinoza | Public Representative |
| Dr. Charles Harris | Hospital Representative |
| Ms. Dori Rose Inda | Hospital Representative |
| Ms. Elsa Jimenez | County Health Director |
| Ms. Shebreh Kalantari-Johnson | Public Representative |
| Mr. Michael Molesky | Public Representative |
| Ms. Rebecca Nanyonjo | Director of Public Health |
| Supervisor Josh Pedrozo | County Board of Supervisors |
| Dr. James Rabago | Provider Representative |
| Dr. Allen Radner | Provider Representative |
| Dr. Joerg Schuller | Hospital Representative |
| Mr. Rob Smith | Public Representative |

**Commissioners Absent:**

| | |
|---|---|
| Supervisor Zach Friend | County Board of Supervisors |
| Ms. Mónica Morales | County Health Services Agency Director |
| Mr. Tony Weber | Provider Representative |

**Staff Present:**

| | |
|---|---|
| Ms. Stephanie Sonnenshine | Chief Executive Officer |
| Dr. Dale Bishop | Chief Medical Officer |
| Ms. Jenifer Mandella | Chief Compliance Officer |
| Mr. Cecil Newton | Chief Information Officer |

HEALTHY PEOPLE. HEALTHY COMMUNITIES.

| | |
|---|---|
| Ms. Van Wong | Chief Operating Officer |
| Ms. Danita Carlson | Government Relations Director |
| Ms. Linda Gorman | Communications Director |
| Ms. Kathy Stagnaro | Clerk of the Board |

**1. Call to Order by Chair Jimenez.**

Commission Chairperson Jimenez called the meeting to order at 3:01 p.m.

Roll call was taken and a quorum was present.

There were no supplements or deletions to the agenda.

**2. Oral Communications.**

Chair Jimenez opened the floor for any members of the public to address the Commission on items not listed on the agenda.

No members of the public addressed the Commission.

**3. Comments and announcements by Commission members.**

Chair Jimenez opened the floor for Commissioners to make comments.

Commissioner Nanyonjo announced the appointment of Dr. Kimiko Vang to Director of Behavioral Health & Recovery Services, Merced County.

**4. Comments and announcements by Chief Executive Officer.**

Chair Jimenez opened the floor for Ms. Stephanie Sonnenshine, Chief Executive Officer (CEO).

There were no comments or announcements from the CEO at this time.

[Commissioner Rabago arrived at this time: 3:05 p.m.]

**Consent Agenda Items: (5. – 10H.): 3:06 p.m.**

Chair Jimenez opened the floor for approval of the Consent Agenda.

Chair Jimenez and Commissioner Askew indicated that they had potential conflicts of interest on consent agenda item 10B: Funding recommendation for Monterey County Workforce Development Board's Community Health Worker Training Program and would be abstaining from voting on consent.

**MOTION:** Commissioner deGhetaldi moved to approve the Consent Agenda seconded by Commissioner Smith.

**ACTION**: The motion passed with the following vote:

Ayes: Commissioners Bizzini, Conner, Cuevas, deGhetaldi, Edgcomb, Espinoza, Harris, Inda, Kalantari-Johnson, Molesky, Nanyonjo, Rabago, Radner, Schuller and Smith.

Noes: None.

Absent: Commissioners Friend, Morales, Pedrozo and Weber.

Abstain: Commissioners Askew and Jimenez.

**Regular Agenda Item: (11. - 13.): 3:09 p.m.**

**11. Discuss agenda and arrangements for the Board's Merced County in-person dinner meeting on April 25, 2023 and regular meeting on April 26, 2023. (3:09 – 3:32 p.m.)**

Ms. Sonnenshine, CEO informed the Board that each year the Board convenes with all 21 members in-person in one location in April in Merced and in August or September for an in-person retreat. Commissioners communicated in the past a desire to have the opportunity for more interaction so staff had proposed that for the April meeting.

A dinner meeting, planned for April 25, 2023 with call to order at 5:30 p.m. with initial business items and a presentation with discussion was considered. The regular Board meeting on April 26, 2023 would follow the traditional meeting schedule, beginning late morning and ending mid-afternoon. The El Capitan Hotel in Merced has been identified as the meeting venue.

[Vice Chair Pedrozo arrived at this time: 3:16 p.m.]

Draft topics were reviewed and discussed for agenda finalization. Topics for consideration included: presentation and discussion on Dual Eligible Special Needs Plans with Ms. Margaret Tatar, Health Management Associates; quality program update; state of the Alliance network; data sharing strategy; behavioral health update; and possible payment strategy update. A model change update is planned for presentation to the Board in March. An informational update from each county on homeless services and supportive housing was recommended for a future meeting.

Outcomes from Board discussion included cancelling the April 25, 2023 dinner meeting as enough Commissioners were unable to attend and recommended extending the duration of the April 26, 2023 regular meeting to cover proposed content, if necessary. Staff will finalize the agenda for March consent.

Information and discussion item only; no action was taken by the Board.

**12. Consider approving Alliance Policy Priorities for 2023. (3:32 – 3:57 p.m.)**

Ms. Danita Carlson, Government Relations Director, reported on the 2023 legislative session, including an overview of and discussion on areas of policy priorities. The approach to developing areas of focus and policy priorities and the factors for consideration were reviewed.

The areas of policy priorities include access to care, local innovation, eligibility and benefits, financing and rates, health equity and person-centered delivery system transformation.

[Commissioner Harris departed at this time: 3:41 p.m.]

The proposed Policy Priorities considers the Board's adopted five-year Strategic Plan, the current health care policy environment and the Board's historical areas of legislative focus.

Commissioners discussed sustainability of hospitals that serve Alliance members and potential hospital closures, protection of the County Organized Health System model, the importance of supporting the managed care organization tax and increasing awareness on advocacy through the upcoming Farm Bill.

**MOTION:** Commissioner Cuevas moved to approve the Alliance 2023 Policy Priorities and authorize staff to undertake necessary legislative, budgetary, policy and regulatory advocacy aligned with these policy priorities, seconded by Commissioner Conner.

**ACTION**: The motion passed with the following vote:

Ayes: Commissioners Askew, Bizzini, Conner, Cuevas, deGhetaldi, Edgcomb, Espinoza, Inda, Jimenez, Kalantari-Johnson, Molesky, Nanyonjo, Pedrozo, Rabago, Radner, Schuller and Smith.

Noes: None.

Absent: Commissioners Friend, Harris, Morales and Weber.

Abstain: None.

**13. Discuss Alliance Communications Plan for 2023. (3:47 – 3:58 p.m.)**

Ms. Linda Gorman, Communications Director, informed the Board that the Communications Department was established in 2018 and the current structure was formalized in Q4 2019. The department has been focused on building internal processes, identifying message alignment opportunities, website redesign and pandemic response. In collaboration with various subject matter experts, the department oversees the development and execution of the Member Bulletin, Provider publications, The Beat, corporate communications, the external facing Alliance website, and social media campaigns focused on priority health initiatives.

The Alliance's focus on health equity and the state's CalAIM focus, underscore the need to align the communications strategy with organizational priorities. An integrated and aligned communications strategy is crucial in elevating brand awareness by connecting the value proposition with the Alliance's commitment to health equity. While this represents a new way of thinking about the work, the collaborative approach was developed with an intentional focus on the Alliance's strategic priorities.

Communication objectives address health inequities and social determinants of health through effective messaging to improve health outcomes for Alliance members. Areas of focus include children and your health and wellness; prenatal and infant health and wellness; all populations in Merced with a focus on well checks; vaccines, and chronic conditions; and continuing to support CalAIM efforts and opportunities to package messaging. In addition, the communication objective ensures members understand all aspects of their health plan to

improve their overall health and wellness by helping members navigate the logistics of care as well as the benefits and services available to them. This person-centered, culturally appropriate approach is meant to empower members with the information and resources they need to live their healthiest lives.

The communication strategies objectives address health inequities through effective, timely and relevant messaging to improve health outcomes for Alliance members. The first of two strategies involves developing and communicating the unique value proposition (UVP). The UVP is a statement that ensures audiences understand how they will benefit from the services provided, how the services will address their healthcare needs and solve their problems, and what makes the Alliance different from other health care options. The UVP aims to improve brand awareness and loyalty. The second strategy engages and motivates members to live their healthiest lives by providing members with the tools, information and resources they need to be as healthy as possible, and to meet members where they are at with culturally and linguistically appropriate messaging.

An integrated communications strategy is the path forward. This approach will allow the Alliance to target members with the information they need, at the right place and at the right time. This includes testing new and innovative ways to reach members.

Vice Chair Pedrozo presided over the remainder of the meeting.

Commissioner comment included communicating the importance of healthcare and health access for the community to taxpayers, the value of text messaging, onboarding for whole child model families and community members, mental health and access to physicians for children, links to appropriate demographic community resources on the Alliance website, and access for children to after school programs.

Information and discussion item only; no action was taken by the Board.

**The Commission adjourned its regular meeting of February 22, 2023 at 4:23 p.m. to the regular meeting of March 22, 2023 at 3:00 p.m. via videoconference from Alliance offices in Scotts Valley, Salinas and Merced unless otherwise noticed.**

Respectfully submitted,

Ms. Kathy Stagnaro
Clerk of the Board

# COMPLIANCE COMMITTEE

**Meeting Minutes**
**Wednesday, January 18, 2023**
9:00 – 10:00 a.m.

**Via Videoconference**

**Committee Members Present:**

| | |
|---|---|
| **Adam Sharma** | Operational Excellence Director |
| **Arti Sinha** | Application Services Director |
| **Bob Trinh** | Technology Services Director |
| **Cecil Newton** | Chief Information Officer |
| **Dale Bishop** | Chief Medical Officer |
| **Danita Carlson** | Government Relations Director |
| **Gordon Arakawa** | Medical Director |
| **Jenifer Mandella** | Chief Compliance Officer (Chair) |
| **Jessie Dybdahl** | Provider Services Director |
| **Jimmy Ho** | Accounting Director |
| **Kate Knutson** | Compliance Manager |
| **Lilia Chagolla** | Community Engagement Director |
| **Lisa Ba** | Chief Financial Officer |
| **Luis Somoza** | Member Services Director |
| **Michelle Stott** | Quality Improvement and Population Health Director |
| **Navneet Sachdeva** | Pharmacy Director |
| **Nicole Krupp** | Regulatory Affairs Manager |
| **Ronita Margain** | Community Engagement Director, Merced County |
| **Scott Fortner** | Chief Administrative Officer |
| **Shaina Zurlin** | Behavioral Health Director |
| **Stephanie Sonnenshine** | Chief Executive Officer |
| **Tammy Brass** | Utilization Management Director |
| **Van Wong** | Chief Operating Officer |

**Committee Members Absent:**

| | |
|---|---|
| **Bryan Smith** | Claims Director |
| **Dianna Diallo** | Medical Director |
| **Kay Lor** | Financial Planning and Analysis Director |
| **Linda Gorman** | Communications Director |
| **Ryan Inlow** | Facilities & Administrative Services Director |

**Committee Members Excused:**

| | |
|---|---|
| **Jennifer Mockus** | Community Care Coordination Director |
| **Lisa Artana** | Human Resources Director |

**Ad-Hoc Attendees:**

| | |
|---|---|
| **Ka Vang** | Compliance Specialist II |
| **Rebecca Seligman** | Compliance Supervisor |

1. **Call to Order by Chairperson Mandella.**

   Chairperson Jenifer Mandella called the meeting to order at 9:02 a.m.

2. **Review and Approval of December 21, 2022 Minutes.**

   COMMITTEE ACTION: Committee reviewed and approved minutes of December 21, 2022 meeting.

3. **Consent Agenda.**
   1. **Policy Hub Approvals**
   2. **Regulatory and All Plan Letter Updates**
   3. **Quarterly Policy Monitoring**
   4. **Revisions to Compliance Committee Charter**

   COMMITTEE ACTION: Committee reviewed and approved Consent Agenda.

4. **Regular Agenda**

   1. **Program Integrity Quarterly Report**

   Seligman, Compliance Supervisor, presented the Q3 2022 Program Integrity Activity Report and reviewed select Matters Under Investigation (MUIs). Seligman reported that 27 concerns were referred to Program Integrity in Q3 2022, 17 of which resulted in the opening of a MUI. There were 50 active MUIs in Q3 2022.

   Seligman reviewed referral trends for the period noting that 6 were provider specific, 8 were member specific, 2 were State Requests and 1 was waste related.

   Seligman reviewed performance of the Program Integrity metrics from the Q2 Alliance Dashboard noting that quality metric met target performance while the efficiency metric did not.

   Seligman reviewed 4 exemplar cases, highlighting investigative measures taken and next steps for completion of MUI investigation. This included resolution of an MUI reported in Q3 2020 related to upcoding, in which ongoing monitoring identified that Program Integrity's intervention had resulted in behavior change on the provider's part.

   Seligman reviewed Q322 Program Integrity Financial Reporting noting the total requested recoupment was $23,769.50 and completed recoupment was $12,211.70, which included

both Alliance-initiated and delegate-initiated recoveries, and that over $12,000 in recoupments had been received during the period.

COMMITTEE ACTION: Committee reviewed and approved the Q3 2022 Program Integrity Report.

**2. Delegate Oversight Quarterly Report**

Knutson, Compliance Manager, presented the Q3 2022 Delegate Oversight Quarterly Activity Report and Additional Oversight activities.

Q3 2022 Continuous Oversight Activities
Staff recommended approval of the following documents received from delegates, completing the Q3 2022 Quarterly Review:

- Beacon/CHIPA: Claims, Credentialing, Member Connections, Network Adequacy, Provider Disputes and Quality Improvement
- ChildNet: Credentialing
- LPCH: Credentialing
- MedImpact: Claims, Member Connections, Member Grievance, Network Adequacy and Provider Disputes
- PAMF: Credentialing
- SCVMC: Credentialing
- Stanford: Credentialing
- UCSF: Credentialing
- VSP: Claims, Credentialing, Member Connections, Provider Disputes and Quality Improvement

Staff recommended holding approval of the following reports pending staff follow-up review of documentation as described below:

- Beacon/CHIPA: Member Grievance and Utilization Management
- VSP: Member Grievance

COMMITTEE ACTION: Committee reviewed and approved the Q3 2022 Continuous Oversight Activities and assigned the following action items:

- Sanders to review Beacon/CHIPA and VSP Member Grievance documentation and complete quarterly review
- Rimac to review Beacon/CHIPA Utilization Management documentation and complete quarterly review

Q1 2022 Continuous Oversight Activities
Staff recommended approval of the following documents received from delegates, completing the Q1 2022 Quarterly Review:

- Beacon/CHIPA: Member Grievance. Provider Disputes and Utilization Management
- MedImpact: Network Adequacy
- VSP: Member Grievance and Provider Disputes

Additional Oversight Activities
Knutson reviewed the Q3 2022 Beacon Performance Guarantees noting that Beacon met all measurement requirements.

COMMITTEE ACTION: Committee reviewed and approved the Additional Oversight Activities of the Q3 2022 Quarterly Report.

**3. Compliance Division Structure**

Mandella, Compliance Officer, presented on the recent implementation of the Compliance Division, reviewing the need for the division and outlined the future state of division structure and core functions.

The meeting adjourned at 9:48 a.m.

Respectfully submitted,

Robin Sihler
Compliance Administrative and Data Reporting Assistant

# Physicians Advisory Group

**Meeting Minutes**

Thursday, December 1, 2022
12:00 - 1:30 p.m.

**Held via Teleconference**

**Group Members Present:**

| | |
|---|---|
| Dr. Shirley Dickinson | Provider Representative |
| Dr. Michael Yen | Provider Representative |
| Dr. James Rabago | Provider Representative |
| Dr. Caroline Kennedy | Provider Representative |
| Dr. Cristina Mercado | Provider Representative |
| Dr. Casey KirkHart | Provider Representative |
| Dr. Misty Navarro | Provider Representative |
| Dr. Amy McEntee | Provider Representative |
| Dr. Devon Francis | Provider Representative |
| Dr. Salvador Sandoval | Provider Representative |

**Group Members Absent:**

| | |
|---|---|
| Dr. Anjani Thakur | Provider Representative |
| Dr. Patrick Clyne | Provider Representative |
| Dr. Jennifer Hastings | Provider Representative |
| Dr. Scott Prysi | Provider Representative |

**Staff Present:**

| | |
|---|---|
| Dr. Dale Bishop | Chief Medical Officer |
| Dr. Dianna Diallo | Medical Director |
| Dr. Gordon Arakawa | Medical Director |
| Ms. Navneet Sachdeva | Pharmacy Director |
| Ms. Jennifer Mockus | Community Care Coordination Director |
| Ms. Shaina Zurlin | Behavioral Health Director |
| Ms. Alex Sanchez | QI Program Advisor |
| Ms. Michelle Stott | QI & Population Health Director |
| Ms. Kristen Rohlf | QI Program Advisor |
| Ms. Tammy Brass | Utilization Management Director |
| Ms. Jessie Dybdahl | Provider Services Director |
| Mr. Jim Lyons | Provider Relations Manager |
| Ms. Ronita Margain | Community Engagement Director |
| Ms. Lilia Chagolla | Community Engagement Director |
| Ms. Veronica Lozano | Quality Improvement Program Advisor |
| Ms. Van Wong | Chief Operating Officer |
| Ms. Tracy Neves | Clerk of the Advisory Group |

**Public Representatives Present:**

| | |
|---|---|
| Ms. Becky Shaw | Public Representative |

1. Call to Order by Chairperson Dr. Dale Bishop.

   Group Chairperson Bishop called the meeting to order at 12:00 p.m.
   Roll call was taken.

   No supplements or deletions were made to the agenda.

2. Oral Communications.

   Chairperson Bishop opened the floor for any members of the public to address the Group on items not listed on the agenda.

   No members of the public addressed the Group.

   **Consent Agenda**

   A. The group reviewed the September 1, 2022 Physicians Advisory Group (PAG) minutes.

      **Action:** Minutes approved as written.

3. **New Business**

   A. 2022 Care Based Incentive (CBI) Adjustment and 2023 Improvement Plan
   Dr. Bishop provided an overview of the CBI Adjustment. The intent of CBI is to improve care coordination, access, and quality. The Alliance assumed in the past that when providers received an incentive, it was helpful to reinvest it in quality improvement strategies to continue to do well in CBI. But reinvestment in quality improvement does vary among practices. An adjustment factor was put in place due to DHCS requirements. To achieve medical quality metrics above the 50th percentile. Previously the metric was the 25$^{th}$ percentile but changes were made and sanctions but in place beginning in 2021. Also, DMHC has set goals for quality improvement.
   In 2020, the Board approved putting an adjustment factor in place and the Alliance removed it temporarily in 2021 due to the severity of the pandemic. The adjustment ranges from a multiplier of .75 of the earnings on CBI down to a multiplier of zero .. If you have one of three metrics between 25th and 50th, there is a .75 adjustment factor. Four or more metrics below the 25th CBI payment is removed. The Alliance has contacted providers to work on gaps in care and reporting.

   A provider asked if the CBI is proportional in all three counties. It was noted incentive payments which are based on achieving higher scores are higher in Santa Cruz and Monterey Counties. The Alliance is looking to develop a program to make investment to assist lower performing practices which will result in a higher proportion of funds directed to Merced County.. There was another question regarding data reporting. It was noted the Alliance is reaching out to all providers that have gaps in care, and Provider Services is collaborating with providers that will have adjustments. A provider asked how many providers are facing adjustments. Dr. Bishop noted about half of the providers will have an adjustment. The complete data is only through Q2, and the Alliance is finishing the Q3 data now.

   Provider noted the 15-month well child check-up is exceedingly difficult because patients can transfer in at 14 months of age and she is still required to get their visits done,. She also noted that she spends hours just letting the Alliance know the data is flawed. The provider suggested that those below the 25th percentile be allowed to

work the Quality Improvement (QI) department to obtain extra data to help them catch up. Provider suggested the Alliance consider being a little more flexible and build tools for those that are going to be hit hard on the CBI.

It was noted, CBI practice profiles for quarter three will begin to be released next week and in the provider portal quarter 3 CBI reports are available for review by the CBI team and should be available soon for providers. The Alliance is aware there is missing information, and the QI team or Provider Services Representatives can work with clinics. Dr. Bishop noted with Board approval, CBI improvement funding could be made available to providers for reports and EMR upgrades. There is an opportunity to use this funding for improvement. Also noted, QI is actively soliciting ideas from providers about how to make improvements to the data and how to make it more actionable. If there are any suggestions that providers have in terms of what would be easier for the clinics, please reach out to your representatives,

B. CBI Performance Improvement Project
Dr. Diallo reviewed the performance improvement project. The Alliance is requesting Board approval for funds to support practices and improvement projects with the goal to support targeted process improvement in a way that can be sustainable in order to increase measure performance to meet the minimum performance levels in 2023.

The intent is to reinvest these funds back into practices that are losing funds through their CBI 2022 payments. This goal ties into our strategic plan of Health Equity and the key objective of getting to the green for pediatric measures. The aim is to NCQA 90th percent for 2026. This performance improvement proposal and plan is just one of the means the Alliance is working on to support pediatric Health Equity.

In particular, the Alliance would like to prioritize the pediatric measures and also address the efforts needed to achieve these measures. The Alliance is looking primarily at the well child visits in the first 15 months, and immunizations for children and adolescent well care visits. Adolescent immunizations, diabetes control and cervical cancer screening are some of the measures. There are a few adult measures as some practices do not have pediatrics or many pediatrics patients. The Alliance is looking at a possible five points for that first well child visit, six visits and 15 months and in the first two years of immunizations to be the highest priority, along with the child and adolescent well care visits.

The Alliance is trying to determine how the funding would be distributed based on provider challenges, and how best to support provider approaches. A provider asked if the Alliance determines root cause of performance issues. Dr. Diallo noted that practices know their issues best and they may vary by practice, region, and specialty. Access issues, staffing, and data collection challenges are the issues that have been expressed by providers. Also noted, was it can be overwhelming for practices to figure out the problems, and any suggestions would be helpful for practices. It was noted, if a practice is on the borderline with some well child visits, nothing can be done for those that do not have any workable solutions.

Provider Services noted there is an opportunity when the quarter three profiles come out for practices to submit extra or supplemental data. Providers were encouraged to reach out to representatives for more assistance with data. The Alliance suggested

practice coaching and practices in targeted geographic areas working together that have similar challenges to discuss projects and solutions.

The data is an issue, and the Alliance does not have all the records, It was suggested if a trained person could go out to the practices, it would be a huge relief for clinics. A centralized person that can help practices reach goals would be helpful. Practice coaches can provide some support. **Action**: The Alliance will investigate how to better support data collection. Data collection and reconciliation and maximizing the electronic health records (EHR) system is critical. Best practices can be shared and the. Alliance is open to strategies and improvements for electronic medical records. Provider noted that assistance to offset the cost of EHR would help providers. The proposed project timeline was shared with the Group.

C. Care Based Incentives 2024

Dr. Diallo shared ideas for CBI for 2024. The Alliance is looking to continue to prioritize pediatric measures and support quality care through the incentive program and reward the practices. In addition, we are preparing for DSNP administration in 2026. Also, the Alliance is working to prioritize some of the adult measures. Care Coordination measures include:

Hospital and Outpatient Measures

- Ambulatory Care Sensitive Admissions
- Plan All-Cause Readmissions
- Preventable Emergency Visits

Access Measures

- Adverse Childhood Experiences (ACEs) screening in Children and Adolescents
- Application of Dental Fluoride Varnish
- Developmental Screening in the First 3 Years
- Initial Health Assessment
- Unhealthy Alcohol Use in Adolescents and Adults
- Post-Discharge Care

BMI Assessment and Screening and Screening for Depression and follow-up will be removed.. Proposed additions include:

- Colorectal Cancer Screening
- Well-Child Visits for Age 15 Months–30 Months
- Chlamydia Screening in Women
- Controlling High Blood Pressure

Provider noted chlamydia screening is difficult in EPIC. Provider also noted this measure is based on whether the patient is sexually active and has a prescription for birth control. The Alliance noted the measure is for ages 16-24 years. Also noted, controlling high pressure, criteria ages 18-85 years and criteria for two diagnoses dates within the year. Available on the data submission tool. Provider suggested removing measures if others are being added.

Dr. Diallo acknowledged the challenges in collecting and exchanging data, and added the Alliance is looking at adding a measure to promote health information exchange (HIE) enrollment. A provider noted she believes the data is not dependable. Another provider expressed concerns over whether it will be supported, Another concern is

many practices do not send practices the information that they need and there is a constant need to fax and/or call to follow-up..
Next steps include:

- Review proposed changes and discuss CBI 2024 proposal with clinic staff to provide additional feedback to the Alliance.
- Finalized CBI 2024 proposal will be shared with PAG in Q1 2023.
- CBI 2024 Board presentation in March-April 2023 for approval.

D. Hospital Incentive Program
Dr. Bishop provided an overview of the Hospital Incentive Program. The Board approved the incentive program last month. The objectives of the program include better health outcomes for members, advance value-based payment promotion of quality of care, reduce avoidable use of services, improve coordination of care, and collaboration with physicians lower total cost of care
Program Overview:

- In-area contracted hospitals qualified to participate (9)
- Four measurements
- Payment is based on achieving the target
  - ✓ Target: Measure of performance for each measure
  - ✓ Target Baseline: CY2021 Hospital's actual results for the Alliance.
  - ✓ Performance Year = Calendar Year 2023
  - ✓ Payout = Q2-2024 (90 days for claims to run out)
- Proposed funding: **$10M** for the calendar year 2023.

Provider noted a shared EHR with hospitals would be helpful for communication and scheduling. Another provider noted working with the hospitals is challenging and not certain whether hospitals will be incentivized. Also working to have patients utilize in network hospitals would be another approach.

E. New Immunization Member Incentives Proposal
Veronica Lozano gave an overview of the Immunization Member Incentive Program. Childhood immunization rates for Combination 10 for 2021 were reviewed.. Proposal #1 is for the Combination 10 immunization series. This would be a direct incentive of a $100 Target gift card for completion by the second birthday. The start date would begin April 1, 2023 and use of existing vendor customer motivators would be utilized on a monthly basis. A provider noted this might help motivate patients to obtain immunizations. Provider suggested getting the word out to WIC and First 5. It was noted, the Alliance is currently conducting outreach.

Proposal #2 would focus on adolescent immunizations The proposal is a direct incentive of a $50 Target gift card for completion of IMA series and completing at least one well care visit in the previous 12 months. Current vendor customer motivators will be mailed out monthly. The program would begin April 1, 2023. Provider noted this age is harder to get in for immunizations, and this incentive may help.

**4. Open Discussion**
Provider inquired about ACE Training and requested the Alliance's assistance.. The provider also had a question regarding the Depo shot needing to take place in 90 days or there is no reimbursement. **Action:** The Alliance will follow-up with provider on both of the requests.

The meeting adjourned at 1:30 p.m.

Respectfully submitted,

Ms. Tracy Neves
Clerk of the Advisory Group

The Physicians Advisory Group is a public meeting governed by the provisions of the Ralph M. Brown Act. As such, items for discussion and/or action must be placed on the agenda prior to the meeting.

# Whole Child Model Clinical Advisory Committee

**Meeting Minutes**

**Thursday, December 15, 2022**
12:00 p.m. - 1:00 p.m.

**Teleconference Meeting**

**Committee Members Present:**

| | |
|---|---|
| Jennie Jet, MD | Provider Representative |
| Ibraheem Al Shareef, MD | Provider Representative |
| Cal Gordon, MD | Provider Representative |
| John Mark, MD | Provider Representative |
| Salvador Sandoval, MD | Provider Representative |
| Sarah Smith, MD | Provider Representative |

**Committee Members Absent:**

| | |
|---|---|
| Patrick Clyne, MD | Provider Representative |
| Devon Francis, MD | Provider Representative |

**Staff Present:**

| | |
|---|---|
| Dianna Diallo, MD | Medical Director |
| Gordan Arakawa, MD | Medical Director |
| Dale Bishop, MD | Chief Medical Officer |
| Jennifer Mockus, RN | Community Care Coordination Director |
| Tammy Brass, RN | Utilization Management Director |
| Michelle Stott, RN | QI & Population Health Director |
| Navneet Sachdeva, Pharm D. | Pharmacy Director |
| Shaina Zurlin, LCSW, PsyD. | Behavioral Health Director |
| Kelsey Riggs, RN | Pediatric Complex Case Mgmt. Manager |
| Jessie Newton, RN | Care Coordination Manager |
| Cynthia Balli | Provider Relations Supervisor |
| Jenna Stromsoe, RN | Complex Case Management Supervisor Jacqueline |
| Morales | Provider Relations Representative |
| Tracy Neves | Clerk of the Committee |

**Other Representatives Present:**

| | |
|---|---|
| James Rabago, MD | Board Representative |
| Jennifer Yu, MD | Provider Representative |
| Camille Guzell, MD | Provider Representative |
| Becky Shaw | Provider Representative |
| Laurie Soman | Provider Representative |
| Kenny Ha | Aveanna Representative |

1. **Call to Order by Chairperson Diallo.**
   Chairperson Dr. Dianna Diallo called the meeting to order at 12:00 p.m.

   Roll call was taken.

Thank you to Dr. Jett for her many years serving on the WCMCAC.

**2. Oral Communications.**
Chairperson Dr. Diallo opened the floor for any members of the public to address the Committee on items not listed on the agenda.

No members of the public addressed the Committee.

**3. Consent Agenda Items.**

A. Approval of WCMCAC Minutes
Minutes from the September 15, 2022 meeting were reviewed.

B. Grievance Update
Grievance data was provided to the Committee.

**M/S/A** Consent agenda items approved.

**4. Regular Business.**

**A. Whole Child Model California Children's Services (CCS) Referral Updates**
Kelsey Riggs, RN shared CCS referral data from Q3. Referral trends from January 2022 to September 2022 were shared with the Committee. Total referrals by county for Q3 includes Merced – 77%, Monterey – 71% and Santa Cruz – 67%. Average approval rate is 74% (previous quarter was 70%).

CCS Referral Approval Counts by County for Quarter 3:
Merced: 154
Monterey: 210
Santa Cruz: 70
Total Referrals: 436

In Quarter 3, there were 380 new CCS members, with 8,000 eligible members. Referral volumes and approval rates continue to steadily increase. The Alliance continues to collaborate and meet with county partners regarding cases. Work is being done to improve approval rates among counties, and turnaround times making referrals. The Alliance has also instituted smaller staff-to-staff meetings to discuss cases prior to meeting with the counties. Process improvement for Santa Cruz has begun and work on Merced County will begin next year. Overall, there continues to be really strong collaboration and communication in all counties.

There was a question whether there is comparison data to pre-whole child model implementation. It was noted, initially there was a reduction in referrals, but they are continuing to trend upwards.

The Alliance reviewed the data a year ago and referrals have increased even during the pandemic. There has been a definite increase over the last few years.

Another provider noted, numbers went down initially, and providers worked really hard to improve referrals and the Alliance has done a wonderful job educating providers on the process. It was noted, Santa Cruz County has the same numbers as Merced and Monterey a bit less and yet referral rates are less than the other 2 counties. There are not many referrals from primary care providers and there is an opportunity in Santa Cruz County in increasing referrals.

**B. Pharmacy Update**

Navneet Sachdeva, Pharm D. provided a Pharmacy Update. It was noted providers should be aware that if there are any issues with Medi-Cal Rx or access issues that they can advise members to report back to Medi-Cal Rx. Information was shared with the Committee.

The reinstatement policy is going back in place, there was an exception made for members less than 21 years of age in the transition policy. The exception will be going away, and we wanted to make the Committee aware of the change. If there was anything that was granted that did not require a prior authorization (PA), after July, it will now require a PA. If you are meeting with members, you can send the PAs and they will be approved. If there are any issues, please reach out to the Alliance Pharmacy department.

**C. Transportation Update**

Dianna Diallo, MD gave a transportation update and noted that the Alliance teams are working with transportation vendors for same day transportation. Transportation can be available if the transportation request is received by noon for more urgent issues. In addition, reimbursement is available for taxis, Lyft, Uber, or gas for CCS members. There is more urgent support available than what was previously available.

**D. Whole Child Model (WCM) Program Overview**

Dianna Diallo, MD provided an Overview of WCM and information on CCS History.

- California Children's Services is a statewide program for children and young adults under the age of 21 with certain defined special health care needs.
- One of the nation's oldest Public Health Programs started in 1927 to address the polio epidemic.
- The program expanded through the years to encompass children with various special health care needs.

CCS Program Goals include:

- Assist in treatment costs including medical, surgical, therapies and DME costs.
- Provide medical case management.
- Medical Therapy Program (MTP) services - physical therapy and/or occupational therapy for medically eligible children.
- Guarantee quality through paneling providers for CCS eligible conditions.

Prior to the WCM, counites received referrals from the Alliance, primary care providers (PCPs), subspecialists and hospitals. Referrals were only accepted from CCS paneled providers. The counites opened CCS cases for 3 month-diagnoses period and monitored through their case management. In July 2018, DHCS implemented the Whole Child Model through managed care organizations (MCOs) in counties with county organized health systems. The health plans took responsibility for intensive case management for the children with CCS eligible conditions. The goal was to authorize and facilitate treatment for children within CCS more quickly and efficiently. This led to partnership with MCOs and CCS county offices to best deliver care for members. The Alliance identifies CCS eligible diagnoses through claims, utilization authorizations and referrals from providers and other external sources. Providers may refer to either the county CCS office or to the Alliance. The Alliance collaborates closely with the counties to identify and connect children with CCS eligible conditions to the benefits of CCS/WCM. Provider Services is actively working to panel providers.

Kelsey Riggs, RN gave an overview of Pediatric Complex Case Management which consists of a multidisciplinary team of registered nurses, care coordinators and social workers. There is close collaboration with external providers and other Alliance staff such as the Prior

Authorizations, Pharmacy, Registered Dieticians and Medical Directors. The team screens and identifies potential CCS eligible members. These members are referred to the applicable County CCS Program to receive an eligibility determination. The team also coordinates and provides the delivery of CCS services to CCS eligible members according to regulatory guidelines. The team can also assist with medication assistance, linkage to community resources, durable medical equipment (DME), linkage to physical or speech therapy, medical therapy, mental health resources, PCP coordination, transportation, general referrals, and authorization assistance. The team works on member campaigns and other program updates.

Alliance caseloads and member volumes were presented to the Committee. Total CCS member volume is 8,161. A provider asked if there is an age limit for Evusheld. It was noted that it is for ages 12 years and older.

**5. Open Discussion.**

Chairperson Diallo opened the floor for the Committee to have an open discussion.

Provider noted Stanford is experiencing lots of respiratory viruses and other viruses. There is a multitude of children with many issues, and they are at 99% capacity. Flu is the most severe right now. Residents are getting experience on how to care for those with respiratory issues. Another provider noted RSV is going down statewide, but Santa Cruz County wastewater indicators show a continued rise, and not just pediatrics but total hospital beds. There is very little capacity. Dr. Diallo noted the Alliance has an incentive for obtaining the flu vaccine.

Dr. Bishop noted regarding emergency department (ED) utilization, the Alliance is releasing more information to Communications regarding the Nurse Advice Line and considering an MD live/telemedicine affiliated with Nurse Advice Line. Provider noted Merced hospital staff is overwhelmed and there are tents outside the ED. Children that need admissions are transferred to Valley Children's Hospital, and they are also experiencing issues with bed capacity. Patients seem more encouraged to take the flu vaccine this year. Provider noted Merced is trying to expand pediatric services, they had previously eliminated pediatric in-patient and that left few trained providers.

Dr. Diallo asked the Committee if they agreed to move the December 21st meeting to December 14. All members present agreed. *Please note since this meeting, the meeting was moved to December 13 instead.

The meeting adjourned at 1:00 p.m.

Respectfully submitted,

Ms. Tracy Neves
Clerk of the Advisory Committee

The Whole Child Model Clinical Advisory Committee is a public meeting.

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

Monday, January 23, 2023

1:30p.m. – 3:00p.m.

## Teleconference Meeting
### (Pursuant to Governor Newsom's Executive Order N-29-20)

**Chairperson:** Janna Espinoza, WCM Family Member, WCMFAC Chair

**CCAH Support Staff Present**: Lilia Chagolla, Community Engagement Director**;** Maria Marquez, Administrative Specialist

**WCMFAC Committee Present:** Heloisa Junqueira, MD, Monterey County Provider**;** Irma Espinoza, Merced County - CCS WCM Family Member; Kim Pierce, Monterey County Local Consumer Advocate; Manuel López Mejia, Monterey County – CCS WCM Family Member

**WCMFAC Committee Absent:** Ashley Gregory, Santa Cruz County – CCS WCM Family Member; Cristal Vera, Merced County – CCS WCM Family Member; Cynthia Rico, Merced County – CCS WCM Family Member; Cindy Guzman, Merced County – CCS WCM Family Member; Deadra Cline; Santa Cruz County – CCS WCMF Family Member; Frances Wong, Monterey County – CCS WCM Family Member; Susan Skotzke, Santa Cruz – CCS WCM Family Member; Viki Gomez, Merced County – CCS WCM Family Member

**CCAH Staff Present:** Ashley McEowen, Complex Case Management Supervisor – Pediatric, RN; Bri Ruiz, RN, Interim Complex Case Management Supervisor – Pediatric; Dianna Diallo, MD, Medical Director; Gisela Taboada, Member Services Call Center Manager; Jennifer Mockus, RN, Community Care Coordination Director; Kelsey Riggs, RN, Complex Case Management Supervisor; Luis Somoza, Member Services Director; Ronita Margain, Merced County Community Engagement Director

**Guest**: Anna Rubalcava, Public Health Program Coordinator for County of Merced; Christine Betts, Monterey County – Local Consumer Advocate; Susan Paradise, Manager, Family Health Programs at County of Santa Cruz

| Agenda Topic | Minutes | Action Items |
|---|---|---|
| **Meeting Administration**<br>Lilia Chagolla | • Lilia Chagolla, Community Engagement Director (CED) welcomed the group. | |
| **Call to Order**<br>Janna Espinoza | • Janna Espinoza, WCMFAC Chair called the meeting to order. Followed by Janna Espinoza reading the WCMFAC mission statement in English and L. Chagolla in read the mission statement in Spanish. | |
| **Roll Call**<br>Maria Marquez | • Committee introductions and roll call was taken. | |
| **Oral Communications**<br>Janna Espinoza | • Janna Espinoza, WCMFAC Chair opened the floor for any members of the public to address the Committee on items not listed on the agenda.<br>• Janna Espinoza, WCMFAC Chair communicated that time has been dedicated to plan for best ways to get | |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

Monday, January 23, 2023

1:30p.m. – 3:00p.m.

| Agenda Topic | Minutes | Action Items |
|---|---|---|
| | the most out of the WCMFAC meetings. A couple of things will be put on trial. Roll call/attendance will be slightly altered to have an idea of the representation in each county.<br>• Janna Espinoza, WCMFAC Chair shared that there is on the convening of all the family advisory committees for the Whole Child Model throughout the state in which Susan Skotzke and Jennifer Mockus participate in. Hopeful that next time around participants can communicate with the other advisory groups around attendance/participation. What is working for them and what may not be working and see if there is alignment with The Alliance committee and discuss any other needs.<br>• Janna Espinoza shared that Michael Schrader will join the Alliance as its next Chief Executive Officer. Provided a brief background.<br>• Dr. Diallo welcomed Dr. Junqueira to the WCMFAC as the provider that will be participating in the committee. | Dr. Junqueira to provide a presentation about herself, background, and expertise with CCS at the WCMFAC meeting in March. |
| **Consent Agenda Items: Accept WCMFAC Meeting Minutes from Previous Meeting**<br>Janna Espinoza | • Janna Espinoza, WCMFAC Chair opened the floor for approval of the meeting minutes of the previous meeting on December 5, 2023.<br><br>All attendees were given the meeting minutes prior to the meeting via mail. Motion to approve the meeting minutes by Kim Pierce, seconded by Janna Espinoza. | |
| **CCS Advisory Group Representative Report**<br>Susan Paradise | • Susan Paradise, CCS administrator for Santa Cruz County shared that she attended the CCS Advisory Group and provided an update on the following:<br>1. Whole Child Model Readiness – Kaiser is currently contracted with Medi-Cal managed care health plans in twenty-two counties.<br>1.1 - Concerned that Santa Cruz County was not listed as a participating county. | |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

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1:30p.m. – 3:00p.m.

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| | 1.2 Kaiser will be held to the same Whole Child Model (WCM) requirements as other WCM Medi-Cal Managed Care Health Plans (MCP).<br>1.3 DHCS will conduct in 2023 a comprehensive review, analysis, and evaluation of Kaiser's ability to implement services related to WCM readiness.<br>1.4 Kaiser readiness review process focuses on the following areas:<br>- Provider network adequacy<br>- Member Communications<br>- Contractual and regulatory compliance<br>2. Enhanced Care Management (ECM) for children and youth is coming onboard in July 2023. Mention on the transition to adulthood workgroup discussion. Jennifer Mockus, Community Care Coordination Director for the Alliance shared that no sooner than July of this year, 2023, the state will be implementing ECM for children and youth who are enrolled in CCS WCM with additional needs beyond condition. Enrolled in CCS and they are experiencing at least one complex social factor that is influencing their health. The second population of focus is for children and youth beginning no sooner than July 2023, will be children and youth who participate in the child welfare system. The Alliance is currently developing contact lists for organizations who have culturally relevant experience working out in the community with members that have these complex conditions and situations. Additionally, Provider engagement session is scheduled for mid-February.<br>3. Shared on the WCM evaluation that UCSF has been engaging in and they have completed. There was no data to show. Jennifer Mockus added that | Jennifer Mockus to share with this committee a lists of organizations wo have experience collaborating with members with the complex conditions or situations as shared. |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

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1:30p.m. – 3:00p.m.

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|---|---|---|
| | the evaluation report it was written in the Senate Bill, a legislation that the state was to report back to the legislators on this report and has been delayed. As information becomes available, Jennifer can certainly share with this committee.<br>• Jennifer Mockus, Community Care Coordination Director for the Alliance added that the Alliance is currently providing ECM to individuals and families who are experiencing homelessness as well as member who have intellectual or developmental disabilities. Some ECM is being provided for children and youth today, but the actual intentional focus for this population will go in at the earliest in July 2023. | |
| **Community Partner Feedback New Issues \| Impact on Members – Open Forum**<br><br>Member/Community Voice<br><br>Community Based Organizations<br><br>Alliance Updates | • Irma Espinoza, CCS WCM Family Member asked for guidance on where to take her child if her assigned primary care provider (PCP) has no appointments available to get a sports physical. Gisela Taboada, Member Services Call Center Manager shared that Urgent Care could provide sports physicals if PCP are not available but will happily connect with Irma to discuss further. added that a team of Member Services Representatives are available to assist with any benefits. Member Services can be contacted at 1-800-700-3874. It was reiterated that Case Managers and Pediatric Care Coordinators are also available to assist with access issues.<br>• Anna Rubalcava, Public Health Program Coordinator for County of Merced, shared that the caseworkers at CCS, and public health are also available to assist with any access issues.<br>• Christine Betts from Monterey County CCS shared that a parent communicated to her that there have been transportation changes implemented as of January 1, 2023. Asked for changes to be shared to ensure current information is being shared with the families. Gisela Taboada shared that the change was on who | G. Taboada to connect with Irma Espinoza regarding sports physicals appointment availability.<br><br>G. Taboada to connect with C. Betts member transportation feedback. |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

Monday, January 23, 2023

1:30p.m. – 3:00p.m.

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| | takes the transportation call. Clarified that vendors are not different. Expanded that in 2022 whenever a member, an organization, or provider would call the transportation line, they were connected to a Member Services, so that was not ideal or sustainable for long term. Therefore, it was decided to delegate it over to our vendor who can see more details in their system pertaining to the transportation request. This modification should not have impacted any of the services or the transportation benefit and would like to hear more about the member experience and will be connecting with Christine Betts. Mentioned that any Non-Medical Transportation (NMT) transportation related issues can be directed to Gisela Taboada. NEMT transportation related issues can continue to go to Utilization Management.<br>• Transportation Benefit Definition:<br>A) **Non-Emergency Medical Transportation (NEMT):** NEMT services are a covered Medi-Cal benefit when a member needs to obtain medically necessary covered services and when prescribed in writing by a physician, dentist, podiatrist, or mental health or substance use disorder provider. NEMT also includes non-emergency transportation for a member where the mode of transportation has a medical component associated with it. This includes, but is not limited to, non-emergency ambulance services, litter van services, and wheelchair van services. NEMT services are subject to a prior authorization, except when a member is transferred from an acute care hospital, immediately following an inpatient stay at the acute level of care, to a skilled nursing facility or an intermediate care facility.<br>B) **Non-Medical Transportation (NMT):** This is transportation of members to medical services by | |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

Monday, January 23, 2023

1:30p.m. – 3:00p.m.

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|---|---|---|
| | passenger car, taxicabs, or other forms of public or private conveyances provided by persons not registered as a Medi-Cal provider. (Note that a contracted entity such as Call the Car is required to be Medi-Cal screened and enrolled.) NMT does not include the transportation of sick, injured, invalid, convalescent, infirm, or otherwise incapacitated members who need to be transported by ambulances, litter vans, or wheelchair vans licensed, operated, and equipped in accordance with state and local statutes, ordinances, or regulations.<br>• Lilia Chagolla shared on the Alliance updates:<br>1. WCMFAC meeting quality survey: Proposed a survey to be delivered to WCMFAC members and regular Community Based Organizations attendees to get their satisfaction with the WCMFAC meetings. The survey will include questions around the administration of the meeting and agenda topics. WCMFAC agreed on the delivery of the survey and will be sent out within the next two months.<br>2. WCM Resource Flyer: Maria Marquez emailed the committee on February 18, 2023. The ask was for the committee members and community organizations to review the WCM Family Resource Guide and notify the Alliance of any changes or corrections they would like to recommend. Notify Maria Marquez of any recommended notifications by Friday, February 17, 2023.<br>3. Meeting Changes: Meeting in November 2023 has been rescheduled to November 6, 2023, at 1:30p.m. | |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

Monday, January 23, 2023

1:30p.m. – 3:00p.m.

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| **Appointment of Chair and Vice Chair of Committee** | • Janna Espinoza, WCM Family Member, WCMFAC Chair shared that a vice chair has not been appointed and currently vacant. If anyone is interested in becoming the vice chair, please notify Janna Espinoza or Maria Marquez.<br>• The role of the vice chair was briefly shared. | |
| **2023 WCMFAC Road Map Review and Feedback**<br>Lilia Chagolla | • Lilia Chagolla reviewed the Q1 2023 WCMFAC Roadmap focus. The focus would be on member recruitment.<br>• Would like to see more participation from families with from with children with special needs, so we can have a more comprehensive participation of various families. Shared suggested methods to outreach to the community and families.<br>• Proposed engagement with community members and various community organizations to promote and engage families that can be invited to attend the WCMFAC meetings.<br>• Asked for attendees to identify community-based organizations or collaboratives that you are aware of in which the Alliance can participate and do a presentation on the Alliance WCMFAC. It would be ideal to present to at least 1-2 organizations at each county the alliance serves.<br>• Reminded that the Family Advisory Community Fact Sheet is available to share out in the community. Shared the fact sheet has been shared with hospital and clinics staff in Merced, Monterey, and Santa Cruz County.<br>• Previously, the WCMFAC recommended advertising at the hospital/clinics waiting monitors as part of the recruitment efforts. Lilia Chagolla reported that the dialogue has started with these entities and the fact sheet will be shared as well as other information and resources around the Alliance to invite families to participate in the WCMFAC. | L. Chagolla to connect with organizations for WCMFAC presentations. |

# Whole Child Model Family Advisory Committee Meeting

## Meeting Minutes

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| | • Susan Paradise suggested Cradle to Career in Santa Cruz County and Thrive Five Advisory Board would be a good place to share this information. Both have heave parent participation and parent leaders. | |
| **Emergency Preparedness**<br><br>Lilia Chagolla, Ashley McEowen, Bri Ruiz | • Lilia Chagolla shared on the incident response process at the Alliance.<br>• Ashley McEowen, Complex Case Management Supervisor – Pediatric, RN; Bri Ruiz, RN, Interim Complex Case Management Supervisor – Pediatric presented on the pediatric complex case management emergency outreach. | |
| **Family Voices Health Summit** | • L. Chagolla mentioned that the Family Voices Health Summit registration will be open soon. Reminded the committee that the Alliance will be sponsoring two attendees.<br>• The 2023 Health Summit will be online only, and it is scheduled for Monday, March 6-Tuesday, March 7, 2023. If interested in participating, please email Maria Marquez at mmarquez@ccah-alliance.org | |
| **Review Action Items**<br>Maria Marquez | • Meeting adjourned and the action items were not reviewed during the meeting. Maria Marquez noted the action items. | |
| **Future Agenda Items** | • The Alliance Transportation Services – G. Taboada to provide a presentation on the NMT transportation benefit. | |
| **Adjourn (end) Meeting**<br>Janna Espinoza | The meeting adjourned at 2:19p.m. | |
| **Minutes Submission** | The meeting minutes are respectfully submitted by Maria Marquez, Administrative Specialist | |

*Next Meeting: Monday, March 13, 2023, at 1:30p.m.*

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Stephanie Sonnenshine, Chief Executive Officer

**SUBJECT:** Department of Health Care Services Medi-Cal Contract Amendments

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Recommendation. Staff recommend the Board authorize the Chairperson to sign an amendment described below to the Alliance's primary Medi-Cal contract number 08-85216 to incorporate technical updates as well as programmatic and regulatory required language assuming that the final amendment and any associated revenue rates are consistent with staff understandings and expectations.

Background. The Alliance contracts with the Department of Health Care Services (DHCS) to provide Covered Services to eligible and enrolled Medi-Cal beneficiaries in Santa Cruz, Monterey, and Merced counties. The Alliance entered into the primary Agreement 08-85216 with DHCS on January 1, 2009. The agreement has subsequently been amended via written amendments (A-1 through A-47, A-49, A-50, and A-54).

At the December 7, 2022 meeting your Board authorized the Chairperson to sign contract amendments proposed by DHCS including the 2023-A Amendment. DHCS subsequently provided a revised amendment to incorporate additional changes and board approval is required for signature.

Discussion. DHCS has prepared Amendment 2023-A to the Alliance's State Medi-Cal contract to incorporate language as described below.

CY 2023-A Amendment contains technical changes throughout the contract as well as language revisions and/or additions in the following contract areas:

- Dyadic Care Services
- Long-Term Care (LTC) Carve-in Services
- Risk Sharing Mechanisms
- Updated Aid Codes for Mandatory Managed Care Enrollment (MMCE) Phase II
- Population Health Management
- Population Needs Assessment
- Asthma Prevention Services
- Community Health Workers
- Management Information Services Capability
- Initial Health Appointment
- Local Education Agency (LEA) Services
- Case Management and Coordination of Care
- New and Updated Definitions

Staff have reviewed draft contract language for implementation issues and concerns.

Board authorization for the Chairperson to sign the Amendments is required.

Fiscal Impact. There is no fiscal impact associated with this agenda item as the amendment includes language changes only. Contract revenue rates are reflected in the budget already presented to the board.

Attachments. N/A

# Santa Cruz – Monterey – Merced Managed Medical Care Commission

## Meeting Agenda

**Date:** Wednesday, April 26, 2023

**Time:** Call to Order.....10:00 a.m.
Catered Lunch.....12:30 – 1:00 p.m.
Adjourn.....2:30 p.m.

**Location:** El Capitan Hotel
Sentinel Conference Room
609 W Main Street
Merced, CA 95340


1. **Welcome and Call to Order by Chairperson. (10:00 – 10:15 a.m.)**
   A. Roll call; establish quorum
   B. Welcome Michael Schrader, Alliance Chief Executive Officer
   C. Oral communications and announcements
   D. Consent Agenda

2. **Annual Election of Officers of the Commission. (10:15 – 10:25 a.m.)**
   A. Board will nominate and elect Chairperson and Vice Chairperson.

3. **Consider approving new Medi-Cal Capacity Grant Program (MCGP) Funding Opportunities (2023 – Phase 2). (10:25 – 10:45 a.m.)**
   A. Ms. Jessica Finney, Grants Director, will review and Board will consider approving recommendations for new MCGP funding opportunities and associated MCGP budget allocations.

4. **Discuss Dual Eligible Special Needs Plan (D-SNP) Operational Readiness and Governance Considerations. (10:45 – 11:30 a.m.)**
   A. Ms. Van Wong, Chief Operating Officer (COO) and Ms. Margaret Tatar, Health Management Associates, will review and Board will discuss findings from D-SNP Operational Gap Assessment conducted by Health Management Associates.
   B. Ms. Wong, COO, will facilitate a discussion with Ms. Tatar, Mr. Michael Schrader, CEO and the Board regarding governance of a D-SNP.

**Break: 11:30 – 11:45 a.m.**

5. **Discuss Alliance Quality Program. (11:45 a.m. – 12:30 p.m.)**
   A. Dr. Dale Bishop, Chief Medical Officer and Ms. Andrea Swan, RN, Quality Improvement and Population Health Director, will review and Board will discuss performance in the Alliance Quality Program, including 2022 performance, roadmaps to improve quality performance, 2022 Care-Based Incentive program results and progress towards 2024 contract requirements.

**Lunch: 12:30 – 1:00 p.m.**

6. **Discuss State of the Alliance Network. (1:00 – 1:40 p.m.)**
   A. Ms. Wong, COO and Ms. Jessie Dybdahl, Provider Services Director, will review and Board will discuss the current state of the Alliance network, including members' realized access and the current network development strategy.

7. **Discuss Behavioral Health Program: Gaps and Opportunities. (1:40 – 2:10 p.m.)**
   A. Dr. Shaina Zurlin, LCSW, PsyD., Behavioral Health Director, will review and Board will discuss staff's current assessment of gaps and opportunities to improve the behavioral health services and systems to be person centered and equitable.

**Break: 2:10 – 2:15 p.m.**

8. **Key Takeaways and Next Steps. (2:15 – 2:25 p.m.)**
   A. Ms. Stephanie Sonnenshine, CEO, will review and Board will discuss Board calendar for 2023 and key topics for the remainder of 2023.

**Adjourn: 2:30 p.m.**

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Jenifer Mandella, Chief Compliance Officer

**SUBJECT:** 2022 Compliance Program Report

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Recommendation. Staff recommend the Board approve the Compliance Program Report for 2022.

Summary. This report summarizes the Alliance's Compliance Program activities for 2022 and includes a recommendation to approve the Compliance Program Report.

Background. The Alliance maintains a Compliance Program, which takes a systematic and strategic approach to decreasing risk posed by non-compliance with the numerous and complex laws that govern Alliance business practices. The Compliance Program, articulated in the Alliance's Compliance Plan, is modeled after the United States Federal Sentencing Guidelines' seven elements of an effective compliance program. These include having written standards of conduct, a designated compliance officer, an education and training program for staff, effective lines of communication throughout the organization, monitoring and auditing protocols in place to evaluate compliance problem areas, appropriate disciplinary mechanisms to enforce standards, and the ability to initiate corrective action to detected offenses.

The Alliance Governing Board (Board) is responsible for oversight of the Compliance Program. In April 2008, the Board delegated authority for overseeing the effectiveness of the Compliance Program to the Compliance Committee. The Compliance Committee is chaired by the Chief Compliance Officer and consists of Alliance Division Chiefs and Department Directors. The Compliance Committee met routinely in 2022 to receive reports on key Compliance Program functions, information on risk evaluation, compliance monitoring, legislation and All Plan Letter (APL) implementation, and developed resolutions to identified concerns. Committee members discuss the issues and make recommendations to direct Compliance Department staff activities. Compliance Program activities are reported to the Board through the routine submission of Compliance Committee minutes and the inclusion of key Compliance Program metrics in the Alliance Dashboard.

This report serves to inform the Board of the Alliance's Compliance Program activities for 2022.

Discussion. The Compliance Program monitors several areas to ensure the plan's adherence to the Alliance's Compliance Plan. Key areas of focus include:

- General compliance inquiries (policies, regulations, regulatory requests, contractual requirements, etc.)
- Confidential employee hotline referrals
- Oversight of subcontracted entities
- Health plan audits (regulatory audits and internal auditing and monitoring)

- Recoveries of overpayments
- Monitoring of plan activities to prevent fraud, waste and/or abuse (FWA)
- Investigations of suspected/actual FWA
- Investigations of Health Insurance Portability and Accountability Act (HIPAA) incidents
- Staff training

Please refer to the attached Compliance Program Dashboards for detailed 2022 Compliance Program statistics.

Key Program Accomplishments.

- Created a Compliance Division with subordinate Compliance and Legal Services Departments, which provide adequate Compliance leadership resources to integrate compliance review into strategic planning and enable the Alliance to meet increasing compliance obligations.
- Developed an implementation plan for the revised Department of Health Care Services (DHCS) model agreement to ensure organizational compliance with the terms of the agreement by the 2024 effective date. Compliance staff identified new and modified contract language, oriented business units to those changes, and worked collaboratively to determine whether implementation should occur through organizational projects or independent department work. Compliance staff also submitted 109 operational readiness deliverables to DHCS and received approval of 67 submitted documents; the remaining deliverables were recently submitted and remain under review.
- Planned towards National Committee for Quality Assurance (NCQA) health plan and health equity accreditations, which must be obtained by 2026. In 2022, staff identified and contracted with a consultant to conduct a gap analysis and support implementation efforts and initiated the gap analysis.
- Assessed the Compliance Program's readiness to operate under Medicare program requirements, both through participation in the organizational vendor-led operational gap analysis, and through a supplemental in-depth analysis by Compliance staff. Staff developed a preliminary plan to close gaps by 2026.
- Assessed organizational engagement in Compliance Program processes and identified opportunities for improvement in delegate oversight process and the process for implementation of new requirements; recommended process modifications will occur in 2023.
- Assessed the Alliance's Business Associate management process and identified areas for improvement; recommended process modifications will occur in 2023.
- Continued to leverage data to support the Alliance's Program Integrity function and began collaborating with the Advanced Analytics Department to initiate the creation of quarterly reports which will be utilized for future FWA prevention activities. Program Integrity staff began to develop a process for a quarterly review of these reports.
- Continued the electronic management of the Alliance's policy review process. During 2022, 281 policies and policy attachments were reviewed to ensure alignment with contract provisions, regulation, legislation, and DHCS and the Department of Managed Health Care (DMHC) APLs, and revised policies were submitted to DMHC and/or DHCS for review and approval, as appropriate.

- Performed annual compliance risk assessment focusing on industry trends, enforcement actions taken against health plans, Alliance audit findings, and newly implemented requirements. Created the 2023 Internal Audit and Monitoring (A&M) Work Plan, which directs internal audit and monitoring activity for 2023.
- Performed monitoring and evaluation of the performance of Alliance delegated entities through the annual and ongoing review of delegates' reporting at Compliance Committee.
- Reviewed new requirements, including 24 bills passed during calendar year (CY) 2022, two government contract amendments, and 80 new or revised APLs issued by DHCS and DMHC for applicability to Alliance operations and ensured all applicable requirements were implemented by operational departments.

Regulatory Audit Activity. The Alliance undergoes routine audits and examinations of its finances and operations by its regulatory oversight agencies, as well as by independent auditing firms. Following is a list of audits and examinations that the Alliance was involved in during CY 2022, including the auditing entity and a description of the audit or review.

- DHCS Medical Audit – which is a routine review of the Alliance's regulatory and health services operations for the Medi-Cal line of business. DHCS conducted a full-scope audit covering the areas of utilization management (UM), case management and coordination of care, access and availability of care, member rights, quality management, and administrative and organizational capacity. The Plan received findings in four areas: non-emergency medical transportation provider Medi-Cal enrollment status, classification of grievances, reporting of breaches and suspected security incidents, and timeliness of new provider training. The Plan implemented action items to resolve the deficiencies, submitted a corrective action plan (CAP) to DHCS, and provided monthly updates for six months after the issuance of CAP or until action items were considered complete. During the 2023 routine medical audit, which occurred in February 2023, DHCS did not identify any recurring concerns.
- DMHC Routine Financial Examination – which is a routine review of the Alliance's fiscal and administrative affairs, including an examination of the financial report and claims practices. The results of the audit identified no findings, and corrective action was not required.
- Healthcare Effectiveness Data and Information Set (HEDIS) Compliance Audit of the Medi-Cal Line of Business – which is a review of Medi-Cal quality of care measures by an External Quality Review Organization on behalf of DHCS, covering measurement year 2021. The audit was managed by Quality Improvement staff and the results of the audit identified no issues and no corrective action.
- Independent Financial Audit – which is an independent audit of the Alliance's financial position and operations. The audit was managed by Finance staff. In CY 2022, Moss Adams, LLP audited the Alliance's financial performance for CY 2021. Moss Adams did not identify any material deficiencies in internal controls. The audit results were presented at the May 25, 2022 Board meeting.

Additionally, in 2022, DMHC notified the Alliance of their intent to conduct a follow-up survey to review the deficiencies deemed uncorrected from the 2020 DMHC Routine Medical Survey. At the conclusion of the 2020 DMHC Routine Medical Survey, 13 of the 15 deficiencies were deemed uncorrected pending further evaluation during the Follow Up Survey. The initial medical survey is a routine review of the Alliance's performance in

providing health care benefits and meeting the health care needs of subscribers and enrollees for the Alliance's Alliance Care In-Home Supportive Services line of business in the areas of: grievances and appeals, prescription drugs, UM, quality management, language assistance, continuity of care, access and availability, and access to emergency services and payment. Originally scheduled for August 2022, the Follow Up Survey was postponed to January 2023, with preparations for pre-audit deliverable production occurring in 2022.

In late 2022, DHCS also provided notification to the Plan regarding the 2023 DHCS Medical Audit, which occurred in February 2023. The audit was a limited scope audit of the Medi-Cal line of business covering the areas of UM, case management and coordination of care, access and availability of care, member rights, quality management, and administrative and organizational capacity. As of the publication of this report, DHCS has not issued findings, however, feedback provided at the close of the interview sessions indicate the Alliance may expect four findings, related to timeliness of UM decisions, completion of blood lead screenings as part of the initial health assessment, grievances related to timeliness of transportation, and FWA reporting to DHCS.

In addition, during the 2023 Medical Audit, DHCS conducted a Focused Audit in the areas of behavioral health and transportation. DHCS initiated this audit of all Medi-Cal managed care plans in response to a reported high volume of complaints, system-wide, about these benefits. The findings of the Focused Audit will likely be issued in early 2024 after DHCS concludes a review of all MCPs' performance in these areas and will focus on opportunities to improve service delivery for Medi-Cal members.

In December of 2022, the Plan received notice of sanctions as a result of nine Medi-Cal Accountability Set (MCAS) measures below the DHCS-defined minimum performance level. Subsequent to that, the Plan met with DHCS leadership to discuss the findings and Alliance efforts to improve MCAS metrics. As a result, DHCS issued a sanction of $57,000, which was reduced from the initial sanction imposed in December of 2022.

Health Insurance Portability and Accountability Act. The Alliance continually identifies and implements opportunities to strengthen HIPAA compliance. In 2022, Compliance and Information Technology Services (ITS) staff continued to integrate privacy and security topics in training materials. In addition to incorporating security-related topics into new hire and annual refresher training materials, a focus was placed on providing more education to Alliance staff via Pulse articles, All-Staff Meeting presentations, and ad-hoc trainings requested by departments in order to enhance staff awareness of protecting health information and timely reporting of HIPAA events to Compliance.

In 2022, the Alliance experienced a slight increase in referrals of suspected HIPAA events, from 86 in 2021 to 91 in 2022 (5.8% increase). There were 38 events requiring DHCS notification pursuant to the DHCS Medi-Cal contract, which is a decrease from 55 in 2021 (30.9% decrease). Compliance staff fully investigated all reports and worked with operational departments to mitigate risk and prevent further disclosure of Alliance member protected health information. One event was determined to be a breach requiring member notification, which is a decrease from three breaches in 2021. The breach that occurred was caused by a contracted provider and impacted a total of 1,377 members.

Additionally, the Alliance continued its work with Moss Adams and Praetorian to complete routine security assessments and penetration testing to ensure compliance with HIPAA security requirements, which included an assessment of Alliance processes against the NIST SP 800-53 framework, which is an industry standard framework for HIPAA security. Technology staff are reviewing the opportunities identified and developing a work plan to address the findings.

Compliance and ITS staff continue to monitor HIPAA incidents and ensure HIPAA compliance remains an area of focus for the organization in 2023. Of specific focus will be continued efforts towards staff education and awareness, responding to the opportunities identified in the 2022 Security Assessment, and developing a vendor oversight program.

FWA Prevention, Detection and Investigation. The Alliance Program Integrity function is responsible for ensuring the Plan has controls in place to prevent and detect FWA, and to investigate, report, and resolve suspected and/or actual FWA.

In 2022, the Alliance experienced an increase in referrals of potential FWA, from 81 in 2021 to 89 in 2022 (10% increase in referrals) as well as an increase in the number of newly opened investigations, from 53 in 2021 to 62 in 2022 (17% increase in opened investigations). The increase in referral volume and newly opened investigations can be attributed to the resumption of care following the COVID-19 pandemic. Member-related matters were primarily the result of allegations of false eligibility, potential abuse of the Alliance transportation benefit, and forged prescriptions. Provider-related matters were primarily related to utilization, upcoding, irregular billing behavior, and billing for services not rendered.

In 2022, Program Integrity staff continued to assess and improve processes by leveraging data to focus investigative resources on concerns with the biggest impact to Alliance revenue and members. Program Integrity staff collaborated with Analytics staff to initiate the creation of quarterly reports which will be used for future FWA prevention activities.

Continued process development was also an area of focus for Program Integrity staff. The Special Investigations Unit (SIU) processes were expanded to include an internal provider screening, where business units are solicited for provider-specific information regarding the identified concern to help guide the investigation. Further, as a result of APL 22-014 – Electronic Visit Verification Implementation Requirements, the SIU established new workflows for reporting of non-compliance and provider CAP management in collaboration with impacted business units. In addition, staff worked with delegates to resolve deficiencies related to timely reporting of suspected FWA and to develop recommendations for process modifications to ensure that recoupment of overpayments initiated by delegates was accurately reported to the Alliance.

Finally, as in years prior to the COVID-19 pandemic, Program Integrity staff attended the California Department of Justice (DOJ) quarterly and statewide meetings. The meetings enhance collaboration and data sharing with Program Integrity staff from other health plans, as well as investigators from DHCS and the DOJ.

Internal Audit and Monitoring (A&M) Program. The Alliance's Internal A&M Program proactively assesses compliance with regulatory and contractual obligations, ensures internal controls are in place to prevent and detect non-compliance, and implements corrective action when non-compliance is identified.

An annual Internal A&M Work Plan was created to identify operational areas to audit in 2022, prioritized by compliance risk. As in previous years, compliance risk was assessed according to established criteria which consider complexity, level of cross-departmental work and potential impacts on members and providers, with the higher risk items receiving the most frequent review. The 2022 Internal A&M Work Plan included 31 planned reviews of 12 operational areas. Throughout the year some planned reviews were condensed and/or changes to the frequency of auditing were made due to failed audit results which required resolution before re-audit. In total, Compliance staff completed 26 of the planned reviews for the year. An additional two reviews were conducted by Compliance staff during Q4 2022; however, the audits were not closed prior to the end of the quarter which resulted in these additional two reviews being omitted from 2022 outcomes. Audits completed in the last quarter of the year will generally be counted in the following year's audit statistics.

A total of six departments were audited in 2022, with the biggest review impact in UM (11 reviews) and Member Services (seven reviews). Of the total completed reviews in 2022, 62% received a passing score, which is an increase in passing scores from 55% in 2021. Where gaps were identified, Compliance staff oversaw the implementation of CAPs and/or provided recommendations around process improvement.

Compliance staff also monitor timely response to internal audit findings and adequate correction of issues identified in previous internal audits, which is reported to the organization and Board through the Alliance Dashboard. Compliance staff met threshold performance for receipt of timely responses to audit findings three of the four quarters in 2022. Adequate correction of deficiencies identified in internal audit is measured annually; if review areas have consecutive failing results, they are considered uncorrected. During the year, three internal audits were found to have repeat fails during the year. These review areas will continue to be prioritized for review to confirm correction, either via internal audit or through monitoring of compliance-related metrics on the Alliance Dashboard.

Compliance staff also developed the 2023 Internal A&M Work Plan, reviewing recent Alliance audit findings, newly implemented APLs and legislation, and DMHC sanctions received by other health plans to identify risk areas for review. The 2023 Internal A&M Work Plan includes 34 separate audits of 18 operational processes, with the majority of audits focused on ensuring member rights are upheld and new benefits are timely implemented. In addition, Compliance staff will conduct a quarterly review of the 31 metrics on the Alliance Dashboard that were derived from regulatory requirements.

Delegate Oversight. The Alliance's Delegate Oversight Program ensures that delegates meet all Alliance standards through a pre-delegation assessment and approval process for new delegates; ongoing annual verification of delegation; and continuous oversight, monitoring and evaluation of delegated activities. During 2022, Alliance staff conducted routine oversight, including annual and quarterly reviews of eight delegated functions for 11 delegates.

During 2022, Compliance staff facilitated the pre-delegation review of two functions newly delegated to existing providers or vendors. Specifically, the credentialing function was delegated to Stanford Medical Group and the Member Connections function, including intake of member telephone calls, was to the Alliance's Non-Medical Transportation vendor Call the Car.

Where delegate performance does not meet the Alliance's expectations, the Plan imposes corrective actions upon the delegate, which can include the issuing of a Warning Letter, and if the delegate fails to respond, the implementation of a formal CAP. In 2022, the Alliance issued Beacon a Warning Letter as a result of identified concerns regarding the timeliness of Beacon's credentialing activities; resolution of identified concerns is ongoing. The Alliance also issued a Warning Letter to Beacon regarding timeliness of suspected FWA referrals. Beacon promptly resolved the identified concerns without the need to impose a CAP and the matter was closed. Finally, during the year, the Alliance closed out a CAP that was imposed on Beacon in 2019 related to their Quality Improvement function. Beacon provided a formal CAP and Alliance staff have been monitoring Beacon's performance through consumer satisfaction and timely access surveys since the CAP was issued. In 2022, the identified deficiencies were considered substantially resolved and Beacon's Quality CAP formally closed.

Confidential Reporting. In support of the requirement to ensure effective lines of communication from staff to the Compliance Officer, the Alliance maintains a confidential hotline, which Alliance staff may use to report compliance issues anonymously.

During 2022, one concern was reported through the hotline, related to an employee relations concern. As in 2021 and 2022, the rate of reporting via the hotline is below our reporting average of six reports per year, and below the industry standard of one report per 1,000 employees per month. Efforts were made to promote the use of the hotline, including a review of the investigation process at an All Staff meeting and email-based communication to ensure awareness of the resource.

That the reporting rate remains low despite these efforts signals that Alliance staff are comfortable reporting concerns directly to their leadership, Compliance staff, and/or Human Resources staff.

Training and Education. All Alliance staff receive web-based compliance training, which reviews FWA prevention, HIPAA policies and procedures, the Alliance's Compliance Plan and Code of Conduct, the Alliance's DHCS Medi-Cal contract, and mechanisms for reporting non-compliance. New hires must complete training within two weeks for staff-level positions, or four weeks for supervisory-level positions. Existing staff are enrolled in the web-based module annually as a refresher. New hires also receive supplemental training which provides a high-level overview of the content and structure of the Alliance's Medi-Cal Contract, regulatory audits, the Internal A&M Program, and HIPAA and FWA processes and reporting mechanisms.

In 2022, 609 training sessions were completed, which included 122 web-based trainings for new hires, in-person compliance training for 46 new hires, and 441 web-based trainings for existing staff. Training and Development reports indicate that all required new hire trainings

were completed timely. Compliance specific trainings not completed timely are escalated to Compliance leadership for follow-up and delays are typically related to staff who are on extended leaves of absence.

Compliance Program Activities for 2023. The Alliance continuously works to develop and strengthen the plan's Compliance Program. Areas of focus for 2023 include:

- Fully implementing the structure and processes of the new Compliance Division, including defining roles and responsibilities for Compliance and Legal Services departments, ensuring organizational awareness of new divisional functions, assessing the adequacy of compliance program performance metrics, and ensuring staff understand and support the new Compliance Division structure and purpose.
- Continuing to oversee organizational efforts towards implementation of the revised DHCS model agreement and ensuring compliance with the terms of the agreement by the January 1, 2024 effective date.
- Sponsoring and overseeing organizational efforts to bring the Alliance into compliance with NCQA requirements. This will be a multi-year effort, with significant focus on readiness for health plan accreditation occurring in 2023.
- Implementing modifications to Compliance program processes to ensure efficacy and organizational engagement, with a particular focus on processes used to oversee delegated activities and implement new requirements.
- Implementing Business Associate oversight process to confirm Business Associates comply with HIPAA requirements prior to entering into agreements and on an ongoing basis.
- Supporting 2023 organizational objectives, with a particular focus on supporting departments in the operational objective related to achieving all regulatory, contractual, and core program requirements.

Fiscal Impact. There is no fiscal impact associated with this agenda item.

Attachments.

1. 2022 Annual Internal A&M Dashboard
2. 2022 Annual HIPAA Dashboard
3. 2022 Annual Program Integrity Dashboard

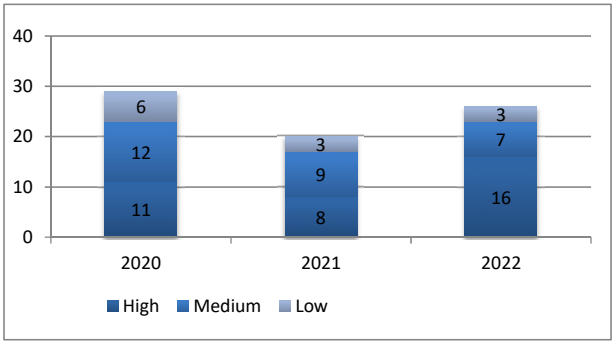
## Compliance

### Internal Audit Dashboard - 2022 Annual Report

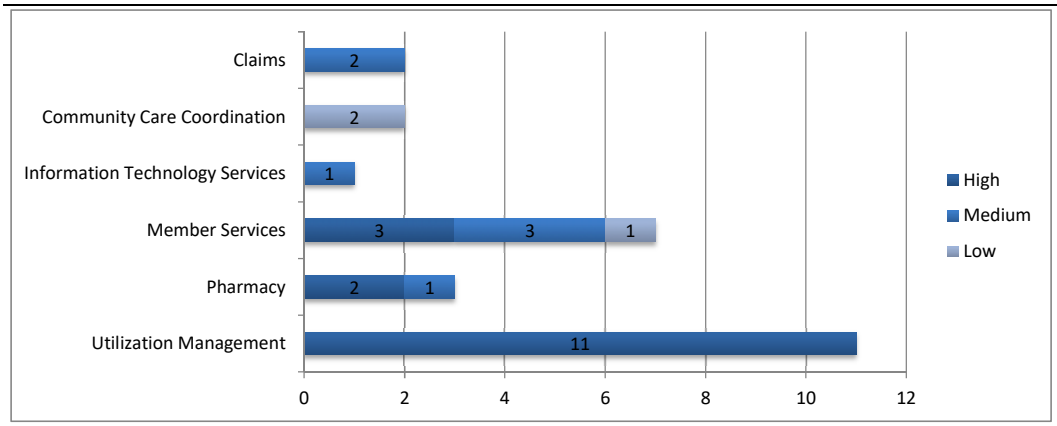
*Prepared for the Alliance Board*

**Reviews Completed by Risk Level**

Compliance conducted a total of 26 internal audits in 2022. Items were selected for the work plan by prior year's audit findings, new requirements, and Knox-Keene sanctions of other plans.




**26 Total Reviews Completed in 2022**

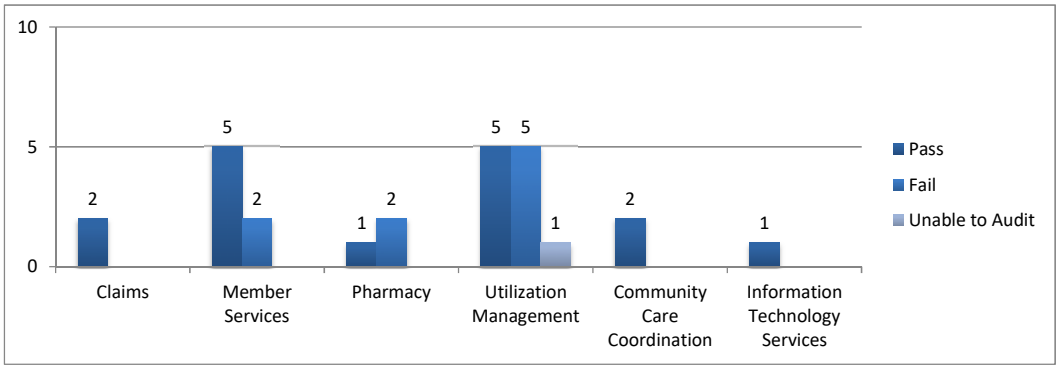



**Reviews by Operational Area & Risk Level**

Each review is assigned a SME department who has oversight responsibility of the requirement. The reviews are associated with a risk level that is assigned using objective risk criteria such as impact and complexity. The chart shows the number of reviews conducted by department within each risk level.

**Review Results by Operational Area**

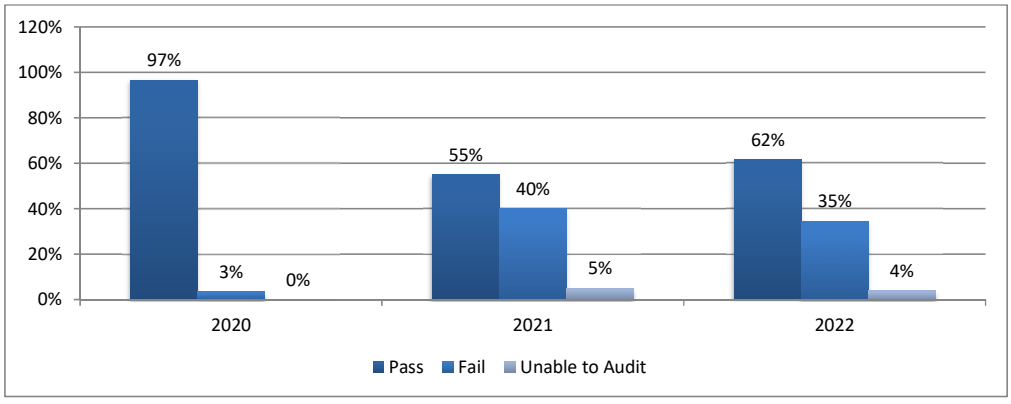
16 of 26 completed reviews received a passing score
9 of 26 completed reviews received a failing score
1 of 26 completed reviews were unable to be audited




**Mitigation for Failed Reviews**

Compliance partners with departments to ensure deficiencies are corrected through the following:

- Recommending process improvements
- Requesting action plans from departments to cure the deficiency
- Re-auditing to ensure correction




**Trending and Annual Review Results by Risk Level**

Information presented here depicts where Compliance has issued findings based on risk level.

**2022 Outcomes**

High Risk Areas: 56% Passed
Medium Risk Areas: 71% Passed
Low Risk Areas:673% Passed
**Overall Result: 62% Passed**

# Compliance

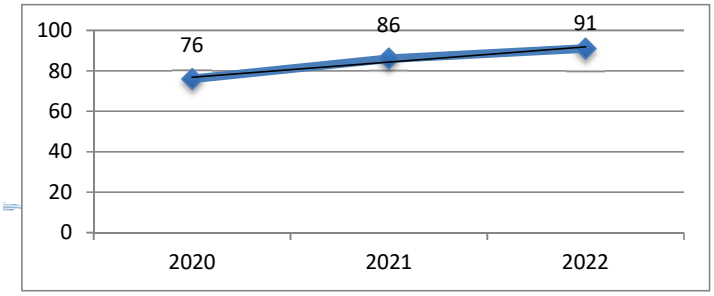
## HIPAA Dashboard - 2022 Annual Report

*Prepared for the Alliance Board*

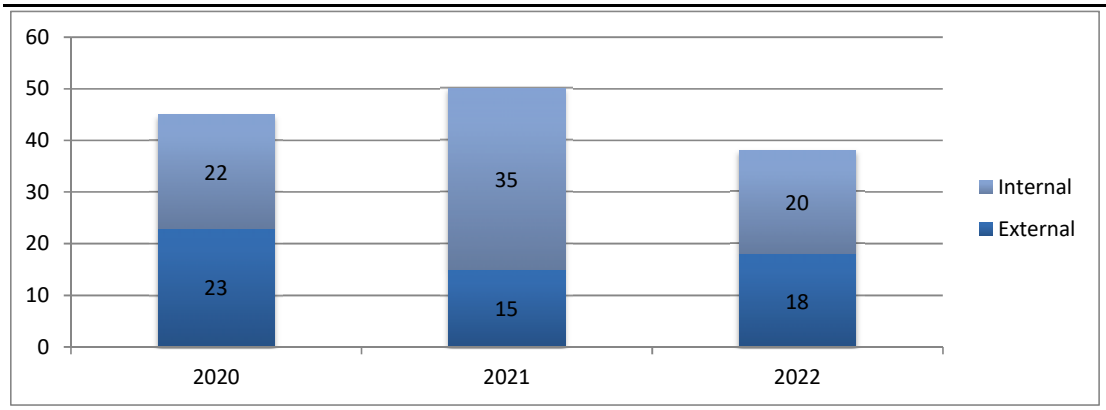
**Reports of Suspected Disclosures by Year**

Compliance received a total of 91 reports of suspected unauthorized disclosures of Protected Health Information (PHI) during 2022

*(This includes all suspected events, whether or not they were deemed reportable upon investigation)*



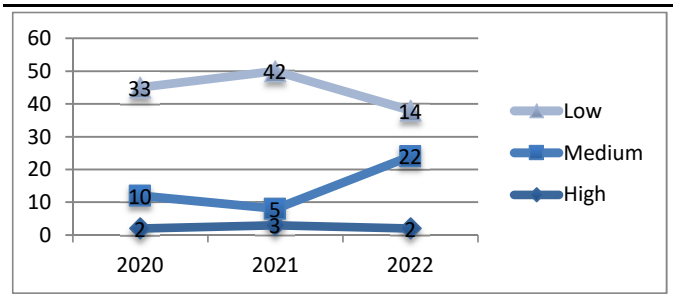

**91 Total HIPAA Reports in 2022**




**Sources of Disclosures: Internal (Alliance) & External (Non-Alliance)**

Compliance tracks whether the disclosure was caused by internal Alliance departments or by external entities, including providers and delegates.

**Excludes Non-Events and Duplicates*




**Impact of Reportable Events**

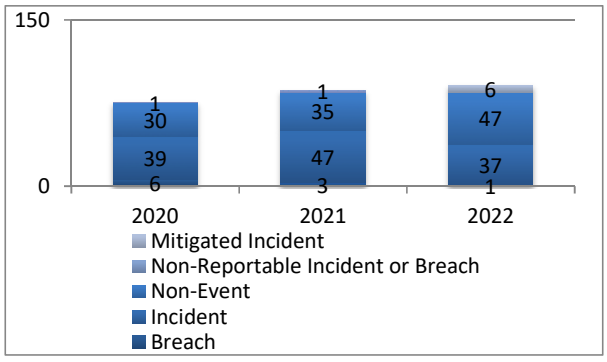
*(excludes Non-Events and Duplicates)*

14 of 38 reportable events had an impact of low
22 of 38 had an impact of of medium
2 of 38 had an impact of high

*Impact levels are determined by analyzing whether PHI was disclosed to a HIPAA covered entity, whether the PHI has been destroyed or recovered, and the amount of time passed between discovery and notification to Compliance.*

**Final Classification**

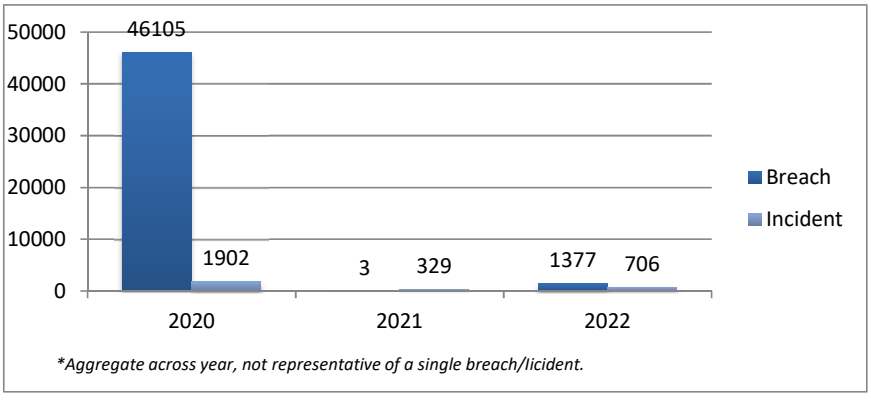
Breaches are unauthorized disclosures of PHI to a non-covered entity; incidents are unauthorized disclosures to covered entities; mitigated incidents occur when PHI was disclosed to a covered entity but recovered; non-events are when the investigation reveals that no unauthorized disclosure of PHI occured.




**Member Impact**

2083 members were impacted by HIPAA events in 2022;
706 were due to Incidents and 1377 were due to Breaches.

*An incident occurs when PHI has been compromised or has a high probabiliy of being compromised. A breach is when PHI has been compromised and can only be determined as such by the Alliance Privacy Officer.*




**Aggregate across year, not representative of a single breach/licident.*

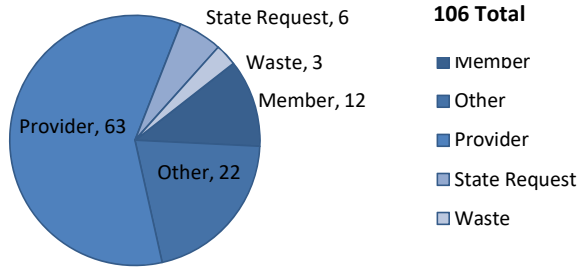
## Compliance
### Program Integrity Dashboard - 2022 Annual Report

*Prepared for the Alliance Board*

### Matters Under Investigation (MUIs)

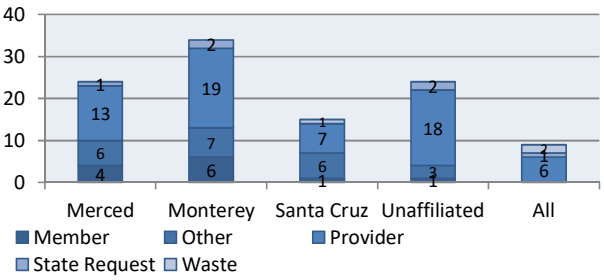
In CY-2022 there were 106 total MUIs investigated by the Program Integrity Unit.

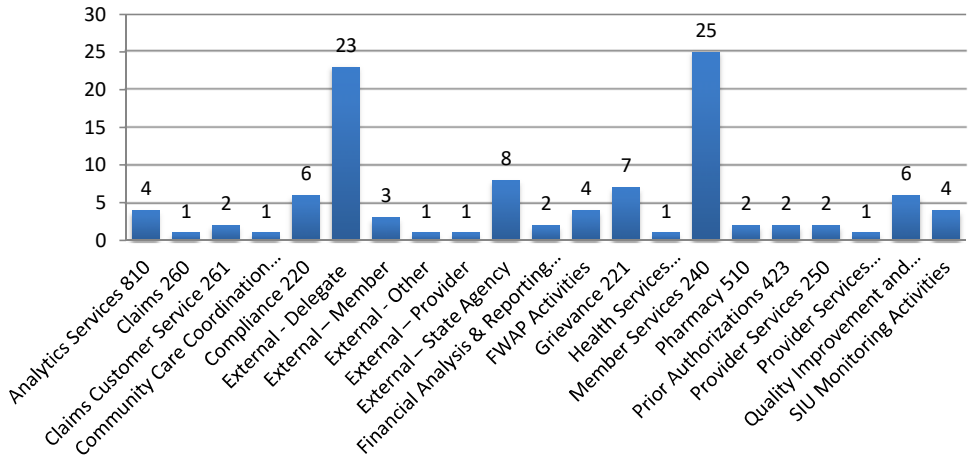
MUIs are classified by the target of the allegation/concern ("Other" example: If a member alleged a non-Alliance member used their Alliance ID card to fraudulently obtain prescription medications).




### MUIs by County

Most MUIs are assigned a county affiliation. Where a provider serves multiple Alliance counties, or a member receives services in multiple Alliance counties, the county affiliation is identified by the billing address or mailing address, respectively.



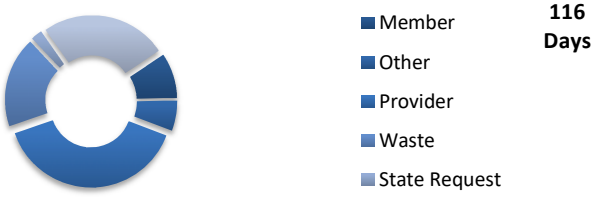



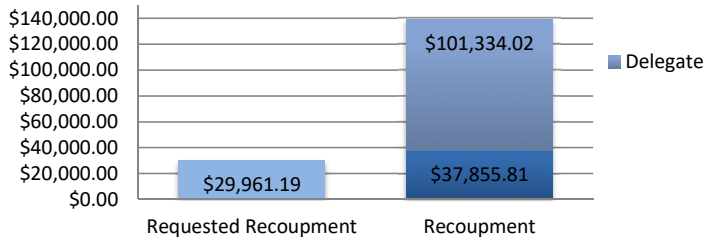

### MUI Reporting Staff Department

The referral source represents the origin of the referral, not the nature of the allegation/concern (anonymous referrals included as "other" in summary).

### Investigation Duration Average

- Statistics are in business days, excluding holidays.
- Statistics represent the average of all MUIs closed in previous 12 months.




### Financial Reporting

**MUIs and FWAP:** represent claims requested for recovery during the review period, subsequent to the resolution of an MUI or a FWAP Program audit.

**Recoupment:** represent claims on which reoupment was completed during the review period.

Requested Recoupment:
- MUI: $27,930.21

Recoupment:
- MUI/FWAP: $97,855.81

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Jessica Finney, Grants Director

**SUBJECT:** New Medi-Cal Capacity Grant Program Funding Opportunities (2023 - Phase 1)

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Recommendation. Staff recommend the Board approve recommendations for new Medi-Cal Capacity Grant Program (MCGP) funding opportunities, including a policy change in the Provider Recruitment Program's funding approval process, new funding opportunities in 2023 and approve associated MCGP budget allocations.

Summary. This report provides a brief background on the MCGP and outlines staff recommendations for revised and new MCGP funding opportunities that align with the MCGP Framework and funding goals under the three focus areas to advance the Alliance's vision of *Healthy People, Healthy Communities*.

Background. The Alliance established the MCGP in July 2015 in response to the rapid expansion of the Medi-Cal population as a result of the Affordable Care Act (ACA). Through investment of a portion of the Alliance's reserves, the MCGP provides grants to local health care and community organizations in Merced, Monterey, and Santa Cruz counties to increase the availability, quality and access of health care and supportive services for Medi-Cal members and address social drivers that influence health and wellness in our communities. The MCGP serves as a vehicle for the Alliance to invest in areas outside of core health plan responsibility and where other funds are not available. It also serves as an incubator to test new concepts that could be integrated into the health care system in the future. The MCGP has proven to be a strategic tool to advance the Alliance's vision and mission responsive to the needs of Medi-Cal members and the Medi-Cal delivery system.

Since 2015, the Alliance has awarded 589 grants totaling $130,002,134 to 142 organizations in the Alliance's service area. Over the past seven years, the MCGP developed a portfolio of 13 funding opportunities designed to advance the MCGP focus areas. The MCGP currently offers two grant programs that are accepting applications two times per year: *Provider Recruitment* and *Partners for Healthy Food Access*. Funds remaining in each county for the two programs are listed in the grid below.

| County | Provider Recruitment Remaining (4/26/23) | Food Access Remaining (4/26/23) |
|---|---|---|
| Merced | $3,155,415 | $1,043,614 |
| Monterey | $1,739,778 | $834,678 |
| Santa Cruz | $851,804 | $957,258 |
| Total | $5,746,997 | $2,835,550 |

Over the course of 2022, the Alliance Board evolved the MCGP to respond to the current health care landscape, address the current and emerging needs of Alliance members, and align with organizational and State priorities. Through this process, the Board approved a

revised and expanded MCGP Framework (see attached) that clarifies the financial strategy, investment criteria and guiding principles for the MCGP. The Board also approved funding goals (see attached) under three new focus areas: *Access to Care, Healthy Beginnings*, and *Healthy Communities*. Staff committed to return to the Board with proposed new funding opportunity recommendations responsive to funding goals, priorities and outcomes approved by the Board in August 2022.

Discussion. During MCGP evolution planning in 2021 and 2022, Board members, external stakeholders and Alliance subject matter experts provided input on strategic use of MCGP investments to achieve the goals in each focus area. New funding opportunities proposed for 2023 align with Medi-Cal provider network needs, children's preventative care measures performance goals, new Medi-Cal provider/service types and community partner readiness. Policy change proposals are responsive to the Board's desire to ensure that the MCGP can more nimbly address immediate Alliance member access needs. All funding opportunities offered by the Alliance's grant program adhere to the MCGP Framework, are linked to a MCGP focus area, and support the identified goals for that focus area. They are broadly designed to support community partners in developing local, innovative solutions that lead to health equity.

The implementation of new opportunities in two phases in 2023 allows for development of grant programs with clear requirements and strong administrative processes. The recommendation for allocations from the MCGP unallocated budget to fund new grant programs contemplates current planning for a 501(c)3 foundation and impact on the potential Alliance donation to the foundation to establish an endowment, grantmaking budget and administrative budget. Future program development will be contingent on the outcome of foundation planning as well on the assessment of gaps and opportunities related to State initiatives and incentive programs for health care workforce, children and youth behavioral health, and housing.

*Recommendation for Policy Change to Provider Recruitment Program*. Since 2015, the Provider Recruitment Program has successfully identified priority access needs and supported the hiring of 202 providers into the Alliance's provider network over the past seven years. Staff have established a stable and reliable process to identify high priority provider types for funding and the Internal Review Committee recommends applications for Board approval twice per year. Of the 289 recommendations for Provider Recruitment grant approvals, 100% were approved by the Alliance's Board. The pressing workforce shortage requires a more rapid response to critical access needs and a more frequent application cycle than currently allowed by the Board's meeting schedule. Provider Recruitment grants are low risk as the payment does not exceed $150K, half of which is paid when the recruited provider is hired and the other half when credentialed.

Staff recommend that the Board approve a policy change to allow Provider Recruitment applications to be accepted and approved four times per year, with the Internal Review Committee recommending applications for approval by the Alliance Chief Executive Officer (CEO). The Alliance's Expenditure Authority Policy approved by the Board states that the CEO can approve budgeted expenditures of $150,000 and greater.

Proposed New Funding Opportunities in 2023. New funding opportunities are proposed for implementation in two phases in 2023. The timeframes for each are outlined in the grid below. After the launch of Phase 1 with a rapid application cycle, the proposed new funding opportunities listed in both Phase 1 and Phase 2 will sync with the regular twice-per-year application/awards cycles (January/April and July/October).

Staff will return to the Board in April 2023 with detailed recommendations for Phase 2 funding opportunities. Staff will return at a later date with additional recommendations for grant opportunities to meet prioritized capacity needs that align with partner readiness and new Medi-Cal benefits.

| Recommended Funding Opportunities | Launch | First App. Deadline | First Award Date |
|---|---|---|---|
| Phase 1 | | | |
| 1. Provider Recruitment (Community Health Worker)<br>2. Healthcare Technology<br>3. Home Visiting<br>4. Partners for Active Living | 04/10/23 | 05/05/23 | 06/28/23 |
| Phase 2 | | | |
| 1. Provider Recruitment (Medical Assistant)<br>2. Training/certification programs for health professionals (cultural humility, trauma informed care)<br>3. Parenting education/engagement, support groups and resources<br>4. Youth leadership and engagement efforts focused on drivers of health<br>5. Community organizations support for navigation of health care services/resources and reducing stigma related to behavioral health services | 05/15/23 | 07/18/23 | 10/25/23 |
| Future | | | |
| 1. Dyadic Therapy capacity<br>2. Provider Recruitment (Doulas)<br>3. CHW training and organizational capacity<br>4. Health care interpreting | TBD | TBD | TBD |

The recommendations below for Phase 1 include funding opportunity descriptions, objectives, eligibility criteria, eligible expenses and maximum award amount. Applications for funding must meet the MCGP Investment Criteria outlined in the MCGP Framework. In addition to adherence to funding requirements, application review criteria will include evaluation of:

- Opportunities for inclusion of member voice to inform community investments;
- Commitment to strategies that promote health equity;
- Use of evidence-based practices or recognized effective practices; and
- Leveraging other funding sources and initiatives.

Phase 1 Funding Opportunities.

*1. Funding Opportunity*: Provider Recruitment Program for Community Health Workers (CHWs)
MCGP Focus Area: Access To Care
Funding Goals: 1) A robust health care workforce that can deliver coordinated, person-centered care and the full array of Medi-Cal services; and 2) improved patient-provider communication and trusted relationships, resulting from an expanded network of Medi-Cal providers who are linguistically and culturally responsive.
Objective: Expand the Provider Recruitment Program to develop the network of CHW providers in the Alliance service area.
Funding Description: Grants to support recruitment and hiring of CHWs who become credentialed to provide the compensable CHW Service Benefit to the Medi-Cal population in Merced, Monterey and Santa Cruz counties. The Alliance has established the CHW Service Benefit with contracting, credentialing, and reimbursement pathways for providers. The Medi-Cal covered services include Health Education, Health Navigation, Screening & Assessments, Individual Support or Advocacy, and Timely Management of Chronic Conditions.
Eligibility: Applicants must be a contracted Alliance provider (including medical/behavioral health provider, 501(c)(3) nonprofit or governmental entity) that serves a significant volume of Medi-Cal members in the Alliance service area. If not contracted, applicant must become contracted prior to receiving grant funds (if application is approved).
Eligible Expenses: Recruitment-related expenses such as first year salary/benefit costs, sign-on bonuses, relocation expenses, costs of maintaining professional liability insurance, fees for professional recruitment agency services, immigration legal fees, costs associated with advertising and CHW certification training (if not already funded through a different grant/incentive program).
Maximum Grant Award: $65,000 (+ $10,000 linguistic competency incentive per each qualifying language)

*2. Funding Opportunity*: Healthcare Technology Program
MCGP Focus Area: Access to Care
Funding Goal: Medi-Cal members are able to access high-quality care when, where and how they need it.
Objectives: 1) Improve member convenience and care coordination through the use of mobile health platforms and EHR enhancements; 2) expand capacity for non-emergency medical transportation through infrastructure; and 3) expand capacity for telehealth and e-Consult.
Funding Description: Grants to support the purchase and implementation of technology and infrastructure that improves member access to care and results in high quality health care services and operational efficiencies.
Eligibility: Applicants must be a contracted Alliance provider or 501(c)(3) nonprofit or governmental entity that serves a significant volume of Medi-Cal members in the Alliance service area. An applicant is limited to Healthcare Technology funding for one project at a time which may be implemented at more than one site.
Eligible Expenses: Purchase and implementation of new or enhanced technologies that expand access to health care services and improve care coordination, training of health

care staff and/or patients in use of technology, and consultation on implementation and training for new technology.
Maximum Grant Duration: 12 months
Maximum Grant Award: $50,000

*3. Funding Opportunity*: Home Visiting Program
MCGP Focus Area: Healthy Beginnings
Funding Goals: 1) Families with a new child receive timely prenatal and post-natal care to ensure optimal physical and mental health for mothers and to promote healthy birth outcomes; 2) children are healthy and thriving by age 5; 3) children (prenatal through age five) and their parents/caregivers have access to preventative health care services and community resources to support their families' health and well-being; and 4) parents and caregivers have the knowledge, resources and support they need to provide safe, nurturing environments for their children.
Objectives: 1) Increase physical and mental wellbeing of mothers, caregivers and children; 2) support families in developing parenting and coping skills and knowledge of early childhood development; and 3) improve access to children's preventative health care services and behavioral health screening and referrals.
Funding Description: Grants to support the implementation or expansion of home visiting programs with trained professionals for pregnant women and parents of children up to age five. Applicants must use the Nurse-Family Partnership or Parents as Teachers models, or another home visiting model that incorporates evidence-based practices and focuses on health outcomes. Applicants that demonstrate one or more of the following will strengthen their grant application: 1) commitment to linguistic and cultural competence in their project design; and 2) evaluation of access to preventative health services and/or health outcomes.
Eligibility: Applicants must be a 501(c)(3) nonprofit, governmental entity, or local education agency that serves a significant volume of Medi-Cal members in the Alliance service area. An applicant is limited to one Home Visiting Program grant award, which may be used to implement model(s) at more than one site.
Eligible Expenses: Personnel/consultants, staff training/development, project-specific equipment and technology, project material/implementation costs, data reporting and evaluation, and indirect costs up to 15% of project budget.
Maximum Grant Duration: 24 months
Maximum Grant Award: $250,000

*4. Funding Opportunity: Partners for Active Living Program*
MCGP Focus Area: Healthy Communities
Funding Goal: Medi-Cal members have access in their communities to what is needed to live their healthiest lives, support healthy options and reduce risk of chronic disease.
Objectives: 1) Increase Medi-Cal member access to opportunities for physical activity and recreation in the community; 2) engage Medi-Cal members in forming of life-long healthy habits to support mental and physical health and overall well-being; 3) reduce racial and other inequities in Medi-Cal member access to safe places to play and be active; and 4) strengthen community-based partnerships to support Medi-Cal members.
Funding Description: Grants to support community-based projects that provide children, adults and families opportunities to engage in physical activity and recreation programs in the community and engage health care providers in partnering on program coordination and referral of Medi-Cal members to these resources. Applicants that demonstrate one or more of the following will strengthen their grant application: 1) commitment to linguistic and

cultural competence in their project design; 2) data-driven case about geographic need where project will be implemented and/or population(s) of focus (e.g., age, developmental disabilities, specific chronic conditions); and 3) evaluation of access to preventative health services and/or health outcomes.
Eligibility: Applicants must be a 501(c)(3) nonprofit (or community group with a fiscal agent), governmental entity that serves a significant volume of Medi-Cal members in the Alliance service area. An applicant is limited to Partners for Active Living Program funding for one project at a time, which may be implemented at more than one site.
Eligible Expenses: Personnel/consultants, project-specific equipment and technology, project material/implementation costs, and indirect costs up to 15% of project budget.
Maximum Grant Duration: 24 months (including planning period)
Maximum Grant Award: $250,000

*Allocations for Revised and New Funding Opportunities*. The proposed amounts below for each of the Phase 1 funding opportunities are recommended to be allocated from the MCGP unallocated budget.

| County | Provider Recruitment 4X/Year ($150K) | Provider Recruitment CHWs ($75K x 8 per county) | Healthcare Technology ($50K x 3 per county) | Home Visiting ($250K x 2 per county) | Partners for Active Living ($250K x 3 per county) | Total All Phase 1 | Remaining MCGP Unallocated Budget after Phase 1 |
|---|---|---|---|---|---|---|---|
| Merced | $2,400,000 (16) | $600,000 | $150,000 | $500,000 | $750,000 | $4,400,000 | $53,029,379 |
| Monterey | $2,400,000 (16) | $600,000 | $150,000 | $500,000 | $750,000 | $4,400,000 | $53,234,220 |
| Santa Cruz | $1,200,000 (8) | $600,000 | $150,000 | $500,000 | $750,000 | $3,200,000 | $22,220,193 |
| Total | $6,000,000 | $1,800,000 | $450,000 | $1,500,000 | $2,250,000 | $12,000,000 | $128,483,792 |

Next Steps. If approved, staff will prepare Phase 1 funding opportunities and communication materials and open the applications on April 10, 2023. Staff will return to the Board in April 2023 with detailed recommendations and budget allocations for Phase 2 funding opportunities which would be open for applications starting May 15, 2023.

Fiscal Impact. This recommendation would allocate $12M from the MCGP unallocated budget to fund new funding opportunities ($7.8M Provider Recruitment Program; $450K Healthcare Technology Program; $1.5M Home Visiting Program; and $2.25M Partners for Active Living Program). Amounts remaining in the unallocated MCGP budget per county after Phase 1 allocations are as follows: Merced County $53M; Monterey County $53.2M; and Santa Cruz County $22.22M.

Attachments.
1. Medi-Cal Capacity Grant Program Framework
2. Medi-Cal Capacity Grant Program Focus Areas, Goals and Priorities

***Medi-Cal Capacity Grant Program (MCGP) Framework***

*MCGP Investment Strategy*. The MCGP is a part of the Alliance's financial plan, which creates prudent health plan reserves and enables the use of surplus funds to expand access and improve Alliance member benefits. The Alliance allocates funding to the MCGP from its earned net income, after meeting regulatory and Board designated reserve requirements and ensuring adequate funding for augmented provider reimbursements and successful implementation of Medi-Cal program requirements. The MCGP's financial strategy is founded on the following elements:

1. Funding Allocations. MCGP funding is allocated by county and funding opportunity. Funding allocations also consider equity in impact of programs, and not just equity in allocation.
2. Annual Spending Plan. The MCGP develops and adheres to an annual spending plan to ensure transparency to potential grantees about the level of funding to be made available in the community for activities within the focus areas.
3. Member Benefit. The MCGP makes strategic use of Alliance reserves to strengthen the delivery system to meet Medi-Cal member needs.
4. Local Innovation. The MCGP ensures strategic use of reserves to enable local innovation rather than supplanting state resources for ongoing program administration. Covered Service benefit expansions, provider payment augmentation and other services managed by the health plan are addressed via the health plan's operating budget, not through the MCGP.
5. Funding Decisions Free from Conflicts of Interest. The MCGP relies on an administrative decision-making structure which avoids conflicts of interest in the approval of programs and specific grants.

*MCGP Investment Criteria*. These key criteria are used to evaluate funding requests and will be used to guide planning for future MCGP investments:

1. Medi-Cal Purpose: All grants must benefit Medi-Cal beneficiaries.
2. Sustainability: The Alliance makes investments with the goal of creating lasting change in the Medi-Cal delivery system or in member and community health that is sustainable past the grant funding period. Grants are generally one-time investments to build capacity or ensure adequate local infrastructure to meet Alliance member needs.
3. Service Area: Grantees must maintain ongoing operations, including staffing and programs, in the Alliance service area.
4. Alignment with Vision, Mission and Priorities: The Alliance invests in organizations and efforts that advance the Alliance's vision, mission and strategic priorities.
5. Focus Areas: Funding awards must be associated with at least one of the MCGP focus areas and support the identified goals for that focus area.
6. Supplanting: MCGP funding should not be used to supplant or duplicate other funding in order to focus investments on areas where limited funding is available or where other funding sources can be leveraged to have a greater impact.

*MCGP Guiding Principles*. The following principles guide MCGP grantmaking.

1. Equity in impact.
   - The MCGP will ensure grantmaking is tailored to local needs and prioritizes resources and attention to communities and populations who experience inequities.
   - The MCGP will engage the community to understand the diversity of health-related needs and opportunities to advance the Alliance's vision of *Healthy People. Healthy Communities.*
   - The MCGP will create opportunities for members to play a central role in crafting solutions through grantmaking to improve health and well-being for themselves, their families and their communities.
2. Trusting relationships with partners.
   - The MCGP is committed to building trusting, collaborative relationships with community partners based on mutual respect, collaborative learning and aligned priorities.
3. Transparent, accessible and responsive grantmaking.
   - The MCGP seeks to minimizes administrative burden on grantees and ensure the level of effort is commensurate with the grantee organization's scale and administrative ability.
   - The MCGP ensures accountability for grant funds and transparency about funding decisions and requirements.
   - The scale and impact of MCGP investments on the Medi-Cal system, infrastructure and members is measured and communicated.
4. Grantmaking informed by Medi-Cal delivery system expertise and experience.
   - Grantmaking is responsive to funding gaps and infrastructure needs to meet the challenges of Medi-Cal transformation.
   - Investments support systems change and innovations in the safety net health care delivery system to address root causes that impact health.
   - Grantmaking is developed in close coordination with Alliance staff, Board and community stakeholders.
5. Holistic view of health.
   - Grantmaking promotes a holistic view of health that includes supporting Medi-Cal members in achieving and maintaining optimum physical, mental and social well-being.
   - Investments to address disease prevention and disease management are made upstream from the medical model to address root causes and prevention.

***Medi-Cal Capacity Grant Program (MCGP) Focus Areas, Goals and Priorities***

**Focus Area 1. Access to Care**
The Alliance will focus on strengthening and expanding the provider workforce to address provider shortages and increase the number of providers who reflect the diversity of the Alliance's membership. The Alliance will also make investments to improve coordination across the health care system and address infrastructure and capacity gaps to ensure that Medi-Cal members are able to access high-quality care when, where and how they need it.

Funding Need
1. Health care workforce shortages in the Alliance service area impact Medi-Cal members' access to timely health care services.
2. New provider types are being integrated in the Medi-Cal health care continuum to deliver a range of new non-medical services to address social drivers of health.
3. The existing health care workforce is challenged to reflect the racial, ethnic, cultural and linguistic diversity of Alliance members.
4. Organizations that serve the Medi-Cal population need expanded capacity and infrastructure to increase access to services.

Funding Goals
1. A robust health care workforce that can deliver coordinated, person-centered care and the full array of Medi-Cal services.
2. Improved patient-provider communication and trusted relationships, resulting from an expanded network of Medi-Cal providers who are linguistically and culturally responsive.
3. Medi-Cal members are able to access high-quality care when, where and how they need it.

Funding Priorities
1. Address workforce shortages, infrastructure and capacity gaps.
2. Increase the racial, ethnic, cultural and linguistic diversity of the provider network to better reflect the Alliance's membership.
3. Improve the coordination, integration and capacity of the behavioral health system, including coordination between the physical health system and behavioral health system.

**Focus Area 2. Healthy Beginnings**
By investing in early childhood development, the Alliance will positively impact the health and well-being of its youngest members and their families in the short and long term, as well as ensure they have the resources and support needed to thrive.

Funding Need
1. The first five years of life are critical to health and brain development.
2. Historical and persistent trauma (including systemic racism) and adverse childhood experiences can negatively impact physical, mental, emotional and behavioral health.
3. Barriers to preventative services affect maternal, infant and child health.
4. Investing in early childhood development has proven benefits for children, families and society.

Funding Goals

1. Families with a new child receive timely prenatal and post-natal care to ensure optimal physical and mental health for mothers and to promote healthy birth outcomes.
2. Children are healthy and thriving by age 5.
3. Children (prenatal through age 5) and their parents/caregivers have access to preventative health care services and community resources to support their families' health and well-being.
4. Parents and caregivers have the knowledge, resources and support they need to provide safe, nurturing environments for their children.

Funding Priorities

1. Increase access and use of preventative health services, early identification and intervention services, behavioral health interventions and early childhood development interventions.
2. Provide parents with social support and education about child development and parenting.
3. Assist families in navigating the health care system and connecting to health and community resources that support child development and family well-being.
4. Promote strategies for systems change that allow families to fulfill aspirations for children's long-term health and economic opportunities.

**Focus Area 3. Healthy Communities**

By investing in the non-medical factors that impact health, such as food and housing, the Alliance can ensure that Medi-Cal members have access to what is needed to live their healthiest lives at every stage of life. Creating communities where healthy options are easy and available to all can reduce health disparities, support healthy and active lifestyles and reduce risk of chronic disease.

Funding Need

1. Social, economic and environmental factors shape individual health and well-being. These factors influence risk for chronic conditions such as diabetes, asthma and cardiovascular disease.
2. Lack of access to healthy food, safe and stable housing, quality schools and safe places to exercise and play create barriers to health.
3. Geographic communities experience differences in environmental factors and distribution of resources, which contribute to disparities in health risks and quality-of-life outcomes.
4. Medi-Cal members experience barriers such as: limited English proficiency, transportation, childcare, and health literacy; food insecurity; overcrowded housing; insecure employment; and low wages. These barriers impede their ability to access services and manage their health.

Funding Goals

1. Medi-Cal members have access in their communities to what is needed to live their healthiest lives, support healthy options and reduce risk of chronic disease, including access to:
    - Fresh, affordable, healthy food.
    - Safe places to play and be active.
    - Permanent supportive housing for Medi-Cal members experiencing homelessness.
2. Medi-Cal members have the knowledge and resources to effectively manage their health.

3. Medi-Cal members are empowered to advocate for policy and systems changes that promote good health for themselves and their communities.

Funding Priorities

1. Focus on individuals, families and communities experiencing disparities in health.
2. Invest in drivers of individual and community health and well-being, such as nutritious food, supportive housing and safe places to be active.
3. Engage trusted community-based organizations to promote available health care services and resources to reduce disparities.
4. Support community/youth leadership development and civic engagement efforts that transform infrastructure and promote wellness and health equity for individuals and the community.

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Lisa Ba, Chief Financial Officer

**SUBJECT:** Proposed Urgent Care Payment Rates and Access Policy

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Recommendation. Staff recommend the Board approve:

1. A change in payment rate for urgent care services from 150% of the Medi-Cal fee-schedule to 100% of the Medicare fee-schedule, and

2. Member access to any contracted urgent care and, any contracted primary care practice that offers after hours and weekend care, regardless of member primary care linkage.

Summary. The proposed rate change and increased member access to both urgent care sites and contracted primary care providers offering after hours and weekend access (Urgent Visit Access providers) aims to decrease avoidable emergency department visits and improve the total cost of care by increasing member access to the right care at the right time.

Background. In 2018, the Alliance implemented the Urgent Visit Access Initiative to improve member access for members' same-day urgent care needs and to decrease avoidable emergency care utilization. As part of this initiative, the Alliance Board approved members' direct access to urgent care visits at Alliance contracted PCP practices who enrolled in the program and offered after hours and weekend urgent care access. Services provided by participating providers were reimbursed at 150% of the Medi-Cal Fee Schedule.

As members resume care as we exit the public health emergency, the Alliance network hospitals and local urgent care facilities are experiencing increased utilization for members seeking what would be avoidable emergency department and urgent care services. Members who cannot get same-day appointments with their primary care provider are seeking services in the emergency room or at nearby urgent care centers. Urgent care centers who are not Urgent Visit Access providers under the current policy are unable to provide services under the Alliance's current urgent care access policy without a referral from the member's primary care provider. This is a barrier to member access to care for urgent conditions. In addition, in the absence of a policy change, meeting member demand for urgent services increases financial pressures to the Alliance's provider network, both for the hospitals and urgent care providers.

Discussion. The provision of urgent care visits by Urgent Visit Access providers to members not linked as primary care patients has significantly increased. In 2022, urgent care visits increased approximately 31% from the previous year. The Alliance anticipates this trend will continue into 2023 as members increase utilization after the pandemic, straining primary care practices to provide same day appointments, and emergency departments to address urgent rather than emergent conditions. A change in Alliance policy to ensure that members with urgent conditions may access services in an appropriate setting better

supports the Alliance's imperative to ensure member access to the right care, in the right setting at the right time.

In addition to addressing network capacity to provide the right care in the right setting, there is a significant variance in reimbursement between Medi-Cal and Medicare for urgent care services. The Alliance currently pays for urgent care services provided to members by Urgent Visit Access providers at 150% of the Medi-Cal fee schedule. This rate is equivalent to 62% of the Medicare fee schedule. Both Urgent Visit Access providers and urgent care centers with the capacity to meet Alliance member needs have indicated that this rate is inadequate to support their provision of services to Alliance members.

The Alliance has paid specialty providers 100% of Medicare rates of reimbursement since 2016. Increasing urgent care payments to ensure member access to the right care in the right setting is aligned with the Alliance's approach to payments for specialty services. Further, the proposal aligns with the Alliance's Board-approved payment policy to offer provider payment rates which are in line with revenue rate, utilization trends, and industry standard benchmarks.

Conclusion. Staff recommend the Board approve an increase in reimbursement to contracted providers for urgent care services from 150% of the Medi-Cal fee schedule to 100% of the Medicare fee-schedule. Staff further recommend that the Board approve member access to urgent care services, whether provided through contracted urgent care providers or Urgent Visit Access providers. This policy is to be implemented no sooner than May 1, 2023.

The implementation of this policy change will support Alliance member access to the right care, in the right place and at the right time. This policy will alleviate contracted hospitals' avoidable emergency department visit rates. This policy appropriately augments provider payments for urgent care services.

Fiscal Impact. The proposal will increase medical cost by $1.5M. Staff expect the cost will be partially offset by the cost avoidance in emergency rooms and expect that the additional costs incurred will be within the medical cost budget on a per member per month (PMPM) basis.

Attachments. N/A

**DATE:** March 22, 2023

**TO**: Santa Cruz-Monterey-Merced Managed Medical Care Commission

**FROM:** Stephanie Sonnenshine, Chief Executive Officer

**SUBJECT:** County Expansion: Update

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Recommendation. This report is informational only.

Background. In late 2020, the Department of Health Care Services (DHCS) announced the State's intention to recontract the commercial plans serving as Medi-Cal managed care plans (MCP) and operating in the Regional, GMC and Two-Plan model counties. Through this procurement process, DHCS provided counties the opportunity to transition to a Medi-Cal managed care model that includes a local plan (i.e., COHS or Two-Plan model). DHCS indicated that counties interested in transitioning to a COHS model may be removed from the RFP process. DHCS' deadline for counties to state their intent to change models by submitting a letter of intent (LOI) executed by the county's Board of Supervisors (BOS) and the corresponding MCP was April 30, 2021.

San Benito and Mariposa counties each approached the Alliance regarding their respective interests in working with the Alliance towards an expansion of the Alliance's COHS model within each county. The Alliance's history of successful operation in the region and the Alliance's emphasis on access, quality, member engagement and provider support were all factors taken into consideration by the counties when making the decision to request this partnership.

After a series of meetings, the counties and the Alliance, with approval from the Alliance governing board and the respective County BOS submitted a joint, non-binding LOI to DHCS to initiate the model change. The LOI was specific that the model change expansion is contingent on state and federal approval and on adequate revenue to support the expansion, as determined by the Alliance and as approved by the Alliance's governing board. Further, final approval by the Board is subject to confirmation to ensure the long term financial viability and sustainability of the Alliance's operations in its existing tri-county service area.

In addition to the LOI, DHCS required counties and plans to demonstrate authority for the local plan governance through the adoption of an enabling ordinance and to submit a network contracting strategy intended to yield the capacity to operate the new model in a manner that meets enrollees needs as of January 1, 2024.

The Alliance's governing board and all five-county BOS adopted the necessary ordinance to create the *Santa Cruz – Monterey – Merced – San Benito – Mariposa Managed Medical Care Commission*, which will be the governing board for the Alliance. Formal establishment of the Commission, as outlined within the five-county ordinances, will replace the current three county Board. The Alliance submitted the required network strategy.

In December 2021, DHCS issued a Conditional Approval to the Alliance and San Benito and Mariposa counties to move forward with the model change, allowing the plan and counties to move to the operational readiness assessment phase.

Discussion. Below, staff provides an update on ongoing and upcoming activities to support the expansion of services to San Benito and Mariposa counties including in the areas of: Governance, Community and Member Engagement, Provider Outreach and Network Development, Fiscal Viability Operational Readiness Assessment, and Conditions Necessary for Final Approval,

Governance. The Alliance governing board is established by county ordinances, adopted by each county, creating a multi-county commission, and which include the commission's purpose, membership composition and other provisions necessary for the conduct of business.

In May 2021, the Alliance's Board approved of a "*Member Threshold Approach*" to determine the allocation of commissioners by county. This approach yields an efficiently sized board to enable effective governance, ensures a balanced and diverse representation for a regional health plan board and provides the BOS the flexibility to determine appropriate local representation on the Alliance's Board. Board members are allocated by the volume of Medi-Cal beneficiaries enrolled in each county and served by the Alliance, are capped at a maximum of five board members per county and include representation of constituencies by seat, designated per Medi-Cal enrollment volume.

This approach was included in the ordinance adopted by each county. The resulting Board based on current Medi-Cal enrollment in each county is as reflected in the table below.

| County | Santa Cruz | Monterey | Merced | San Benito | Mariposa | Total 2024 Board |
|---|---|---|---|---|---|---|
| Current Eligibility | 87.759* | 222,369* | 158,187* | 21,575* | 6,200* | 18** |
| # of Board Seats | 5 | 5 | 5 | 2 | 1 | |
| Representation | Health Dir or designee, Supervisor (3) At Large | Health Dir or designee. Supervisor (3) At Large | Health Dir or designee. Supervisor (3) At Large | Health Dir or designee. (1) At Large | Health Dir or designee. | |

* Medi-Cal Certified Eligible Data Table by County, January 2023; (Dates Represented: October 2022)
**25 possible if membership growth

The county expansion implementation workplan contemplates convening the new five-county Board in September 2023 coinciding with the Board's annual all-day in-person retreat. To that end, each county BOS must make the necessary appointments of members to this new five county Commission prior to the September 27, 2023 meeting.

Activities and action items at the first Board meeting would include orientation for new board members, adoption of a Conflict of Interest Code, requisite conflict of interest training, adoption of bylaws and establishment of initial board member terms.

Community and Member Engagement. Staff have developed a Community Engagement Strategy that includes a phased approach of building relationships within each county, outreaching to and gathering information from community partners, attending community events and increasing awareness and visibility of the Alliance within the counties. Community Engagement staff are engaging county staff in efforts to support these relationships. These activities will continue to increase in volume and frequency as

January 1, 2024 approaches. Direct outreach to members will be initiated approximately 60-90 days prior to go-live.

Provider Outreach and Network Development. Provider outreach and recruitment efforts are underway. As noted above, staff have developed a provider network development strategy that includes development of provider recruitment materials, assignment of provider relations representatives by provider type, gathering of contact information, and calendaring visits. Phase 1 is underway and includes the recruitment of Hospitals, PCPs, FQHCs, RHCs, Indian Health Facilities and DHCS "Mandatory Provider types". Subsequent phases begin next month and include DHCS Core Specialists, Long Term Care and Supportive Services providers, Home Health, Durable Medical Equipment, California Children's Services providers, transportation providers and all other ancillary providers.

An environmental scan of San Benito and Mariposa counties identified gaps in available providers. In San Benito County there are currently no Dermatology, Otolaryngology or Physiatry providers and in Mariposa County gaps include Dermatology, Otolaryngology, Physiatry, HIV/AIDs/Infection Disease, Ophthalmology, Orthopedic Surgery and OB/GYN providers. Non-emergency Medical Transportation (NEMT) providers are also lacking in both counties.

Alliance staff are working with county staff and county providers in both counties to understand the traditional patterns of access and will rely on contracted providers in existing counties within time and distance access standards as well as available providers in surrounding counties, as needed. Alliance staff expect to receive utilization data from DHCS to support assessment of the patterns of care as well, including to inform assumptions as to the volume of care that may need to be provided by providers outside of the counties.

*Challenge: Potential closure or loss of services at Hazel Hawkins*. Recent developments regarding the fiscal viability of Hazel Hawkins Hospital, the sole hospital operating in San Benito County, have added potential complexity to the Alliance's efforts to develop an adequate network that meets regulatory time and distance access standards. Such a closure would also have financial implications for model change.

Should Hazel Hawkins Hospital close, the impact on access to care for residents of San Benito County would be significant. In addition to the loss of hospital services within the county the impact on available specialty services would require increased access to such services in surrounding counties. As noted above, staff are awaiting utilization data to help inform its assessment as to the volume of services that may need to be provided by providers outside of San Benito County, whether with Hazel Hawkins in the network, or out.

*Challenge: Timing of DHCS Revenue to Inform Provider Rates*. DHCS' current timeline for developing plan capitation rates for 2024 includes providing final rates to plans in Q4 2023. Staff's current approach to recruitment and contracting for the model change networks includes execution of provider contracts *after* receipt of final revenue rates from DHCS to ensure that provider rates for network development are in line with the revenue rate and utilization trends. With the current timeline, it is not possible to demonstrate an adequate network at the time of the DHCS readiness review in September. DHCS has confirmed its willingness to engage regarding both the timing and adequacy of health plan revenue and its implications to the Alliance's network strategy.

Fiscal Viability. As noted, DHCS has indicated that final 2024 revenue rates will not be provided to the Alliance until October of 2023. Staff's final analysis of rate adequacy based on revenue will follow receipt of the revenue rates and based on the current DHCS timeline, is likely to be reported to the Board in December 2023.

A positive development is that the Department recently communicated that it will not implement Regional Rates as previously expected in 2024, which reduces the uncertainty as to that aspect of rate development for model change, at least in the first year of model change operation.

*Challenge: Accuracy of utilization and cost trends for San Benito County*. Staff have requested dialog with the Department as to the utilization and cost trends to be applied to revenue associated with San Benito given the potential of underutilization attributable to San Benito's unique managed care model, and the possible closure of Hazel Hawkins. Application of historical utilization and cost trends *may not* yield revenue which would be adequate with the probable change in utilization patterns and with likely increased reliance on existing Alliance contracted providers.

Operational Readiness. As referenced above, DHCS has developed an operational readiness process for all plans to assess plans' implementation of and compliance with the new 2024 Medi-Cal Managed Care Plan contract including a review of plans' operational readiness to expand services into new counties including, but not limited to, access and network adequacy requirements.

The Operational Readiness Assessment is comprised of 237 deliverables to be submitted to DHCS for review and approval over the course of 12 months. To date, the Alliance has submitted 109 discrete deliverables, with 67 approved, 41 under review, one additional information request and 118 remaining to be submitted by scheduled due dates.

DHCS has indicated that the Operational Readiness Assessment will also include an "onsite assessment" (which may be conducted virtually), to be determined on a plan-by-plan basis. DHCS anticipates having a go-no-go decision by September 2023.

Staff have noted the need for DHCS to consider the potential impacts of the challenges and factors described in this report in its assessment of the Alliance's readiness for model change implementation. These include the timing of the Alliance commission convening and the timing of DHCS' go-no-go decision to ensure the appropriate sequence of events, the timing of DHCS's release of health plan revenue, the accuracy of utilization and cost trends to support adequate revenue development, the impact of time of revenue release to network development and, the potential network constraint in San Benito County. Staff are actively engaging the Department in dialog around these factors as well as solutions that could be employed to ensure model change is feasible and likely to be successful.

Conditions for Final Approval. As outlined in the April 30, 2021 non-binding LOI submitted to DHCS and communicated regularly to DHCS staff and leadership, there are a number of conditions that must be satisfied prior to the Alliance Board's final approval and execution of the contract implementing the expansion of Alliance services to eligible and enrolled San Benito and Mariposa County Medi-Cal beneficiaries.

These include adequate revenue to support the expansion, which requires that the Alliance receive pre-expansion utilization data to evaluate revenue rates and support provider network development.

As noted throughout this report, staff are actively engaged with the Department towards implementation planning likely to realize the conditions necessary for the Board's approval of the model change.

Conclusion. Staff have a comprehensive implementation plan to effectuate model change as well as implementation of the 2024 DHCS contract. Staff have identified factors and challenges influencing the feasibility of the model change and are in discussion with the Department as to potential actions to address those factors. Provider and community engagement are underway and will continue towards the development of an adequate network to meet member needs. Staff will return to the Board with an analysis of the expected network and financial performance to inform the final recommendation to the Board around contract execution. Staff will also return to the Board with a plan for the convening of the new five county commission in September 2023.

Fiscal Impact. The fiscal impact of the service area expansion will be assessed and reported to the Board based on the DHCS revenue proposal.

Attachments. N/A

# Information Items: (14A. – 14E.)

1600 Green Hills Road, Ste. 101
Scotts Valley, CA 95066-4981
831-430-5500

950 East Blanco Road, Ste. 101
Salinas, CA 93901-4487
831-755-6000

530 West 16th Street, Ste. E
Merced, CA 95340-4710
209-381-5300

February 21, 2023

Erica Padilla Chavez
Chief Executive Officer
Second Harvest Food Bank Santa Cruz County
800 Ohlone Parkway
Watsonville, CA 95076

Dear Ms. Padilla Chavez:

Central California Alliance for Health (the Alliance) is pleased provide this letter of support for the Second Harvest Food Bank Santa Cruz County (Food Bank) application to the California Accountable Communities for Health Initiative (CACHI) Funding Opportunity to Advance Community Health and Equity. If selected, the funding would help formalize South County Triage Group (SCTG) efforts to coordinate the health and human services that support the underserved communities in our region. The Food Bank will serve as the fiduciary agent for the CACHI grant and as a leader on SCTG's governance structure.

The Alliance was established in 1996 to improve access to quality health care for lower income residents who often lacked a primary care "medical home" and had to rely on the emergency room for basic needs. Today, the Alliance is an award-winning regional Medi-Cal managed care plan that provides health insurance for low-income children, adults, seniors and people with disabilities in Merced, Monterey and Santa Cruz counties. We currently serve more than 407,000 members, connecting them to the primary and specialty care they need. The Alliance is committed to the health and wellness of Santa Cruz County and has awarded nearly $42 million in grants to fund innovative social determinants of health and health equity programs.

The Alliance has attended SCTG meetings to provide interested community partners with information about CalAIM programs, including Enhanced Care Management (ECM) and Community Supports (CS). The Alliance looks forward to discussions with SCTG about their participation in CalAIM's Capacity and Infrastructure Transition Expansion and Development (CITED) initiative. CITED funding would support centralized community engagement, workforce-building, and other infrastructure needed to scale ECM and CS participation and improve overall community health.

SCTG brings together multi-sector partners to meet the community's evolving housing, safety, food security, and health and wellness needs. SCTG has continued to evolve since COVID-19, developing leadership infrastructure and choosing collective action priorities. SCTG is uniquely positioned to leverage CITED and other funding opportunities and to improve the health and resiliency of the community they serve.

Sincerely,

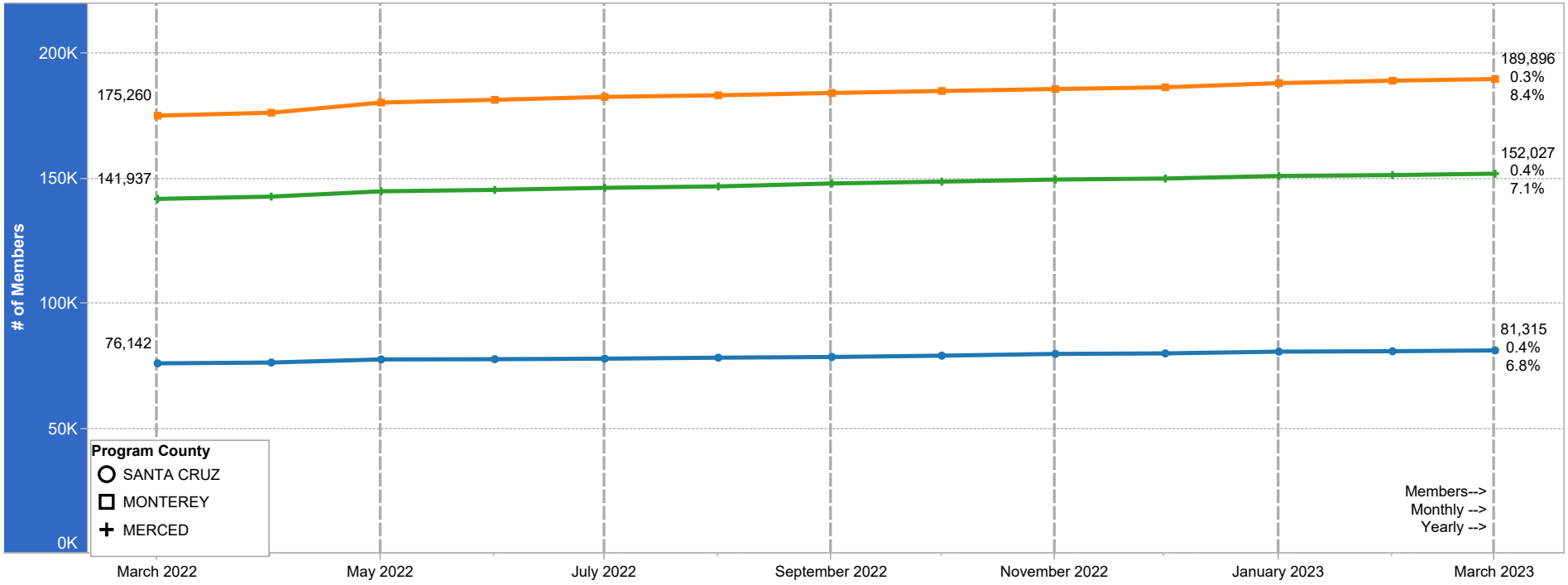
Stephanie Sonnenshine
Chief Executive Officer

# Enrollment Report

**Year:** *2022 & 2023* **County:** *All* **Program:** *AIM, IHSS, Medi-Cal*
**Aid Cat Roll Up:** *All* **Data Refresh Date:** *3/13/2023*

**StaticDate**
3/1/2022 12:00:00 AM to 3/31/2023 11:59:59 PM

## Membership Totals by County and Program, % Change Month-over-Month and % Change Year-over-Year




| Program.. | ProgramCo.. | Mar 2022 | Apr 2022 | May 2022 | Jun 2022 | Jul 2022 | Aug 2022 | Sep 2022 | Oct 2022 | Nov 2022 | Dec 2022 | Jan 2023 | Feb 2023 | Mar 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Medi-Cal | SANTA CRUZ | 76,142 | 76,464 | 77,710 | 77,795 | 78,007 | 78,406 | 78,675 | 79,212 | 79,912 | 80,122 | 80,820 | 80,987 | 81,315 |
| | MONTEREY | 174,671 | 175,791 | 179,833 | 180,927 | 182,093 | 182,736 | 183,670 | 184,460 | 185,248 | 185,942 | 187,616 | 188,589 | 189,250 |
| | MERCED | 141,937 | 142,851 | 144,971 | 145,556 | 146,369 | 146,936 | 148,113 | 148,851 | 149,676 | 150,086 | 151,115 | 151,463 | 152,027 |
| IHSS | MONTEREY | 589 | 624 | 650 | 657 | 654 | 660 | 658 | 654 | 656 | 654 | 652 | 651 | 646 |
| **Total Members** | | **393,339** | **395,730** | **403,164** | **404,935** | **407,123** | **408,738** | **411,116** | **413,177** | **415,492** | **416,804** | **420,203** | **421,690** | **423,238** |