Santa Cruz – Monterey – Merced Managed Medical Care Commission

Board Retreat 2021

(800) 700-3874
www.ccah-alliance.org

Date: Wednesday, June 23, 2021

Time:
Arrive and Refreshments.....9:00 a.m.
Call to Order.....9:30 a.m.
Catered Lunch.....11:50 a.m. – 12:20 p.m.
Adjourn.....4:00 p.m.

Location: Central California Alliance for Health – Scotts Valley Auditorium
1700 Green Hills Road, Scotts Valley, CA 95066

Facilitators: Ms. Wendy Todd, Wendy Todd Consulting and Ms. Selma Abinader

Important notice regarding COVID-19 pursuant to Governor Newsom's Executive Order N-29-20: Based on guidance from the California Department of Public Health and the California Governor's Office, in order to comply with pandemic precautions and to ensure public safety, in-person attendance will be limited and members of the public are encouraged to not attend the meeting in person. The following alternatives are available to individuals to view this meeting and to provide comment to the Board.

1. Members of the public wishing to join the meeting may do so as follows:
    a. Via computer, tablet or smartphone at:
    https://global.gotomeeting.com/join/841744077
    b. Or by telephone at:
    United States: +1 (571) 317-3112
    Access Code: 841-744-077
    c. New to GoToMeeting? Get the app now and be ready when your first meeting starts: https://global.gotomeeting.com/install/841744077

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, June 22, 2021 to the Clerk of the Board at kstagnaro@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. Public comment 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.

3. Mute your phone during presentations to eliminate background noise.
    a. State your name prior to speaking during comment periods.
    b. Limit background noise when unmuted (i.e. paper shuffling, cell phone calls, etc.).

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1. Call to Order by Chairperson Conner. 9:30 a.m.

A. Roll call; establish quorum.
B. Supplements and deletions to the agenda.

2. Oral Communications. 9:35 a.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.

Consent Agenda Items: (4. – 7E.): 9:40 a.m.

4. Accept Executive Summary from the Chief Executive Officer (CEO).

- Reference materials: Executive Summary from the CEO; and 2021-22 State Budget *Legislature's Version*.

Pages 4-01 to 4-20

5. **Accept Alliance Financial Highlights, Balance Sheet, Income Statement and Statement of Cash Flow for the fourth month ending April 30, 2021.**
- Reference materials: Financial Statements as above; and 2021 Forecast based on YTD March Performance.

Pages 5-01 to 5-13

Minutes: (6A. – 6E.)

6A. **Approve Commission meeting minutes of May 26, 2021.**
- Reference materials: Minutes as above.

Pages 6A-01 to 6A-06

6B. **Accept Compliance Committee meeting minutes of March 17, 2021.**
- Reference materials: Minutes as above.

Pages 6B-01 to 6B-03

6C. **Accept Finance Committee meeting minutes of March 24, 2021.**
- Reference materials: Minutes as above.

Pages 6C-01 to 6C-05

6D. **Accept Physicians Advisory Group meeting minutes of March 4, 2021.**
- Reference materials: Minutes as above.

Pages 6D-01 to 6D-04

6E. **Accept Whole Child Model Clinical Advisory Group meeting minutes of March 18, 2021.**
- Reference materials: Minutes as above.

Pages 6E-01 to 6E-03

Reports: (7A. – 7E.)

7A. **Approve recommendation authorizing the Chairperson to sign the agreement between the Alliance and the Monterey County In-Home Supportive Services Public Authority (Public Authority) to provide Covered Services to eligible and enrolled In-Home Supportive Services (IHSS) providers for the period July 1, 2021 through June 30, 2022.**
- Reference materials: Staff report and recommendation on above topic.

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7B. **Approve recommendation authorizing the Chairperson to sign amendments to the Alliance's primary Medi-Cal contract number 08-85216 to incorporate programmatic, and regulatory required language and capitation rates for the periods July 1, 2018 – June 30, 2019 and July 1, 2019 – December 31, 2020 assuming that final amendments and rates are consistent with staff understandings and expectations.**
- Reference materials: Staff report and recommendation on above topic.

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7C. **Accept report on 2021 Legislative Session Update.**
- Reference materials: Staff report on above topic; and 2021 Legislative Bill List.

Pages 7C-01 to 7C-18

7D. **Accept report on COVID-19 Update.**
- Reference materials: Staff report on above topic.

Pages 7D-01 to 7D-04

7E. **Approve recommendation on fee-for-service Care-Based Incentive 2022 measure.**
- Reference materials: Staff report and recommendation on above topic.

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

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

Retreat Agenda Items: (9. – 16.): 9:45 a.m.

9. **Introductions. (9:45– 10:00 a.m.)**

A. Ms. Wendy Todd, Wendy Todd Consulting, will facilitate introductions, review the goals and outline of the retreat day.
- Reference materials: Ms. Wendy Todd and Ms. Selma Abinader biographies.

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10. **Board Discussion: Context Setting. (10:00 to 10:30 a.m.)**

A. Ms. Todd and Ms. Kathleen McCarthy, Strategic Development Director, will review and facilitate Board discussion on environmental scan and strengths, weaknesses, opportunities, and threats (SWOT) analysis.
- Reference materials: 2021 Environmental Scan and SWOT Snapshot.

Pages 10-01 to 10-14

Break (10:30 – 10:45 a.m.)

11. **Board Discussion: Embedding Operations in the Strategic Plan. (10:45 – 11:15 a.m.)**

A. Ms. Sonnenshine and Ms. Lisa Ba, Chief Financial Officer, will review operational themes identified in the SWOT with a focus on finance, and Ms. Todd will facilitate Board discussion.

12. **Board Discussion: Health Equity. (11:15 – 11:50 a.m.)**

A. Dr. Palav Babaria, Chief Quality Officer and Deputy Director of Quality and Population Health Management, California Department of Health Care Services, will review and Ms. Abinader will facilitate Board discussion on health equity.
- Reference materials: Dr. Palav Babaria biography.

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Lunch (11:50 a.m. – 12:20 p.m.)

13. **Board Discussion: Diversity, Equity and Inclusion. (12:20 – 12:50 p.m.)**

A. Mr. Scott Fortner, Chief Administrative Officer, will review and facilitate Board discussion on the Alliance's Diversity, Equity and Inclusion initiative.

14. **Strategic Priorities: Small Group Discussions. (12:50 – 2:00 p.m.)**

A. Board members and Alliance executive staff will break into small groups to discuss strategic priorities, health equity, and goals.

Break (2:00 – 2:15 p.m.)

15. **Strategic Priorities: Large Group Debrief. (2:15 – 2:50 p.m.)**

A. Board members and Alliance executive staff will discuss themes that emerged from small group discussions.

16. Closing Activity and Wrap up: Reflections on the Day. (2:50 – 3:30 p.m.)

A. Ms. Abinader will facilitate a closing activity and Ms. Sonnenshine will summarize key takeaways and outcomes from the day.

Information Items: (17A. – 17F.)

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, September 22, 2021; 1:30 – 2:45 p.m.

- Member Services Advisory Group
  Thursday, August 12, 2021; 10:00 – 11:30 a.m.

- Physicians Advisory Group
  Thursday, September 2, 2021; 12:00 – 1:30 p.m.

- Whole Child Model Clinical Advisory Committee
  Thursday, September 16, 2021; 12:00 – 1:00 p.m.

- Whole Child Model Family Advisory Committee
  Monday, July 12, 2021; 1:30 – 3:00 p.m.

The above meetings will be held via teleconference unless otherwise noticed.

The next meeting of the Commission, after this June 23, 2021 meeting will be held via teleconference unless otherwise noticed:

- Santa Cruz – Monterey – Merced Managed Medical Care Commission
  Wednesday, September 22, 2021, 3:00 – 5:00 p.m.

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 www.ccah-alliance.org/boardmeeting.html. 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: June 23, 2021

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

FROM: Stephanie Sonnenshine, Chief Executive Officer

SUBJECT: Executive Summary from the Chief Executive Officer

Executive

COVID-19 State of Emergency. Most of California's COVID-19 restrictions ended on June 15, 2021 when Governor Newsom lifted the Stay-at-Home Order and retired the county COVID-tier system. In addition, the Governor's Office released a timeline and process for winding down the various fifty-eight (58) pandemic related Executive Orders (EOs) that were put in place last year at the outset of the pandemic. The Governor's power to declare a state of emergency is provided under California law and is designed to help the government act quickly in times of crisis. The declaration provided the opportunity to obtain federal relief for pandemic-related expenses and provided the Governor with broad authority to suspend current law and impose new rules, which included flexibilities for Medi-Cal to ensure continued access for members as well as flexibilities for public entities, like the Alliance, regarding teleconferencing options for public meetings. Staff are reviewing the information regarding the wind down of the EOs to understand the resulting impacts on any process modifications that may have been put in place.

Teleconference Meetings Under the Brown Act. Governor Newsom signed an EO late Friday, June 11, 2021 that modifies a series of EOs he has signed since the beginning of the pandemic. Among the EOs affected are EO N-29-20 which modified Brown Act requirements for teleconference meetings for public agencies. This means that the flexibility for teleconferencing under the Brown Act will expire on September 30, 2021. To comply with this revision, we will plan to hold the October 27, 2021 Alliance Board and Finance Committee meetings in-person from our offices in Scotts Valley, Merced and Salinas unless there are further EO or rule changes.

2021-22 State Budget Update. The Legislature met the June 15th Constitutional deadline to adopt a budget allowing Legislature to continue to receive pay. However, the negotiations with the Administration on a mutually agreeable spending plan continue. The legislature's version of the 2021-22 budget align in many areas with the Governor's May Revise as summarized for your board in May. However, important differences include: additional funding for public health infrastructure, including $200 million annually for local health jurisdictions, $115M annual funding for health equity, Medi-Cal expansion to undocumented adults age 50 and over, and removal of the Medi-Cal asset test. It is anticipated that the Governor and the Legislature will come to agreement on differences so that an agreed upon budget can be approved by the legislature and signed by the Governor prior to the constitutionally mandated June 30, 2020 deadline. Attached is a summary of the Legislature's budget proposal.

Home and Community Based Services (HCBS) Proposal. The American Rescue Plan signed by President Biden on March 11, 2021 includes a temporary 10 percentage point bump in the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS programs from April 1, 2021 through March 31, 2022. States must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS. States will be allowed to spend the funds through March 31, 2024. On June 3, 2021, the Department of Health Care Services (DHCS) released its HCBS spending proposal outlining 35 initiatives totaling $3B in enhanced federal funding in areas including: workforce, navigation, transitions, services and infrastructure and support. Staff are reviewing and assessing the proposal, with particular focus on the proposed Housing and Homelessness Incentive Program and Community Based Residential Continuum Pilots which would be funded and operated through managed care plans. Staff will continue to update the board on this proposal as more information and details are available.

Legislative Session 2021. Staff continues to monitor legislation identified in the legislative areas of focus adopted by your board and reported to the board at the April meeting. A full legislative update report is included as Consent Agenda item 7C.

Medi-Cal Managed Care Procurement. DHCS has issued a draft Request for Proposal and accompanying draft Medi-Cal managed care program (MCP) contract to be implemented for all MCPs in 2024. Staff are reviewing documents and will provide comment to DHCS to help inform document development.

San Benito and Mariposa County Expansion. Staff continue to work with County staff on necessary steps towards approval by DHCS of the expansion of the Alliance into San Benito and Mariposa counties. Staff will work with each county to provide their respective Board of Supervisors with reports and information on expansion opportunities. Staff is also working with the Counties toward development of an enabling Ordinance to form a multi-county commission reflective of your board's direction regarding governance structure for a January 1, 2024 implementation.

California Advancing and Innovating Medi-Cal (CalAIM). Planning for implementation of the CalAIM initiatives continues, with plans working in partnership with DHCS, counties and associations to prepare for the new Enhanced Case Management (ECM) benefit and optional In Lieu of Services (ILOS) effective January 1, 2022. Staff have received final program documents and deliverable requirements and draft ECM rates and are working on deliverable development and program implementation.

Community Involvement. On June 9, 2021 I attended the virtual DHCS All Plan CEO meeting and I attended the opening of Moon Gate Plaza in Salinas on June 15, 2021. On June 16, 2021 I attended the virtual ACAP Summer 2021 Membership Council meeting and the virtual Health Improvement Partnership of Santa Cruz County Executive Committee meeting on June 17, 2021. I plan to attend the virtual Medi-Cal Children's Health Advisory Panel meeting and speak on the vision for the Alliance at the Housing Matters Board meeting on June 24, 2021.

Health Services

The Health Services Division's priority efforts in June include finalizing expansion of the list of codes that will not require prior authorization, COVID-19 vaccine promotion outreach to homebound members, finalizing the Healthcare Effectiveness Data and Information Set (HEDIS) submission for reporting year 2021, finalizing the 2021 Population Needs Assessment, and completing the first submission of the ECM Model of Care submission for CalAIM.

Inpatient / Emergency Department Utilization. Inpatient activity for February, March, and April reflects a significant decrease in volume in comparison to 2020 for the same time period. COVID-19 related admissions have declined over the first half of 2021 resulting in downward trends for admissions and lengths of stay in all three counties. Emergency department utilization has remained low from February through April 2021.
The Complex Case Management team continues to work collaboratively with key hospital case management teams to coordinate care and discharge planning. Joint Operations Committee meetings with hospital leadership are underway to discuss shared goals and collaboration to reduce admissions, lengths of stay, and readmissions.

Whole Child Model (WCM) Program. The WCM Program has enhanced the Age-Out process through the lowering of the threshold identification of "graduating" Whole Child/ California Children's Services (CCS) members to the age of 17. Starting the transition this far in advance will allow for a longer time period to coordinate the successful preparation and transition of children into the adult management of care.

Monthly meetings with all three county CCS leadership continues with the goal of coordinating communication and shared processes. Transportation services for WCM members has been enhanced to ensure vulnerable members are classified as VIP's with door-to-door service for specialty services.

Prior Authorization. The Authorization Process Redesign Project continues to identify procedures and supplies that will not require authorization resulting in an incremental decrease in overall volume of prior authorization requests requiring manual entry by providers and review by Alliance staff. Authorization volumes are currently trending upwards as members resume care and access to care has continued to incrementally increase post earlier COVID-related closures.

Efforts are underway to provide look-up tools via the provider portal, provider and Alliance websites to identify specific codes and their respective authorization requirements. This tool will also provide clarity for providers on those codes that do not require prior authorization.

Support Act I and II. Effective July 1, 2021, the Alliance will be implementing the prospective opioid safety Point-of-Sale edits via our Pharmacy Benefit Manager, MedImpact's claim processing systems to comply with CMS 2482-Final Rule regarding the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act, by informing providers of unsafe opioid dosages and combinations. All network pharmacies will receive a communication letter from MedImpact on June 14, 2021 and June 21, 2021 to educate them on the safety edits and process of overriding them if

an exception exists. The Alliance will send correspondence to our network providers educating them on the safety Point-of-Sale edits.

Medi-Cal Rx Update. DHCS sent a Medi-Cal Rx Status Update on June 1, 2021 stating there is no set date for Medi-Cal Rx implementation. DHCS requires additional time for exploration of acceptable conflict avoidance protocols at Magellan. DHCS wants to ensure that there will be acceptable firewalls between Centene and Magellan to protect the pharmacy claims data of all Medi-Cal beneficiaries and other proprietary information. The project has been put on hold at the Alliance, and will resume with any updates from the DHCS.

Quality Improvement and Population Health. The Alliance has completed the HEDIS 2021 (measurement year 2020) audit with preliminary results as noted below (final publication by National Committee for Quality Assurance in September). There was a total of four measures above the 90th percentile for Santa Cruz/Monterey in Childhood Immunizations – Combo 10, Immunizations for Adolescents – Combo 2, Postpartum follow up, and Asthma Medication Ratio. There was a total of nine measures, six in Santa Cruz/Monterey, and three in Merced between the 75th - 89th percentile; four in Santa Cruz/Monterey and eight in the 50th - 74th percentile in Merced. For measures below the 50th percentile, there were four in Santa Cruz/Monterey, and seven in Merced. Measures that were below the 50th percentile in both counties include: controlling high blood pressure, breast cancer screening, and chlamydia screening. Efforts are underway to improve these rates, including increased data capture and acquisition, Care-Based Incentives for breast cancer screening, and promotion of preventive visits and health education. DHCS will not impose sanctions or corrective action plans for HEDIS 2021; however, measures below the 50th percentile will require up to three maximum plan-do-study-act quality improvement projects. These are in addition to the two required DHCS Performance Improvement Projects, which currently consist of Immunizations and Adolescent well visits.

HEDIS 2021 (MY 2020) Preliminary Rates

	Monterey/SC	Merced
Beneath 50th Percentile	4	7
50th - 74th Percentile	4	8
75th - 89th Percentile	6	3
Exceeded 90th Percentile	4	0
Reported but with no sanctions due to small denominator	4	4

*DHCS confirmed on 5/6/2021 that Plans are not held to MPL. MPLs noted for historical purposes.

Enhanced Care Management and In Lieu of Services. Final guidance documents were received from DHCS at the end of the first week in June. Staff are continuing efforts in preparation for the submission of the first phase of the Model of Care that is due on July 1, 2021. Internal project work continues, with further refinement of the project workplan, draft policy development, and operational discussions to implement the ECM benefit and ILOS in 2022. In addition, staff continue to engage in ongoing state, local, and professional association meetings to further our understanding of the benefit and services, and to assure we are collaborating towards a safe and seamless transition of services for our members who will be changing from Whole Person Care participants to Alliance members enrolled in ECM/ILOS.

Behavioral Health. Staff have been working to update the Memorandums of Understanding with the Central Valley Regional Center and San Andreas Regional Center. We continue to

partner with the regional centers to support our members with medical and behavioral complex health needs. Work continues to further refine and enhance services for our members who need psychological and developmental testing. Meetings have been held in the last month with Beacon, as well as with community providers. All are committed to working towards better care coordination and access to services for Alliance members.

Employee Services and Communications

Alliance Workforce. As of June 7, 2021, the Alliance has 516 budgeted positions of which our active workforce number is 486.2 (active FTE and temporary workers). There are 11 positions in active recruitment, and 33.5 positions are vacant. The organization continues to review and monitor all position requests to ensure we are meeting FTE targets.

In collaboration with Facilities & Administration, Human Resources provided a virtual Health & Safety Fair, June 7-11, 2021. The Annual Health & Safety Fair has been a legacy and live event for several years, but due to COVID, we were unable to celebrate in 2020. This year, virtual events included vendor-sponsored Lunch & Learns, Yoga and Zumba classes and a virtual cooking class hosted by an Alliance staff member. Employee engagement activities continue to be important to the Alliance, especially during the pandemic.

Human Resources is working with Pearl Meyer, our outside compensation consultant, to ensure alignment between our compensation ranges, and the job market. This is an important evaluation process and best practice to ensure we are competitive in the market to attract and retain talent. This work provides an opportunity for us to review compensation data, pay structures, evaluate benchmarked positions, and provide a summary report and recommendations, if any, at the conclusion of this work. We expect this body of work to continue through early September.

Facilities and Administrative Services. Capitola Manor: Mold/Moisture remediation has been completed and termite treatment is underway. The California's Office of Statewide Health Planning and Development (OSHPD) increment 1 permit has not yet been issued. The OSHPD plan resubmittal will occur in Mid-June. The project is currently 2% complete and scheduled to be finished in Q2 2022.

The Facilities team is planning for office reopening on September 7, 2021. The team is currently evaluating the need for space modifications as we prepare for office reopening.

Communications. The external website re-launch project is on track for a July 1, 2021 launch. The new website will provide a professional, branded, mobile-responsive, compliant user experience, with easily digestible, searchable content. Staff is executing on a comprehensive communications plan to inform members, providers, community stakeholders and other interested parties about the website's features and benefits. Staff will also be conducting trainings with key member and provider facing staff to ensure they understand the features and benefits of the new website.

Operations

Support for Community Based Organizations. Our Regional Operations team remains committed to engaging with and providing support to Community Based Organizations

(CBOs). In May 2021, outreach to CBOs through the Community Connections Campaign was completed. The focus of these conversations was around back-to-school immunizations, including promotion of the COVID-19 vaccine. In addition, a Comprehensive Community Response Plan is being finalized, which is responsive to needs identified during emergencies in 2020 including a large wildfire incident impacting our service area. This plan will guide the Alliance in its response to members, providers and community partners in the event of a future emergency and will be one component of the Alliance's Business Continuity and Disaster Recovery Plan. Lastly, the Alliance is finalizing and releasing the second edition of *The Beat* community newsletter in late June 2021, which was well received by community partners.

Outreach and Education for Members. Last month, Regional Operations completed the coordination of an outbound call campaign to members 16-64 years old with moderate health conditions to inform regarding COVID-19 vaccine availability. Nearly 1,500 members were reached during this campaign. Focus for the department in June 2021 will be on COVID-19 outreach calls to homebound members who have not received a vaccine. These members will receive information about how to get a COVID-19 vaccination at home or by other methods. Staff will also focus on convening the Member Support and Engagement Committee within the Alliance. This committee will convene staff involved in education and support processes that assist members and ensure quality of service from the health plan towards the Alliance value of improvement.

Progress on Provider Network Development. In May 2021, Provider Services was engaged in preparation for ECM and ILOS to support the CalAIM initiative that will begin in January 2022, including contracting, credentialing, and network capacity development. In addition, the discovery phase of service expansion related to Mariposa and San Benito Counties began in June 2021 including research to better understand members needs and demographics in these counties. This review of the provider network landscape in San Benito and Mariposa Counties is in preparation for required Fall 2021 deliverables to DHCS. Lastly, the Alliance is engaged in supporting the launch of Collaborative Joint Operations Committee (JOC) meetings with Dignity Health to support improvement projects planned between our organizations.

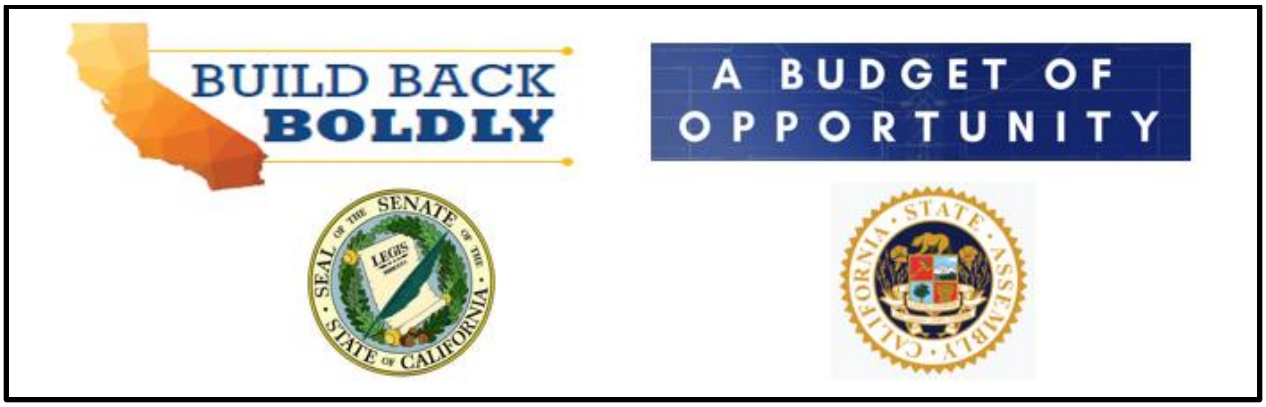
Update on Provider Relations and Credentialing. Last month, the final Annual Network Certification deliverables were completed and preparation for 2021 provider surveying began. In addition, the Alliance provided support to providers and county partners in administration of the COVID-19 vaccine and the resumption of care. Lastly, the Provider Services Credentialing and Configuration team supported the deployment of the Provider Data Repository to the Provider Services Department. This advancement supports the quality and accessibility of provider information within the organization.

Claims Operations Trends. As described previously, claims inventory levels remain high due to a variety of reasons, including factors related to the resumption of care and reduction in use of staff overtime. The June 2021 average inventory was 52,215, well above the 25,000 claims target although the Alliance remains within targets for claims turnaround time ensuring timely payments to providers. An inventory reduction plan was recently completed with clear data driven deliverables necessary to achieve the desired inventory levels within a range of 90-120 business days. In addition, advancements in critical claim control reports have been developed and deployed and weekly metric meetings are being

scheduled to review progress. These are among a few process improvements underway to support achievement of inventory reduction targets and updates will be provided in the Operations Section of the Executive Summary and in the quarterly Dashboard.

Attachment.

1. 2021-22 State Budget *Legislature's Version*



The 2021-22 State Budget

Legislature's Version

(All figures contained are preliminary, until final official scoring)

Assemblymember Phil Ting

Chair, Assembly Budget Committee

Senator Nancy Skinner

Chair, Committee on Budget and Fiscal Review

Pending approval of the Assembly Budget Committee and the Senate Committee on Budget and Fiscal Review, this document provides a summary of the Legislature's version of the 2021-22 State Budget.

The Legislature's Version builds on priorities put forward in the Assembly's "A Budget of Opportunity" blueprint, the Senate's "Build Back Boldly" plan, and the Governor's May Revision.

As a result, the Legislature's Version provides a responsible, bold budget that makes transformative change for California.

California is roaring back – but it is not by accident or due to good fortune. California's finances survived the COVID-19 economic crisis and have put the state in position to make transformative change due to:

- A decade of responsible budgeting – which began with voters putting Democrats in full control of the state's finances starting in 2011 – that provided the tools to get through the temporary downturn without having to impose economy harming cuts to programs or middle class tax increases;

- Robust federal stimulus actions that kept families afloat and prevented the economy from spiraling out of control; and

- A common sense, voter-approved, revenue system that requires all Californians to contribute, but relies more heavily on the wealthiest Californians that have benefited the most from California and can most afford to pay.

The Legislature's Version framework differs from the May Revision in two primary ways. First, it maximizes flexible federal funds to support and improve core programs. And second, the Legislature's Version uses the revenue forecasts of the Legislative Analyst's Office, naturally, as well as up to date revenue performance through the month of May in the current year.

The LAO revenues are modestly higher in the short term and help support transformative actions outlined in this summary, but much of the increase revenues are constitutionally dedicated to schools, reserves, and debt payments pursuant to Proposition 98 and Proposition 2. It is important to note, that while the LAO's forecasts in recent years have proven to be more accurate than others, their projections have also been well below actual performance, and it is not unreasonable to believe that actual revenue performance in the coming years will significantly exceed the forecast contained in the Legislature's Version.

All told the updated Legislature's Version contains total spending of $267.1 billion, of which $196.1 is from the General Fund, and total General Fund reserves equaling a record $25.2 billion.

Total Proposition 98 spending is a record, $96.1 billion, including $69 billion from the General Fund.

The following provides a summary of key aspects of the Legislature's Version, followed by more detailed highlights by each subject area.

Top Legislative Priority

Responsible Budgeting

Since taking full control of the state's finances in 2011, Legislative Democrats have made responsible budgeting a top priority. Gone are the bad old days of perennial late budgets, careening from one fiscal crisis to the next without ever having a structurally balanced budget, and constantly slashing funding for schools and critical programs and squeezing the middle class.

California's finances survived the COVID-19 downturn in large part because of the responsible budgeting, the Legislature's Version does more than ever before to protect state budget from the next inevitable downturn.

The following are key responsible budgeting elements of the Legislature's Version:

- ***Record Reserves.*** Provides a total of $25.2 billion in General Fund reserves, higher than any level in history. The reserves include:

    - $2.9 billion in the Regular Reserve (SFEU)
    - $1.2 billion in the Safety Net Reserve
    - $5.3 billion in the Prop 98 Reserve
    - $15.9 billion in the Rainy Day Fund (Budget Stabilization Account).

    The reserves increase each year and will total over $35 billion by 2024-25.

- ***Full Pay-Off of Prop 98 Deferrals.*** Pays off $11 billion of Prop 98 deferrals, include $2.6 billion not proposed in the May Revision. Paying down deferrals gets local school and community college districts cash for their programs and replenishes an important budget tool to assist with the next economic downturn.

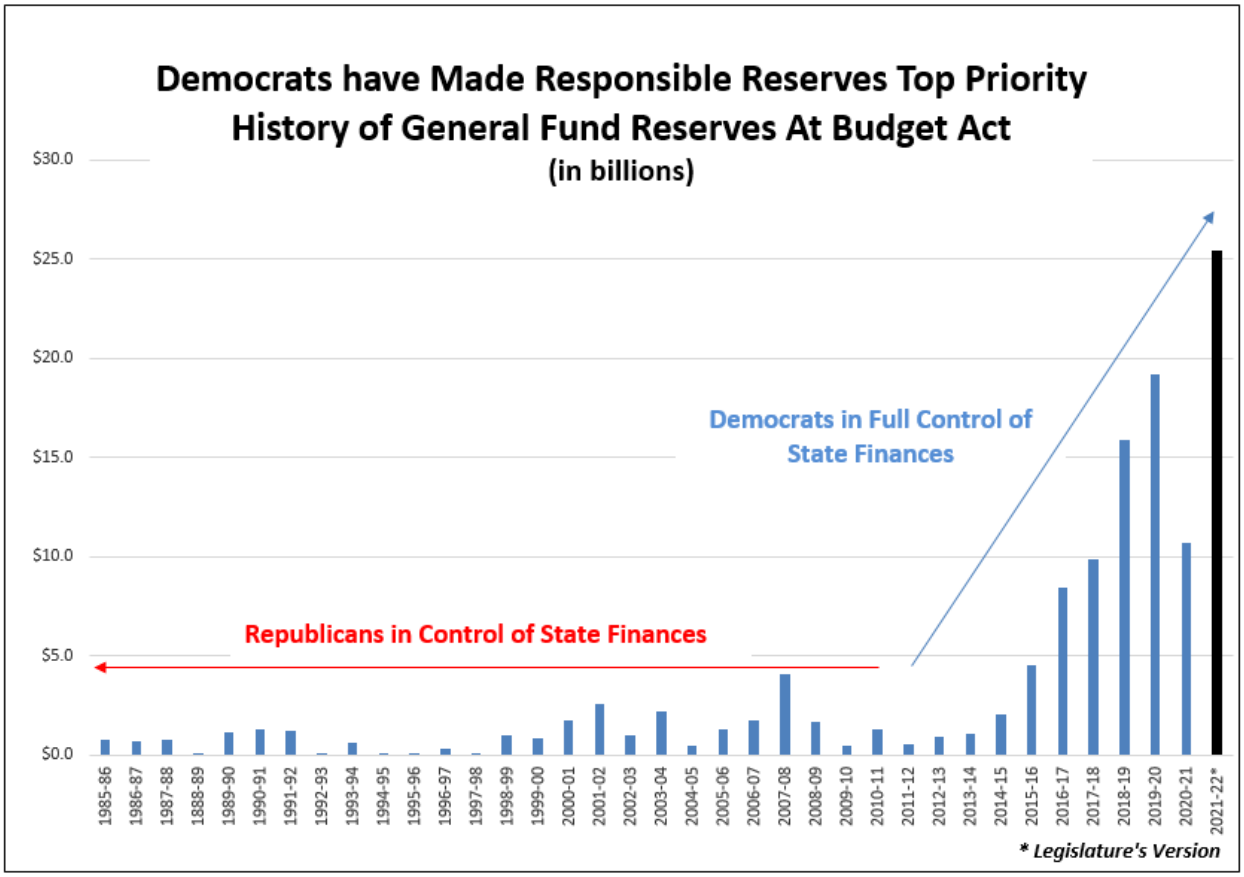
- ***Prepayment of General Obligation Bond Debt.*** Pays $1 billion of General Obligation Bond payments early, which will reduce required spending in future years.

- ***Pays Schools and Community College Pension Costs.*** Allocates nearly $3 billion over the next four years for supplemental pension payments for schools and community colleges, including $400 million in 2021-22 to offset future costs.

- ***No Phony Suspensions.*** Approves the May Revision proposal to end the practice of building in phony suspensions into the out-years that would paint an

unrealistic fiscal outlook. Instead, the ongoing costs of programs are fully accounted for in the out-years to present an accurate multi-year forecasts.

- ***Under the Constitutional Appropriations Limit.*** Maintains total spending as much as $30 billion below the Constitutional appropriations limit for 2021-22. And over the two year period of the current year and budget year, combined the budget is below the appropriations limit.



Transformative Actions

Economic Stimulus, Relief for Families & Small Business/Non-Profits

While California's state finances have survived and bounced back after the COVID-19 downturn, many California families and small businesses continue to struggle.

The Legislature's Version builds on the historic investment in families and small businesses made by the federal and California governments, including:

- ***$8.1 Billion Golden State Stimulus 2 – Historic Level of Tax Cuts.*** Approves the Governor's proposed Golden State Stimulus 2 to provide $8.1 billion in tax cuts to Californians with income of up to $75,000. This will provide taxpayers with payments of $500, $600, 1,000 or $1,100, depending on their filing status. Combined with early action tax relief for families and businesses, this totals approximately $14.7 billion in tax relief – a historic level of tax cuts by any measure.

- ***$1.5 Billion Small Business / Non-Profits Grants***. Approves the Governor's proposed additional $1.5 billion in small businesses and non-profit grants, bringing the total investment in the Small Business COVID-19 Relief Grant Program to $4 billion.

- ***$2 Billion Unemployment Insurance Mitigation for Small Businesses***. Provides $2 billion of tax relief over a ten year period for small businesses to mitigate impacts of Unemployment Insurance repayments, beginning in 2023. This replaces the Governor's $1.1 billion proposal that would not target relief to small businesses and would not have a practical benefit to any business until 2030.

Education

Early Care and Education. The Legislature's Version of the budget improves upon the Governor's strong to make historic and transformative improvements for Early Care and Education. Strong Early Care and Education investments are critical to healthy families,

and it is critical that child care providers are compensated fairly. Key Early Care and Education improvements include:

- ***Child Care Rate Reform.*** Provides $1.1 billion in ongoing funds above the May Revision to implement Child Care Rate Reform for child care and state preschool providers which helps ensure providers can be fairly compensated and run successful businesses that provide vital services for families.

- ***Child Care Slots.*** Increases child care access by 206,500 slots in Alternative Payment, General Child Care, Migrant Child Care, bridge program for foster children, and prioritizes ongoing vouchers for essential workers currently receiving short-term child care. The package provides a total of $1.469 billion ($1.026 billion General Fund) in 2021-22 and $2.724 billion ($1.809 billion General Fund) in 2022-23 for new child care slots.

- ***Universal Transitional Kindergarten.*** Adopts universal Transitional Kindergarten (TK) as part of a mixed delivery system, phasing in expanded age eligibility to full implementation in 2025-26 and rebenching the Proposition 98 Guarantee to provide ongoing funding for the TK expansion of approximately $2.7 billion at full implementation.

- ***Key One-time Investments.*** Provides a variety of one-time investments to stabilize providers growing out of the pandemic, including stipends, hold harmless policies. Makes additional investments in child care facilities ($250 million one-time General Fund and $205 million one-time federal stimulus funds) and the early care and education workforce ($250 million one-time federal stimulus funds).

TK-12 Public Education. A key part to California's pandemic recovery is the transformation of our public education system, and significant investments in California's children and our shared futures. In addition to TK expansion listed above, the Legislature's Version includes over $21,000 per-student spending and various initiatives to change the culture of public education including:

- ***Community Schools.*** Provides $2 billion to launch a statewide initiative to build accessible community wellness and student health hubs on over 1,000 school campuses. The Community School model addresses students' and their families' most critical health and service needs, to support students in academic success. The Legislative Version adds universal meals to the education model, allowing all students who need a healthy breakfast or lunch at school, to receive one, year round at their local school.

- ***Expanded Learning***. Builds upon the Governor's vision for expanding after school and summer options with $1 billion in ongoing program support, and $2.3

billion in one-time funding, for free after school and summer options for all low-income students through the 2022-23 school year. This improves the standard schedule for public schools to better meet the needs of working families

- ***Special Education.*** Provides ongoing special education funding to increase the statewide base rate for the special education formula and fund special education services for children ages 3-5 years old. In addition, one-time funds of over $1 billion are provided for to invest in increased support for special education learning loss and increasing support for inclusive practices.

- ***Career and College Readiness.*** Doubles high school student access to career and college-prep coursework and training.

Access to Higher Ed, Financial Aid & Path to Debt Free College

Access to affordable higher education is a cornerstone of a strong middle class. While California has done a good job to keeping tuition low, and has been able to eliminate tuition entirely for the 55 percent of CSU and UC students that qualify for Cal Grants, non-tuition costs and out of date rules that shut out qualified students from Cal Grants has resulted in students relying on student debt.

The Legislature's Version of the budget makes the biggest expansion to Cal Grants since its inception and reboots the Middle Class Scholarship to also supplement Cal Grant for the first time to cover non-tuition costs for students receiving Cal Grants.

Here are the Details:

- ***Cal Grant Enrollment Expansion.*** Provides $488 million ongoing to end the age and time out of high school requirements that for too long have locked deserving students out of the Cal Grant program. This will begin in the upcoming school year with $154 million for 133,000 community college students and then expand to 40,000 CSU and UC students in the 2022-23 school year.

- ***Cal Grant B Access Award Increase***. Provides $125 million ongoing to increase the Cal Grant Access Award from $1,600 to $2,000. The Access Award is a modest grant to help cover non tuition expenses. This will start with $44 million in the budget year to serve 240,000 Community College students, and expand to $125 million in 2022-23 to serve 170,000 CSU and UC students.

- ***Middle Class Scholarship Reboot.*** Provides $542 million beginning in 2022-23 to reboot the Middle Class Scholarship to expand to supplement non-tuition costs for Cal Grant students and to ultimately become Debt Free grant to eliminate the

de facto requirement for lower and middle income students to rely on student loans to attend the CSU and UC.

The MCS 2.0 will close the gap between the full cost of attendance – including non-tuition costs – and resources provided by other financial aid, earnings from a part-time job and of the full cost of attendance and traditional between traditional financial and modest family contribution from families with over $100,000 annual income.

The $542 million is estimated to close the gap by 33 percent, with the intent to expand in future years to ultimately fill the gap by 100%, and finally provide debt free college.

The Legislature's Version also provides $180 million to increase resident enrollment at UC and CSU by more than 15,000 students, and launches a new program to replace nonresident students at UC Berkeley, UCLA and UC San Diego with California students.

Major Investments in Youth Behavioral Health, Public Health, and Health Equity

- ***Youth Behavioral Health***. Invests $4 billion dollars to create a new, modern, and innovative behavioral health system for youth, including $250 million for the Mental Health Student Services Act to fund school and county mental health partnerships to support the mental health and emotional needs of children and youth as they return to schools and everyday life.

- ***Public Health Infrastructure***. Builds a 21st century public health system with $200 million annually for Local Health Jurisdictions, $40 million annually for state public health functions, $35 million annually for public health workforce development, and $13 million ongoing for the prevention of HIV/AIDS, hepatitis and sexually transmitted infections.

- ***Health Equity***. Invests $115 million annually in community-based health equity and racial justice efforts, and $63.1 million one-time for the California Reducing Disparities Project.

Aging and Disability

The Legislature's Version takes major action to improve services for the aged and those with disabilities. Legislative Democrats have long championed these efforts but with the strong fiscal condition of the state the Legislative Version makes progress far beyond any prior efforts. The improvements include:

- ***Medi-Cal at 50+, Regardless of Immigration Status.*** Provides ongoing funding growing to $1.3 billion to expand Medi-Cal eligibility to all income eligible Californians 50-plus years of age, regardless of immigration status.

- ***Medi-Cal Asset Test removal***. Eliminates the Medi-Cal asset test for seniors to remove the "senior savings" penalty, to expand access to more income eligible seniors.

- ***SSI/SSP Legacy Cut Restoration.*** Provides $600 million ongoing to substantially restore the 2009 cut to low income Californians with disabilities and the elderly. This restoration (combined with Governor's May Revision proposal) will increase the SSP grant by $46 per month for individuals and $118 per month for couples.

- ***Developmental Services Provider Rate Study.*** Phases in an ongoing $857 million to fully phase in the rate study provider increases over a three-year period. This will help ensure providers receive fairer compensation and that families will continue to have access to the vital services provided.

- ***Permanent Restoration of IHSS 7% Hours Cut.*** Finally ends the legacy of 7% cut in in-home care services to elderly and disabled Californians. While the cut was restored in prior years, the threat of the cut remained by it being added to the list of program "suspensions" that would have automatically taken effect in future years. The Legislature's Version of the budget approves the Governor's proposal to end this (and all) program suspension.

Fighting Poverty and Hunger

The Legislature's version of the budget makes strides to ending poverty and fighting hunger across California by implementing sensible reforms to improve outcomes for participants in the CalWORKs program and making investments in our state's food safety net. This includes:

- ***Aligning CalWORKs Income Standards for Applicants and Recipients.*** Provides $179.2 million in ongoing support to raise the applicant earned income disregard from $90 to $600.

- ***CalWORKs Pregnancy Aid.*** Provides $10 million ongoing to allow a pregnant person to receive aid to meet special needs resulting from pregnancy upon verification of pregnancy and increases the CalWORKs pregnancy supplement to $100.

- ***Food for All.*** Provides $550 million in ongoing support to provide state-funded nutrition benefits to those ineligible for CalFresh or the California Food Assistance Program solely due to immigration status.

- ***Aid for Food Banks.*** Provides close to $300 million one-time to help food banks address the overwhelming need brought on by the COVID-19 pandemic and operate in the 2021-22 fiscal year.

Homelessness Package

The homelessness crisis impacts nearly every community in California. The Legislature's Version builds on recent one-time spending efforts to make the largest ever commitment to address homelessness over a two year period, as well as on ongoing commitment to provide funding for local governments. This includes:

- ***Record-level Investment to Address Homelessness.*** Provides $8.5 billion in in new funding for homelessness programs over the next two years.

- ***Local Ongoing Support for Local Governments.*** Includes $1 billion in ongoing support for local governments to address homelessness. This is the first ongoing commitment made by the state and will come with strong oversight and accountability to ensure the funds are put to work to successfully alleviate homelessness.

- ***Sending More Resources to Front-Line Anti-Poverty Programs.*** Includes over $1 billion for various programs operated out of the Department of Social Services. These housing and homelessness programs touch the most vulnerable in our state – seniors in poverty at risk of abuse and neglect, families with children, and children and guardians in our child welfare system.

Criminal Justice Reform and Access to Justice

- ***Reduce debt on low-income Californians.*** Reduces the debt of low-income Californians by eliminating various criminal administrative fees, including the elimination of the civil assessment. Includes $151 million General Fund in 2021-22, $151 million in 2022-23, $130 million in 2023-24, and $120 million in 2024-25 and ongoing to backfill the revenue associated with the eliminated fees.

- ***Access to Justice.*** Expands essential legal service resources through a $200 million "Access to Justice" package in 2021-22 for legal aid, collaborative courts, county law libraries, dependency counsel, court interpreters, and court reporters. Invests $120 million ARPA funds over three years to fund legal aid services for renters and homeowners to avoid evictions and foreclosures.

- ***Support for Court Operations*** Restores $200 million ongoing General Fund to the Judicial Branch to re-open temporarily closed courtrooms and process case backlogs which have accumulated during the pandemic. Provides an addition $72 million to ongoing General Fund to support trial court operations.

- ***Investments in rehabilitation, re-entry, and recidivism reduction strategies.*** Includes a "Rehabilitation, Re-entry and Recidivism Reduction" package of $200+ million for career development, rehabilitative programming, family connection, local support for individuals to remain out of the criminal justice system, and removal of barriers to successful re-entry.

- ***Gun Violence Reduction.*** Provides $211 million General Fund to reduce gun violence in the state.

- ***Investments in survivors.*** Includes $175 million General Fund for various programs to support survivors of domestic violence, sexual violence, human trafficking and forced sterilization. Includes $50 million for homeless youth emergency services and housing programs.

Historic Resources Investments

California continues to be impacted by climate change, and the Legislature's Version works to address this with historic investments to address the Wildfire and Drought crisis and with a major Climate Resiliency Package. This includes:

- ***Wildfire Package:*** Provides $1 billion for various wildfire prevent and respond to wildfires, this is an increase of $292 million above the Governor's May

Revision. Details of the package will continue to be worked out through the three-party negotiations.

- ***Drought Package:*** Provides approximately $3.7 billion to address and get ahead of the emerging drought, this was the amount proposed by the Governor's May Revision. Details of the package will continue to be worked out through the three-party negotiations.

- ***Climate Resiliency Package:*** Provides $3.7 billion over three years to make needed climate resiliency investments, this is $2.4 billion more than what was proposed in the Governor's May Revision. Details of the package will continue to be worked out through the three-party negotiations.

Infrastructure

The Legislature's Version builds on the Governor's efforts to invest in infrastructure throughout the state. Key highlights of infrastructure investments in the Legislature's Version include:

- ***Broadband.*** Appropriates $7 billion over a multi-year period for broadband infrastructure and improved access to broadband services throughout the state. Details will continue to be worked out through three party negotiations. Administrative flexibilities will enable the appropriated funds to be accelerated to ensure they are available as needed to fund the expansion and improvements.

- ***Early Care and Education and K-12 Facilities.*** Provides over $1 billion for Early Care and Education and K-12 infrastructure, including: $250 million for child care infrastructure, $300 million for preschool/transitional kindergarten/kindergarten facilities, and $500 million for school facilities.

- ***Higher Ed Facilities, Acquisition and Student Housing.*** Creates a new $4 billion fund for CSU and UC facilities and for student housing at Community Colleges, CSU, and UC. Specific projects funded through the new fund, called the Capacity and Affordable Student Housing (CASH) fund, will be approved through Legislative action beginning later this year and through future budget action.

- ***Transportation.*** Provides billions of dollars in new spending for transportation infrastructure, including $3 billion in funding for transportation infrastructure across the state, including for active transportation projects and projects identified for completion prior to 2028, $2 billion for streets, roads, and highway

projects, and $400 million for a State and Local Transportation Adaptation program.

- ***Affordable Housing.*** Provides $1.75 billion to alleviate the backlog in affordable housing construction, $300 million for the preservation of existing affordable housing, $130 million for the development, maintenance, and preservation of farmworker housing, and $750 million for planning and implementation grants to help local governments plan for and meet their goals under their Sustainable Community Strategies.

- ***Civic and Cultural Institutions.*** Includes investments in civic institutions that support our communities and celebrate California's diversity and cultural heritage. This includes $390 million for support for libraries and $250 million for local park projects.

...

2021-22
General Fund Summary
(preliminary scoring - in billions)

Prior Year Balance	28.4
2021-22 Resources	173.7
Total Resources Available	**202.1**
General Fund Prop 98 Expenditures	69.0
General Fund Non-Prop 98 Expenditures	127.1
Total General Fund Expenditures	**196.1**
Fund Balance	6.1
(encumbrances)	(3.2)
General Fund Reserves:	
Regular Reserve (SFEU)	2.9
Safety Net Reserve	1.2
Prop 98 Reserve (Prop 2)	5.3
Rainy Day Fund (Prop 2)	15.9
Total Reserves	**25.2**

DATE: June 23, 2021

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

FROM: Lisa Ba, Chief Financial Officer

SUBJECT: Financial Highlights for the Fourth Month Ending April 30, 2021

For the month ending April 30, 2021, the Alliance reported a Medical Loss Ratio (MLR) of 83.0%, an Administrative Loss Ratio (ALR) of 5.5%, and an Operating Income Ratio of 11.5%. The Year-to-Date (YTD) MLR is 87.1%, ALR is 5.5%, and the Operating Income is 7.4%.

The 2021 budget assumed services to rebound starting Q4 2020 and also Q1 to return to the 2019 level. However, the assumption was not realized because of the winter COVID surge. As a result, YTD medical expenses are favorable to budget by $30.0M or 6.4%.

YTD authorization trends indicate outpatient services are rising, whereas inpatient services remain low. The data is not indicating services have returned to normal 2019 levels.

Staff shared the Q1 forecast with the Board Finance Committee on May 26, 2021. Staff expect that the Q2 utilization/K (thousand members) will rise 15% compared to the same period last year. Overall, Staff expect an improvement of 10% from 2020, and 1% from 2019 for the year. The annual performance is forecasted to result in a $10M loss instead of the budgeted $37M. Staff will perform quarterly forecasts to provide updates to the Board.

Apr-21 MTD (In $000s)

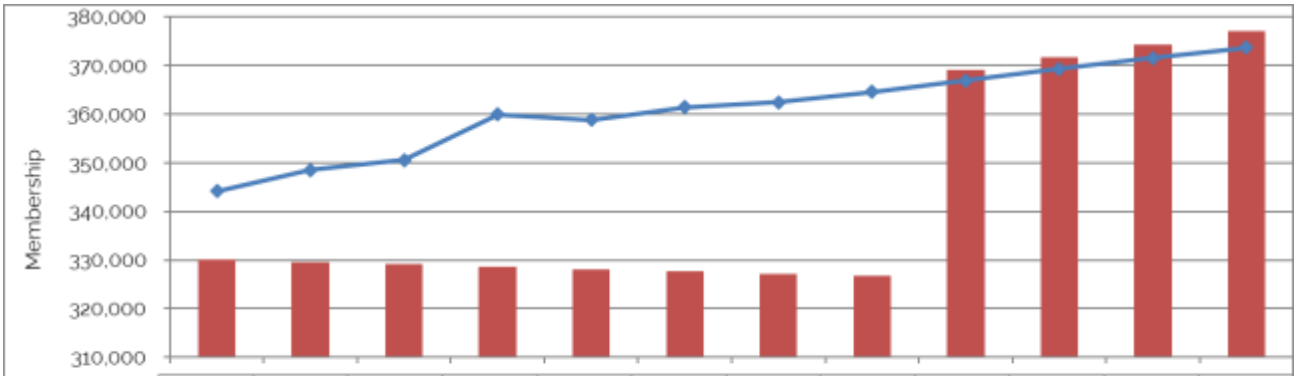
Key Indicators	Current Actual	Current Budget	Current Variance	% Variance to Budget
Membership	*373,691*	*377,057*	*(3,366)*	*-0.9%*
Revenue	127,892	125,070	2,822	2.3%
Medical Expenses	106,205	117,366	11,161	9.5%
Administrative Expenses	7,025	7,375	351	4.8%
Operating Income/(Loss)	14,663	329	14,334	100.0%
Net Income/(Loss)	14,221	(346)	14,566	100.0%
MLR %	*83.0%*	*93.8%*	*10.8%*	
ALR %	*5.5%*	*5.9%*	*0.4%*	
Operating Income %	*11.5%*	*0.3%*	*11.2%*	
Net Income %	*11.1%*	*-0.3%*	*11.4%*	

Apr-21 YTD (In $000s)				
Key Indicators	YTD Actual	YTD Budget	YTD Variance	% Variance to Budget
Membership	*1,481,568*	*1,492,345*	*(10,777)*	*-0.7%*
Revenue	506,991	495,010	11,980	2.4%
Medical Expenses	441,810	471,768	29,958	6.4%
Administrative Expenses	27,808	28,189	381	1.4%
Operating Income/(Loss)	37,373	(4,946)	42,319	100.0%
Net Income/(Loss)	35,077	(7,569)	42,646	100.0%
PMPM				
Revenue	342.20	331.70	10.50	3.2%
Medical Expenses	298.20	316.13	17.92	5.7%
Administrative Expenses	18.77	18.89	0.12	0.6%
Operating Income/(Loss)	25.23	(3.31)	28.54	100.0%
MLR %	87.1%	*95.3%*	*8.2%*	
ALR %	*5.5%*	*5.7%*	*0.2%*	
Operating Income %	*7.4%*	*-1.0%*	*8.4%*	
Net Income %	*6.9%*	*-1.5%*	*8.4%*	

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 directly correspond with enrollment and are therefore viewed in terms of total dollar amount. At a PMPM level, YTD revenue is $342.20, which is favorable to budget by $10.50 or 3.2%. Medical cost PMPM is $298.20, which is favorable by $17.92 or 5.7% and administrative cost PMPM is $18.77, which is favorable by $0.12 or 0.6%. The resulting operating income is $25.23 PMPM.

Membership. April 2021 Member Months are unfavorable to budget by 0.9%. Please note that the budget assumes the Public Health Emergency (PHE) will end in June 2021. In the Governor's May Revision, the PHE is assumed to end in December 2021. This will result in a favorable membership and member months for the year.

Membership. Actual vs. Budget (based on actual enrollment trend for Apr-21 rolling 12 months)



	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Budget	330,049	329,570	329,092	328,615	328,140	327,668	327,197	326,727	369,146	371,753	374,390	377,057
Actual	344,209	348,505	350,560	359,992	358,888	361,422	362,525	364,602	366,938	369,355	371,584	373,691
Variance	14,160	18,935	21,468	31,377	30,748	33,754	35,328	37,875	(2,208)	(2,398)	(2,806)	(3,366)
Variance %	4.3%	5.7%	6.5%	9.5%	9.4%	10.3%	10.8%	11.6%	-0.6%	-0.6%	-0.7%	-0.9%

Revenue. The budgeted revenue was based on the 2021 rate package as of October 2020. An updated rate package was received at the end of December 2020 and it reflected a better rate due to the temporary COVID and LTC add-ons. In the Governor's May 2021 Revision, the Medi-Cal Pharmacy Carve-Out is further delayed until January 2022.

April 2021 capitation revenue of $127.6M is favorable to budget by $2.9M or 2.3%. April 2021 YTD revenue of $505.9M is favorable to budget by $12.1M or 2.5%, of which $1.7M is attributed to enrollment and $10.4M to rate variance.

Apr-21 YTD Capitation Revenue Summary (In $000s)

County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	113,182	110,891	2,291	874	1,417
Monterey	220,578	214,830	5,747	423	5,324
Merced	172,175	168,105	4,070	418	3,652
Total	**505,935**	**493,827**	**12,108**	**1,716**	**10,393**

Note: Excludes Apr-21 YTD In-Home Supportive Services (IHSS) premiums revenue of $1.1M.

Medical Expenses. April 2021 Medical Expenses of $106.2M is favorable to budget by $11.2M or 9.5%. April 2021 YTD Medical Expenses are $441.8M, which is favorable to budget by $30.M or 6.4%, with an MLR of 87.1%. Of this $30.0M favorability, $3.4M is attributed to enrollment and $26.6M to rate variance. Please note that rate (PMPM) is the unit cost for a

service, and when multiplied by the utilization for the service, equals the medical cost. The suppressed utilization contributed to the favorable rate variance.

Apr-21 YTD Medical Expense Summary (In $000s)

Category	Actual	Budget	Total Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services (Hospital)	148,076	145,685	(2,391)	1,052	(3,443)
Inpatient Services (LTC)	52,035	61,848	9,813	447	9,367
Physician Services	67,849	77,048	9,200	556	8,643
Outpatient Facility	28,478	27,469	(1,009)	198	(1,207)
Pharmacy	67,901	72,018	4,117	520	3,597
Other Medical	77,472	87,700	10,228	633	9,595
Total	**441,810**	**471,768**	**29,958**	**3,407**	**26,551**

Note: Surgical Clinics cost is reported under Outpatient Facility and budget is in the Other Medical

At a PMPM level, YTD Medical Expenses are $298.20, which is favorable by $17.92 or 5.7% as compared to budget. YTD Inpatient Services are unfavorable to budget by 2.4%, this is offset by the favorability in LTC and physician services.

Apr-21 YTD Medical Expense by Category of Service (In PMPM)

Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	99.95	97.62	(2.32)	-2.4%
Inpatient Services (LTC)	35.12	41.44	6.32	15.3%
Physician Services	45.80	51.63	5.83	11.3%
Outpatient Facility	19.22	18.41	(0.81)	-4.4%
Pharmacy	45.83	48.26	2.43	5.0%
Other Medical	52.29	58.77	6.48	11.0%
Total	**298.20**	**316.13**	**17.92**	**5.7%**

Administrative Expenses. April 2021 YTD Administrative Expenses are favorable to budget by $0.4M or 1.4% with a 5.5% ALR.

Non-Operating Revenue/Expenses. April 2021 YTD Total Non-Operating Revenue is unfavorable to budget by $2.0M or 75.9% which is primarily driven by lower interest income and unrealized gain/loss on investments.

Summary of Results. Overall, the Alliance generated a YTD Net Income of $35.1M, with an MLR of 87.1%, and an ALR of 5.5%.

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Balance Sheet
For The Fourth Month Ending April 30, 2021
(In $000s)

Assets	
Cash	$68,804
Restricted Cash	300
Short Term Investments	445,730
Receivables	160,620
Prepaid Expenses	2,449
Other Current Assets	19,054
Total Current Assets	**$696,957**
Building, Land, Furniture & Equipment	
Capital Assets	$83,346
Accumulated Depreciation	(38,097)
CIP	2,781
Total Non-Current Assets	**48,029**
Total Assets	**$744,987**
Liabilities	
Accounts Payable	$14,419
IBNR/Claims Payable	220,530
Accrued Expenses	1
Estimated Risk Share Payable	3,323
Other Current Liabilities	7,046
Due to State	0
Total Current Liabilities	**$245,319**
Fund Balance	
Fund Balance - Prior	$464,590
Retained Earnings - CY	35,077
Total Fund Balance	**499,667**
Total Liabilities & Fund Balance	**$744,987**

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Fourth Month Ending April 30, 2021
(In $000s)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	*373,691*	*377,057*	*(3,366)*	*-0.9%*	*1,481,568*	*1,492,345*	*(10,777)*	*-0.7%*
Capitation Revenue								
Capitation Revenue Medi-Cal	$127,635	$124,774	$2,860	2.3%	$505,935	$493,827	$12,108	2.5%
Premiums Commercial	258	296	(38)	-13.0%	1,056	1,184	(128)	-10.8%
Total Operating Revenue	**$127,892**	**$125,070**	**$2,822**	**2.3%**	**$506,991**	**$495,010**	**$11,980**	**2.4%**
Medical Expenses								
Inpatient Services (Hospital)	$34,407	$35,510	$1,103	3.1%	$148,076	$145,685	($2,391)	-1.6%
Inpatient Services (LTC)	11,857	15,743	3,886	24.7%	52,035	61,848	9,813	15.9%
Physician Services	16,603	19,490	2,887	14.8%	67,849	77,048	9,200	11.9%
Outpatient Facility	6,219	6,771	552	8.2%	28,478	27,469	(1,009)	-3.7%
Pharmacy	18,873	17,509	(1,363)	-7.8%	67,901	72,018	4,117	5.7%
Other Medical	18,247	22,342	4,096	18.3%	77,472	87,700	10,228	11.7%
Total Medical Expenses	**$106,205**	**$117,366**	**$11,161**	**9.5%**	**$441,810**	**$471,768**	**$29,958**	**6.4%**
Gross Margin	**$21,687**	**$7,704**	**$13,983**	**100.0%**	**$65,181**	**$23,243**	**$41,938**	**100.0%**
Administrative Expenses								
Salaries	$4,734	$4,792	$58	1.2%	$19,190	$18,469	($722)	-3.9%
Professional Fees	130	199	69	34.7%	496	687	190	27.7%
Purchased Services	740	825	85	10.3%	3,273	3,310	37	1.1%
Supplies & Other	802	845	43	5.1%	2,360	2,863	503	17.6%
Occupancy	75	108	34	31.2%	288	434	146	33.6%
Depreciation/Amortization	544	606	62	10.2%	2,200	2,427	227	9.4%
Total Administrative Expenses	**$7,025**	**$7,375**	**$351**	**4.8%**	**$27,808**	**$28,189**	**$381**	**1.4%**
Operating Income	**$14,663**	**$329**	**$14,334**	**100.0%**	**$37,373**	**($4,946)**	**$42,319**	**100.0%**
Non-Op Income/(Expense)								
Interest	$351	$575	($224)	-38.9%	$1,090	$2,322	($1,232)	-53.1%
Gain/(Loss) on Investments	(95)	(23)	(72)	-100.0%	(945)	(93)	(852)	-100.0%
Other Revenues	109	97	12	11.9%	487	388	99	25.6%
Grants	(807)	(1,324)	517	39.1%	(2,928)	(5,239)	2,312	44.1%
Total Non-Op Income/(Expense)	**($442)**	**($675)**	**$233**	**34.5%**	**($2,296)**	**($2,623)**	**$327**	**12.5%**
Net Income/(Loss)	**$14,221**	**($346)**	**$14,566**	**100.0%**	**$35,077**	**($7,569)**	**$42,646**	**100.0%**
MLR	*83.0%*	*93.8%*			*87.1%*	*95.3%*		
ALR	*5.5%*	*5.9%*			*5.5%*	*5.7%*		
Operating Income	*11.5%*	*0.3%*			*7.4%*	*-1.0%*		
Net Income %	*11.1%*	*-0.3%*			*6.9%*	*-1.5%*		

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Fourth Month Ending April 30, 2021
(In PMPM)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	*373,691*	*377,057*	*(3,366)*	*-0.9%*	*1,481,568*	*1,492,345*	*(10,777)*	*-0.7%*
Capitation Revenue								
Capitation Revenue Medi-Cal	$341.55	$330.92	$10.63	3.2%	$341.49	$330.91	$10.58	3.2%
Premiums Commercial	0.69	0.78	(0.10)	-12.2%	0.71	0.79	(0.08)	-10.2%
Total Operating Revenue	**$342.24**	**$331.70**	**$10.54**	**3.2%**	**$342.20**	**$331.70**	**$10.50**	**3.2%**
Medical Expenses								
Inpatient Services (Hospital)	$92.07	$94.18	$2.10	2.2%	$99.95	$97.62	($2.32)	-2.4%
Inpatient Services (LTC)	31.73	41.75	10.02	24.0%	35.12	41.44	6.32	15.3%
Physician Services	44.43	51.69	7.26	14.0%	45.80	51.63	5.83	11.3%
Outpatient Facility	16.64	17.96	1.32	7.3%	19.22	18.41	(0.81)	-4.4%
Pharmacy	50.50	46.44	(4.07)	-8.8%	45.83	48.26	2.43	5.0%
Other Medical	48.83	59.25	10.43	17.6%	52.29	58.77	6.48	11.0%
Total Medical Expenses	**$284.21**	**$311.27**	**$27.06**	**8.7%**	**$298.20**	**$316.13**	**$17.92**	**5.7%**
Gross Margin	**$58.04**	**$20.43**	**$37.60**	**100.0%**	**$43.99**	**$15.57**	**$28.42**	**100.0%**
Administrative Expenses								
Salaries	$12.67	$12.71	$0.04	0.3%	$12.95	$12.38	($0.58)	-4.7%
Professional Fees	0.35	0.53	0.18	34.1%	0.33	0.46	0.13	27.2%
Purchased Services	1.98	2.19	0.21	9.5%	2.21	2.22	0.01	0.4%
Supplies & Other	2.15	2.24	0.09	4.2%	1.59	1.92	0.33	17.0%
Occupancy	0.20	0.29	0.09	30.6%	0.19	0.29	0.10	33.1%
Depreciation/Amortization	1.46	1.61	0.15	9.4%	1.48	1.63	0.14	8.7%
Total Administrative Expenses	**$18.80**	**$19.56**	**$0.76**	**3.9%**	**$18.77**	**$18.89**	**$0.12**	**0.6%**
Operating Income	**$39.24**	**$0.87**	**$38.36**	**100.0%**	**$25.23**	**($3.31)**	**$28.54**	**100.0%**

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Statement of Cash Flow
For The Fourth Month Ending April 30, 2021
(In $000s)

	MTD	YTD
Net Income	$14,221	$35,077
Items not requiring the use of cash: Depreciation	196	1,851
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Receivables	(3,471)	87,109
Prepaid Expenses	(373)	373
Current Assets	663	451
Net Changes to Assets	**($3,180)**	**$87,933**
Changes to Payables:		
Accounts Payable	(25,166)	(26,141)
Accrued Expenses	-	-
Other Current Liabilities	357	(417)
Incurred But Not Reported Claims/Claims Payable	(65,772)	(90,287)
Estimated Risk Share Payable	(9,171)	(6,687)
Due to State	-	-
Net Changes to Payables	**($99,752)**	**($123,531)**
Net Cash Provided by (Used in) Operating Activities	**($88,516)**	**$1,331**
Change in Investments	(68,697)	(89,620)
Other Equipment Acquisitions	347	48
Net Cash Provided by (Used in) Investing Activities	**($68,350)**	**($89,572)**
Net Increase (Decrease) in Cash & Cash Equivalents	**($156,866)**	**($88,241)**
Cash & Cash Equivalents at Beginning of Period	**$225,670**	**$157,045**
Cash & Cash Equivalents at April 30, 2021	**$68,804**	**$68,804**

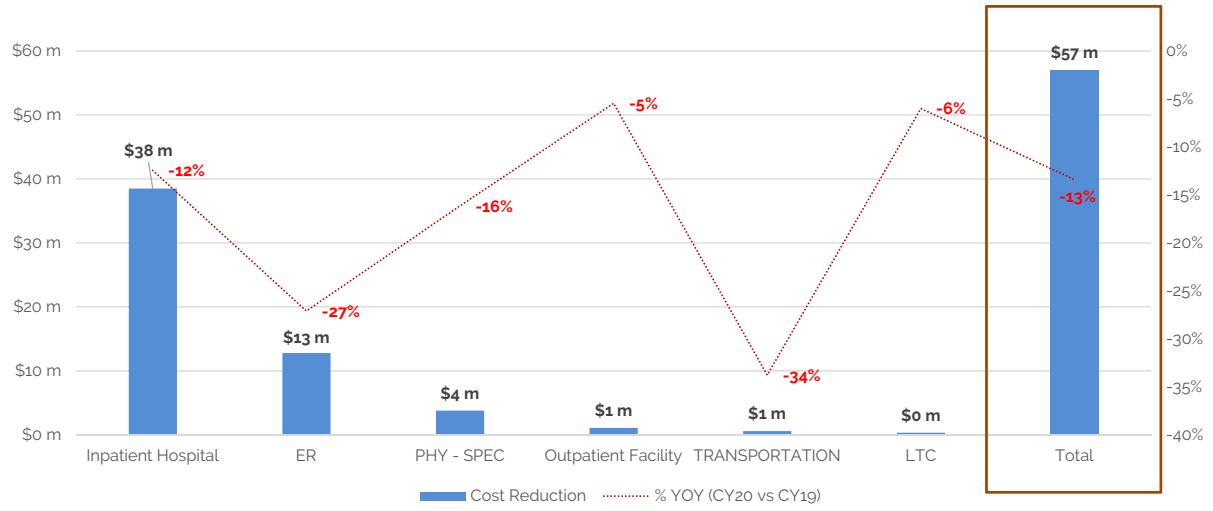
2021 Forecast based on YTD March Performance

Financial Performance Trend: 2018-2021

	2018 Actual	2019 Actual	2020 Budget	2020 Actual	2021 Budget
Enrollment (not in 000s)	*4,189,367*	*4,077,106*	*3,952,099*	*4,201,753*	*4,499,410*
Revenue ($ in Thousands)	1,145,888	1,221,378	1,231,242	1,312,891	1,491,034
Medical Expenses	1,146,500	1,214,096	1,199,288	1,222,016	1,443,081
Gross Margin	*(612)*	*7,282*	*31,954*	*90,875*	*47,954*
Administrative Expenses	88,581	80,610	85,130	83,113	85,564
Operating Income <Loss>	***(89,192)***	***(73,328)***	***(53,176)***	***7,762***	***(37,610)***
Revenue (PMPM)	273.52	299.57	311.54	312.46	331.38
Medical Expenses	273.67	297.78	303.46	290.83	320.73
Gross Margin	*(0.15)*	*1.79*	*8.09*	*21.63*	*10.66*
Administrative Expenses	21.14	19.77	21.54	19.78	19.02
Operating Income <Loss>	***(21.29)***	***(17.99)***	***(13.46)***	***1.85***	***(8.36)***
Key Ratios:					
MLR	*100.05%*	*99.40%*	*97.40%*	*93.08%*	*96.78%*
ALR	*7.73%*	*6.60%*	*6.90%*	*6.33%*	*5.74%*
Operating Income	*-7.78%*	*-6.00%*	*-4.30%*	*0.59%*	*-2.52%*

- Note: 2020 Actual excludes the $13.4M prior year revenue adjustment.
- The 2020 budget, developed in 2019, was a loss of $53M.

2020 Medical Cost Reduction Due to Suppressed Utilization



- If the 2020 utilization were at the 2019 level, the medical cost would have been $57M higher. Instead of $7.7M Operating Income, we would have $50M operating loss.

2021 Forecast: Enrollment Assumptions

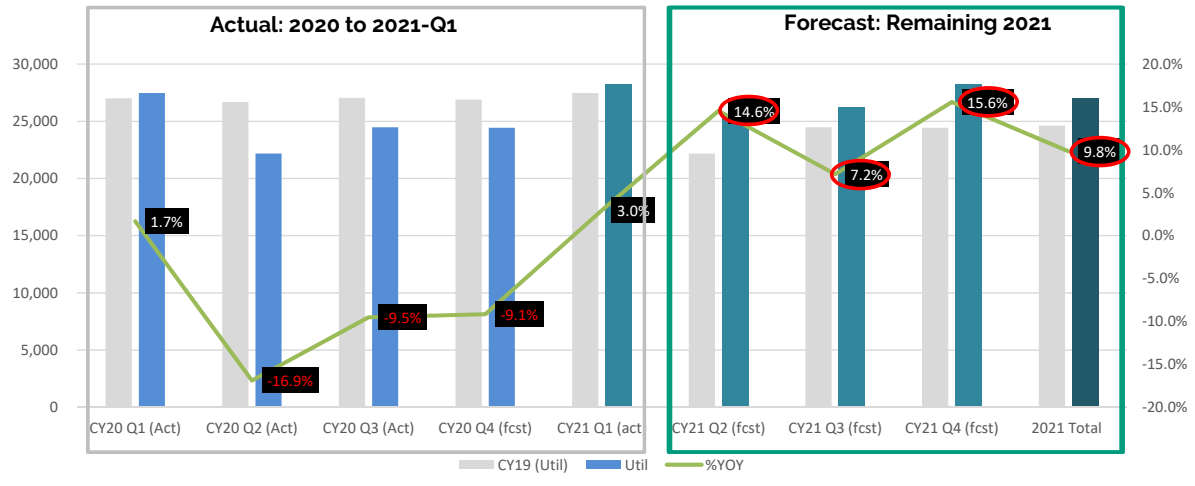
Assumptions	2021 Budget	Q1 Forecast
Public Health Emergency (PHE)	PHE ends 6/30/2021. Redetermination begins 7/1/21	PHE ends 12/31/2021. Redetermination begins 1/1/22
Base Data	Jan-20 through Oct-20. Enrollment data through October 2020	Dec-20 through Mar-21. Enrollment data through April 2021
Growth Rate	9-month CAGR = 10.6% growth rate	3-month CAGR = 6.7% growth rate
Changes from 2020	Net 7.1% annual increase from prior year	Net 8.3% annual increase from prior year
Member Months	4,499,410	4,550,658

CAGR – Compound Annual Growth Rate.

2021 – Revenue Forecast

- 2021 budget assumption: 2021 draft rate received in October 2020
  - ✓ Potentially Preventable Hospital Admission (PPA)
  - ✓ HCPCS efficiency adjustment for Physician Administered Drugs (PAD)
  - ✓ Low Acuity Non-Emergent visit (LANE)
  - ✓ Underwriting gain reduction from 2.0% to 1.5%
- 2021 Q1 Forecast: 2021 rate received in December 2020
  - ✓ Approximately 1.3% net increase compared to draft rate (exclude Rx)
  - ❑ Acuity Adjustment
  - ❑ COVID add on – *Temporary during PHE*
  - ❑ LTC add on – *Temporary during PHE*
  - ❑ Pharmacy rate – *Temporary until pharmacy is carved out*

2021 – Utilization (per K) Forecast vs. 2020 Actual



2021 Quarterly Forecast

	2021 Budget	2021 Q1 Actual	2021 Q2 Forecast	2021 Q3 Forecast	2021 Q4 Forecast	2021 Total (3A+9F)
Enrollment (not in 000s)	*4,499,410*	*1,108,827*	*1,128,659*	*1,147,077*	*1,166,095*	*4,550,658*
Revenue ($ in Thousands)	1,491,034	379,098	378,857	382,859	387,248	1,528,062
Medical Expenses	1,443,081	335,605	349,476	372,262	394,669	1,452,011
Gross Margin	*47,954*	*43,494*	*29,381*	*10,597*	*(7,421)*	*76,050*
Administrative Expenses	85,564	20,783	21,408	21,859	22,266	86,317
Operating Income <Loss>	***(37,610)***	***22,711***	***7,972***	***(11,262)***	***(29,687)***	***(10,267)***
Revenue (PMPM)	331.38	341.89	335.67	333.77	332.09	335.79
Medical Expenses	320.73	302.67	309.64	324.53	338.45	319.08
Gross Margin	*10.66*	*39.22*	*26.03*	*9.24*	*(6.36)*	*16.71*
Administrative Expenses	19.02	18.74	18.97	19.06	19.09	18.97
Operating Income <Loss>	***(8.36)***	***20.48***	***7.06***	***(9.82)***	***(25.46)***	***(2.26)***
Key Ratios:						
MLR	*96.78%*	*88.53%*	*92.24%*	*97.23%*	*101.92%*	*95.02%*
ALR	*5.74%*	*5.48%*	*5.65%*	*5.71%*	*5.75%*	*5.65%*
Operating Income	*-2.52%*	*5.99%*	*2.10%*	*-2.94%*	*-7.67%*	*-0.67%*

Key Takeaways:

1. Deferral of elective services due to the pandemic was the main factor in achieving operating income in 2020.
2. The forecast assumes utilization increases quarterly form the same period in 2019 and 2020. As a result, the operating income is expected to decrease each quarter.
3. Despite preparations for an uptick in member utilization, it is uncertain as to what actual utilization will occur. Additional forecasting will be conducted in late Q3 2021.
4. Vaccine effectiveness, virus variants and "pandemic fatigue" are variables that could result in financial volatility well into 2022.

END

SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION

Meeting Minutes

Wednesday, May 26, 2021

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

Commissioners Present:

Supervisor Wendy Root Askew	County Board of Supervisors
Ms. Dorothy Bizzini	Public Representative
Ms. Leslie Conner	Provider Representative
Supervisor Ryan Coonerty	County Board of Supervisors
Dr. Larry deGhetaldi	Provider Representative
Ms. Julie Edgcomb	Public Representative
Dr. Gary Gray	Hospital Representative
Ms. Mimi Hall	County Health Services Agency Director
Ms. Dori Rose Inda	Hospital Representative
Ms. Elsa Jimenez	County Health Director
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:

Dr. Maximiliano Cuevas	Provider Representative
Ms. Shebreh Kalantari-Johnson	Public Representative
Ms. Elsa Quezada	Public Representative
Mr. Tony Weber	Provider Representative

Staff Present:

Ms. Stephanie Sonnenshine	Chief Executive Officer
Ms. Lisa Ba	Chief Financial Officer
Dr. Dale Bishop	Chief Medical Officer
Ms. Marina Owen	Chief Operating Officer

Ms. Van Wong	Chief Information Officer
Ms. Kathy Stagnaro	Clerk of the Board

1. Call to Order by Chair Conner.

Commission Chairperson Conner called the meeting to order at 3:02 p.m.

Closed Session items 14 and 15 were pulled from the agenda. There was nothing for the Board to discuss.

Chair Conner recognized Board service of Commissioner Gary Gray, MD. This was Commissioner Gray's last meeting.

Roll call was taken and a quorum was present.

2. Oral Communications.

Chair Conner 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 Conner opened the floor for Commissioners to make comments.

Chair Conner announced that the groundbreaking for the opening of a new clinic in partnership with Santa Cruz Community Health, Dientes Community Dental Care and MidPen Housing, in the Live Oak area was held on May 22, 2021. It was a successful event and she acknowledged the Alliance for their contribution to the project.

4. Comments and announcements by Chief Executive Officer.

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

Ms. Sonnenshine, CEO, informed the Board that relevant content regarding the May revise and the various trailer bill proposals was included in this month's Executive Summary and additional content will be provided in the June Board packet.

The reopening of Alliance offices is planned for September 7, 2021, to be conducted in a phased approach. A detailed report was included in the May Board packet.

The final monthly COVID-19 update report will be included in the June Board packet. Any necessary COVID-19 updates thereafter will be included in the Executive Summary.

[Commissioner Rabago arrived at this time: 3:07 p.m.]

Consent Agenda Items: (5. – 9H.): 3:09 p.m.

Chair Conner opened the floor for approval of the Consent Agenda. Commissioner deGhetaldi gave kudos on the year-to-date financials.

MOTION: Commissioner Smith moved to approve Consent Agenda items 5-9H, seconded by Commissioner Pedrozo.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Askew, Conner, Coonerty, deGhetaldi, Edgcomb, Gray, Hall, Inda, Jimenez, Molesky, Pedrozo, Rabago, Radner, Schuller and Smith.

Noes: None.

Absent: Commissioners Bizzini, Cuevas, Kalantari-Johnson, Nanyonjo, Quezada and Weber.

Abstain: None.

Regular Agenda Item: (10. - 13.): 3:13 p.m.

10. Consider accepting audited financial statements and management letters for Alliance's fiscal year ending December 31, 2020 from Moss Adams LLP, independent auditors. (3:13 – 3:29 p.m.)

Ms. Sonnenshine introduced Mr. Chris Pritchard, Partner, and Ms. Rianne Suico, Partner, from Moss Adams who reported to the Board the outcomes of the annual independent financial audit. Mr. Pritchard indicated the audit process was completed and a non-modified audit opinion was issued acknowledging the financial statements are fairly presented in accordance with generally accepted accounting principles.

[Commissioner Bizzini arrived at this time: 3:15 p.m.]

The asset composition included information derived from the statement of net position. Part of the audit included obtaining third party confirmation of bank balances and management prepared reconciliations, to ensure those balances agree and were prepared accurately. There were no issues with Management's ability to reconcile the cash account. Capitation receivables from the State of California were reviewed. Collections received by the Plan in 2021 were found to be substantially collected in the last four months of 2021.

The short-term and Board designated investments were presented. Part of the audit procedure included obtaining third party financial statements or financial institution confirmations to ensure the amounts stated in the balance sheet were presented at fair market value in accordance with Governmental accounting standards basis. No discrepancies were found on the confirmed amount and investments and related disclosures are complete and accurate.

Capital assets and other assets remained consistent from the prior year and are properly capitalized and in accordance with Management's capitalization policy. Other Assets balance remains fairly consistent with the prior year and are property supported. Composition of liabilities and net positions of the financial statements were discussed. Medical claims liability was one of the largest estimates in the financial statements and

included both known claims and those that were incurred but not reported claims liability. Directed payments payable related to pass through payment to providers subsequent to year end were found to be effectively paid out to the related providers. Provider incentives payable is fairly consistent with the prior year balance. Medical loss ratio liability, from the States final determination letter, resulted in no liability in 2020. Accounts payable balances were tested for proper cut off of expenses and found that only those expenses that were incurred in 2020 were included in this balance. There has been an increase of revenues when compared to 2019 due to an increase in membership and capitation rates from the State. Total operating expenses increased from 2019, with the exception of first year Claims payments, due mainly to lower utilization during the year because of shelter in place and the effects of COVID-19 during 2020.

The year-to-year comparisons of revenue and the accounting that is being applied is fairly consistent with general accounting principles. There has been no significant change in the way the organization has been doing business and found management to be collaborative and very straightforward with providing the requested information to complete the audit. There were no audit adjustments as a result of the audit. The plan's accounting policies are reviewed annually to ensure compliance with known accounting standards. Commissioner Smith recommended presenting information in whole numbers for future presentations.

MOTION: Commissioner Bizzini moved to accept the audited financial statements and management letters for Alliance's fiscal year ending December 31, 2020 from Moss Adams LLP, independent auditors, seconded by Commissioner Smith.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Askew, Bizzini, Conner, Coonerty, deGhetaldi, Edgcomb, Gray, Hall, Inda, Jimenez, Molesky, Pedrozo, Rabago, Radner, Schuller and Smith.

Noes: None.

Absent: Commissioners Cuevas, Kalantari-Johnson, Nanyonjo, Quezada and Weber.

Abstain: None.

11. Consider approving recommendation regarding enabling ordinance in support of Medi-Cal Managed Care Procurement. (3:29 – 3:55 p.m.)

[Commissioner Nanyonjo arrived at this time: 3:29 p.m.]

Ms. Stephanie Sonnenshine, CEO, provided background on expansion of the Alliance into San Benito and Mariposa counties and a recommended approach to Board membership for the Alliance Board consideration and action.

She reviewed the current Board composition, current Medi-Cal enrollment and County population, and potential membership criteria approaches. Each County's current Medi-Cal membership and the potential for increases in membership due to any future Medi-Cal program expansions were considered. In addition, staff met with San Benito County and Mariposa County to discuss the preparation of the ordinance and to describe the proposed

approach to membership. After a focused review, staff recommended, that the Board adopt the Membership Threshold approach, which will award one seat per 15K members, up to a cap of five seats for a County, and a maximum board of 25. The Membership Threshold approach would allow for increases/decreases in membership related to Board composition. Commissioner Smith suggested allocating a minimum of two seats each for San Benito and Mariposa County. Commissioner Molesky expressed concern for the potential loss of Medi-Cal member representation and expertise on the Board under the Membership Threshold approach.

MOTION: Commissioner Coonerty moved to adopt the Membership Threshold Approach as the membership criteria for inclusion in enabling ordinances authorizing the San Benito County and Mariposa County shifts to the County Organized Health System (COHS) model through Central California Alliance for Health (the Alliance), seconded by Commissioner Jimenez.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Askew, Bizzini, Conner, Coonerty, deGhetaldi, Edgcomb, Gray, Hall, Inda, Jimenez, Pedrozo, Rabago, Radner and Schuller.

Noes: Commissioners Molesky and Smith.

Absent: Commissioners Cuevas, Kalantari-Johnson, Quezada and Weber.

Abstain: Commissioner Nanyonjo.

[Commissioner Coonerty departed at this time: 3:55 p.m.]

12. Discuss Department of Health Care Services CalAIM Implementation. (3:55 – 4:28 p.m.)

Ms. Stephanie Sonnenshine, CEO, provided an overview of the Department of Health Care Services CalAIM implementation.

[Commissioner Edgcomb departed at this time: 4:06 p.m.]

[Commissioner Pedrozo departed at this time: 4:08 p.m.]

The discussion focused heavily on those CalAIM tactics that most directly impact Alliance members: 1) Enhanced Case Management (ECM); 2) In Lieu of Services (ILOS); and 3) Dual Eligible Special Needs Plans (D-SNPs). ECM and ILOS will be a significant effort for the Alliance, County partners and community-based organizations, and providers currently serving ECM eligible members. ECM does not duplicate services offered through another program. D-SNP will be a significantly transformative effort for the Alliance. Commissioners wishing to share additional information on this topic were asked to forward the material to the CEO and Clerk of the Board for distribution.

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

13. Discuss 2018-2020 Strategic Planning Final Report. (4:28 – 4:40 p.m.)

Ms. Stephanie Sonnenshine, CEO, shared the final outcomes from the 2018-2020 Strategic Plan and previewed the draft agenda and discussed logistics for the June 23, 2021 Board retreat.

[Commissioner Radner departed at this time: 4:29 p.m.]

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

The Commission adjourned its meeting of May 26, 2021 at 4:40 p.m. to June 23, 2021 at 9:00 a.m. via teleconference unless otherwise noticed.

Respectfully submitted,

Ms. Kathy Stagnaro
Clerk of the Board

COMPLIANCE COMMITTEE

Meeting Minutes
Wednesday, March 17, 2021
8:30 – 9:15 a.m.

Via Videoconference

Committee Members Present:

Bob Trinh	Technology Services Director
Dale Bishop	Chief Medical Officer
Dana Marcos	Member Services Director
Danita Carlson	Government Relations Director
Frank Song	Analytics Director
Frank Souza	Claims Director
Gordon Arakawa	Medical Director
Jay Sen	Budgeting and Reporting Director
Jenifer Mandella	Compliance Officer (Chair)
Jennifer Mockus	Community Care Coordination Director
Jordan Turetsky	Provider Services Director
Joy Cubbin	Accounting Director
Kathleen McCarthy	Strategic Development Director
Lilia Chagolla	Regional Operations Director, Monterey County
Linda Gorman	Communications Director
Lisa Ba	Chief Financial Officer
Lisa Hauck	Human Resources Director
Luis Somoza	Compliance Manager
Mary Brusuelas	UM and Complex Case Management Director
Maya Heinert	Medical Director
Michelle Stott	Quality Improvement and Population Health Director
Navneet Sachdeva	Pharmacy Director
Rick Dabir	Application Services Director
Ronita Margain	Regional Operations Director, Merced County
Ryan Inlow	Facilities & Administrative Services Director
Scott Fortner	Chief Administrative Officer
Van Wong	Chief Information Officer

Committee Members Absent:

Dianna Diallo	Medical Director
Kay Lor	Provider Payment Director

Committee Members Excused:

Chris Morris	Operational Excellence Director
Marina Owen	Chief Operating Officer
Stephanie Sonnenshine	Chief Executive officer

Ad-Hoc Attendees:

Aaron McMurray	Information Security Analyst
Kate Knutson	Compliance Supervisor
Sara Halward	Compliance Specialist

1. Call to Order by Chairperson Mandella.

Chairperson Jenifer Mandella called the meeting to order at 8:34 a.m.

2. Review and Approval of February 17, 2021 Minutes.

COMMITTEE ACTION: Committee reviewed and approved minutes of February 17, 2021 meeting.

3. Consent Agenda.

1. **Policy Hub Approvals**
2. **Regulatory and All Plan Letter Updates**

COMMITTEE ACTION: Committee reviewed and approved Consent Agenda.

4. Regular Agenda

1. Program Integrity Quarterly Report

Knutson, Compliance Supervisor, presented the Q4 2020 Program Integrity Activity Report and reviewed select Matters Under Investigation (MUIs). Knutson reported that 18 concerns were referred to Program Integrity in Q4 2020, 12 of which resulted in the opening of an MUI. There were 51 active MUIs in Q4 2020.

Knutson reviewed referral trends for the period noting that of the 12 referrals which resulted in an MUI: 6 related to provider billing irregularities, 1 provider referral specific to a Credible Allegation of Fraud from DHCS, 2 were member referrals related to potential abuse of the transportation benefit, 2 member referrals specific to check fraud and 1 was waste related.

Knutson reviewed 3 exemplar cases, highlighting investigative measures taken and next steps for completion of MUI investigation.

Knutson reviewed performance of the Program Integrity metrics from the Q4 Alliance Dashboard, noting that performance was above threshold for all metrics.

COMMITTEE ACTION: Committee reviewed and approved the Q4 2020 Program Integrity Report.

2. Internal Audit & Monitoring Quarterly Report

Halward, Compliance Specialist, presented the Q4 2020 Internal Audit and Monitoring Activity Report noting that 10 reviews were conducted, all of which received a passing score.

Halward reviewed one exemplar internal audit focused on ensuring reinstatement of benefits to members upon overturned appeal within 72 hours of determination. The audit received a passing score for benefits reinstatement within 72 hours as well as fulfillment of Compliance recommendation from a previous audit in Q120 that time and date of reinstatement be documented in the authorization's case notes.

Halward presented the Q4 2020 Internal Audit & Monitoring workplan activities, noting that staff was preparing to initiate 2021 focused audits and monitoring via the Alliance Dashboard.

Halward reported that the Alliance has not yet received preliminary findings from DMHC in regards to the 2020 Medical Survey.

COMMITTEE ACTION: Committee reviewed and approved the Q4 2020 Internal Audit & Monitoring Report.

3. Policy Hub Updates

Somoza, Compliance Manager, presented an overview of the Policy Hub responsibilities noting a decline in participation by policy hub members. Somoza solicited Committee input on ways to improve engagement in policy review. Committee members requested information on their department's participation statistics and indicated that it would be useful for hub members to have additional information on the level of changes to policies made.

COMMITTEE ACTION: Committee reviewed and discussed policy review process and ways to improve engagement and assigned the following action items:

- Compliance to provide Policy Hub member specific statistics to department directors and conduct follow-up discussions with members with low participation.
- Compliance to reach out to Policy Hub members via email to communicate member engagement shortfalls and highlight the importance in participation.

The meeting adjourned at 9:13 a.m.

Respectfully submitted,

Robin Sihler
Administrative Assistant - Compliance

FINANCE COMMITTEE
SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION

Meeting Minutes

Wednesday, March 24, 2021

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

Members Present:

Ms. Mimi Hall	County Health Services Agency Director
Ms. Elsa Jiménez	County Health Director
Mr. Michael Molesky	Public Representative
Allen Radner, MD	Provider Representative
Mr. Tony Weber	Provider Representative

Members Absent:
None

Staff Present:

Ms. Lisa Ba	Chief Financial Officer
Ms. Stephanie Sonnenshine	Chief Executive Officer
Ms. Dulcie San Paolo	Finance Administrative Specialist

1. Call to Order by Chairperson Molesky. (1:34 p.m.)

Chairperson Molesky called the meeting to order at 1:34 p.m. Roll call was taken. A quorum was present.

2. Oral Communications. (1:35 – 1:36 p.m.)

Chairperson Molesky 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.

Consent Agenda Items:

3. Approve minutes of December 2, 2020 meeting of the Finance Committee. (1:36 – 1:37 p.m.)

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the minutes of the December 2, 2020 meeting.

MOTION: Commissioner Weber moved to approve the minutes, seconded by Commissioner Radner

ACTION: The motion passed with the following vote:

Ayes: Commissioners Hall, Molesky, Radner, Weber

Noes: None

Absent: None

Abstain: Commissioner Jiménez

Regular Agenda Items:

4. Preliminary CY 2020 Financial Results. (1:37 – 1:59 p.m.)

Ms. Lisa Ba, Chief Financial Officer (CFO), updated the commissioners on the 2020 financial performance and provided a view of the Alliance's trended financial performance since 2017. Ms. Ba explained that, when the Affordable Care Act (ACA) began in 2014, the State overestimated costs and rates were relatively high. During this period, the Alliance was able to accumulate reserves and those reserves, with the Board's approval, were used to fund reimbursement increases to providers. Subsequently, due to these provider payment increases, the Plan began to experience financial losses starting in the fourth quarter of 2017 and has now experienced losses for 13 consecutive quarters.

Ms. Ba informed the Committee that $13.4M additional revenue was recognized in 2020 as a settlement for the 2017-2018 Medi-Cal Expansion (MCE) Medical Loss Ratio (MLR) rule. With this prior year adjustment, the unaudited 2020 loss is $11.7M. Ms. Ba informed the commissioners that the 2020 financials are currently still open until the audit is finalized. The final report will be presented in May, 2021 to the Board by our auditor.

Next, Ms. Ba provided an update on the Cost Containment Plan (CCP) which was approved by the Board in 2020. The purpose of the CCP is to bring costs in line with revenue, utilization trend and industry benchmarks. Although the significant decrease in utilization due to the pandemic resulted in reduced financial losses in 2020, Ms. Ba reminded the commissioners that the underlying rate issue still needs to be addressed as utilization will resume once the pandemic subsides. As part of the CCP, staff has been negotiating with all in-area hospitals since August 2020 with a goal to bring hospitals' rates in alignment with revenue and industry benchmark of Medi-Cal APR-DRG. Ms. Ba reported that some

progress has been made, but there have been challenges in executing the plan during the pandemic.

Next, Ms. Ba presented a high-level overview of factors that will impact the Plan's future financial performance. These include pandemic state, Public Health Emergency declaration, Pharmacy Carve-out timeline, the CCP execution, the funding for CalAIM and regional rate determination. The execution of the Cost Containment Plan is crucial to longer term financial sustainability as well as for preparation for regional rates. If we are not successful in containing our costs, then drastic reductions may need to be made in 2024. The regional rate could be the biggest risk to the Alliance's financials over the next five years.

In summary, due to the pandemic, financial performance in 2020 was very volatile and will continue to be difficult to predict for 2021. One known factor that will impact financial results is that costs continue to exceed revenue and industry benchmarks. The 2021 budget includes $17M savings from the Cost Containment Plan spreading from April to December. Unknown factors that will affect the financial outcomes for 2021 include the timing around when there will be a resumption of care and an increase in utilization levels which is difficult to forecast given the unpredictability of the pandemic. Additionally, we do not know how much savings from the Cost Containment Plan will be realized this year. As we are dealing with many uncertainties, the CFO indicated that staff will remain committed to providing frequent forecasts to keep this committee and the Board updated.

Ms. Ba opened the floor for questions and discussion.

Commissioner Elsa Jiménez asked for some clarification around the transition to Enhanced Care Management (ECM) and In Lieu of Services (ILOS) and the revenue rate implications there. Ms. Ba clarified that we expect to receive the ECM rate at the end of May, and that there will be no revenue rate for ILOS because the expectation is that savings will be gained from other areas when a service is provided. There will be an incentive payment for ILOS, but the details have not yet been determined. Ms. Ba further clarified with regards to ECM, that our concern is that, if rates are to be developed by a process of surveying current Health Home and Whole Person Care programs, then it is possible that our assigned rate may not be sufficient as not all counties have the same programs.

Commissioner Allen Radner inquired about the progress made so far with the hospital negotiations and asked if that progress could be quantified for the committee's information. Ms. Ba indicated that there has been some success with moving some hospital contracts to reduced rates and also to move to APR-DRG methodology. Ms. Stephanie Sonnenshine, Chief Executive Officer (CEO) added that, to provide any specific detailed information in this forum would not be appropriate as it could possibly influence other active negotiations.

5. 2021 Pharmacy Budget. (1:59-2:11 p.m.)

Ms. Ba provided the commissioners with some background information related to the Pharmacy Carve-Out that was originally slated to take effect on January 1, 2021. Therefore, the Board approved a 2021 budget that did not include pharmacy. In November 2020, the Department of Health Care Services (DHCS) informed Health Plans that the Carve-Out would be delayed until April 2021. More recent communications from DHCS have now indicated that the Pharmacy Carve-Out has been further delayed, and that additional information will be provided in May, 2021. Ms. Ba explained that, to ensure consistency and minimum

interruptions to operations, staff have prepared a full year budget for 2021 to include pharmacy.

Ms. Ba oriented the commissioners to the revised budget with pharmacy included. The estimated revenue is $215.6M and pharmacy cost is based on two years of claims data with a 2.5% inflation adjustment, resulting in a net impact of $3.5M operating income. With the revised budget, the operating loss is adjusted from $41.1M to $37.6M.

Ms. Ba opened the floor for questions and discussion.

Commissioner Molesky asked Ms. Ba to remind the committee of the scope of the pharmacy benefit and to explain if treatments other than prescription medications, such as chemotherapy treatments, are included. Ms. Ba responded that pharmacy includes only prescriptions that would be filled by a pharmacy and does not include physician administered injectables.

Commissioner Jiménez asked if any more information is known as to whether the State plans to proceed with the Pharmacy Carve-Out at a later date. Ms. Ba responded that, the delay is due to the merger between Magellan Health, the Pharmacy Benefit Manager (PBM) selected by DHCS, and Centene. This merger has raised the issue of the PBM being owned by a Health Plan and how that will affect the security of pharmacy data. Ms. Sonnenshine added that, the consistent message from the State throughout all communications on the carve-out, has been that it will move forward as it is an executive order and directive to carve these services out. Recent communications have indicated that work is currently being done to ensure that information is adequately protected given the merger of Magellan and Centene. She expressed that, from a Health Plan perspective, due to the current challenges in making it happen this year, it was decided that the conservative course of action to take would be to assume a full year of cost and revenue.

6. CY 2020 Investment Update. (2:11-2:28 p.m.)

Ms. Ba provided an overview of the Alliance's Investment Policy for the commissioners. The CFO explained that the policy conforms to the California Government Code section 56300 et seq. as well as to customary standards of prudent investment management. The four main objectives, in order of priority are: safety of principal, liquidity, social responsibility and total return.

As of December 2020, the Alliance holds $365M in investment funds. By holding category, the majority of funds, $216.9M or 61%, is in the Pooled Money Investment Account (PMIA), which includes CalTRUST and Local Agency Fund (LAIF).

In terms of the ratings and maturity, investments outside of PMIA include Comerica, Union Bank and Wells Fargo, all of which have A ratings and higher. The investment policy allows for a five-year maturity. However, due to the recent years' financial losses, we have been offsetting the operating loss with our fund balance and have favored shorter term investments of no more than three years maturity in order to meet the operating cash need. Total yield for 2020 is 1.6%, down from 2.0% in 2019. This is largely due the pandemic and extremely low interest rates.

Ms. Ba summarized that staff have managed the Alliance's investments in accordance with the policy. The fund balance has been used to offset accumulated financial losses since 2018. As a result, staff's focus has been on the safety and liquidity of our reserves. Staff has been utilizing the PMIA accounts because they are designed for public agencies and their objectives are aligned with those of the Alliance.

Ms. Ba opened the floor for questions and discussion.

Commissioner Molesky asked about Wells Fargo and their role in the management of the Alliance's investments. Ms. Ba explained that Wells Fargo was never an investment advisor for the Alliance, and in the past have only made recommendations with regards to any money the Alliance had invested with their institution. Additionally, Ms. Ba confirmed that, currently the Alliance only has some bonds with Wells Fargo. Once those bonds have matured, the intent is to close the Wells Fargo account and move the funds into PMIA.

Commissioner Molesky expressed agreement with this strategy and asked the CFO if there were any other options available to the Alliance that might offer a better return than the PMIA accounts. Ms. Ba indicated that, as we do not invest in the stock market, return will be limited and a 1 to 3 percent return will be the most we will likely see.

Commissioner Jiménez inquired as to the Alliance's policy review process and how frequently policies are revised. Ms. Ba responded that polices are reviewed every two years and that the investment policy will be up for review and revision this year.

Commissioner Radner asked to what extent the Alliance's investment policy is based on regulatory requirements versus internal decisions. Ms. Ba explained that there are strict guidelines that we need to adhere to as a public agency investing tax payers' money and that this is why our objectives are closely aligned with the PMIAs. Commissioner Radner commented on the extensive regulatory requirements that public district hospitals are bound by. However, 501(c) hospitals in the community who are not bound by the same restrictions as a public district hospital or public safety net hospital have been able to benefit from dramatically better returns on their investments.

Adjourn:

The Commission adjourned its meeting of March 24, 2021 at 2:28 p.m. to May 26, 2021 at 1:30 p.m. via teleconference from the Alliance office in Scotts Valley, Salinas, and Merced.

Respectfully submitted,

Ms. Dulcie San Paolo
Finance Administrative Specialist

Physicians Advisory Group

Meeting Minutes

Thursday, March 4, 2021
12:00 - 1:30 p.m.

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

Group Members Present:	
Dr. Anjani Thakur	Provider Representative
Dr. Chuyen Trieu	Provider Representative
Dr. James Rabago	Provider Representative
Dr. Misty Navarro	Provider Representative
Dr. Michael Yen	Provider Representative
Dr. Scott Prysi	Provider Representative
Dr. Shirley Dickinson	Provider Representative

Group Members Absent:	
Dr. Maximiliano Cuevas	Board Representative
Dr. Allen Radner	Provider Representative
Dr. Amy McEntee	Provider Representative
Dr. Barry Norris	Provider Representative
Dr. Caroline Kennedy	Provider Representative
Dr. Casey Kirkhart	Provider Representative
Dr. Devon Francis	Provider Representative
Dr. Jennifer Hastings	Provider Representative
Dr. Kenneth Bird	Provider Representative
Dr. Patrick Clyne	Provider Representative

Staff Present:	
Dr. Dale Bishop	Chief Medical Officer
Dr. Gordon Arakawa	Medical Director
Dr. Maya Heinert	Medical Director
Dr. Dianna Diallo	Medical Director
Ms. Jennifer Mockus	Community Care Coordination Director
Ms. Jordan Turetsky	Provider Services Director
Ms. Michelle Stott	Quality Improvement Director
Ms. Navneet Sachdeva	Pharmacy Director
Ms. Lila Chagolla	Regional Operations Director
Mr. Jim Lyons	Provider Relations Manager
Ms. Ronita Margain	Regional Operations Director
Ms. Kristen Presleigh	Quality Improvement Advisor
Ms. Jacqueline Van Voerkens	Administrative Specialist
Ms. Tracy Neves	Clerk of the Advisory Group

Public Representatives Present:

Ms. Becky Shaw	Public Representative
Mr. Michael Molesky	Board Representative

1. Call to Order by Chairperson Dr. Bishop.

   Group Chairperson Dr. Dale 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

3. The group reviewed the December 3, 2020 Physicians Advisory Group (PAG) minutes.

   Minutes approved as written.

4. Old Business - Updates
   A. Care Based Incentives 2022 (CBI)
   Dr. Diallo presented the 2022 Care Based Incentives. Most measures will remain the same from 2021. Recommended changes and retirements were reviewed with the group. Summary of modifications are as follows;
      - Programmatic Measures:
        - Add: Breast Cancer Screening and Controlling High Blood Pressure
        - Change: Antidepressant Medication Management to Depression Screening and Follow-up Plan
        - Change: Redistribute Plan All-Cause Readmission points
        - Retire: Maternity Care: Prenatal and Maternity Care: Postpartum
      - Fee-For-Service Measures:
        - Change: Behavioral Health Integration to remove The Joint Commission PCMH as stand-alone qualification
      - Exploratory Measures:
        - Add: ACE Screening in Children and Adolescents and Health Disparity Measure

Group discussed Breast cancer screening obstacles. Group was informed that a project was created in Merced related to the referral workflow, which has positively displayed an increase in referrals.

Group discussed the proposed change of the High Blood Pressure measure to programmatic. Group expressed concern, and indicated this will increase the workload for provider staff.
Action: The Alliance will look into alignment with the CMS requirement, and keep as an exploratory measure.

Group discussed the Latent Tuberculosis Infection (LTBI) Screening, ACES screenings, and the Health Disparity Measure. ACES training availability, screening hesitancy, and resources available to members whose children receive high scores were examined. Group brainstormed ways to successfully support reaching the NCQA Health Disparity Measure proposed rate.

B. Pharmacy Carve-Out Update
The Department of Health Care Services (DHCS) has delayed the Pharmacy Carve-Out April 1st go live date. DHCS will provide an update in May. DHCS is reviewing a conflict avoidance protocol provided by Magellan. The Alliance will continue to manage the Pharmacy Benefit, until the go-live is official.

5. **New Business**

A. COVID Vaccines/Pandemic Care Taskforce
In the Fall of 2020 the Alliance created a "Resuming Care Task Force" to facilitate the safe and timely resumption of care to reduce health disparities. In February 2021 the Alliance transformed this group into the "Pandemic Care Task Force", which has an objective of informing Alliance members and providers in the pandemic environment with clear and vetted communications as put forth by Public Health. Outreach continues to high risk members, to assist in the equitable access to care and vaccination. The group was informed that Merced County is experiencing the highest difficulty with vaccine availability.

The Alliance is collaborating with, and assisting, the Health Departments with outreach. The Alliance has made approximately 1500, out of 1800 scheduled, outreach calls to high risk members. Case Management, Complex Case Management, and Quality Improvement Departments, are also reaching out to members. The Alliance will regroup to redefine the next group of high-risk members to reach out to when the next round of vaccines is available. Main concerns collected from members included:

1. The waiting period for the second injection, because most had received initial dose
2. Families wanting to be inoculated together at the same time
3. Misinformation
4. Members who have complicated health conditions

Provider Services' activities include working with providers to offer:

1. Network wide support to all 3 counties
2. Information regarding third party administrators
3. DHCS payment guidance
4. Support on specific provider needs
5. Guidance from state and local entities
6. Overcoming barriers to vaccine administration

6. **Open Discussion**

Chairperson Bishop opened the floor for the Group to have an open discussion.

The Alliance and Common Spirit, which represents Dignity Medical Group, are presently in contract negotiation. The contract is set to expire on April 1, 2021. This contract negotiation involves two major hospitals the Alliance works with: Mercy Medical Center in Merced County and Dominican Hospital in Santa Cruz County. DHCS requires Medi-Cal members receive notification 30 days prior to potential changes to their health plan. The Alliance distributed notifications to fifteen thousand members, in compliance with this requirement, informing them they will be assigned to another PCP on April 1st if a new agreement is not reached by that date. The Alliance is working diligently to ensure members have access to care, and continuity of care. Alliance leadership will meet with Dignity Leadership to discuss continuity of care and make plans for alternative access, if negotiations are not resolved by April 1st. Group member inquired if providers will receive information regarding members are reassigned to their practices, and requested the communication be provided to leadership versus individual providers. Provider Services is scheduled to reach out the second week of March and noted the request.

The meeting adjourned at 1:30 p.m.

Respectfully submitted,

Ms. Jacqueline Van Voerkens
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 of discussion and/or action must be placed on the agenda prior to the meeting.

Whole Child Model Clinical Advisory Committee

Meeting Minutes

Thursday, March 18, 2021
12:00 p.m. - 1:00 p.m.

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

Committee Members Present:

Cal Gordon, MD	Provider Representative
Gary Gray, DO	Board Representative
John Mark, MD	Provider Representative

Committee Members Absent:

Jennie Jet, MD	Provider Representative
Patrick Clyne, MD	Provider Representative
Salem Magarian, MD	Provider Representative

Staff Present:

Dianna Diallo, MD	Medical Director
Dana Marcos	Member Services Director
Jennifer Mockus	Community Care Coordination Director
Jordan Turetsky	Provider Services Director
Lilia Chagolla	Regional Operations Director
Mary Brusuelas, RN	UM & Complex Case Management Director
Michelle Stott, RN	Quality Improvement & Population Health Director
Navneet Sachdeva, PharmD.	Pharmacy Director
Sarah Sanders	Grievance and Quality Manager
Tammy Brass, RN	UM Manager - Prior Authorizations
Jacqueline Van Voerkens	Clerk of the Committee

Hospital Representatives Present:

Mr. Jim Melancon	Aveanna Healthcare
Mr. Kevin McBride	Aveanna Healthcare
Mr. Mike Barrett	Aveanna Healthcare
Ms. Denise Ordonez	Aveanna Healthcare

1. **Call to Order by Chairperson Bishop.**
   Chairperson Dr. Diallo called the meeting to order at 12:05 p.m.
   Roll call was taken.

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 December 17, 2020 meeting were reviewed.

B. Grievance Update
Dr. Diallo reviewed the Grievance presentation with the Committee.

M/S/A Consent agenda items approved.

4. Old Business

Referral/Case load follow-up
Dr. Diallo provided an update to the group on the decrease in CCS referrals and enrollments, measures in place, and present activities. Following the CCS transition in July 1, 2018 a notable decrease in referrals and caseloads was noted by CHCS, CCS Advisory Group, and Counties. Quality Improvement Department conducted a root cause analysis to define the causes of the decrease. Methods in place to increase referrals include providing education, provider outreach, monthly meetings with counties, and reviews of claims, authorizations and pharmacy data. Monthly notable increases in total CCS eligibility and Alliance CCS referrals were observed in response to the continuous efforts in place.

5. Open Discussion

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

The Alliance and Common Spirit, which represents Dignity Medical Group, are presently in contract negotiation. The contract is set to expire on April 1, 2021. This contract negotiation involves two major hospitals the Alliance works with: Mercy Medical Center in Merced County and Dominican Hospital in Santa Cruz County. DHCS requires Medi-Cal members receive notification 30 days prior to potential changes to their health plan. The Alliance distributed notifications to fifteen thousand members, in compliance with this requirement, informing them they will be assigned to another PCP on April 1st if a new agreement is not reached by that date. The Alliance is working diligently to ensure members have access to care, and continuity of care. Leadership will meet with Dignity Leadership to discuss the continuity of care and make plans for alternative access, if negotiations are not resolved by April 1st. All Whole Child Model members are eligible for Continuity of Care.

Committee member inquired if there is an adequate number of pediatricians available for the members who may require re-assignment. The Committee was informed that there is a sufficient number of pediatricians, and the Alliance is working with members to allow them to self-select a PCP, if they wish.

Committee member expressed concern regarding distance and access for specialty care.

Action: Dr. Bishop and Diallo will provide the order of magnitude of patients at individual county levels, and provide updates of Dignity discussions.

Lucille Packard is experiencing an increase in the COVID combined immune response cases, Multisystem Inflammatory Syndrome in Children (MIS-C/PIMS).

CCS Medical consultant directors, were requested to identify CCS enrollees ages 16 – 21 who would be eligible for COVID vaccination based on their medical criteria. These enrollees have received a letter indicating they are eligible for the vaccine. Packard has a specialist letter of necessity available.
Action: Tammy Brass will reach out to Dr. Cal Gordon with the county CCS programs regarding the vaccine letter of necessity.

The meeting adjourned at 12:30 p.m.

Respectfully submitted,

Ms. Jacqueline Van Voerkens
Clerk of the Advisory Committee

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

DATE: June 23, 2021

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

FROM: Stephanie Sonnenshine, Chief Executive Officer

SUBJECT: Contract with Monterey County In-Home Supportive Services Public Authority

Recommendation. Staff recommend the Board authorize the Chairperson to sign the agreement between the Alliance and the Monterey County In-Home Supportive Services Public Authority (Public Authority) to provide Covered Services to eligible and enrolled In-Home Supportive Services (IHSS) providers for the period July 1, 2021 through June 30, 2022.

Background. The Alliance has offered the Alliance Care IHSS product under an agreement with the Public Authority since July 1, 2005. Alliance Care IHSS provides comprehensive health coverage, including hospital, outpatient, primary and specialty care prescription drug and mental health services to providers of IHSS services in Monterey County who meet the county's eligibility criteria and are enrolled by the county into coverage. Alliance staff meet with County representatives at least annually to discuss program experience and performance and to determine if contract terms, conditions or monthly premiums require adjustment.

Discussion. The benefit year covered under the current agreement with the Public Authority ends June 30, 2021 and the contract must be renewed to support the ongoing provision of services. Staff and County representatives have reviewed contract provisions, program performance and medical costs and utilization and have determined that no changes are needed to the contract terms and conditions. However, a premium increase is necessary as the medical costs for enrolled members have continued to exceed premium revenue. The parties have agreed upon a 12.1% premium increase for the upcoming contract period.

Fiscal Impact. The premium is set to achieve a minimum breakeven performance based on the available information.

Attachments. N/A

DATE: June 23, 2021

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

FROM: Stephanie Sonnenshine, Chief Executive Officer

SUBJECT: DHCS Medi-Cal Contract Amendments

Recommendation. Staff recommend the Board authorize the Chairperson to sign Amendments to the Alliance's primary Medi-Cal contract number 08-85216 to incorporate programmatic, and regulatory required language and capitation rates for the periods July 1, 2018 – June 30, 2019 and July 1, 2019 – December 31, 2020 assuming that final amendments and 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 amendment has subsequently been amended via written amendments (A-1 through A-44).

Historically, DHCS develops the contract language and/or rates and sends to the plans for review prior to submitting rates and amendments to the Centers for Medicare and Medicaid Services (CMS) for final approval. Upon CMS approval, DHCS finalizes the amendments for execution. This results in a delay in contract execution. CMS and DHCS have been working on a process to "catch-up" on outstanding contract amendments and DHCS has provided a schedule for routing amendments for signature beginning in June through September.

Discussion. The Department of Health Care Services has prepared amendments to the Alliance's State Medi-Cal contract to incorporate capitation rates and language as follows:

- Capitation rates for the period July 1, 2018 – June 30, 2019
- Capitation rates for the period July 1, 2019 – December 31, 2020
- Contract language to incorporate programmatic and regulatory requirements including 2018 Final Rule requirements, federal Children's Health Insurance Program requirements, Bridge Period program and statutory requirements, Behavioral Health Treatment updates and Whole Child Model program responsibilities

Staff have reviewed draft contract language and rates previously provided by DHCS and have already implemented requirements and accounted for rates in budgets.

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

Fiscal Impact. There is no fiscal impact associated with this agenda item. Capitation rates are reflected in the budget already presented to the Board.

Attachments. N/A

DATE: June 23, 2021

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

FROM: Stephanie Sonnenshine, Chief Executive Officer

SUBJECT: 2021 Legislative Session Update

Recommendation. There is no recommended action associated with this agenda item.

Background. Each legislative session staff works with its health plan associations, including the Local Health Plans of California and California Association of Health Plans as well as the Alliance's representatives in Sacramento, Edelstein, Gilbert, Robson and Smith to identify, review and monitor newly introduced legislation in the following areas of focus.

- Health Care Coverage/Delivery System Reform
- Medi-Cal eligibility
- Medi-Cal benefits
- Medi-Cal provider payments
- Medi-Cal health plan revenue
- Medi-Cal and/or Managed Care policies and initiatives

Bills in these categories are compiled into a bill list that staff monitors throughout the legislative session providing legislative updates to the board at its regular board meetings in April and June, or as needed. The attached bill list includes an update on those bills identified in those categories.

At the April 28, 2021 board meeting the board reviewed the list of bills identified in the above areas of focus and adopted a position of support on the following bills: AB 4 (Arambula), SB 56 (Durazo), SB 316 (Eggman), and SB 365 (Caballero). Letters of Support were drafted and registered with the bill authors. Each of these bills continue to progress in the Legislature and staff will continue to monitor and indicate board support.

Discussion. Key legislative deadlines have occurred, including June 4, 2021, which was the deadline for Assembly and Senate bills to pass out of their respective house of origin in order to continue to be heard this year.

The attached bill list includes the status on bills being monitored by staff this year and reflects the following:

- Passed and referred to the second house –bill continues to move forward in the legislature this year
- Held Under Submission –bill is effectively "dead" as it failed to pass out of the Appropriations Committee

- Failed to Pass House of Origin or other deadline – bill will not move forward the remainder of the year but may be taken up next year, in the second year of this two-year legislative session.
- Two-year Bill –bill remains in its house of origin and will not move for the remainder of the year but may be taken up again next year in the second year of this two-year legislative session.
- Ordered to Inactive –bill may be taken off the inactive file on the Floor and brought up again.

Staff will continue to monitor active bills and will report back to the board as legislative activity may warrant.

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

Attachments.

1. 2021 Legislative Bill List

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. B
Merced, CA 95240-4710
209-381-5300

Central California Alliance for Health
2021 Legislation
June 2021

Tier 1	
AB 4 **Arambula** **Current Status: Passed Assembly. Referred to Senate.**	**Medi-Cal Eligibility** **Summary:** Would expand Medi-Cal coverage to all individuals who are eligible, regardless of immigration status.
AB 32 **Aguiar-Curry** **Current Status: Passed Assembly. Referred to Senate.**	**Telehealth** **Summary:** Current law requires a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2021, to specify that coverage is provided for health care services appropriately delivered through telehealth on the same basis and to the same extent as in person diagnosis, consultation, or treatment. Current law exempts Medi-Cal managed care plans that contract with the State Department of Health Care Services under the Medi-Cal program from these provisions, and generally exempts county organized health systems that provide services under the Medi-Cal program from Knox-Keene. This bill would delete the above-described references to contracts issued, amended, or renewed on or after January 1, 2021, would require these provisions to apply to the plan or insurer's contracted entity, as specified, and would delete the exemption for Medi-Cal managed care plans. The bill would subject county organized health systems, and their subcontractors, that provide services under the Medi-Cal program to the above-described Knox-Keene requirements relative to telehealth. The bill would authorize a provider to enroll or recertify an individual in Medi-Cal programs through telehealth and other forms of virtual communication, as specified.
AB 368 **Bonta** **Current Status: Held under submission in Appropriations**	**Medically Supported Food** **Summary:** Would require the State Department of Health Care Services to establish, no earlier than January 1, 2022, a pilot program for a 2-year period in 3 counties, including the County of Alameda, to provide food prescriptions for medically supportive food, such as healthy food vouchers or renewable food prescriptions, to eligible Medi-Cal beneficiaries, including individuals who have a specified chronic health condition, such as diabetes and hypertension, when utilizing evidence-based practices that demonstrate the prevention, reduction, or reversal of those specified diseases.
AB 369 **Kamlager** **Current Status: Passed Assembly.**	**Medi-Cal Services: Persons Experiencing Homelessness** **Summary:** Would require the State Department of Health Care Services to implement a program of presumptive eligibility for persons experiencing homelessness, under which a person would receive full-scope Medi-Cal benefits without a share of cost. The bill would require the department to authorize an enrolled Medi-Cal provider to issue a temporary Medi-Cal benefits identification card to a person experiencing homelessness, and would prohibit the department from requiring a person experiencing homelessness

Referred to Senate.	to present a valid California driver's license or identification card issued by the Department of Motor Vehicles to receive Medi-Cal services if the provider verifies the person's eligibility.
AB 685 **Maienschein** **Current Status:** **2 Year**	**Health Care Service Plans: Reimbursement** Current law requires every insurer issuing group or individual policies of health insurance that cover hospital, medical, or surgical expenses to reimburse claims within specified timeframes and establishes the process for an insurer to contest or deny a claim for reimbursement. This bill would require health service plans and insurers to obtain an independent board-certified emergency physician review of the medical decision making related to a service before denying benefits, reimbursing for a lesser procedure, reducing reimbursement based on the absence of a medical emergency, or making a determination that medical necessity was not present for claims billed by a licensed physician and surgeon for emergency medical services, as specified.
AB 703 **Blanca Rubio** **Current Status:** **Failed to pass house of origin or other deadline**	**Open Meetings: Local Agencies Teleconferences** **Summary:** Current law, by Executive Order N-29-20, suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic, provided that notice requirements are met, the ability of the public to observe and comment is preserved, as specified, and that a local agency permitting teleconferencing have a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified. This bill would remove the requirements of the act particular to teleconferencing and allow for teleconferencing subject to existing provisions regarding the posting of notice of an agenda and the ability of the public to observe the meeting and provide public comment. The bill would require that, in each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the local agency also give notice of the means by which members of the public may observe the meeting and offer public comment and that the legislative body have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act, as provided.
AB 822 **Rodriguez** **Current Status:** **Held under submission in Appropriations**	**Observation Services** **Summary:** Under current law, mental health plans provide specialty mental health services, and Medi-Cal managed health care plans and the fee-for-service Medi-Cal program provide non-specialty mental health services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. To the extent funds are made available in the annual Budget Act, this bill would expand mental health services to include observation services, as defined, for emergency psychiatric treatment when provided in an observation unit, as defined, subject to utilization controls.
AB 935 **Maienschein** **Current Status:** **Failed to pass house of origin or other deadline**	**Telehealth Mental Health** **Summary:** Would require health care service plans and health insurers, by July 1, 2022, to provide access to a telehealth consultation program that meets specified criteria and provides providers who treat children and pregnant and certain postpartum persons with access to a mental health consultation program, as specified. The bill would require the consultation by a mental health clinician with expertise appropriate for pregnant, postpartum, and pediatric patients to be conducted by telephone or telehealth video, and to include guidance on the range of evidence-based treatment options, screening tools, and referrals. The bill would require health care service plans and insurers to communicate information relating to the telehealth program at least twice a year in writing. The bill would require health care service plans and health insurers to monitor data pertaining to the utilization of the program to facilitate ongoing quality

	improvements, as necessary, and to provide a description of the program to the appropriate department.
AB 1131 **Wood** **Current Status: Held under submission in Appropriations**	**Health Information Exchange** **Summary:** Would require, by January 1, 2023, health plans, hospitals, medical groups, testing laboratories, and nursing facilities, at a minimum, contribute to, access, exchange, and make available data through the network of health information exchanges for every person, as a condition of participation in a state health program, including Medi-Cal, Covered California, and CalPERS. The bill would also state the intent of the Legislature to enact legislation that would expand the use of clinical and administrative data and further build on the promise of health information exchange, including specified strategies for achieving these goals.
AB 1160 **Blanca Rubio** **Current Status: 2 Year**	**Medically Supportive Food** **Summary:** Current law requires the State Department of Health Care Services to establish a Medically Tailored Meals Pilot Program to operate for a period of 4 years from the date the program is established, or until funding is no longer available, whichever date is earlier, in specified counties to provide medically tailored meal intervention services to Medi-Cal participants with prescribed health conditions, such as diabetes and renal disease. Effective for contract periods commencing on or after January 1, 2022, this bill would authorize Medi-Cal managed care plans to provide medically tailored meals to enrollees. The bill would authorize the department to implement this provision by various means, including plan or provider bulletins, and would require the department to seek federal approvals. The bill would condition the implementation of this provision on the department obtaining federal approval and the availability of federal financial participation.
AB 1355 **Levine** **Current Status: 2 Year**	**Medi-Cal Independent Medical Review System** **Summary:** Would require the Department of Health Care Services to establish the Independent Medical Review System (IMRS) for the Medi-Cal program, commencing on January 1, 2022, which generally models the specified described requirements of the Knox-Keene Health Care Service Plan Act. The bill would provide that any Medi-Cal beneficiary grievance involving a disputed health care service is eligible for review under the IMRS, and would define "disputed health care service" as any service covered under the Medi-Cal program that has been denied, modified, or delayed by a decision of the department, or by one of its contractors that makes a final decision, in whole or in part, due to a finding that the service is not medically necessary. The bill would require information on the IMRS to be included in specified material, including the "myMedi-Cal: How to Get the Health Care You Need" publication and on the department's internet website.
SB 56 **Durazo** **Current Status: Passed Senate. Referred to Assembly.**	**Medi-Cal Eligibility** **Summary:** Would expand Medi-Cal coverage to all individuals over the age of 65, regardless of immigration status.
SB 242 **Newman**	**Healthcare Provider Reimbursements** **Summary:** Requires that plans reimburse providers for business expenses that are necessary for service delivery, specifically PPE, equipment and testing supplies,

Current Status: Passed Senate. Referred to Assembly.	transporting specimens, IT systems tracking, and others. This bill includes Medi-Cal and requires DHCS develop a reimbursement rate.
SB 256 **Pan** **Current Status: Passed Senate. Referred to Assembly.**	**Medi-Cal Covered Benefits** **Summary:** This bill would require those mandatorily developed health-plan- and county-specific rates for specified Medi-Cal managed care plan contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan. The bill would require each Medi-Cal managed care plan to disclose the availability of in lieu of services on its internet website and its beneficiary handbook, and to disclose to the department specified information on in lieu of services that are plan specific, including the number of people receiving those services. The bill would require the department to publish that information on its internet website.
SB 316 **Eggman** **Current Status: Passed Senate. Referred to Assembly.**	**Medi-Cal FQHC's and RHC's** **Summary:** Current law provides that FQHC and RHC services are to be reimbursed, to the extent that federal financial participation is obtained, to providers on a per-visit basis. "Visit" is defined as a face-to-face encounter between a patient of an FQHC or RHC and specified health care professionals, including a physician and marriage and family therapist. Under existing law, "physician," for these purposes, includes, but is not limited to, a physician and surgeon, an osteopath, and a podiatrist. This bill would authorize reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined. The bill would authorize an FQHC or RHC that currently includes the cost of a medical visit and a mental health visit that take place on the same day at a single location as a single visit for purposes of establishing the FQHC's or RHC's rate to apply for an adjustment to its per-visit rate, and after the department has approved that rate adjustment, to bill a medical visit and a mental health visit that take place on the same day at a single location as separate visits, in accordance with the bill.
SB 365 **Caballero** **Current Status: Passed Senate. Referred to Assembly.**	**E-Consult Services** **Summary:** Would make electronic consultation services reimbursable under the Medi-Cal program for enrolled providers, including FQHCs or RHCs, and would require the department to develop a reimbursement policy for those services that, at a minimum, and with respect to primary care providers, is consistent with the Medicare program coverage policy. The bill would require the department to seek federal waivers and approvals to implement this provision. The bill would make related findings and declarations.
SB 371 **Caballero** **Current Status: Passed Senate. Referred to Assembly.**	**Health Information Technology** **Summary:** Would require any federal funds California Health and Human Services Agency (CHHSA) receives for health information technology and exchange to be deposited in the California Health Information Technology and Exchange Fund. The bill would authorize CHHSA to use the fund to provide grants to health care providers to implement or expand health information technology and to contract for direct data exchange technical assistance for safety net providers.

SB 773 **Roth** **Current Status: Passed Senate. Referred to Assembly.**	Would require the Department of Health Care Services to make incentive payments to qualifying Medi-Cal managed care plans that meet predefined goals and metrics associated with targeted interventions, rendered by school-affiliated behavioral health providers, that increase access to preventive, early intervention and behavioral health services for children enrolled in kindergarten and grades 1-12, inclusive, at those schools. The bill would require the department to consult with certain stakeholders on the development of interventions, goals and metrics, to determine the amount of incentive payments, and to seek any necessary federal approvals.

Tier 2

AB 77 **Petrie-Norris** **Current Status: 2 Year**	**SUD Treatment Services** **Summary:** Current law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Current law provides for various benefits under the Medi-Cal program, including substance use disorder treatment and mental health services that are delivered through the Drug Medi-Cal Treatment Program, the Drug Medi-Cal organized delivery system, and the Medi-Cal Specialty Mental Health Services Program. This bill would declare the intent of the Legislature to enact Jarrod's Law, a licensure program for inpatient and outpatient programs providing substance use disorder treatment services, under the administration of the department.
AB 114 **Maienschein** **Current Status: Passed Assembly. Referred to Senate.**	**Medi-Cal Benefits: Rapid Whole Genome Sequencing** **Summary:** Would expand the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, including individual sequencing, trio sequencing, and ultra-rapid sequencing. The bill would authorize the department to implement this provision by various means without taking regulatory action.
AB 265 **Petrie-Norris** **Current Status: Held under submission in Appropriations**	**Medi-Cal Reimbursement** **Summary:** Current law requires the State Department of Health Care Services to develop, subject to federal approval, reimbursement rates for clinical or laboratory services according to specified standards, such as requiring that reimbursement to providers for those services not exceed the lowest of enumerated criteria, including 80% of the lowest maximum allowance established by the federal Medicare Program for the same or similar services. This bill would delete provisions relating to the above-specified 80% standard and would make conforming changes.
AB 278 **Leyva** **Current Status: Held under**	**Medi-Cal Podiatric Services** **Summary:** Current law requires a health care provider applying for enrollment as a Medi-Cal services provider or a current Medi-Cal services provider applying for continuing enrollment, or a current Medi-Cal services provider applying for enrollment at a new location or a change in location, to submit a complete application package. Under current law, a licensed physician and surgeon practicing as an individual physician practice or a licensed dentist practicing as an individual dentist practice, who is in good

submission in Appropriations	standing and enrolled as a Medi-Cal services provider, and who is changing the location of that individual practice within the same county, is eligible to instead file a change of location form in lieu of submitting a complete application package. This bill would make conforming changes to the provisions that govern applying to be a provider in the Medi-Cal program, or for a change of location by an existing provider, to include a doctor of podiatric medicine licensed by the California Board of Podiatric Medicine.
AB 342 **Gipson** **Current Status: Passed Assembly. Referred to Senate.**	**Health Care Coverage: Colorectal Cancer Screening and Testing** **Summary:** Would require a health care service plan contract or a health insurance policy, except as specified, that is issued, amended, or renewed on or after January 1, 2022, to provide coverage for colorectal cancer screening examinations and laboratory tests, as specified. The bill would require the coverage to include additional colorectal cancer screening examinations as listed by the United States Preventive Services Task Force as a recommended screening strategy and at least at the frequency established pursuant to regulations issued by the federal Centers for Medicare and Medicaid Services for the Medicare program if the individual is at high risk for colorectal cancer. The bill would prohibit a health care service plan contract or a health insurance policy from imposing cost sharing on an individual who is between 50 and 75 years of age for colonoscopies conducted for specified purposes.
AB 347 **Arambula** **Current Status: Passed Assembly. Referred to Senate.**	**Healthcare Coverage: Step Therapy** **Summary:** Would clarify that a health care service plan may require step therapy if there is more than one drug that is appropriate for the treatment of a medical condition. The bill would require a health care service plan or health insurer to expeditiously grant a step therapy exception if specified criteria are met. The bill would authorize an enrollee or insured or their designee, guardian, primary care physician, or health care provider to file an appeal of a prior authorization or the denial of a step therapy exception request, and would require a health care service plan or health insurer to designate a clinical peer to review those appeals. The bill would require a health care service plan, health insurer, or utilization review organization to annually report specified information about their step therapy exception requests and prior authorization requests to the Department of Managed Health Care or the Department of Insurance, as appropriate.
AB 361 **Robert-Rivas** **Current Status: Passed Assembly. Referred to Senate**	**Open Meetings: Local Agencies Teleconferences** **Summary:** Would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting for the purpose of declaring or ratifying a local emergency, during a declared state or local emergency, as those terms are defined, when state or local health officials have imposed or recommended measures to promote social distancing, and during a declared local emergency provided the legislative body makes certain determinations by majority vote.
AB 382 **Kamlager** **Current Status: Passed Assembly. Referred to Senate**	**Whole Child Model Program** **Summary:** Current law authorizes the State Department of Health Care Services to establish a Whole Child Model (WCM) program, under which managed care plans served by a county organized health system or Regional Health Authority in designated counties provide CCS services to Medi-Cal eligible CCS children and youth. Current law requires the department to establish a statewide WCM program stakeholder advisory group that includes specified persons, such as CCS case managers, to consult with that advisory group on the implementation of the WCM, and to consider the advisory group's recommendations on prescribed matters. Existing law terminates the advisory group on December 31, 2021. This bill would instead terminate the advisory group on December 31, 2023.

AB 383 **Salas** **Current Status: Passed Assembly. Referred to Senate.**	**Mental Health: Older Adults** **Summary:** Would establish within the State Department of Health Care Services an Older Adult Mental Health Services Administrator to oversee mental health services for older adults. The bill would require that position to be funded with administrative funds from the Mental Health Services Fund. The bill would prescribe the functions of the administrator and its responsibilities, including, but not limited to, developing outcome and related indicators for older adults for the purpose of assessing the status of mental health services for older adults, monitoring the quality of programs for those adults, and guiding decision making on how to improve those services.
AB 454 **Rodriguez** **Current Status: Held under submission in Appropriations**	**Healthcare Provider Emergency Payments** **Summary:** Would authorize the Director of the Department of Managed Health Care or the Insurance Commissioner to require a health care service plan or health insurer to provide specified payments and support to a provider during and at least 60 days after the end of a declared state of emergency, as specified. The bill would require a health care service plan or health insurer to provide all contracted capitation payments to its contracted network providers in the area of the declared emergency for the duration of the emergency and at least 60 days after its end.
AB 457 **Santiago** **Current Status: Passed Assembly. Referred to Senate.**	**Telehealth Patients' Bill of Rights** **Summary:** Would create the Telehealth Patient Bill of Rights, which would, among other things, protect the rights of a patient using telehealth to been seen by a health care provider with a physical presence within a reasonable geographic distance from the patient's home, unless specified exceptions apply. The bill would require a health plan, as defined, to comply with the requirements in the Telehealth Patient Bill of Rights and to provide written notice to patients of all their rights under the Telehealth Bill of Rights. The bill would also exempt a health care service plan or a health insurer from the existing telehealth payment parity provisions for any interaction where the health care provider is not located within a reasonable geographic distance of the patient's home, unless that provider holds specialized knowledge not available in the patient's region.
AB 470 **Carrillo** **Current Status: Passed Assembly. Referred to Senate.**	**Medi-Cal Eligibility** **Summary:** Would declare the intent of the Legislature to enact legislation to eliminate the consideration of assets for the purpose of determining Medi-Cal eligibility.
AB 507 **Kalra** **Current Status: 2 Year**	**Health Care Service Plans: Review of Rate Increase** **Summary:** The Knox-Keene Health Care Service Plan Act of 1975 provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Current law requires a health care service plan in the individual, small group, or large group markets to file rate information with the Department of Managed Health Care, as specified. Current law requires the information submitted to be made publicly available, except as specified, and requires the department and the health care service plan to make specified information, including justification for an unreasonable rate increase, readily available to the public on their internet websites in plain language. This bill would make technical, nonsubstantive changes to those provisions.
AB 510 **Wood**	**Out of Network Healthcare Benefits**

Current Status: 2 Year	**Summary:** Would authorize a noncontracting individual health professional, excluding specified professionals, to bill or collect the out-of-network cost-sharing amount directly from the enrollee or insured receiving services under a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, if the enrollee consents in writing or electronically at least 72 hours in advance of care. The bill would require the consent to include a list of contracted providers at the facility who are able to provide the services and to be provided in the 15 most commonly used languages in the facility's geographic region.
AB 521 **Mathis** **Current Status: Held under submission in Appropriations**	**Medi-Cal Unrecovered Payments: Interest Rates** **Summary:** Current law requires the Director of Health Care Services to establish administrative appeal processes to review grievances or complaints arising from the findings of an audit or examination. Under existing law, if recovery of a disallowed payment has been made by the department, a provider who prevails in an appeal of that payment is entitled to interest at the rate equal to the monthly average received on investments in the Surplus Money Investment Fund, or simple interest at the rate of 7% per annum, whichever is higher. Under existing law, with exceptions, interest at that same rate is assessed against any unrecovered overpayment due to the department. In the case of an assessment against any unrecovered overpayment due to the department, this bill would authorize the director to waive any or all of the interest or penalties owed as part of a repayment agreement entered into with the provider for up to 12 months, or 24 months for a large clinic, as defined, if the director determines that specified factors apply, including a demonstration that imposing the interest or penalties would have a high likelihood of creating a financial hardship for the provider or a significant danger of reducing the provision of needed health care services, a finding that the overpayment is due to a change in rate for a particular service that is not the fault of the provider, or for any situation in which the department recoups an overpayment pursuant to an audit or examination for specified reasons, and the first statement of account status or demand for repayment is issued on or after July, 1, 2020.
AB 540 **Petrie-Norris** **Current Status: Passed Assembly. Referred to Senate.**	**Program for All Inclusive Care for Elderly** **Summary:** Current state law establishes the California Program of All-Inclusive Care for the Elderly (PACE program) to provide community-based, risk-based, and capitated long-term care services as optional services under the state's Medi-Cal State Plan, as specified. Current law authorizes the State Department of Health Care Services to enter into contracts with various entities for the purpose of implementing the PACE program and fully implementing the single-state agency responsibilities assumed by the department in those contracts, as specified. This bill would exempt a beneficiary who is enrolled in a PACE organization with a contract with the department from mandatory or passive enrollment in a Medi-Cal managed care plan.
AB 563 **Berman** **Current Status: Passed Assembly. Referred to Senate.**	**School Based Health Programs** **Summary:** Would require the State Department of Education to, no later than July 1, 2022, establish an Office of School-Based Health Programs for the purpose of administering current health-related programs under the purview of the State Department of Education and advising it on issues related to the delivery of school-based Medi-Cal services in the state. The bill would require the office to, among other things, provide technical assistance, outreach, and informational materials to LEAs on allowable services and on the submission of claims.
AB 586 **O'Donnell**	**Pupil Health: Mental Health Services Funding**

Current Status: Passed Assembly. Referred to Senate.	**Summary:** Would express the intent of the Legislature to enact legislation that would develop a two-year grant program to assist local educational agencies in building infrastructure and partnerships to secure ongoing federal Medi-Cal funding for mental health services, as provided. The bill would make various findings and declarations regarding pupil mental health.
AB 601 **Fong** **Current Status: 2 Year**	**Medi-Cal Reimbursement** **Summary:** Current law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including clinical laboratory or laboratory services. The Medi-Cal program is, in part, governed by, and funded pursuant to, federal Medicaid program provisions. Current law requires the department to develop, subject to federal approval, reimbursement rates for clinical or laboratory services according to specified standards, such as requiring that reimbursement to providers for those services not exceed the lowest of enumerated criteria, including 80% of the lowest maximum allowance established by the federal Medicare Program for the same or similar services. This bill would make a technical, non-substantive change to these provisions.
AB 671 **Wood** **Current Status: Ordered to inactive**	**Medi-Cal Pharmacy Benefits** **Summary:** Would require the Department of Health Care Services to provide a disease management or similar payment to a pharmacy that the department has contracted with to dispense a specialty drug to Medi-Cal beneficiaries in an amount necessary to ensure beneficiary access, as determined by the department based on the results of the survey completed during the 2020 calendar year.
AB 752 **Nazarian** **Current Status: Held under submission in Appropriations**	**Prescription Drug Coverage** **Summary:** Would require a health care service plan or health insurer, or an entity acting on its behalf, to furnish specified information about a prescription drug upon request by an enrollee or insured, their health care provider, or a third party acting on their behalf. The bill would set forth requirements for the request and response, including that they comply with established industry content and transport standards. The bill would prohibit a health care service plan or health insurer from restricting a health care provider from sharing the information furnished about the prescription drug or penalizing a provider for prescribing a lower cost drug.
AB 797 **Wicks** **Current Status: 2 Year**	**Healthcare Coverage: Treatment for Infertility** **Summary:** Would require every health care service plan contract or health insurance policy that is issued, amended, or renewed on or after January 1, 2022, to provide coverage for the treatment of infertility. The bill would revise the definition of infertility, and would remove the exclusion of in vitro fertilization from coverage. The bill would delete the exemption for religiously affiliated employers, health care service plans, and health insurance policies, from the requirements relating to coverage for the treatment of infertility, thereby imposing these requirements on these employers, plans, and policies.
AB 848 **Calderon**	**Medi-Cal: Monthly Maintenance Amount: Personal and Incidental Needs** **Summary:** Current law requires the State Department of Health Care Services to establish income levels for maintenance need at the lowest levels that reasonably permit a medically needy person to meet their basic needs for food, clothing, and shelter, and for which federal financial participation will still be provided under applicable federal law. In calculating the income of a medically needy person in a

Current Status: Held under submission in Appropriations	medical institution or nursing facility, or a person receiving institutional or noninstitutional services from a Program of All-Inclusive Care for the Elderly organization, the required monthly maintenance amount includes an amount providing for personal and incidental needs in the amount of not less than $35 per month while a patient. Current law authorizes the department to increase, by regulation, this amount as necessitated by increasing costs of personal and incidental needs. This bill would increase the monthly maintenance amount for personal and incidental needs from $35 to $80, and would require the department to annually adjust that amount by the same percentage as the Consumer Price Index.
AB 852 **Wood** **Current Status: Passed Assembly. Referred to Senate.**	**Nurse Practitioners: Scope of Practice: Practice without Standardized Procedures** **Summary:** Current law authorizes a nurse practitioner who meets certain education, experience, and certification requirements to perform, in certain settings or organizations, specified functions without standardized procedures, including, but not limited to, conducting an advanced assessment; ordering, performing, and interpreting diagnostic procedures, as specified; and prescribing, administering, dispensing, and furnishing controlled substances. Current law, beginning January 1, 2023, authorizes a nurse practitioner to perform the functions described above without standardized procedures outside of the specified settings or organizations, in accordance with certain conditions and requirements, if the nurse practitioner holds an active certification issued by the board. This bill would refer to practice protocols instead of individual protocols and would delete the requirement to obtain physician consultation in the case of acute decompensation of patient situation. The bill would revise the requirement to establish a referral plan, as described above, and would require the referral plan to address the circumstance of a patient that has acute and unexpected decompensation or rare condition.
AB 862 **Chen** **Current Status: 2 Year**	**Medi-Cal: Emergency Medical Transportation Services** **Summary:** The Medi-Cal Emergency Medical Transportation Reimbursement Act, imposes a quality assurance fee for each emergency medical transport provided by an emergency medical transport provider subject to the fee in accordance with a prescribed methodology. Current law exempts an eligible provider from the quality assurance fee and add-on increase for the duration of any Medi-Cal managed care rating during which the program is implemented. Existing law requires each applicable Medi-Cal managed care health plan to satisfy a specified obligation for emergency medical transports and to provide payment to noncontract emergency medical transport providers, and provides that this provision does not apply to an eligible provider who provides noncontract emergency medical transports to an enrollee of a Medi-Cal managed care plan during any Medi-Cal managed care rating period that the program is implemented. The bill would provide that during the entirety of any Medi-Cal managed care rating period for which the program is implemented an eligible provider shall not be an emergency medical transport provider, as defined, who is subject to a quality assurance fee or eligible for the add-on increase, and would provide that the program's provisions do not affect the application of the specified add-on to any payment to a nonpublic emergency medical transport provider.
AB 875 **Wood**	**Medi-Cal Covered Benefits** **Summary:** Current law authorizes the State Department of Health Care Services to enter into various types of contracts for the provision of services to beneficiaries, including contracts with a Medi-Cal managed care plan. Current law requires the department to pay capitations rates to health plans participating in the Medi-Cal managed care program using actuarial methods, and authorizes the department to establish health-

Current Status: Held under submission in Appropriations	plan- and county-specific rates, as specified. Current law requires the department to utilize health-plan- and county-specific rates for specified Medi-Cal managed care plan contracts, and requires those developed rates to include identified specified information, such as health-plan-specific encounter and claims data. Current federal law authorizes specified managed care entities that participate in a state's Medicaid program to cover, for enrollees, services or settings that are in lieu of services and settings otherwise covered under a state plan. This bill would require those mandatorily developed health-plan- and county-specific rates for specified Medi-Cal managed care plan contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan.
AB 882 **Gray** **Current Status: Held under submission in Appropriations**	**Proposition 56 Medi-Cal Physicians and Dentists Loan Repayment Act Program** **Summary:** Current law, until January 1, 2026, establishes the Proposition 56 Medi-Cal Physicians and Dentists Loan Repayment Act Program, which requires the department to develop and administer the program to provide loan assistance payments to qualifying, recent graduate physicians and dentists that serve beneficiaries of the Medi-Cal program and other specified health care programs using moneys from the Healthcare Treatment Fund. Current law requires this program to be funded using moneys appropriated to the department for this purpose in the Budget Act of 2018, and requires the department to administer 2 separate payment pools for participating physicians and dentists, respectively, consistent with the allocations provided for in the Budget Act of 2018. For purposes of that program, and by January 1, 2022, this bill would require the department to exclusively provide loan assistance payments to Medi-Cal physicians and dentists who practice in federally designated health professional shortage areas, and to annually verify that these providers continue to practice in those designated areas.
AB 933 **Daly** **Current Status: 2 Year**	**Prescription Drug Cost Sharing** **Summary:** The Knox-Keene Health Care Service Plan Act of 1975 provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Current law provides for the regulation of health insurers by the Department of Insurance. Current law limits the maximum amount an enrollee or insured may be required to pay at the point of sale for a covered prescription drug to the lesser of the applicable cost-sharing amount or the retail price. This bill would require an enrollee's or insured's defined cost sharing for each prescription drug to be calculated at the point of sale based on a price that is reduced by an amount equal to 90% of all rebates received, or to be received, in connection with the dispensing or administration of the drug.
AB 1011 **Waldron** **Current Status: 2 Year**	**Health Care Coverage: Substance Use Disorder** **Summary:** Would require health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2022, that provide outpatient prescription drug benefits to cover all medically necessary prescription drugs approved by the United States Food and Drug Administration (FDA) for treating substance use disorders that are appropriate for the specific needs of an enrollee or insured, and would require those drugs to be placed on the lowest cost-sharing tier of the plan or insurer's prescription drug formulary, unless specified criteria are met. The bill would prohibit these contracts and policies from imposing prescribed requirements, including prior authorization or step therapy requirements on a prescription drug approved by the FDA for treating substance use disorders, unless specified criteria are met.
AB 1050 **Gray**	**Medi-Cal Application for Enrollment Prescription Drugs** **Summary:** The Telephone Consumer Protection Act, among other provisions, prohibits any person within the United States, or any person outside the United States if the recipient is within the United States, from making any call to any telephone number

Current Status: Held under submission in Appropriations	assigned to a paging service, cellular telephone service, specialized mobile radio service, or other radio common carrier service, or any service for which the called party is charged for the call, without the prior express consent of the called party, using any automatic telephone dialing system or an artificial or prerecorded voice. Under current case law, a text message is considered a call for purposes of those provisions. This bill would require the application for enrollment to include a statement that if the applicant is approved for Medi-Cal benefits, the applicant agrees that the department, county welfare department, and a managed care organization or health care provider to which the applicant is assigned may communicate with them regarding their care or benefits through all standard forms of communication, including, but not limited to, Free to End User text messaging.
AB 1051 **Bennett** **Current Status: Passed Assembly. Referred to Senate.**	**Medi-Cal: Specialty Mental Health Services Foster Youths** **Summary:** Current law requires the State Department of Health Care Services to issue policy guidance concerning the conditions for, and exceptions to, presumptive transfer of responsibility for providing or arranging for specialty mental health services to a foster youth from the county of original jurisdiction to the county in which the foster youth resides, as prescribed. This bill would make those provisions for presumptive transfer inapplicable to a foster youth or probation-involved youth placed in a group home or a short-term residential therapeutic program (STRTP) outside of their county of original jurisdiction, as specified.
AB 1064 **Fong** **Current Status: Passed Assembly. Referred to Senate.**	**Pharmacy Practice: Vaccines** **Summary:** Current law provides additional authority for the pharmacist to independently initiate and administer any COVID-19 vaccines approved or authorized by the federal Food and Drug Administration, or vaccines listed on the routine immunization schedules recommended by the federal Advisory Committee on Immunization Practices (ACIP), in compliance with individual ACIP vaccine recommendations, and published by the federal Centers for Disease Control and Prevention for persons 3 years of age and older. This bill would recast this provision to instead authorize a pharmacist to independently initiate and administer any vaccine approved or authorized by the United States Food and Drug Administration for persons 3 years of age and older.
AB 1102 **Low** **Current Status: Passed Assembly. Referred to Senate.**	**Telephone Medical Advice Services** **Summary:** Would specify that a telephone medical advice service is required to ensure that all health care professionals who provide telephone medical advice services from an out-of-state location are operating consistent with the laws governing their respective licenses. The bill would specify that a telephone medical advice service is required to comply with all directions and requests for information made by the respective healing arts licensing boards.
AB 1107 **Boerner** **Current Status: 2 Year**	**Emergency Ground Medical Transportation** **Summary:** Would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2022, that offers coverage for emergency ground medical transportation services to include those services as in-network services and would require the plan or insurer to pay those services at the contracted rate pursuant to the plan contract or policy. Because a willful violation of the bill's requirements relative to a health care service plan would be a crime, the bill would impose a state-mandated local program.
AB 1132 **Wood**	**Medi-Cal** **Summary:** The Medi-Cal 2020 Demonstration Project Act requires the State Department of Health Care Services to implement specified components of a Medi-Cal

Current Status: Passed Assembly. Referred to Senate.	demonstration project, including the Global Payment Program and the Whole Person Care pilot program, consistent with the Special Terms and Conditions approved by the federal Centers for Medicare and Medicaid Services. Pursuant to existing law, the department has created a multiyear initiative, the California Advancing and Innovating Medi-Cal (CalAIM) initiative, for purposes of building upon the outcomes of various Medi-Cal pilots and demonstration projects, including the Medi-Cal 2020 demonstration project. This bill would make specified portions of the CCI operative only through December 31, 2022, as specified, and would repeal its provisions on January 1, 2025.
AB 1162 **Villapudua** **Current Status: Held under submission in Appropriations**	**Healthcare Coverage: Claims Payment** **Summary:** Would require a health care service plan or health insurer to provide access to medically necessary health care services to its enrollees or insureds that are displaced or otherwise affected by a state of emergency. The bill would allow the Department of Managed Health Care to also suspend requirements for prior authorization during a state of emergency.
AB 1178 **Irwin** **Current Status: Held under submission in Appropriations**	**Medi-Cal: Serious Mental Illness, Drug** **Summary:** The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, the provision of prescription drugs is a Medi-Cal benefit, subject to the list of contract drugs and utilization controls. After a determination of cost benefit, current law requires the Director of Health Care Services to modify or eliminate the requirement of prior authorization as a control for treatment, supplies, or equipment that costs less than $100, except for prescribed drugs. This bill would delete the prior authorization requirement for any drug prescribed for the treatment of a serious mental illness, as defined, for a period of 365 days after the initial prescription has been dispensed for a person over 18 years of age who is not under the transition jurisdiction of the juvenile court.
AB 1468 **Cunningham** **Current Status: Held under submission in Appropriations**	**Prior Authorization** **Summary:** Prior Auth – this bill establishes specific requirements for the PA process, and prohibits PA for certain services for new episodes of care. It does not exclude Medi-Cal.
SB 40 **Hurtado** **Current Status: Passed Senate. Referred to Assembly.**	**Healthcare Workforce Development: California Medicine Scholars Program** **Summary:** Would create the California Medicine Scholars Program, a 5-year pilot program commencing January 1, 2023, and would require the Office of Statewide Health Planning and Development to establish and facilitate the pilot program. The bill would require the pilot program to establish a regional pipeline program for community college students to pursue premedical training and enter medical school, in an effort to address the shortage of primary care physicians in California and the widening disparities in access to care in vulnerable and underserved communities, including building a comprehensive statewide approach to increasing the number and representation of minority primary care physicians in the state.
SB 221 **Wiener**	**Timely Access for Follow-up Care** **Summary:** Has explicit language about applying timely access standards to follow-up mental health appointments, not just initial appointments. Includes language about coordinating interpreter services so that they are available at the time of the

Current Status: Passed Senate. Referred to Assembly.	appointment. Specifies timely access standards for: urgent (w/ and w/o PA), non-urgent for primary care, non-urgent specialist, and non-urgent for appointments with nonphysician mental health or SUD providers. Requires that plans ensure telephone triage or screening services 24/7 with a waiting time not to exceed 30 minutes. Requires that plans ensure waiting time of no longer than 10 minutes to speak with a CSR. Does not exempt Medi-Cal.
SB 250 **Pan** **Current Status: Passed Senate. Referred to Assembly.**	**Healthcare Coverage** **Summary:** This bill would authorize DMHC and the Insurance Commissioner, as appropriate, to review a plan's or insurer's clinical criteria, guidelines, and utilization management policies to ensure compliance with existing law. If the criteria and guidelines are not in compliance with existing law, the bill would require the Director of the Department of Managed Health Care or the commissioner to issue a corrective action and send the matter to enforcement, if necessary. The bill would require each department, on or before July 1, 2022, to develop a methodology for a plan or insurer to report the number of prospective utilization review requests it denied in the preceding 12 months. This bill would require a plan or insurer and its delegated entities, on or before January 1, 2023, and annually thereafter, to report, among other things, its average number of denied prospective utilization review requests, as specified. The bill would require, on and after January 1, 2023, a plan or insurer to examine a physician's record of prospective utilization review requests during the preceding 12 months and grant the physician "deemed approved" status for 2 years, meaning an exemption from the prospective utilization review process, if specified criteria are met. The bill would authorize a plan or insurer to request an audit of a physician's records after the initial 2 years of a physician's deemed approved status and every 2 years thereafter, and would specify the audit criteria by which a physician would keep or lose that status.
SB 274 **Wieckowski** **Current Status: Passed Senate. Referred to Assembly.**	**Local Government Meetings: Agenda and Documents** **Summary:** The Ralph M. Brown Act, requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require a local agency with an internet website, or its designee, to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. If a local agency determines it to be technologically infeasible to send a copy of the documents or a link to a website that contains the documents by mail or by other electronic means, the bill would require the legislative body or its designee to send by mail a copy of the agenda or a website link to the agenda and to mail a copy of all other documents constituting the agenda packet, as specified.
SB 279 **Pan** **Current Status: Ordered to inactive file.**	**Medi-Cal Medically Necessary Services** **Summary:** Current law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive medically necessary health care services, including Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) for an individual under 21 years of age, subject to utilization controls and consistent with federal requirements. Under current state law, for individuals 21 years of age and older, a service is "medically necessary" if it is reasonable and necessary to protect life, to prevent significant illness or

	significant disability, or to alleviate severe pain and for individuals under 21 years of age, "medically necessary" or "medical necessity" standards are governed by the definition in federal law. This bill would make non-substantive changes to that provision of law.
SB 280 **Limon** **Current Status: Passed Senate. Referred to Assembly.**	**Health Insurance: Large Group Health Insurance** **Summary:** Would require a large group health insurance policy issued, amended, or renewed on or after July 1, 2022, to cover medically necessary basic health care services, as defined. The bill would authorize the commissioner to adopt regulations to implement these provisions. The bill would require these provisions to apply to an individual, group, or blanket disability insurance policy if a specified condition is met.
SB 281 **Dodd** **Current Status: Passed Senate. Referred to Assembly.** .	**Medi-Cal: California Community Transitions Program** **Summary**: Existing law requires the State Department of Health Care Services to provide services consistent with the Money Follows the Person Rebalancing Demonstration for transitioning eligible individuals out of an inpatient facility who have not resided in the facility for at least 90 days, and to cease providing those services on January 1, 2024. Existing law repeals these provisions on January 1, 2025. This bill would instead require the department to provide those services for individuals who have not resided in the facility for at least 60 days, and would make conforming changes. The bill would require the department to use federal funds, which are made available through the Money Follows the Person Rebalancing Demonstration, to implement prescribed services, and to administer those services in a manner that attempts to maximize federal financial participation if those services are not reauthorized or if there are insufficient funds.
SB 293 **Limon** **Current Status: Passed Senate. Referred to Assembly.**	**Medi-Cal: Specialty Mental Health Services** **Summary:** Current law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including specialty mental health services, and Early and Periodic Screening, Diagnostic, and Treatment services for an individual under 21 years of age. This bill would require, on or before January 1, 2023, the department, in consultation with specified groups, including representatives from the County Welfare Directors Association of California, to identify all forms currently used by each county mental health plan contractor for purposes of determining eligibility and reimbursement for specialty mental health services provided under the Early and Periodic Screening, Diagnostic, and Treatment Program, and to develop standard forms for the intake of, assessment of, and the treatment planning for, Medi-Cal beneficiaries who are eligible for those services to be used by all counties.
SB 368 **Limon** **Current Status: Passed Senate. Referred to Assembly.**	**Healthcare Coverage: Deductibles and Out of Pocket Expenses** **Summary:** Would, for a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, in the individual or group market, require the health care service plan or health insurer to monitor an enrollee's or insured's accrual balance toward their annual deductible and out-of-pocket maximum, if any. The bill would require a health care service plan or health insurer to provide an enrollee or insured with their accrual balance toward their annual deductible and out-of-pocket maximum on a monthly basis during any month in which benefits were used, and would allow an enrollee or insured to request their most up-to-date accrual balances from their health care service plan or health insurer at any time.
SB 428 **Hurtado**	**Healthcare Coverage: Adverse Childhood Experiences**

Current Status: Passed Senate. Referred to Assembly.	**Summary:** Would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, to provide coverage for adverse childhood experiences screenings. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.
SB 508 **Stern** **Current Status: 2 Year**	**Mental Health Coverage: School Based Services** **Summary:** Current law provides that specified services, including targeted case management services for children with an individual education plan or an individualized family service plan, provided by local educational agencies (LEAs), are covered Medi-Cal benefits, and authorizes an LEA to bill for those services. Existing law requires the department to perform various activities with respect to the billing option for services provided by LEAs. Current law authorizes a school district to require the parent or legal guardian of a pupil to keep current at the pupil's school of attendance certain emergency information. This bill would authorize an LEA to have an appropriate mental health professional provide brief initial interventions at a school campus when necessary for all referred pupils, including pupils with a health care service plan, health insurance, or coverage through a Medi-Cal managed care plan, but not those covered by a county mental health plan."
SB 523 **Levya** **Current Status: Passed Senate. Referred to Assembly.**	**Healthcare Coverage: Contraceptives** **Summary:** Current law establishes health care coverage requirements for contraceptives, including, but not limited to, requiring a health care service plan, including a Medi-Cal managed care plan, or a health insurance policy issued, amended, renewed, or delivered on or after January 1, 2017, to cover up to a 12-month supply of federal Food and Drug Administration approved, self-administered hormonal contraceptives when dispensed at one time for an enrollee or insured by a provider or pharmacist, or at a location licensed or authorized to dispense drugs or supplies. This bill, the Contraceptive Equity Act of 2021, would make various changes to expand coverage of contraceptives by a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on and after January 1, 2022, including requiring a health care service plan or health insurer to provide point-of-sale coverage for over-the-counter FDA-approved contraceptive drugs, devices, and products at in-network pharmacies without cost-sharing or medical management restrictions and to reimburse enrollees and insureds for out-of-pocket costs for over-the-counter birth control methods purchased at any out-of-network pharmacy in California, without medical management restrictions.
SB 562 **Portantino** **Current Status: Passed Senate. Referred to Assembly.**	**Healthcare Coverage: Pervasive Developmental Disorders or Autism** **Summary:** Current law requires a health care service plan contract or a health insurance policy to provide coverage for behavioral health treatment for pervasive developmental disorder or autism. Current law defines "behavioral health treatment" for these purposes to mean professional services and treatment programs, including applied behavior analysis and evidence-based behavior intervention programs that meet specified criteria. This bill would modify that definition to mean professional services and treatment programs based on behavioral, developmental, relationship based, or other evidence-based models, including applied behavior analysis and other evidence-based behavior intervention programs that meet the specified criteria.

DATE: June 23, 2021

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

FROM: Dr. Dale Bishop, Chief Medical Officer

SUBJECT: COVID-19 Update

Recommendation. There is no recommended action associated with this agenda item.

Background. Throughout May and June, rates of new COVID-19 positive cases, hospitalizations and deaths continued to decrease to very low numbers in all three Alliance counties, In the first week of June, Santa Cruz and Monterey Counties were in the yellow tier (minimal), and Merced County in the orange tier (moderate). With decreasing case rates, stabilizing hospitalizations and increased availability of vaccines statewide, the California Blueprint for a Safer Economy tier system ended on June 15, 2021 and is now replaced by the Beyond the Blueprint eliminating the tier system of economic restrictions and allowing normal operations to resume in nearly all sectors.

As of June 7, 2021, the total number of cases, deaths, and recent percent of positive tests reported in each county website was as follows:

County	Positive Cases	Deaths	Positive Case % in last 14 days
Merced	32,193	471	2
Monterey	43,777	419	1
Santa Cruz	16,200	206	1

COVID-19 Vaccination Rates. As of June 1, 2021, vaccine penetration from available Alliance data sources, including vaccine registries and DHCS encounter data, is as follows:

Number and Percent of Members Partially Vaccinated by County and Age Group (December – May)

	Merced		Monterey		Santa Cruz	
Age Groups	N Vax	% Vax	N Vax	% Vax	N Vax	% Vax
AGES 12-19	2,106	17%	4,528	28%	2,051	35%
AGES 20-44	11,035	25%	19,786	39%	10,870	42%
AGES 45-64	7,963	42%	12,320	55%	7,567	53%
AGES 65-74	3,424	59%	4,278	61%	2,701	63%
AGES 75-84	1801	61%	2,148	62%	1,176	64%
AGES 85+	744	63%	1,002	63%	535	72%

Number and Percent of Members Partially Vaccinated by County (Age 12 and over)
(December- May)

	Adult Population	Vaccinees	% Alliance Population
Merced	85,125	9,291	11%
Monterey	101,232	13,767	14%
Santa Cruz	52,705	8,453	16%
Total	239,062	31,592	13%

Number and Percent of Members Fully Vaccinated by County (Age 12 and over)
(December – May)

	Adult Population	Vaccinees	% Alliance Population
Merced	85,125	17,782	21%
Monterey	101,232	30,295	30%
Santa Cruz	52,705	16,447	31%
Total	239,062	64,734	27%

Number and Percent of Members by Race/Ethnicity Partially and Fully Vaccinated
(Age 12 and over)
(December – May)

Race/Ethnicity	Fully Vaccinated	% Fully Vax	Partially Vaccinated	% Partially Vax	Grand Total	Total pop (12+)	Total 12+ Vax (Partial +)
Alaskan Native or American Indian	140	21%	58	9%	198	680	29%
Asian Indian	841	40%	329	16%	1,170	2,122	55%
Asian or Pacific Islander	952	33%	417	15%	1,369	2,856	48%
Black	1,218	16%	596	8%	1,814	7,488	24%
Cambodian	55	37%	25	17%	80	150	53%
Chinese	341	44%	140	18%	481	783	61%
Filipino	5,170	32%	2,059	13%	7,229	16,213	45%
Guamanian	22	20%	12	11%	34	110	31%
Hawaiian	29	20%	21	15%	50	143	35%
Hispanic	38,035	21%	19,462	11%	57,497	180,237	32%
Japanese	108	41%	59	23%	167	262	64%
Korean	182	43%	59	14%	241	426	57%
Laotian	183	31%	78	13%	261	583	45%
Not Provided	62	43%	22	15%	84	144	58%

Other	3,744	27%	1,998	15%	5,742	13,748	42%
Samoan	23	11%	17	8%	40	217	18%
Vietnamese	440	46%	186	19%	626	958	65%
White	13,204	25%	6,130	12%	19,334	52,164	37%
Grand Total (incl IHSS)	**64,751**	**23%**	**31,668**	**11%**	**96,419**	**279,294**	**35%**

COVID-19 Quality Improvement Plan and Pandemic Care: Member Outreach Calls. The Quality and Health Programs (QHP) team continues to engage with members through various COVID-19-member outreach campaigns telephonically and are providing members with resources and vaccine information. Between Q1-Q2 2021, the QHP staff have supported the following COVID-19 outreach efforts with a total of N=1,791:

- COVID-19 vaccine for high-risk 65 and older members for Monterey and Santa Cruz counties (n=434)
- COVID-19 vaccine for high-risk 16-64 members for Merced, Monterey, and Santa Cruz counties (n=254)
- COVID-19 vaccine for moderate risk 16-64 members for Merced county (n=1,103)

Key Outcomes

- About half of the individuals the QHP team has successfully engaged with has had either their first dosage or is fully vaccinated.
- A few members are working with their PCPs/Specialists as they have health complications and are unsure if they are eligible for the vaccine (i.e. cancer treatments, liver transplant, cell transplant).
- There is misinformation about the vaccine safety/side effects and members are wanting to learn more and deciding to wait to speak to their PCP/Specialist.
- The majority of members had already made a personal choice to not receive the vaccine with no reason being provided.
- When the data is broken further by county and language, there are geographical differences and language spoken amplified these disparities (i.e. high "refused/unsure" by language: English speakers, by county: Merced County).
- Cultural Considerations: family beliefs (i.e. members wanting to be vaccinated together as a family, where can the family go to receive the vaccine and the role of extended family members in decision.

What we've learned, QHP outreach efforts are assisting with:

- Guiding members with "misinformation" they have received (i.e. I've already had COVID-19, do I still need the vaccine; do I need to have both shots; the vaccine is a hoax).
- Addressing challenges with members who have low health literacy.
- Providing COVID-19 vaccine information to extended family members.

Pandemic Care Communications. The team continues to execute several broad communications tactics with timely messages about the COVID-19 vaccine and reminders on the importance of masking and social distancing. The deliverables included updates to messaging in three languages, including updates about vaccine eligibility and messages

addressing vaccine hesitancy. These messages are on our COVID-19 website page, our Facebook page, our flyer and a video encouraging people to get vaccinated in order to get back to the moments they have missed. In addition, we also launched our first community e-newsletter, *The Beat*, which will be delivered bi-monthly to a variety of community partners, providers, municipal partners and other stakeholders. The first issue included an article that highlighted key facts about COVID-19 vaccines. Staff will continue to develop communications as emerging messages are identified through the Pandemic Care Task Force committees.

Workspace Reentry. The Workspace Reentry Taskforce has developed a tiered reopening plan, beginning in September which will be responsive to local COVID activity.

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

Attachments. N/A

DATE: June 23, 2021

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

FROM: Dr. Dianna Diallo, Medical Director

SUBJECT: Fee-For-Service Care-Based Incentive 2022 Measure Update

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Recommendation. Staff recommend the Board approve proposed changes to remove the Buprenorphine License (X-License Waiver) Fee-For-Service (FFS) measure from the Care-Based Incentives (CBI) payments for 2022.

Summary. This report makes a recommendation for FFS program changes to CBI 2022.

Background. Buprenorphine is a medication-assisted treatment drug for people diagnosed with opioid use disorder. In order to prescribe or dispense buprenorphine, physicians needed to qualify for a physician waiver, which included completing the required training and applying for the physician waiver. The Buprenorphine License CBI measure was originally intended to provide $1,000 in compensation for time spent in training and the cost of the X-License certification with the goal of expanding our provider network for medication-assisted treatment (MAT) therapy.

On April 27, 2021, the U.S. Department of Health and Human Services (HHS) released new buprenorphine practice guidelines, removing a longtime requirement tied to training, effective April 28, 2021. The goal is to address perceived barriers around prescribing buprenorphine by exempting practitioners from the certification requirements related to training, counseling and other ancillary services (i.e. psychosocial services), to increase the availability of Medication-based Opioid Use Disorder Treatment and help address barriers to care. Practitioners utilizing the new exemption to obtain an x-license waiver under the Controlled Substances Act are limited to treating no more than 30 patients at any one time. Physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, and certified nurse midwives are required to be supervised or work in collaboration with a DEA registered physician when prescribing medications for the treatment of opioid use disorder.

Discussion. Proposed changes to CBI 2022 FFS measures are to remove the Buprenorphine License (X-License Waiver) measure. With the new exemption from HHS, staff no longer feel the incentivized compensation created in the CBI program is needed to increase MAT services for Alliance members.

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

Attachments. N/A

Biography for Wendy Todd

Wendy Todd is a driven equity activist, creative strategic planner, trust-based grantmaker, and a dynamic facilitator. Wendy launched an independent consulting practice in 2014 to help health-focused organizations learn, plan, and work collaboratively to create a more just and equitable society. Wendy's professional expertise lies in designing and facilitating cross-department and cross-sector collaborations to achieve a shared goal. With appreciative inquiry and a client-centered approach Wendy partners with clients, and their stakeholders, to leverage experience, wisdom, and resources.

Prior to launching a consulting practice, Wendy led Marin Community Foundation's Health and Aging grant portfolios. Wendy's experience also includes statewide grantmaking at Blue Shield of California Foundation, development and clinical work at community health centers, and community organizing with young people.

Wendy earned a Master's degree in Public Health from the University of California – Los Angeles and a Bachelor's degree from Clark University in Worcester, Massachusetts.

Wendy Todd Consulting website: https://www.wendytoddconsulting.com/about-us

Biography for Selma Abinader

Since 2002, the Abinader Group has helped over 200 state, and health agencies, nonprofits, community collaboratives, funding organizations, and educational institutions increase their effectiveness, relevance, and sustainability.

Selma Abinader, the founder of Abinader Group, has built an esteemed local and national reputation for her skill in designing and facilitating group conversations grounded in equity and inclusion.

Areas of service include: cultivating leadership, building collaborative capacities, formulating short and long-term strategies, evaluating results and impact, promoting inclusive decision making, developing high-performance teams, and facilitating organizational change.

2021 Environmental Scan

Introduction
The Central California Alliance for Health's mission is "accessible, quality health care guided by local innovation," and the health plan's vision is "healthy people, healthy communities". The environment the Alliance operates in is complex, reflecting the intersection of federal and state priorities with local needs and interests. This memo provides an overview of the key trends, opportunities and challenges in the Alliance's internal and external environment.

The environmental scan was prepared by the Strategic Development Director using various internal and external data sources, and with input from the Chief Financial Officer, Government Relations Director, Human Resources Director, Member Services Director, Merced County Regional Operations Director, Monterey County Regional Operations Director, Program Development Manager, Provider Services Director and Quality Improvement & Population Health Director. Several of the trends presented here highlight changes since 2017, when the Alliance developed the previous 2018-2020 Strategic Plan.

The Alliance

Membership and Enrollment

1. ***Increased Enrollment Due to COVID-19 Pandemic.*** Since 2017**,** Alliance enrollment has increased by about 4%. Enrollment decreased somewhat between 2017 and 2020 but increased by 9.5% in the last year due to the impacts of the COVID-19 public health emergency and the California Department of Health Care Services (DHCS) suspension of the annual redetermination process. Enrollment in 2021 is projected to increase by 7.6%. DHCS projects that enrollment will peak in January 2022. Enrollment attributed to suspension of the annual redetermination process is projected to decline after the expiration of the public health emergency, with DHCS anticipating the process to take twelve months.
    - As of May 2021, the Alliance had 375,593 members.
        - 36% in Merced County, 45% in Monterey County and 19% in Santa Cruz County.
        - 99.86% Medi-Cal and 0.14% IHSS.
    - Regionally, the Alliance serves over one-third (38%) of the total service area population.
        - 47% of residents in Merced County.
        - 38% of residents in Monterey County.
        - 26% of residents in Santa Cruz County.

2. ***Children and Parents/Caregivers Represent Largest Segment of Membership.*** Member distribution by age, aid code and gender has remained relatively consistent between 2017 and 2021. As of May 2021:
    - 48% of members were under the age of 20, 45% were between the ages of 20-64, and 7% were over the age of 64. Monterey County continues to skew younger than the other two counties, while Santa Cruz County skews older.

- 48% of members were in the Family aid code, followed by 26% in ACA Expansion, 13% in Child, 7% in Disabled and 5% in Aged.
- 53% of members were female and 47% were male.

3. ***Latinos Account for 2/3 of Membership.*** Member distribution by ethnicity and preferred language has also remained relatively consistent between 2017 and 2021. As of May 2021:
   - 67% of members were Hispanic, 16% were White, 10% were Asian or Pacific Islander, 2% were African American and 5% were other ethnicities.
   - 54.7% of members indicated English as their preferred language, 42.9% of members indicated Spanish, 0.7% indicated Hmong and 1.7% indicated other languages.

Financial Position

1. ***Significant Financial Losses.*** The Alliance has experienced significant financial losses since 2018. These losses are a result of increased medical costs and utilization compounded by insufficient state revenue rates. From 2018 through 2020, the operating losses totaled $155M. Staff budgeted an operating loss of $37.1M in 2021.
   - In June 2020, the Alliance Board approved a Cost Containment Plan designed to achieve rates in line with DHCS revenue rate and utilization trends, and industry standard payment. The goal of the Cost Containment Plan is to achieve a minimum net income of 1.5% by 2024.

2. ***Improved Administrative and Medical Loss Ratios.*** The Alliance's 2021 annual operating budget is $1.5B, with an MLR of 96.8% and an ALR of 5.7%. This continues a positive trend of lower administrative and medical loss ratios.

3. ***Reserves Sufficient but Below Board Designated Target*.** As of December 2020, the Alliance's fund balance was approximately $418.8M, or 83% of the Board designated target. While below the Board designated target (three months capitation revenue), the fund balance is currently seven times the minimum TNE requirement established by DMHC.
   - The Board allocated a total of $223M of the Alliance's fund balance to the Medi-Cal Capacity Grant Program in 2015 and 2016 to support efforts that advance the Alliance mission and increase Medi-Cal capacity in the service area. There is currently $110M in unallocated funds remaining for future grant investments.

Workforce

1. ***Continued Focus on FTE Management.*** As of May 24, 2021, the Alliance had 516 budgeted positions, 482 active employees and 28.5 vacant positions.

2. ***Low Voluntary Turnover Rate.*** In 2020, the Alliance's voluntary turnover rate was 5.05%. This is lower than previous years (2019 - 12.54%, 2018 - 7.93% and 2017 - 8.61%), and likely due to the COVID-19 pandemic.

3. ***New Diversity, Equity and Inclusion Initiative.*** One of the Alliance's new guiding principles is that of Equity. In 2021, the Alliance is partnering with external consultants to lead efforts in developing a comprehensive diversity, equity and inclusion (DEI)

framework that seeks to eliminate disparities in outcomes for members and promote equity in the Alliance workforce. This work will include assessing current DEI policies, programs and perceptions via a global assessment, and receiving recommendations from consultants to further develop programs, both internally and externally. The ultimate goal is to achieve health equity and results for Alliance members through a diverse, inclusive and representative workforce.

4. ***Successful Transition to Full-time Telecommuting.*** Staff have been full-time telecommuting since March 2020, due to the COVID-19 pandemic. The Workforce Reentry Taskforce monitors, evaluates and recommends office reopening, with the primary goal of employee safety at the forefront of any decision. Currently the offices are scheduled for a phased reopening starting September 7, 2021. When the offices do reopen, it is likely the Alliance will have a dispersed workforce, with some staff in the office and some working from home. Relatedly, staff are currently evaluating the appropriate use of Alliance-owned facilities in a post-pandemic environment and will return to the Board when appropriate with recommendations regarding utilization of Alliance properties.

5. ***COVID-19-Related Impacts to Workforce.*** COVID-19 leaves, whether intermittent or continuous, have impacted the Alliance workforce. While the Alliance has continued to meet deliverables, impact on staff and supervisors with staff taking time off has been difficult for some departments. Heath-related and dependent care concerns (school schedules, childcare facility capacity, etc.) will likely continue to impact staff. In order to support impacted staff, the Alliance is exploring how to continue providing flexible and reduced schedules where possible.

Provider Network

1. ***High Levels of Provider Participation*.** The Alliance continues to benefit from high levels of provider participation. Provider satisfaction as measured through the Provider Satisfaction Survey is also high, and the majority of providers surveyed indicate that they would recommend the Alliance to other practices.
   - In Merced County, 76% of available primary care physicians and 81% of available specialty care providers are contracted with the Alliance.
   - In Monterey County, 86% of available primary care physicians and 81% of available specialty care providers are contracted with the Alliance.
   - In Santa Cruz County, 93% of available primary care physicians and 90% of available specialty care providers are contracted with the Alliance.
   - The Alliance's primary care network includes safety net providers (FQHCs/RHCs/Community Clinics), as well as private practice providers. Network-wide, 64% of members are linked to safety net providers and 36% are linked to private practices. Distribution between safety net and private practices varies somewhat by county, with 64% of members in Santa Cruz County, 66% of members in Monterey County and 60% of members in Merced County linked to safety net providers.

- The Alliance contracts will all hospitals within the tri-county service area and with over 20 additional hospitals surrounding Santa Cruz, Monterey and Merced counties.

2. ***Members Have More Provider Choice.*** Increasing the number and type of providers from whom members can choose has been a focus for several years. The number of primary care practices open to new members has increased in all three counties since 2017. This continues the upward trend since 2015.
   - 37% of primary care practices in Santa Cruz County, 63% of primary care practices in Monterey County and 72% of primary care practices in Merced County are currently open to new members.

3. ***Increased Access for Members Residing in Remote Areas or Near County Borders.*** In the last year, the Alliance contracted with hospitals, PCPs, and specialists in San Luis Obispo County and bolstered the hospital network in counties surrounding Merced County. The Alliance also continued to offer and promote eConsult services for an array of specialty services. This trend of network expansion supports member choice, compliance with regulatory requirements and enhanced access points for Alliance members.

4. ***Providers Report More Timely Access.*** The 2020 Timely Access Survey showed significant improvement in provider's ability to accommodate timely access to urgent and non-urgent appointments within regulatory-required timeframes. This is consistent with improvement in member's perception of access to care shown in the two Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey access composites highlighted below.
   - During the 2020 survey year, 88% of all surveyed providers offered a *non-urgent visit within timely access standards*, and 80% offered an *urgent visit within timely access standards*.

5. ***Opportunities to Increase Behavioral Health Access*.** The Alliance recently renewed its Managed Behavioral Health Organization (MBHO) Agreement with Beacon Health Options/College Health Independent Physicians Association, effective July 1, 2021 for a period of two years. As part of this renewal, access and network expansion remain a top priority.
   - Opportunities to grow the behavioral health network in Monterey and Merced counties remain, including the opportunity to recruit providers and/or bolster services with enhanced language capability (Spanish, Hmong).
   - Member utilization of behavioral health services has improved over the last several years, however, utilization remains significantly lower in Monterey and Merced counties than in Santa Cruz County.
     - The 2020 annual utilization rate for all ages and all counties, was 4.9%. The utilization rate by county during this same period was 9.2% in Santa Cruz County, 3.9% in Merced County and 3.8% in Monterey County.
   - Utilization of telehealth services has increased dramatically over the last year due the pandemic and enhanced telehealth allowances by DHCS.
     - In December 2019, Beacon providers provided 344 telehealth visits. This increased by over 1259% to 4,677 in December 2020.

Member Experience
The 2020 CAHPS Survey results were not significantly higher or lower than the 2019 scores. Compared to the 2019 Quality Compass All Plans National Benchmark and prior Alliance performance, key highlights include:

1. ***Improved Perception of Access to Care***. Results indicate improvement in the two access composites, *Getting Needed Care* and *Getting Care Quickly*, for both the adult and child surveys from the previous year. *Getting Needed Care* is above the 75th percentile for the adult and child surveys, while *Getting Care Quickly* is above the 75th for the adult survey, but not the child survey.

2. ***High Rating of Health Plan Customer Service***. The rating of *Health Plan Customer Service* is above the 75th percentile for both the adult and child surveys.

3. ***Poor Perception of Health Care.*** The rating of *Health Care* decreased for both the adult and child surveys and is below the 25th percentile for both surveys. The results are based on an overall rating score of 8-10 as best health care possible for all their health care in the last six months.

Quality

1. ***Improved Quality in Merced County but Lower than Coastal Counties.*** Merced County HEDIS performance steadily improved from 2017 to 2020, decreasing the number of measures ranking below the 50th percentile (from 19 to 14 measures), and increasing the number of measures ranking above the 50th percentile (from 6 to 16 measures), but continues to lag behind the coastal counties. However, in 2020 Merced County did have three measures ranking above the 90th percentile for *Post-Partum Follow-Up* and *BMI Assessment (Child and Adult)*.

Health Status and Disease Prevalence
The Population Needs Assessment (PNA) focuses on health disparities, gaps in services and health status and behaviors of Alliance members in our tri-county reporting areas. The PNA also emphasizes findings related to the unique needs of Seniors and Persons with Disabilities (SPD), members with children with special health care needs, members with Limited English Proficiency and members from diverse cultural and ethnic backgrounds. Outlined below are the key findings from the Alliance's 2020 PNA report.

1. ***High prevalence of members with chronic conditions*.** Top chronic health conditions of members include Cardiovascular Disease, Asthma, Arthritis, Depression and Diabetes. In addition, obesity is most prevalent within members over the age of 21 and among members residing in Merced County (31.1%) when compared to Santa Cruz (22%) and Monterey County (21%).

2. ***High prevalence of members living in food insecure households.*** Over 50% of those surveyed in the 2016 Group Needs Assessment expressed concerns about food insecurity, likely further exacerbating some of the chronic conditions and poor perceived health status of Alliance members.

3. ***Inpatient admissions have steadily increased.*** As it relates to Diabetes and Heart Disease, both diseases continue to be among the top ten inpatient diagnoses for Alliance members, which is noteworthy given that the overall inpatient utilization rate for Alliance members increased 12%, from 73 admissions per thousand members per year (PKPY) in 2015 to 82 PKPY in 2019.

4. ***Disparities exist between ethnic groups and regions.***
   - Alliance preventive care rates compare favorably to national averages; however, there are disparities between ethnic groups for some HEDIS measures.
     - Caucasians have lower rates than Hispanics and African Americans for Prenatal Care.
     - African Americans have lower rates than Hispanics and Caucasians for several measures, including Asthma Medication Ratio, Well Infant Care 15 months, Well Child Care at 3-6 years and Diabetes A1c Screening.
     - Additional disparities occur between counties for some measures. For example, African Americans residing in Merced County have much lower rates of Immunizations for Adolescents, Childhood Immunizations (Combo 10) and Cervical Cancer Screening than those residing in the Santa Cruz/Monterey region.
     - For the children and adolescent access measure in Merced County, ethnicities other than Hispanic fell beneath the NCQA 50th percentile in both Ethnicity and Language categories. English and Hmong visit rates were significantly lower in the Language category.
   - Utilization of telephonic interpreter services increased by 3.2% from 2018 to 2019 across all counties; however, health literacy and promotion of Alliance Cultural & Linguistic resources are opportunities.
     - More than 60% of providers surveyed were not aware of or utilize the Alliance Cultural & Linguistic tools and resources.
     - The PNA member outreach identified member needs relating to health literacy, such as needing information from the Alliance to be more clear, easier to understand and use of simple words to describe common healthcare terminology.

Federal Landscape

New Administration

With the inauguration of Joe Biden as the 46th President of the United States on January 20, 2021, came the anticipation of significant changes in health care policy and the Medicaid program. Immediately upon taking office, President Biden signed a number of Executive Orders related to COVID-19, health care and Medicaid, including mandating masks on federal property, strengthening Medicaid and the Affordable Care Act (ACA) and directing federal agencies to reexamine actions taken by the previous administration that have reduced or may reduce coverage or undermine Medicaid and/or the ACA.

The President also worked with Congress to pass the American Rescue Plan Act, a $1.9T legislative relief package to address COVID-19 which was signed into law on March 11, 2021. The American Rescue Plan, which is the largest economic stimulus plan ever passed by

Congress, includes an historic investment in expanding the public health workforce. It includes funding of 100,000 public health workers, nearly tripling the country's community health roles. These individuals will be hired to work in their local communities to perform vital tasks like vaccine outreach and contact tracing in the near term, and to transition into community health roles to build our long-term public health capacity that will help improve quality of care and reduce hospitalization for low-income and underserved communities.

Key health care priorities for the Biden administration include shoring up the ACA, expanding coverage and revitalizing public health. The President also made COVID-19 vaccination a number one priority, easily surpassing his goal to administer 100M doses of COVID-19 vaccine within his first 100 days in office. However, with less than a month to go, his new goal of getting at least one COVID-19 vaccine into the arms of 70% of adults by July 4th may be in peril.

It is anticipated that the Biden administration may be more inclined to respond positively to potential requests from California for innovations and/or flexibilities. This is particularly so with the confirmation of Xavier Becerra as the Secretary of Health and Human Services. Mr. Becerra was previously California Attorney General and a strong supporter of the ACA.

COVID-19 Pandemic
As of June 2, 2021, there have been over 33M reported cases of COVID-19 in the United States and over 591K deaths. 62.7% of adults have received at least one vaccination. The pandemic has created both a public health crisis and an economic crisis, with communities of color disproportionately impacted. The economic downturn of the pandemic could last through 2022.

Data Interoperability and Integration
The CMS Data Interoperability and Patient Access rule that starts to take effect in 2021 requires increased member electronic access to health care information and would improve electronic exchange of health care information among payers, providers and members.

State Landscape

COVID-19
Pandemic response and vaccination are key priorities for the State. California's distribution and administration of the COVID-19 vaccine got off to a rocky start with complaints of confusing and hard to maneuver appointment systems, shifting rules on vaccine eligibility, inequitable distribution and allocation of vaccine supply and poor data collection. To address concerns with the roll-out of the COVID-19 vaccine, Governor Newsom announced a plan to move from a system run by county health departments to a centralized vaccine administration through an agreement with Blue Shield. Throughout, concerns regarding the equitable distribution of vaccine to individuals who receive services through the safety-net and to hard hit areas, including those in the Alliance service area, have persisted. As of June 1, 2021, 54.4% of eligible Californians have received at least one dose of the vaccine.

Governor's Budget Priorities
On May 14, 2021, Governor Newsom released the May Revision to his budget proposal for the 2021-22 state fiscal year, beginning July 1, 2021. Thanks to a multitude of positive

economic factors including over $25B in federal relief, the budget includes an expected $75B surplus.

The May Revise includes Medi-Cal caseload assumptions of 14.5M Californians on average each month enrolled in Medi-Cal for FY 21-22, including an expansion of eligibility to full-scope Medi-Cal for older adult ages 60 and older regardless of immigration status effective no sooner than May 1, 2022 and an expansion of eligibility for postpartum individuals from the current 60 days to 12 months. In addition, the May Revise proposes significant investments ($3.5B over five years) in youth behavioral health programs and services and funds other Administration priorities.

1. ***CalAIM***. CalAIM is a multi-year initiative intended to improve quality of life and health outcomes through Medi-Cal delivery system and program transformation. CalAIM has three primary goals: 1) Identifying and managing member risk and need through Whole Person Care approaches and addressing social determinants of health; 2) Moving Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and 3) Improving quality outcomes and driving delivery system transformation through value-based initiatives, modernization of systems and payment reform. The proposal is comprised of 22 initiatives to be implemented over seven years to achieve these goals. The proposed 2021-22 budget includes investments in CalAIM, including enhanced care management (ECM), in lieu of services (ILOS), infrastructure to expand whole person care approaches and building upon existing dental initiatives. The May Revise included new funding for CalAIM related proposals for population health management, support for justice-involved initiatives, and augmentation of the medically tailored meals pilot programs.

2. ***Behavioral Health.*** The proposed 2021-22 budget includes funding to address critical gaps across the community-based behavioral health continuum and to enhance access to behavioral services to improve the mental well-being of children and adolescents. The May Revise included $3.5B of spending over five years investing in youth behavioral health.

3. ***Telehealth.*** The budget proposes to make permanent and expand certain telehealth flexibilities currently in place due to COVID-19 and to cover remote patient monitoring as a Medi-Cal benefit. The May Revise added funding for audio-only telehealth services, including those services provided by FQHC providers.

4. ***Equity.*** DHCS articulated the elimination of health disparities in Medi-Cal as a key priority, committing to increase its efforts to reduce disparities within its organization and long-standing inequities in our health care systems. The proposed 2021 budget funds development of equity quality measures and benchmarks, an equity dashboard and COVID-19 equity analysis.

5. ***Healthcare Affordability***. The budget proposes to establish the Office of Health Care Affordability within the California Health and Human Services Agency. The office will be focused on increasing transparency on cost and quality, developing cost targets, enforcing compliance and filling gaps in market oversight.

6. ***Homelessness.*** The budget proposes to continue competitive grants for local governments to purchase and rehabilitate housing for California's chronically

homeless. Of total proposed funding, the Governor is asking the Legislature to take early action to approve one-time $250 million General Fund in 2020-21 to continue funding Project Homekey projects.

7. ***Aging.*** The Master Plan on Aging, released in late 2020, is a blueprint to be used to build environments that promote an age-friendly California. The proposed budget establishes an Office of Medicare Innovation and Integration within DHCS. A federal planning grant will be requested by DHCS to develop a Medi-Cal Home and Community Based Services Roadmap.

8. ***Health Information Exchange (HIE)***. The administration is looking to accelerate the utilization and integration of HIEs as part of a network that receives and integrates health data for all Californians. The building and operation of the network of exchanges will leverage existing investments in health information exchange and look for additional federal funding in alignment with federal interoperability rules.

The Legislature has responded to the Governor's May Revise with their own budget proposal which is aligned with and supports the Governor's priorities and goes even farther with an expansion of Medi-Cal to undocumented adult age 50 and over (instead of 60+ as proposed by the Governor), removal of the Medi-Cal asset test to further expand eligibility, and additional funding for public health infrastructure and health equity.

The Legislature and the Governor must work together to come to agreement on the budget details so that a final budget can be signed by the Governor by June 30th.

Medi-Cal Managed Care Procurement
DHCS is beginning a statewide procurement process for its commercial Medi-Cal managed care plans (MCPs). This process provides an opportunity for commercial plans to submit bids to provide Medi-Cal managed care plan services in the Geographic Managed Care (GMC), Regional, Two-Plan, or San Benito models. In addition, DHCS has indicated that some counties that are currently in non-COHS or Two-Plan model counties are interested in transitioning to a managed care model that includes a local plan (i.e., COHS or Two-Plan model). For these counties, DHCS established an April 30, 2021 deadline for the county(ies) and the corresponding MCP to indicate this intention via submission of a Letter of Intent (LOI). Contracts awarded through this process will be effective January 1, 2024. At the April Alliance Board meeting, the Board authorized staff to execute non-binding Letters of Intent with San Benito and Mariposa counties indicating shared intent to transition the counties from the current managed care model to join the Alliance's COHS through an expansion of the Alliance service area. Next steps include deliverables such as submission of the Alliance's network development strategy in September and executed County Ordinances in October. DHCS will determine which model changes will move forward prior to the release of the commercial plan RFP in Q4 2021.

Medi-Cal Regional Rate Setting
CalAIM seeks to develop regional managed care capitation rates in order to simplify the rate-setting process and allow for more capacity to implement outcomes-based and value-based payment structures. In January 2022, DHCS plans on implementing Phase 1 of regional rates for targeted counties and managed care plans. In calendar year 2023, DHCS will evaluate and refine the rate-setting process prior to implementation statewide, which currently will be no sooner than January 1, 2024.

Health Care Workforce
Health workforce issues remain a top priority as the State continues to respond to COVID-19. After the Governor proposed a variety of workforce investments in his January 2021-22 budget, the Legislature introduced a wave of bills aimed at closing shortages of health professionals, increasing diversity among health workers and expanding successful State programs like UC Programs in Medical Education (UC PRIME) and the Health Careers Opportunity Grant Program (HCOP).

Local Landscape

Regional Issues

1. ***COVID-19.*** The COVID-19 pandemic and vaccine distribution are a primary focus for county agencies and health care providers throughout the Alliance service area.
   - As of June 2, 2021, the total number of confirmed COVID-19 cases and deaths by county were:
     - 43, 753 confirmed cases and 386 fatalities in Monterey County;
     - 32,168 confirmed cases and 470 fatalities in Merced County; and
     - 16, 182 confirmed cases and 206 fatalities in Santa Cruz County.
   - As of June 2, 2021, 53% of residents in Monterey County, 37.34% of residents in Merced County and 64.2% of residents in Santa Cruz County were at least partially vaccinated.

   Localized disparities in infection rates continue among the Latino population since COVID-19 cases have become more widespread. Agricultural workers are a portion of the population that has been identified as having inadequate support in accessing health care services. Efforts to address the barriers that prevent this population from thriving and receiving appropriate services have been developed in all three counties.

2. ***Equity.*** COVID-19 highlighted significant health disparities in populations around the county. Many local organizations are interested in addressing long-standing inequities in access, quality and outcomes for low-income communities of color — inequities which have only been exacerbated by the COVID-19 pandemic. There is a strong commitment to improve drivers like housing, food security, childhood experiences, and other social determinants of health which can impact a person's overall health outcomes. Many Alliance partners have also recommitted to equity and are acting to yield health equity.

3. ***Homelessness.*** Homelessness and housing are a top priority for the Newson administration and locally. Through the State's Project Roomkey, many individuals experiencing homelessness in the Alliance service area have moved off the streets and into motel rooms during the COVID-19 pandemic. Planning is underway locally to transition these individuals to more permanent housing. Local agencies also received significant state funding in the last several years to fund a variety of programs and services that address homelessness.

4. ***Data Sharing and Health Information Exchange.*** Due in part to Whole Person Care Pilots, additional infrastructure has been built around member consent, care coordination and social referral systems. Both the Santa Cruz and San Joaquin health information organizations launched the Activate Care platform to serve as a hub for care management activities across multi-disciplinary partners. UniteUs has also gained traction in our service area and is actively engaging clinical and social service providers to join the closed-loop social referral platform in Merced and Santa Cruz counties.

5. ***Health Care Workforce.*** Practices throughout the Alliance service area struggle to recruit and retain providers. The cost of living in Santa Cruz and Monterey counties is a significant barrier, while in Monterey and Merced counties providers face the difficulty of recruiting staff to work in rural areas. The most acute provider shortages exist in Merced County; however, access to specific specialties is a challenge in all three counties. Access challenges may also be exacerbated by a wave of physician retirements, provider burnout and competition for the existing workforce. Cabrillo College in Santa Cruz County has recently established a successful Community Health Worker (CHW) certification program, which now serves as a pipeline for graduates to be employed by local providers.

6. ***Provider Consolidation.*** Larger health care organizations are absorbing smaller practices throughout the Alliance service area.

County Priorities

1. ***Merced County Priorities***. Merced County remains focused on maintaining the health and safety of local communities and preparing for the recovery ahead. Top priorities listed on the Merced County website include: 1) maintaining emergency public health and disaster preparedness; 2) supporting local businesses/jobs; 3) addressing/preventing homelessness; 4) preventing violent crime/gang activity; 5) maintaining 911 emergency response times; and 6) protecting and maintaining fire protection services.

2. ***Monterey County Priorities.*** In addition to the COVID-19 response, top priorities for Monterey County include: 1) education (especially early education and preschool); 2) quality health and mental health services; 3) homeless services; 4) crime and violence prevention and reduction; and 5) affordable housing and displacement prevention. Related to COVID-19 response, the County of Monterey Board of Supervisors recently approved $4.9M for an outreach and education program in which community health workers will connect people to services should they test positive for COVID-19.

3. ***Santa Cruz County Priorities.*** In addition to COVID-19 response, the focus areas identified in the Santa Cruz County 2018-2024 Strategic Plan include: 1) Comprehensive Health and Safety; 2) Reliable Transportation; 3) Dynamic Economy; 4) County Operational Excellence; 5) Sustainable Environment; and 6) Attainable Housing. In addition to these priorities, the Santa Cruz County Board of Supervisors recently approved a three-year plan to reduce the number of unsheltered households by half between 2021-2023. The framework is a series of six-month plans

that try to unify the efforts of city, county and community groups in the county. At the end of 2020, the County also launched a Housing for Health office. The new county office is one of four divisions under the umbrella of the Human Services Department.

Regional Variations in Health Outcomes and Health Factors
The Robert Wood Johnson Foundation's (RWJF) County Health Rankings provide a snapshot of how health is influenced by where we live, learn, work and play.

1. According to the 2020 County Health Rankings, Merced County ranks 39 out of 58 counties in the state of California for health outcomes (length of life and quality of life measures). Monterey County ranks 22nd and Santa Cruz County ranks 12th.

2. Ranking of health factors includes the following subcategories: health behaviors, clinical care, social & economic factors and physical environment. For health factors, Merced County ranks 53rd out of 58 counties, Monterey ranks 36th and Santa Cruz ranks 17th. In comparing the Alliance's three counties and the state average, below are health factors that stand out as areas of opportunity to improve the health of our members and the communities we serve.

   Health Behaviors
   - Merced County:
     - Adult smoking
     - Adult obesity
     - Healthy food environment
     - Physical inactivity
     - Access to physical activity opportunities
     - Teen births

   - Monterey County:
     - Adult obesity
     - Sexually transmitted infections
     - Teen births

   - Santa Cruz:
     - Excessive drinking

   Clinical Care
   - Merced County:
     - Ratio of population to primary care providers, dentists and mental health providers. San Benito County ranks 54th and Mariposa County ranks 50th.

   Of note, several RWJF clinical care measures use Medicare data so they are not included here. These include preventable hospital stays, mammography screening and flu vaccines.

   Social & Economic Factors
   - Merced County:
     - Some college
     - Unemployment
     - Children in poverty

    - Children in single family household
    - Social associations
    - Violent crime

- Monterey County:
    - Some college

- Santa Cruz County:
    - High school graduation
    - Income inequality

Physical Environment

- Monterey County:
    - Sever housing problems

- Merced County:
    - Air pollution

SWOT SNAPSHOT

Biography for Dr. Palav Babaria

Dr. Palav Babaria was appointed Chief Quality Officer and Deputy Director of Quality and Population Health Management of the California Department of Health Care Services beginning in March 2021. Prior to joining DHCS, she served as Chief Administrative Officer for Ambulatory Services at the Alameda Health System (AHS) where she was responsible for all outpatient clinical operations, quality of care, and strategy for primary care, specialty care, dental services, and integrated and specialty behavioral health, as well as executive sponsor for value-based programs including the Medi-Cal 1115 Waiver. She also previously served as Medical Director of K6 Adult Medicine Clinic, where she managed a large urban hospital-based clinic, overseeing all practitioners, improving quality of care, and patient safety programs. In addition, she served on the Clinical Advisory Committee with the California Association of Public Hospitals/Safety Net Institute. She also has over a decade of global health experience and her work has been published in the New England Journal of Medicine, Academic Medicine, Social Science & Medicine, L.A. Times, and New York Times. Dr. Babaria received her bachelor's degree from Harvard College, as well as her MD and Masters in Health Science from Yale University. She completed her residency training in internal medicine and global health fellowship at the University of California, San Francisco.

Information Items: (17A. – 17F.)

DATE: June 23, 2021

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

FROM: Scott Fortner, Chief Administrative Officer

SUBJECT: Alliance in the News

Stakeholders celebrate housing, health campus groundbreaking in Live Oak

Alliance in the News
Santa Cruz Sentinel
May 22, 2021

SANTA CRUZ — Around 200 people, masked and socially distanced, were to celebrate the groundbreaking of a new health and housing complex at 1500 Capitola Road on Saturday morning.

"One hundred and eighty people have RSVP'd, which I think is a testament to the fact people are really hankering to celebrate good news," Chief Development Officer Sheree Storm said Friday.

Alongside local contractors at Bogard Construction, representatives of Santa Cruz Community Health, Dientes Community Dental and MidPen Housing will present their vision turned reality of a two-phase project oriented toward bringing resources to a community that vitally needs them.

According to data from the public relations firm representing Bogard Construction, Studio PR, 15% of Live Oak School District students are homeless. Thousands of adults in the neighborhood have no doctor. Those who do have health care near the campus site, specifically Medi-Cal, have no dental care. These figures may have worsened after the COVID-19 pandemic.

A closer rendering shows the community plaza feature of the campus at 1500 Capitola Road. The area, meant to connect people and give them a place to gather, is indicative of the spirit to offer as many resources as possible in one space. For example, MidPen Housing intends to provide after school and supportive services in its housing facilities. (Courtesy of Dientes Community Dental)

"We are proud to be starting construction on this community serving project," Bogard Construction president Jared Bogard said in a statement about the event.

Phase one, a large medical clinic and an 11-chair dental clinic, is expected to be constructed over 14 months — bringing its completion to late summer or early fall of 2022. There, Santa Cruz Community Health will offer behavioral and mental health services as well as medical, specialty and pediatric care. Dientes will offer treatment from preventative care and regular checkups for children to treatments and oral surgeries for adults and seniors.

"We are committed to improving access to quality care for those who need it most," Santa Cruz Community Health CEO Leslie Conner said in the statement.

Quality care is what Dientes wants for those in Live Oak, too, Storm said.

"If you haven't had good oral health care growing up, that has a ripple effect when you're an adult and senior. It leads to high instances of dentures, especially in the low-income community," Storm said. "We want to back that up, to focus on prevention and get the kids the care they need.

Phase two, four three-story buildings with a total of 57 units nicknamed the "Live Oak buildings," will start in the spring of next year and conclude in late 2023. There, one-, two- and three-bedroom apartments will be offered to the same demographics MidPen serves at its other 13 properties across the county — families, seniors and those with special needs.

"We are so excited for this mixed-use community, which centers on the health outcomes of Live Oak residents," chief real estate development officer Jan Lindenthal said in the same statement. "We recognize that providing an affordable roof over one's head is just a start. Our resident-centered services programming provided at our communities is where the real magic happens."

The project is slated to provide 375 new jobs between the new clinics operated by Dientes and Santa Cruz Community Health, according to impact studies conducted by New York-based investor relations firm Capital Link.

Getting to the groundbreaking

The project, in motion since 2017, was largely financed by investments from health providers or health care advocates. This includes the central California Alliance for Health, Dominican Hospital, Sutter Health, Kaiser Permanente, Community Foundation Santa Cruz County, Monterey Peninsula Foundation and other private donors. The State Department of the Treasury donated two separate $1.5 million loans in February of this year to the health entities that went toward the project.

Additionally, the project would not have happened had former supervisor John Leopold not suggested that both housing and health care could coexist, even thrive, at the site, according to Storm. With his leadership, the Board of Supervisors approved the mixed-use development in November 2019.

"The county had to disburse their redevelopment agency land after the state-level redevelopment agency disbanded," Storm explained. "The county needed to sell the land through the new redevelopment successor agency … Leopold held a community meeting (where it was obvious) people were interested in housing, as that was a really big need, but also interested in commercial."

At the time, Santa Cruz Community Health and Dientes were interested in expanding their health center on Portola Drive but complications around the lease led to a failure to do so where they already existed. Leopold's connection inspired Conner to reach out to Lindenthal.

"Lo and behold, the project was born," Storm said.

To learn more, visit 1500capitolaroad.org.

Money Where Our Mouths Are

Alliance in the News
GoodTimes.com
May 19, 2021

GOOD WORK

MONEY WHERE OUR MOUTHS ARE

Central California Alliance for Health has invested a total of $6 million with Santa Cruz Community Health, Dientes Community Dental Care and MidPen Housing. The investment will contribute to the costs of a new medical clinic, dental clinic, affordable housing and a family-friendly public plaza in Live Oak. The Alliance's contribution will help make affordable housing and health services more accessible to families and senior citizens in the community.

Integrated State-of-the-Art Health and Housing Coming to Live Oak

Alliance in the News
Patch.com
May 7, 2021

Integrated State-of-the-Art Health and Housing Coming to Live Oak

Central California Alliance for Health invests $6M in first mixed-use development of its kind in Santa Cruz County

Santa Cruz, CA. (May 5, 2021)—Santa Cruz Community Health (SCCH), Dientes Community Dental Care, and MidPen Housing collectively received a $6,075,000 investment from the Central California Alliance for Health (the Alliance) to support the construction of a 20,000-square-foot medical clinic, an 11-chair dental clinic, 57 units of affordable housing, and a family-friendly public plaza in the heart of Live Oak. The new health and housing campus will provide healthcare for up to 10,000 patients, along with affordable supportive housing for 157 people.

This major commitment from the Alliance, the largest collective contribution to the project to date, demonstrates the Alliance's ongoing commitment to increasing access to health services and housing for children, families, and seniors, regardless of income. The grants provide $2,650,000 to SCCH, $2,900,000 to Dientes, and $625,000 to MidPen over five years for the construction of the new campus.

The Need for Care is Great

In a community where up to 26 percent of Live Oak School District students are homeless, thousands of adults do not have a doctor, and 78 percent of adults on Medi-Cal do not have a dentist, this vibrant 3.6-acre health and housing complex in Live Oak will address the goals of increasing access to healthcare and growing affordable housing.

"Prevention and early intervention in dental care are often overlooked and are core to the vision of Dientes," said Dientes CEO Laura Marcus. "The project would never have gotten off the ground without the Alliance and many others in our community who are stepping up to make this dream a reality."

SCCH CEO Leslie Conner continues, "Santa Cruz Community Health has been strongly aligned with the Alliance since it first launched some 25 years ago. Their investment today points to our overlapping missions to improve access to quality care for those who need it most. We are deeply grateful for their partnership."

The investment from the Alliance is in line with their overall vision of healthy people, healthy communities. The Alliance's CEO Stephanie Sonnenshine explains, "Access to treatment, regular preventative care, and stable housing is key to achieving and maintaining positive health outcomes, so this community-based healthcare and housing solution at 1500 Capitola Road will be an important step towards improving the well-being of our most vulnerable Santa Cruz residents."

Capital Campaign is Ongoing

The 1500 Capitola Road campus integrates the strengths and services of its three owners:

- SCCH has been serving the medical and mental health needs of underserved Santa Cruz County residents since 1980, with a special focus on families.
- Dientes has a nearly 30-year track record of providing affordable, high-quality and comprehensive dental care through three existing clinics and a 30+ location outreach program.
- MidPen Housing owns and manages 13 affordable housing communities throughout Santa Cruz County, serving families, senior, and special needs populations and providing on-site resident services tailored to the unique needs of each population.

MidPen Housing Chief Real Estate Development Officer Jan Lindenthal comments, "The Alliance has been an exceptional partner in helping MidPen achieve our mission of expanding affordable housing opportunities in Santa Cruz County. Thanks to their support residents of Santa Cruz County will have the access to health care and affordable housing they need to live happy and healthy lives and achieve their dreams for the future."

The construction of the campus will be in two phases. Dientes and Santa Cruz Community Health will break ground on their clinics this month and open in 2022. MidPen will break ground on the housing component in 2022 and open in 2023.

To learn more about the project or to make a donation, visit: http://1500CapitolaRoad.org

Dientes Community Dental Care Restarts Outreach

Alliance in the News
Good Times
May 5, 2021

In the first months of the pandemic, Dientes Community Dental Care was forced to close its clinics throughout Santa Cruz County. The nonprofit, which aims to give people access to high-quality, affordable oral health care, had initially not been considered essential.

For more than two months they had to work with a skeleton crew, and only for emergency care. They lost revenue and were forced to lay off and furlough employees.

Thankfully, Dientes was eventually allowed to reopen in summer 2020. They were approved for the second round of the Paycheck Protection Program, and as of now are back to about 90% of services they had pre-Covid.

"We've seen an amazing outpouring of support from our community," said Sheree Storm, Chief Development Officer for Dientes. "It's been a tough year for everyone. But we are super happy to be back—serving patients all over the county."

Dientes has also been able to restart its Outreach Days, which would normally be held at more than 30 locations across the county, including schools, juvenile hall and homeless shelters. Pop-up clinics are set up at the different sites, offering dental exams, X-rays, fluoride varnish, cleanings and sealants.

In addition, staff refers patients to one of the main clinics if they need additional treatments, such as for cavities.

Dientes worked closely with the County Office of Education to host two Outreach Days at Sequoia High School in Watsonville earlier this month, serving low-income students grades K-5 through pre-scheduled appointments.

"Going out to schools is so important because the kids, for many reasons, are not making it into the dentist," Storm said. "Usually it's about transportation. Parents just can't get them there, or they're working, or live far away without a car."

Another reason is cost. Dental care is expensive and often not covered by health insurance. For instance, seniors on Medicare don't receive dental coverage and are often burdened by costly procedures. This could be prevented, Storm said, if only they had a good foundation of oral health to start with.

"Prevention is not just about treatment," she said. "You need to get kids early, to teach them better oral health habits … so they're not looking back and having the same problems that seniors now face."

The next Outreach Day is scheduled for May 8 in Santa Cruz, at Branciforte Small Schools Campus, 840 North Branciforte Ave. To make an appointment call 831-716-5926.

Dientes continues to work with dentists, educational institutions, and various organizations and agencies across the county and state, including Cabrillo College, First 5 Santa Cruz County, Salud Para La Gente and the Central California Alliance For Health. Together, they focus on campaigns to educate parents on the importance of oral health for their children, and help families better access quality services.

And soon Dientes will be able to expand their own services further. A new health and housing campus at 1500 Capitola Road will include a clinic for Dientes, a facility for Santa Cruz Community Health, along with 57 affordable housing units developed by MidPen Housing. The six-building complex is being built by Bogard Construction and designed by Wald, Ruhnke & Dost Architects.

The health facilities are expected to be completed by sometime in 2022, and the housing by 2023. Storm said they hope to break ground very soon.

“It’s really exciting,” she said. “We were expecting it to get going a year ago, but we had to pause due to Covid. Now we’re really ready.”

Dental care, Storm said, is a vital part of health care that should be accessible to everyone.

“Your mouth is an internal part of your body,” she said. “There is a direct relationship between oral and heart health. Oral health is linked to better pregnancy outcomes, to the ability to speak clearly. And it is so much about confidence, relationships with other people… Everyone deserves to have a healthy smile.”

For more information about Dientes Community Dental Care and to donate to the organization, visit dientes.org.

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. B
Merced, CA 95240-4710
209-381-5300

May 21, 2021

RE: CDC-RFA-DP21-2109

Dr. Nanyonjo-Kemp:

Central California Alliance for Health is pleased to support the Merced County Department of Public Health's (Department) application for 'Community Health Workers for COVID Response and Resilient Communities' from the CDC.

The Department's *Community Health Worker* program will partner to train and deploy community health workers (CHWs) as part of a network to build a stronger community and increase community resilience in efforts to fight COVID-19.

The Alliance is a health plan that was developed to improve access to health care for lower income residents who often lacked a primary care "medical home" and so relied on emergency rooms for basic services. The Alliance has pursued this mission by linking members to primary care physicians (PCPs) and clinics that deliver timely services and preventive care, and arrange referrals to specialty care. Our members represent 48 percent of the population in Merced County. We serve seniors, persons and children with disabilities, low-income mothers and their children, children who were previously uninsured, pregnant women, and low-income, childless adults ages 19–64.

The Alliance is participating in the statewide Community Health Workers & Promotores in the Future of Medi-Cal project, the goal of which is to generate a set of resource packages that will enhance the capacity of Medi-Cal managed care plans and their partners to deploy community health worker and promotor programs that advance health equity.

Our organization will support the goals of this program by:

- Collaborate in developing health education messages
- Promote events and education for CHWs
- Explore solutions for sustainability that will continue the work after the grant sunsets

Central California Alliance for Health has partnered with the Department to inform and educate members around COVID-19 safety and access to health care information. Alliance staff partner with the Department in coordination of COVID-19 vaccine distribution. We look forward to implementing the *Community Health Workers* program with the Department.

Respectfully,

Stephanie Sonnenshine

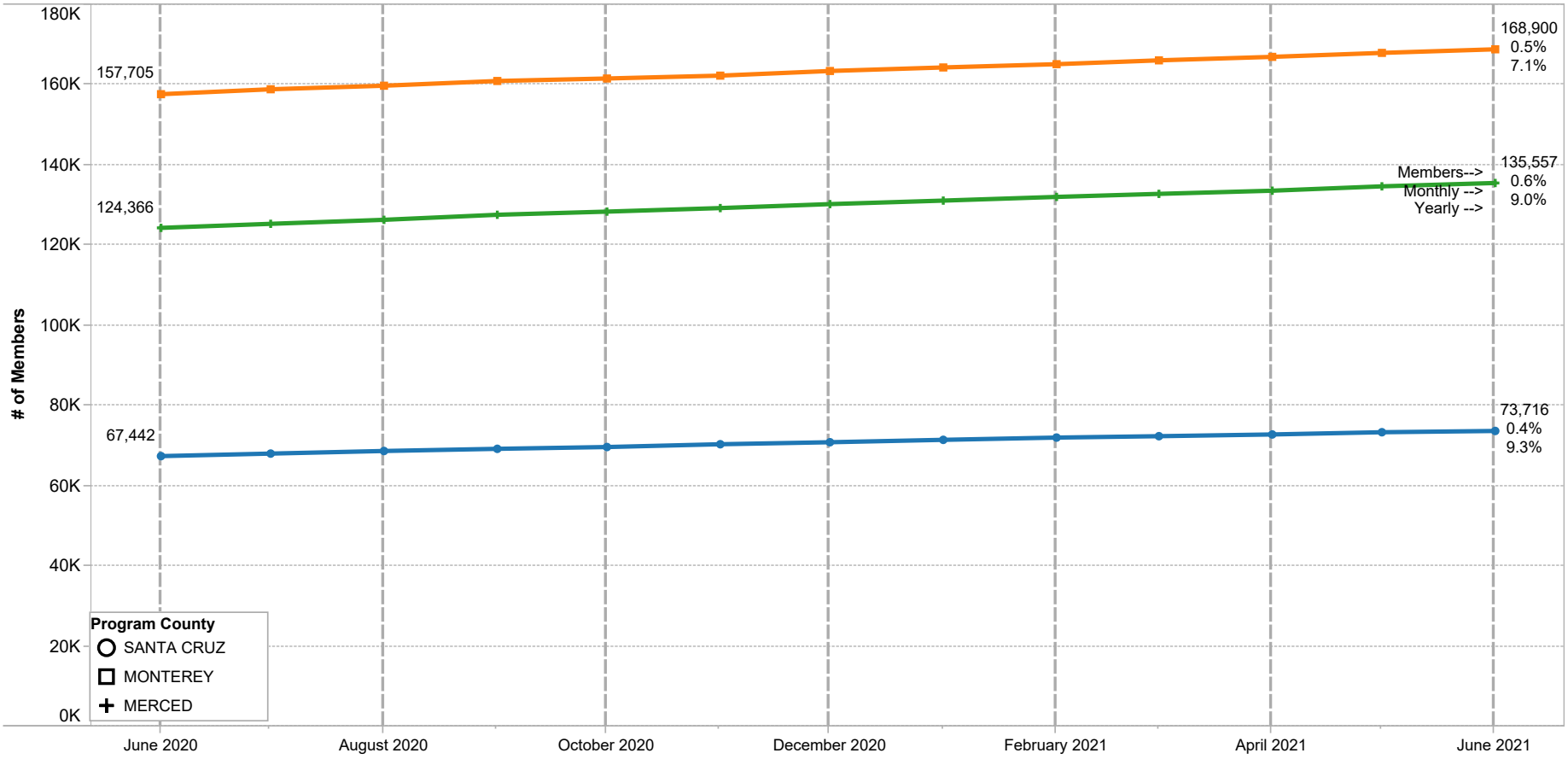
Chief Executive Officer

Enrollment Report

Year: *2017 & 2018* **County:** *All* **Program:** *IHSS & Medi-Cal*
Aid Cat Roll Up: *All* **Data Refresh Date:** *6/11/2021*

StaticDate
6/1/2020 12:00:00 AM to 6/30/2021 11:59:59 PM

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



Program..	ProgramCo..	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021
Medi-Cal	SANTA CRUZ	67,442	68,073	68,721	69,260	69,708	70,405	70,904	71,501	72,064	72,412	72,842	73,400	73,716
	MONTEREY	157,126	158,353	159,249	160,440	161,065	161,787	162,953	163,837	164,659	165,628	166,502	167,501	168,399
	MERCED	124,366	125,376	126,375	127,633	128,419	129,303	130,292	131,165	132,090	132,845	133,638	134,724	135,557
IHSS	MONTEREY	579	580	570	560	554	546	540	537	529	516	512	505	501
Total Members		**349,513**	**352,382**	**354,915**	**357,893**	**359,746**	**362,041**	**364,689**	**367,040**	**369,342**	**371,401**	**373,494**	**376,130**	**378,173**