Santa Cruz – Monterey – Merced Managed Medical Care Commission

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

Meeting Agenda

Wednesday, March 24, 2021

3:00 p.m. – 5:00 p.m.

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

Important notice regarding COVID-19: Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, Alliance offices will be closed for this meeting. The following alternatives are available to members of the public 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/546671709
   b. Or by telephone at:
   United States: +1 (571) 317-3122
   Access Code: 546-671-709
   c. New to GoToMeeting? Get the app now and be ready when your first meeting starts: https://global.gotomeeting.com/install/546671709

2. Members of the public wishing to provide public comment on items not listed on the agenda that are within jurisdiction of the commission or to address an item that is listed on the agenda may do so in one of the following ways.
   a. Email comments by 5:00 p.m. on Tuesday, March 23, 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 Coonerty. 3:00 p.m.**
   A. Roll call; establish quorum.
   B. Supplements and deletions to the agenda.

2. **Oral Communications. 3:05 p.m.**
   A. Members of the public may address the Commission on items not listed on today's agenda that are within the jurisdiction of the Commission. Presentations must not exceed five minutes in length, and any individuals may speak only once during Oral Communications.
   B. If any member of the public wishes to address the Commission on any item that is listed on today's agenda, they may do so when that item is called. Speakers are limited to five minutes per item.

3. **Comments and announcements by Commission members.**
   A. Board members may provide comments and announcements.

4. **Comments and announcements by Chief Executive Officer.**
   A. The Chief Executive Officer (CEO) may provide comments and announcements.

Consent Agenda Items: (5. – 8F.): 3:10 p.m.

5. **Accept Executive Summary from the Chief Executive Officer (CEO).**
   - Reference materials: Executive Summary from the CEO.

   Pages 5-01 to 5-09

6. **Accept Alliance Financial Highlights, Balance Sheet, Income Statement and Statement of Cash Flow for first month ending January 31, 2021.**
   - Reference materials: Financial Statements as above.

   Pages 6-01 to 6-08

Minutes: (7A. – 7C.)

7A. **Approve Commission meeting minutes of February 24, 2021.**
   - Reference materials: Minutes as above.

   Pages 7A-01 to 7A-05

7B. **Accept Compliance Committee meeting minutes of February 17, 2021.**
   - Reference materials: Minutes as above.

   Pages 7B-01 to 7B-03

7C. **Accept Physicians Advisory Group meeting minutes of December 3, 2020.**
   - Reference materials: Minutes as above.

   Pages 7C-01 to 7C-06

Reports: (8A. – 8F.)

8A. **Approve Alliance Formulary Changes for Q1 2021.**
   - Reference materials: Staff report and recommendation on above topic.

   Page 8A-01

8B. **Approve Alliance Policy 105-0012 – Administrative Decision-Making Controls.**
   - Reference materials: Staff report and recommendation on above topic; and Alliance Policy 105-0012 – Administrative Decision-Making Controls.

   Pages 8B-01 to 8B-06

8C. **Accept report on Alliance Workforce and Workspace Planning.**
- Reference materials: Staff report on above topic.

Pages 8C-01 to 8C-02

8D. **Accept report on Centers for Medicare & Medicaid Services Interoperability Rule Project Update.**
- Reference materials: Staff report on above topic.

Pages 8D-01 to 8D-02

8E. **Accept report on COVID-19 Update.**
- Reference material: Staff report on above topic.

Pages 8E-01 to 8E-03

8F. **Approve Proposed Medical and Administrative Budget for Calendar Year 2021 due to Pharmacy Carve-out Delay.**
- Reference materials: Staff report and recommendation on above topic.

Pages 8F-01 to 8F-02

Regular Agenda Items: (9. – 10.): 3:15 p.m.

9. **Consider approving the Alliance's legal and regulatory Compliance Program Report for 2020, consider approving a revised Alliance Code of Conduct for 2021 and receive required Board training in Compliance. (3:15 – 3:45 p.m.)**

A. Ms. Jenifer Mandella, Compliance Officer, will review and Board will consider approving the Alliance's Compliance Program Report for 2020.
B. Ms. Mandella will review and Board will consider approving a revised Alliance Code of Conduct for 2021.
C. Ms. Mandella will provide required compliance training for Board members.
- Reference materials: Staff report and recommendation on above topic; Alliance Code of Conduct; 2020 Annual Internal Audit & Monitoring Dashboard; 2020 Annual Health Insurance Portability and Accountability Act Dashboard; 2020 Annual Program Integrity Dashboard; and 2020 Annual Delegate Oversight Dashboard.

Pages 9-01 to 9-19

10. **Discuss Alliance Strategic Plan. (3:45 – 4:30 p.m.)**

A. Ms. Wendy Todd, Wendy Todd Consulting, will review and Board will discuss strategic planning for 2022 and beyond.
- Reference materials: Ms. Wendy Todd biography.

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Adjourn to Closed Session

11. **Closed session pursuant to Government Code Section 54956.87 (c); Contract Negotiations. (4:30 – 4:55 p.m.)**

A. Closed session agenda item.

Return to Open Session

12. **Open session pursuant to Government Code Section 54956.87 (c); Contract Negotiations. (4:55 – 5:00 p.m.)**

A. Board will report on action taken in closed session.

Information Items: (13A. – 13D.)

A. Membership Enrollment Report Page 13A-01

B. Member Newsletter (English) – March 2021
https://www.ccah-alliance.org/pdfs/member_newsletters/CCAH-Member-March_2021-ENG.pdf

C. Member Newsletter (Spanish) – March 2021
https://www.ccah-alliance.org/pdfs/member_newsletters/CCAH-Member-March_2021-SPA.pdf

D. Provider Bulletin – March 2021
https://www.ccah-alliance.org/pdfs/provider_bulletins/PSBulletin_202103.pdf

Announcements:

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

- Finance Committee
  Wednesday, March 24, 2021; 1:30 – 2:45 p.m.

- Member Services Advisory Group
  Thursday, May 13, 2021; 10:00 – 11:30 a.m.

- Physicians Advisory Group
  Thursday, June 3, 2021; 12:00 – 1:30 p.m.

- Whole Child Model Clinical Advisory Committee
  Thursday, June 17, 2021; 12:00 – 1:00 p.m.

- Whole Child Model Family Advisory Committee
  Monday, May 10, 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 March 24, 2021 meeting will be held via teleconference unless otherwise noticed:

- Santa Cruz – Monterey – Merced Managed Medical Care Commission
  Wednesday, April 28, 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: March 24, 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

American Rescue Plan of 2021. On March 11, 2021, President Biden signed into law the American Rescue Plan of 2021, a $1.9T legislative package extraordinary in both size and scope. The American Rescue Plan provides relief to local and state governments, individuals, and businesses. Funds for state and local governments may be used to, among other things, respond to negative economic impacts of the public health emergency including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality. Funds available to California and local jurisdictions are expected to be substantial and will likely impact the State budget proposal and may be seen reflected in the Governor's May Revise. In addition, the American Rescue Plan extends the increased federal matching funds to states for the entirety of the public health emergency.

2021 Legislative Session. The bill introduction deadline for this year's legislation session was February 19, 2021. With last year's opportunity for passing legislation significantly impacted by the COVID-19 pandemic, there appears to have been pent up demand within the legislature, as evidenced by the volume of bill introductions. Staff continue to review legislation and refine the list of bills to track in areas of board priority. As previously reported, areas of legislative interest for the 2021 session that could impact the health care environment and the work of the Alliance, include telehealth, health information exchange, healthcare affordability and equity and health disparities. Currently, the list of bills being reviewed for relevancy and applicability includes over 80 bills. Staff continue the review of each bill and will provide a report to the board in April identifying priority bills for the board's information and/or action.

Medi-Cal Managed Care Procurement. Following the board's approval at the February 24, 2021 meeting, staff have continued discussions and meetings with representatives from San Benito and Mariposa counties to discuss a potential partnership with the Alliance to include the expansion of the Alliance service area to offer its County Organized Health System (COHS) model of Medi-Cal managed care to eligible beneficiaries within the two counties. Representatives from each county continue to express their interest in the opportunity to join the Alliance. The Department of Health Care Services (DHCS) has extended its deadline for counties and plans to April 30, 2021 to submit a Letter of Intent (LOI) indicating mutual interest in such a partnership. Staff will continue conversations with each county to ensure its initial due diligence and return to the board at the April meeting with a recommendation regarding the LOI. Areas of exploration include confirmation of community support including County Boards of Supervisors and key community stakeholders, a general understanding of key providers and any access issues within the county, provider readiness

and willingness to engage in quality improvement and utilization management and any potential opposition or barriers to a successful implementation within each county.

CalAIM. In February, DHCS released for public comment, its revised CalAIM proposal. The CalAIM initiative consists of over 20 proposals to be implemented over a period of six years aimed at improving outcomes for people with Medi-Cal through system transformation. Key initiatives impacting the Alliance include the implementation of an enhanced case management benefit (ECM), the ability to elect to offer in lieu of services (ILOS), implementation of an annual population health strategy, a two-phase implementation of regional rates, requirement of National Committee for Quality Assurance (NCQA) accreditation and implementation of a Dual-Special Needs Plan (DSNP). There are also significant transformations required for the counties, and the assessment of other proposals geared towards integration of services.

Also released for public comment in February were the draft contract templates, provider standard terms and conditions, model of care template and coding guidance for the proposed ECM benefit and ILOS. DHCS proposes to implement ECM as a state-wide benefit, beginning in January 2022 in those counties with an existing Whole Person Care (WPC) program, for the population served by the WPC. ECM will be implemented as of July 2022 for counties without an existing WPC, and for additional target populations in all counties as of January of 2023. Health plans may elect any of the 14 approved ILOS as of January 1, 2022, with an initial emphasis on those ILOS offered in the WPC. ILOS are services which are not benefits but can be offered and provided in lieu of a covered service. The intent is that cost reductions in other service categories will cover the costs of any elected ILOS. Public feedback on the proposal and associated ECM/ILOS documents was due as of March 12, 2021. Final documents are expected in late Q2 2021.

Alliance staff continue their collaboration with a tri-county workgroup towards implementation of the newly defined ECM benefit and to support the transition of the county WPC pilots to the Alliance's management of ECM/ILOS. This collaboration will be important to the development of the ECM/ILOS Transition and Coordination plan that the Alliance must submit to DHCS in July 2021. Other key dates include DHCS's planned delivery of draft rates for the ECM benefit in late May 2021, and final rates by October 2021. Also expected in September 2021 are the draft rates reflecting the impact of DHCS's move to regional rates in COHS counties for FY 2022, with final rates expected by November 2021.

As has been discussed with the Alliance's board in the past, staff are committed to the goals of CalAIM. The timeline for the January 2022 implementation presents challenges, particularly given that staff are working only from draft documents to date and rates, which are necessary to support network development for ECM, won't be known until late into the year. Staff are working diligently to assess the proposals and final requirements and will collaborate with our county and provider partners to develop a feasible implementation plan.

Community Involvement. On March 10, 2021 I attended the virtual Department of Health Care Services March All Plan CEO and CFO meetings and I attended the virtual Health Improvement Partnership of Santa Cruz County (HIPSCC) Council meeting on March 11, 2021. I attended the virtual Medi-Cal Children's Health Advisory Panel meeting on March 16, 2021 and I attended the virtual HIPSCC Executive meeting and Local Health Plans of

California Virtual Legislative Briefing on March 18, 2021. I plan to attend the virtual Santa Cruz Health Information Organization Board of Directors meeting on March 25, 2021.

Health Services

The Health Service Division's current priorities include, continuing progress toward the Essette authorization software transition, continuing provision of pharmacy services following DHCS announcement of a delay in transition of Medi-Cal Rx, preparing for the upcoming Population Needs Assessment, initiating the analysis for the 2021 Healthcare Effectiveness Data and Information Set (HEDIS) audit, restating the Beacon Managed Behavioral Health Organization contract, and preparing for the CalAIM Enhanced Case Management program that is due to begin in 2022.

Inpatient/Emergency Department Utilization. Overall, there was a consistent decrease in inpatient admissions in Q4 across all groups: IHSS, Medi-Cal Child & Family, Medi-Cal SPD, and New Medi-Cal Expansion. For the most part, the 30-day readmission rates remained steady across all groups, likely reflecting a balance between the Alliance's CCM efforts to reduce readmissions and increased pressure for readmissions due to Covid-19. Emergency Department (ED) visits in Q4 remained well below goal; there was a slight increase in ED visits involving the Medi-Cal SPD population. Overall, avoidable ED visits in Q4 were decreased relative to the beginning of the year.

The UM/CCM team continues to reach out to all discharged members. In addition, they participate in the organizational outreach activities for assisting high-risk members with COVID vaccine access.

There have now been 51 members enrolled in the Post Discharge Meal Delivery Program benefit since the January 1st implementation. In addition to the team coordinating the program, an Alliance Registered Dietician has joined to pilot interventions focusing on assisting members in achieving long term healthy eating habits.

The newly developed grant-funded pilot for Recuperative Care and Bridge Housing will be effective April 1st. All policies and procedures are finalized to begin with the first eligible site, the Recuperative Care in Santa Cruz County. Work is in development for final solutions in both Monterey and Merced Counties. Members appropriate for referral will largely be identified through the Concurrent Review process. Those members meeting eligibility will be authorized through the Utilization Management process and monitored for appropriate utilization of the facility in preparation for a 90 day stay in bridge housing leading to a permanent long-term housing facility.

Whole Child Model Program. Alliance Whole Child Model (WCM) leadership staff continue to meet with county California Children's Services administration on a monthly basis in an effort to continuously improve processes between both entities. DHCS is currently finalizing a public dashboard for informing all stakeholders of the status of the WCM program.

Prior Authorization. The Authorization Redesign Project has evolved to the next stage of initiating implementation of the newly approved Redesign Roadmap. A criteria-based model including peer group comparison has been finalized with first efforts to identify appropriate codes for authorization reduction.

Authorization volume has grown and may be related to an increase in members resuming care as the COVID surge declines and vaccine availability becomes more available.

Medi-Cal Rx Update. DHCS is delaying the transition to Medi-Cal Rx scheduled for April 1, 2021. DHCS anticipates providing further information in May. The Alliance will continue to provide pharmacy services for our members until Medi-Cal Rx implementation.

Q4 2020 Pharmacy Trends. The Q4 2020 PMPM of $43.61 is decreased by 2.6% as compared to the prior period and also decreased by 2.6% as compared to Q4 2019. This is due to both decrease in utilization and improved network discounts. This is great considering our Medi-Cal benchmark plans Q4 2020 trend was up by +6.4%.

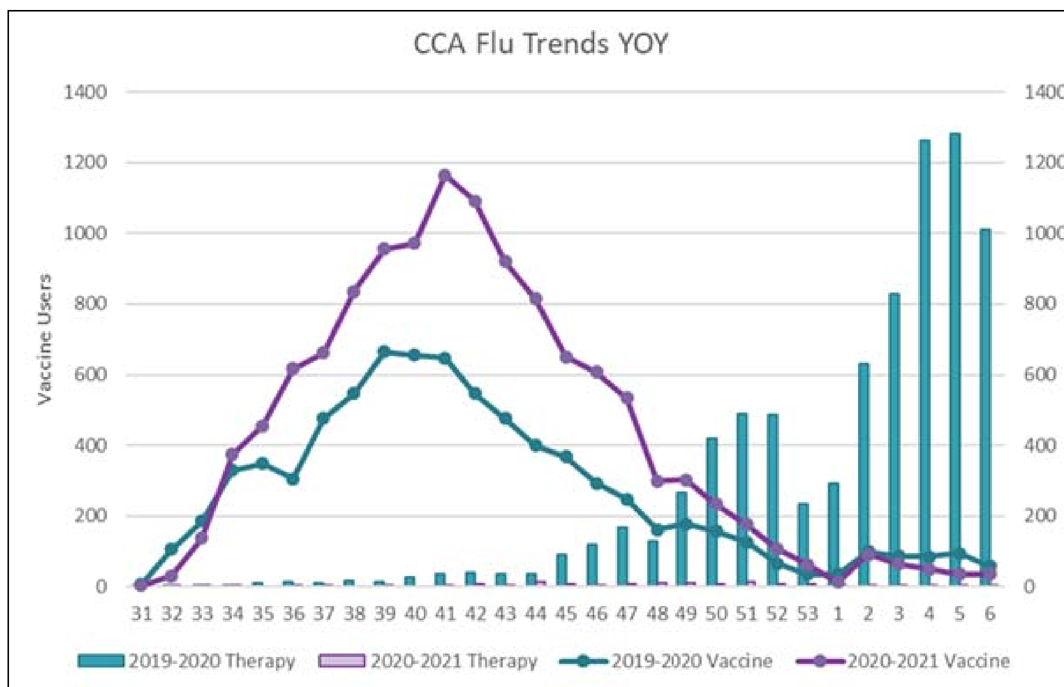
The Alliance's membership has increased with an overall decrease in percentage of utilizing members. The decrease in utilization is mostly for acute medications including antihistamines, nasal steroids, cough/cold, antibiotics, antifungals, antivirals, NSAIDs, opioid analgesics, benzodiazepines, and laxatives. The utilization for high-cost Cystic Fibrosis drugs has increased.

We have improved network discounts, largely in part to improved MAC rates on certain high-volume generic drugs (i.e. Albuterol inhaler, Gabapentin, Hydrocodone-APAP, Fluticasone-Salmeterol Diskus), as well as improved specialty drug network discounts through our Specialty vendor US Bio-services.

The Alliance's pharmacy benefit manager, MedImpact assessed medication adherence for chronic medications via their Quality Performance Monitoring Program and determined an improved adherence over the year. Our members continue to take their chronic medications during the pandemic.

Flu Vaccine and Antiviral Utilization Update.

- Flu vaccines administered at the pharmacy increased by 58% this season (late July 2020-early February 2021) compared to previous season.
- Utilization of antivirals for flu treatment was 1.6% compared to previous season, at 129 vs. 7968 prescriptions. Likely as a result of increase in flu vaccinations and COVID-19 prevention methods.
- Various Alliance initiatives promoted flu vaccinations, in collaboration with many Alliance departments and community partners.



FYI: Week 53 contains 3 days in 2019 and 4 days in 2020

Note: The vaccine data is limited to those administered at pharmacies, and do not include those administered at clinics or VFC program.

Healthcare Effectiveness Data and Information Set 2021. Health Services Advisory Group (HSAG) conducted an annual audit on March 18, 2021 of the Alliance's conformity with the NCQA HEDIS Compliance Audit standards, policies, and procedures. A final report will be provided no later than June 2021.

Immunizations. The administrative rates for Childhood Immunizations (Combo 10) and Adolescent Immunization (IMA) have remained stable. The Alliance is continuing to monitor the rates on a monthly basis and despite the pandemic, continuing to promote immunizations as appropriate. Interventions for immunizations include the following:

- DHCS Performance Improvement Project (CIS) with Castle Family Health Center, including technical assistance to assist with bidirectional exchanges between Castle and immunization registry
- Monthly mailers to members for well visits and immunizations
- Promotion of member incentives with planned activities to incentivize for the 2nd flu shot
- Collaboration with the Communications Department for social media posts related to flu
- "Back to School Immunizations" Member Newsletter Article scheduled for the June edition
- QI/PH team provided technical assistance and education to various provider/community sites, such as CBI Forensics and Merced Office of Education "Parents as Teachers" group covering vaccine basics, schedules and FAQs
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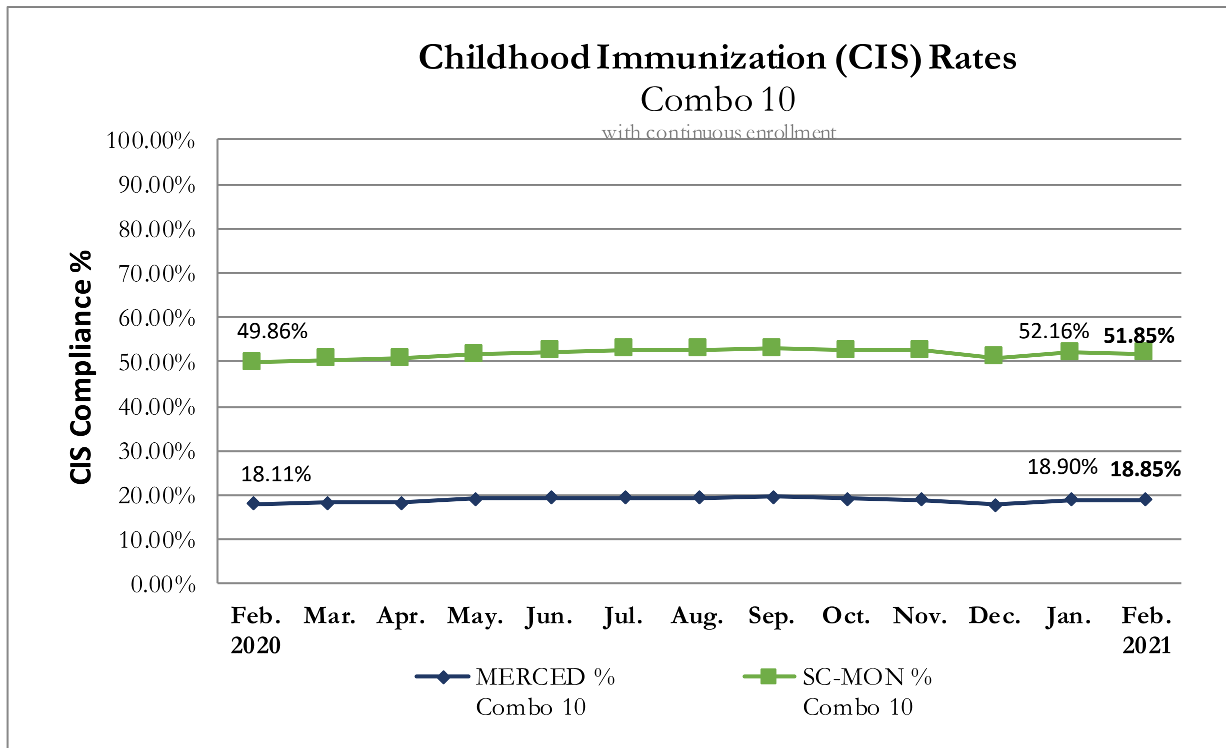
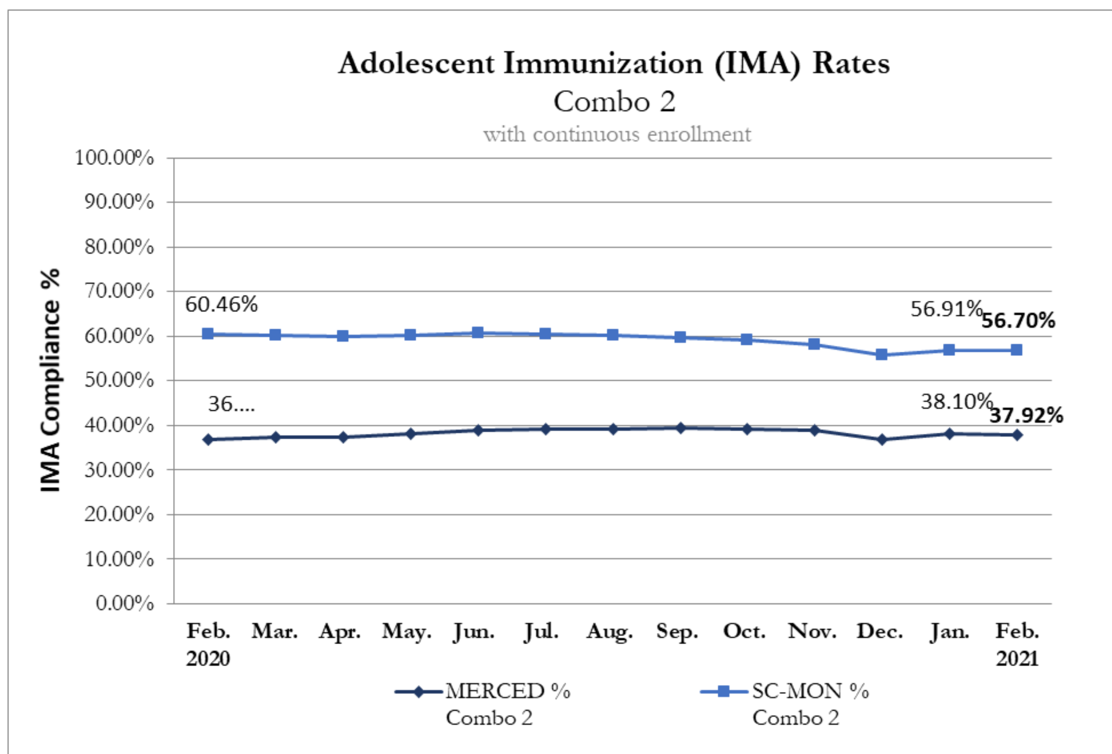




Community Care Coordination. The new Behavioral Health Program Manager, Julie Norton, LMFT, began her role at the Alliance in mid-March of this year. Julie will be working to collaborate with community behavioral health partners, the County's Behavioral

Health/Substance Use Disorder departments, as well as Beacon Health Options. She will also participate in the development of the new agreement with Beacon that will begin on July 1, 2021.

Employee Services and Communications

Alliance Workforce. As of March 1, 2021, the Alliance has 516 budgeted positions of which our active workforce number is 487 (active FTE and temporary workers). There are 13.5 positions in active recruitment, and 29 positions are vacant. The organization continues to review and monitor all position requests to ensure we are meeting FTE targets.

The Alliance is excited to kick-off our Diversity, Equity and Inclusion Initiative. We have partnered with Dr. Carley Corrado and Lisa Dennen-Young of Enliven Leadership as we work to bring this very important work forward. Our engagement will focus on diversity, equity, and inclusion both within our organization as well as within the communities we serve. This work will span several phases over the next two years. Dr. Corrado and Lisa attended our Q1 2021 All Staff Presentation as a way of introducing themselves to the organization.

Facilities and Administrative Services. Construction on the Capitola Manor skilled nursing facility is officially underway starting with demolition and asbestos abatement on March 3, 2021. The general contractor has developed a draft project schedule which indicates completion of the project in early/mid 2022. Facilities is currently working with Administrative Contracts to get the Inspector of Record (IOR) contract finalized. The IOR is primary liaison between the Alliance and Office of Statewide Health Planning and Development (OSHPD). Additional structural drawings and details are currently being addressed by a structural engineer as noted by the IOR to avoid any scheduling delays. The OSHPD Increment 1 Permit has not yet been issued but is in process.

Human Resources, Facilities, and Health Services have finalized a COVID-19 Prevention Program document that replaced the current COVID-19 Workplace Health and Safety Plan.

The Workspace Reentry Taskforce and Alliance Leadership has determined that staff will return to the office no sooner than July 2021 due to COVID19 safety concerns. Core essential staff continue to report into the building for specific tasks that require them to be onsite.

Facilities staff continue to provide support for Alliance staff by scheduling curbside pickups of business-critical items (chairs, mice, monitor risers, keyboards, etc.) to ensure a safe and comfortable work environment at home.

Communications. Staff are actively working to grow external messaging channels in order to reach our audiences with timely, engaging and accurate information. In addition to launching and growing the Alliance Facebook page and working with the Human Resources team on developing content on LinkedIn we are also working with staff to launch a community eNewsletter. Launching in Q2, this bi-monthly digestible, email newsletter is meant to engage community partners and raise awareness about key Alliance activities that positively impact the health of the communities we serve.

Operations

Community Connect Call Campaign. The Regional Operations Department continues to engage in telephone outreach with Community Based Organizations, local partners and key stakeholders. In February of 2021, outreach was conducted to 16 local organizations with topics including childhood immunizations and an update on Alliance outreach efforts to members to reduce the spread of COVID-19. Through the community outreach campaign, staff have been able to identify opportunities for collaboration and partnership to improve the wellbeing of our community. Additionally, staff have been able to enhance existing partnerships.

In collaboration with the Communications Department, the Regional Operations Department is planning on launching a Community e-Newsletter, *The Beat,* in Q2 2021. While the Alliance currently publishes newsletters for member and provider audiences, *The Beat* will focus on engaging and informing community partners and raising awareness about key Alliance activities that positively impact the health of the communities we serve. The email format will provide these key partners with timely and accurate information, condensed for quick reading and easily consumed in one sitting. As several sister plans publish similar community newsletters, this will allow the Alliance to be on par with these organizations.

Timely Access Filing Measurement Year 2020 and Provider Satisfaction Surveys. The Alliance received the results of the Measurement Year 2020 Timely Access Survey in early 2021 and is in the process of analyzing the data and preparing for submission to the Department of Managed Health Care at the end of March. Timely Access survey data will be shared with the Alliance Network Development Steering Committee in April 2021.

The annual Provider Satisfaction Survey is typically administered in July and August, with results reported to the Alliance in November or December. The vendor who administers the Satisfaction Survey experienced delays in finalizing the 2020 report due to pandemic-related staffing impacts, and the Alliance did not receive the final 2020 report until March 2021. Provider Satisfaction Survey data is being analyzed and will also be shared with the Alliance Network Development Steering Committee in April 2021. Staff are also investigating the opportunity to move survey administration earlier within the year, such that results can be finalized and shared before the close of the survey year. Additionally, staff are exploring the content of the survey questions in order to identify areas of opportunity to reflect the changed health care environment as a result of the COVID-19 pandemic.

Project Kick-off Summary

- Execute Authorization Process Redesign Roadmap. In an effort to reduce administrative burden on providers and improve administrative efficiency at the Alliance, a comprehensive assessment of authorization processes was conducted over the second half of 2020. This assessment resulted in an improvement roadmap to be executed in 2021. Key roadmap improvements include reducing authorization requirements where authorization is not clinically valuable, reducing time allocated to requests not requiring authorization, and improving provider communication. Executing against these bodies of work has begun through cross-functional coordination across Health Services, Operations, and Information Technology Services Divisions.

- Enhance the Quality Improvement System. The tactic aims to develop an organization-wide, cross-divisional and comprehensive Quality Improvement System strategy that expands the definition and scope of quality and aligns with organizational priorities. This enhancement will be led by the Quality Improvement Department and will include collaboration across all core processes, resulting in the development of an annual workplan that plans, studies, executes, and evaluates organizational quality improvement activities.

Tactical Governance Update. Tactical Governance, often referred to as project governance, is a structure or framework that enables effective project decision-making to occur within the organization, facilitates information sharing and reporting amongst stakeholders, and promotes transparency and accountability of key decisions. Alliance staff are evolving our Tactical Governance system in 2021 to enhance our tactical effectiveness. Key activities include: augmenting existing Tactical Governance resources, such as a formal program description, policy and workflows; enhancing effectiveness through the implementation of governance phase gates and developing a formal training program to equip Project Leadership; enhancing adaptability through development of a tool to dynamically adjust our Annual Operating Plan responsive to organizational priorities; and enhancing efficiency through tactic management process redesign to improve tactical efficiency and effectiveness.

Department Operational Planning. 2020 was the second year in which Department Assessments were conducted at the Alliance. The Department Assessment process empowers Directors to assess departmental purpose, processes, activities and resources and advance the annual Bridge Plan's strategic focus and the execution of the Alliance Operating Plan through departmental goal setting. As with the inaugural process in 2019, the principle of a thoughtful and deliberate planning approach in each department remained a commitment in 2020. All 22 departments completed this organization-wide approach to planning that is a component of the Alliance's focus on overall administrative efficiency and effective execution.

DATE: March 24, 2021

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

FROM: Lisa Ba, Chief Financial Officer

SUBJECT: Financial Highlights for the First Month Ending January 31, 2021

For the month ending January 31, 2021, the Alliance reported a Medical Loss Ratio (MLR) of 90.1%, an Administrative Loss Ratio (ALR) of 5.6% and Operating Income of 4.3%. This income is primarily due to lower outpatient utilization compared to budget which is the result of suppressed utilization of routine and non-urgent care during the pandemic surge and stay at home orders between November 2020 and January 2021. Outpatient utilization for Q4 2020 was down 20% from the same period in 2019. As a result, medical expenses for the month of January 2021 are favorable to budget by $4.7M or 4.0%.

Notably however, Inpatient Services, which is roughly a third of total medical cost, is unfavorable by 12.2%. This is due to an increased number of inpatient stays from COVID-19 cases and is further explained in the Medical Expenses section of this report. The inpatient budget for this period assumes cost and utilization trends based on historical experience and does not assume impact from cost containment efforts. The budget inpatient cost is above our inpatient revenue by 14%. The inpatient negative variance is offset by 10.6% favorability across all other categories of service. This results in a net favorability of $10.80 per member per month (PMPM), or 3.4% favorable to budget.

As stay at home orders and public health guidance continued to encourage people to limit activities early in the year, it is expected that utilization in the outpatient setting may remain suppressed through Q1 2021. As restrictions are loosened and vaccine becomes more widely available, it is expected (and desired) that outpatient utilization will resume in Q2 2021 and beyond, with costs expected to align to the 2021 budget. Staff assume a resumption of the delayed elective procedures, surgeries, and specialist referrals to be scheduled as restrictions on activities loosen and COVID-19 rates continue to decrease, and service levels return to normal.

The Alliance must maintain an adequate level of financial reserves to ensure financial sustainability. The fund balance was approximately 87% of the Board Designated Target. Staff continue executing the Board Approved Cost Containment Plan to meet this target.

Jan-21 MTD (In $000s)

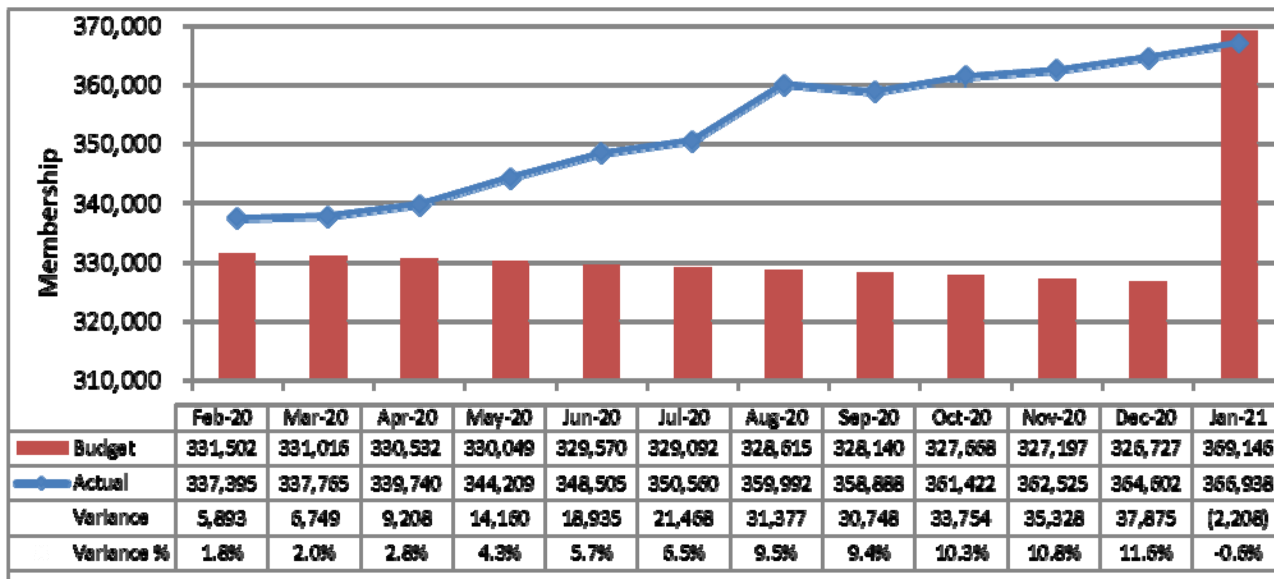
Key Indicators	Current Actual	Current Budget	Current Variance	% Variance to Budget
Membership	*366,938*	*369,146*	*(2,208)*	*-0.6%*
Revenue	123,316	122,351	966	0.8%
Medical Expenses	111,165	115,822	4,657	4.0%
Administrative Expenses	6,896	6,897	1	0.0%
Operating Income/(Loss)	5,255	(369)	5,624	100.0%
Net Income/(Loss)	3,468	(1,005)	4,473	100.0%
PMPM				
Revenue	336.07	331.44	4.63	1.4%
Medical Expenses	302.95	313.76	10.80	3.4%
Administrative Expenses	18.79	18.68	(0.11)	-0.6%
Operating Income/(Loss)	14.32	(1.00)	15.32	100.0%
MLR %	*90.1%*	*94.7%*	*4.5%*	
ALR %	*5.6%*	*5.6%*	*0.0%*	
Operating Income %	*4.3%*	*-0.3%*	*4.6%*	
Net Income %	*2.8%*	*-0.8%*	*3.6%*	

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. The revenue and medical costs are closer to budget on a PMPM basis. Conversely, administrative expenses do not directly correspond with enrollment and are therefore viewed in terms of total dollar amount. At a PMPM level, revenue is $336.07, medical cost is $302.95 and administrative cost is $18.79, resulting in an operating income of $14.32 PMPM.

Membership. January 2021 Member Months are unfavorable to budget by 0.6%. Unfavorability in Member Months is primarily driven by the "Family/Adult and Adult Expansion" and "LTC and LTC Full Dual" Categories of Aid, and In-Home Supportive Services, which account for 34.3% of the decrease. Member Months are partially offset by favorability in "SPD and SPD Full Dual" Category of Aid, and Whole Child Model by 15.4%. By county, Monterey is unfavorable to budget by 0.9%, followed by Merced at 0.5%, and Santa Cruz at 0.1%.

In CY2020, the Member Months increased by 7% due to the suspension of the Medi-Cal redetermination process during the Public Health Emergency (PHE) period. The 2021 Budget assumes the PHE will end in June 2021.

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



	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Budget	331,502	331,016	330,532	330,049	329,570	329,092	328,615	328,140	327,668	327,197	326,727	369,146
Actual	337,395	337,765	339,740	344,209	348,505	350,560	359,992	358,888	361,422	362,525	364,602	366,938
Variance	5,893	6,749	9,208	14,160	18,935	21,468	31,377	30,748	33,754	35,328	37,875	(2,208)
Variance %	1.8%	2.0%	2.8%	4.3%	5.7%	6.5%	9.5%	9.4%	10.3%	10.8%	11.6%	-0.6%

Revenue. January 2021 Medi-Cal capitation revenue of $123.0M is favorable to budget by $1.0M or 0.8%. The month-to-date variance is primarily driven by $1.7M in rate variances and is offset by a $0.7M enrollment variance. The Pharmacy Carve-out is further delayed past April 2021. Staff prepared an updated pharmacy budget for the Board to approve on March 24, 2021.

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

County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	27,661	27,372	289	(37)	326
Monterey	53,617	52,987	630	(468)	1,098
Merced	41,766	41,695	71	(213)	285
Total	**123,045**	**122,055**	**990**	**(719)**	**1,709**

Note: Excludes Jan-21 In-Home Supportive Services premiums revenue of $0.3M

Medical Expenses. January 2021 Medical Expenses are $111.2M or $302.95 PMPM, which is favorable by $4.7M or 4.0%, or $10.80 or 3.4% on a PMPM-basis, as compared to budget. The month-to-date favorable variance is primarily driven by lower utilization. The Q4 2020 utilization was down 20% from the same period in 2019.

Inpatient Services is unfavorable to budget by 12.2% and is driven by the increase in active COVID cases. From March 2020 through October 2020, we had an average of 77 monthly cases. For the three-month period between November 2020 to January 2021, we had an average of 335 monthly cases.

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

Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	109.91	97.92	(11.98)	-12.2%
Inpatient Services (LTC)	36.52	41.86	5.34	12.8%
Physician Services	45.08	51.09	6.00	11.7%
Outpatient Facility	15.66	18.37	2.71	14.7%
Pharmacy	42.71	46.69	3.99	8.5%
Other Medical	53.07	57.82	4.75	8.2%
Total	**302.95**	**313.76**	**10.80**	**3.4%**

Administrative Expenses. January 2021 Administrative Expenses are on par with budget resulting in a 5.6% ALR.

Non-Operating Revenue/Expenses. January 2021 Total Non-Operating Revenue is unfavorable to budget by $0.6M or 91.7% which is primarily driven by lower interest income and unrealized investment gain. January 2021 Grants are unfavorable to budget by $0.5M or 42.1%.

Overall, the Alliance generated a Net Income of $3.5M.

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Balance Sheet
For The First Month Ending January 31, 2021
(In $000s)

Assets	
Cash	$252,436
Restricted Cash	300
Short Term Investments	356,113
Receivables	255,150
Prepaid Expenses	1,548
Other Current Assets	18,830
Total Current Assets	**$884,377**
Building, Land, Furniture & Equipment	
Capital Assets	$83,694
Accumulated Depreciation	(36,800)
CIP	2,600
Total Non-Current Assets	**49,494**
Total Assets	**$933,870**
Liabilities	
Accounts Payable	$15,495
IBNR/Claims Payable	464,439
Accrued Expenses	(5)
Estimated Risk Share Payable	10,832
Other Current Liabilities	7,871
Due to State	0
Total Current Liabilities	**$498,633**
Fund Balance	
Fund Balance - Prior	$431,770
Retained Earnings - CY	3,468
Total Fund Balance	**435,238**
Total Liabilities & Fund Balance	**$933,870**

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The First Month Ending January 31, 2021
(In $000s)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	*366,938*	*369,146*	*(2,208)*	*-0.6%*	*366,938*	*369,146*	*(2,208)*	*-0.6%*
Capitation Revenue								
Capitation Revenue Medi-Cal	$123,045	$122,055	$990	0.8%	$123,045	$122,055	$990	0.8%
Premiums Commercial	271	296	(25)	-8.3%	271	296	(25)	-8.3%
Total Operating Revenue	**$123,316**	**$122,351**	**$966**	**0.8%**	**$123,316**	**$122,351**	**$966**	**0.8%**
Medical Expenses								
Inpatient Services (Hospital)	$40,329	$36,147	($4,181)	-11.6%	$40,329	$36,147	($4,181)	-11.6%
Inpatient Services (LTC)	13,402	15,454	2,051	13.3%	13,402	15,454	2,051	13.3%
Physician Services	16,543	18,858	2,315	12.3%	16,543	18,858	2,315	12.3%
Outpatient Facility	5,747	6,782	1,035	15.3%	5,747	6,782	1,035	15.3%
Pharmacy	15,671	17,237	1,566	9.1%	15,671	17,237	1,566	9.1%
Other Medical	19,473	21,344	1,871	8.8%	19,473	21,344	1,871	8.8%
Total Medical Expenses	**$111,165**	**$115,822**	**$4,657**	**4.0%**	**$111,165**	**$115,822**	**$4,657**	**4.0%**
Gross Margin	**$12,151**	**$6,529**	**$5,622**	**86.1%**	**$12,151**	**$6,528**	**$5,623**	**86.1%**
Administrative Expenses								
Salaries	$4,800	$4,488	($311)	-6.9%	$4,800	$4,488	($311)	-6.9%
Professional Fees	72	166	94	56.4%	72	166	94	56.4%
Purchased Services	812	841	29	3.4%	812	841	29	3.4%
Supplies & Other	556	688	132	19.2%	556	688	132	19.2%
Occupancy	103	109	6	5.9%	103	109	6	5.9%
Depreciation/Amortization	554	606	52	8.5%	554	606	52	8.5%
Total Administrative Expenses	**$6,896**	**$6,897**	**$1**	**0.0%**	**$6,896**	**$6,897**	**$1**	**0.0%**
Operating Income	**$5,255**	**($369)**	**$5,624**	**100.0%**	**$5,255**	**($369)**	**$5,624**	**100.0%**
Non-Op Income/(Expense)								
Interest	$254	$586	($331)	-56.6%	$254	$586	($331)	-56.6%
Gain/(Loss) on Investments	(297)	(23)	(273)	-100.0%	(297)	(23)	(273)	-100.0%
Other Revenues	97	97	(0)	-0.2%	97	97	(0)	-0.2%
Grants	(1,841)	(1,296)	(546)	-42.1%	(1,841)	(1,296)	(546)	-42.1%
Total Non-Op Income/(Expense)	**($1,787)**	**($637)**	**($1,150)**	**-100.0%**	**($1,787)**	**($637)**	**-$1,150**	**-100.0%**
Net Income/(Loss)	**$3,468**	**($1,005)**	**$4,473**	**100.0%**	**$3,468**	**($1,005)**	**$4,474**	**100.0%**
MLR	*90.1%*	*94.7%*			*90.1%*	*94.7%*		
ALR	*5.6%*	*5.6%*			*5.6%*	*5.6%*		
Operating Income	*4.3%*	*-0.3%*			*4.3%*	*-0.3%*		
Net Income %	*2.8%*	*-0.8%*			*2.8%*	*-0.8%*		

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The First Month Ending January 31, 2021
(In PMPM)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	*366,938*	*369,146*	*(2,208)*	*-0.6%*	*366,938*	*369,146*	*(2,208)*	*-0.6%*
Capitation Revenue								
Capitation Revenue Medi-Cal	$335.33	$330.64	$4.69	1.4%	$335.33	$330.64	$4.69	1.4%
Premiums Commercial	0.74	0.80	(0.06)	-7.7%	0.74	0.80	(0.06)	-7.7%
Total Operating Revenue	**$336.07**	**$331.44**	**$4.63**	**1.4%**	**$336.07**	**$331.44**	**$4.63**	**1.4%**
Medical Expenses								
Inpatient Services (Hospital)	$109.91	$97.92	($11.98)	-12.2%	$109.91	$97.92	($11.98)	-12.2%
Inpatient Services (LTC)	36.52	41.86	5.34	12.8%	36.52	41.86	5.34	12.8%
Physician Services	45.08	51.09	6.00	11.7%	45.08	51.09	6.00	11.7%
Outpatient Facility	15.66	18.37	2.71	14.7%	15.66	18.37	2.71	14.7%
Pharmacy	42.71	46.69	3.99	8.5%	42.71	46.69	3.99	8.5%
Other Medical	53.07	57.82	4.75	8.2%	53.07	57.82	4.75	8.2%
Total Medical Expenses	**$302.95**	**$313.76**	**$10.80**	**3.4%**	**$302.95**	**$313.76**	**$10.80**	**3.4%**
Gross Margin	**$33.11**	**$17.69**	**$15.43**	**87.2%**	**$33.11**	**$17.69**	**$15.43**	**87.2%**
Administrative Expenses								
Salaries	$13.08	$12.16	($0.92)	-7.6%	$13.08	$12.16	($0.92)	-7.6%
Professional Fees	0.20	0.45	0.25	56.2%	0.20	0.45	0.25	56.2%
Purchased Services	2.21	2.28	0.07	2.9%	2.21	2.28	0.07	2.9%
Supplies & Other	1.52	1.86	0.35	18.7%	1.52	1.86	0.35	18.7%
Occupancy	0.28	0.30	0.02	5.3%	0.28	0.30	0.02	5.3%
Depreciation/Amortization	1.51	1.64	0.13	8.0%	1.51	1.64	0.13	8.0%
Total Administrative Expenses	**$18.79**	**$18.68**	**($0.11)**	**-0.6%**	**$18.79**	**$18.68**	**($0.11)**	**-0.6%**
Operating Income	**$14.32**	**($1.00)**	**$15.32**	**100.0%**	**$14.32**	**($1.00)**	**$15.32**	**100.0%**

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Statement of Cash Flow
For The First Month Ending January 31, 2021
(In $000s)

	MTD	YTD
Net Income	$3,468	$3,468
Items not requiring the use of cash: Depreciation	554	554
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Receivables	(7,421)	(7,421)
Prepaid Expenses	1,274	1,274
Current Assets	675	675
Net Changes to Assets	**($5,472)**	**($5,472)**
Changes to Payables:		
Accounts Payable	($25,064)	($25,064)
Accrued Expenses	(6)	(6)
Other Current Liabilities	408	408
Incurred But Not Reported Claims/Claims Payable	120,803	120,803
Estimated Risk Share Payable	822	822
Due to State	-	-
Net Changes to Payables	**$96,962**	**$96,962**
Net Cash Provided by (Used in) Operating Activities	**$95,512**	**$95,512**
Change in Investments	($2)	($2)
Other Equipment Acquisitions	(119)	(119)
Net Cash Provided by (Used in) Investing Activities	**($122)**	**($122)**
Net Increase (Decrease) in Cash & Cash Equivalents	**$95,390**	**$95,390**
Cash & Cash Equivalents at Beginning of Period	**$157,045**	**$157,045**
Cash & Cash Equivalents at January 31, 2021	**$252,436**	**$252,436**

SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION

Meeting Minutes

Wednesday, February 24, 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. Maximiliano Cuevas	Provider Representative
Dr. Larry deGhetaldi	Provider Representative
Ms. Julie Edgcomb	Public Representative
Dr. Gary Gray	Hospital Representative
Ms. Mimi Hall	County Health Services Agency Director
Ms. Elsa Jimenez	County Health Director
Ms. Shebreh Kalantari-Johnson	Public Representative
Mr. Michael Molesky	Public Representative
Ms. Rebecca Nanyonjo	Director of Public Health
Supervisor Josh Pedrozo	County Board of Supervisors
Ms. Elsa Quezada	Public Representative
Dr. James Rabago	Provider Representative
Dr. Allen Radner	Provider Representative
Mr. Rob Smith	Public Representative
Mr. Tony Weber	Provider Representative

Commissioners Absent:

Mr. Dan Brothman	Hospital Representative
Dr. Joerg Schuller	Hospital Representative

Staff Present:

Ms. Stephanie Sonnenshine	Chief Executive Officer
Ms. Lisa Ba	Chief Financial Officer
Dr. Dale Bishop	Chief Medical Officer
Mr. Scott Fortner	Chief Administrative Officer

Ms. Marina Owen	Chief Operating Officer
Ms. Van Wong	Chief Information Officer
Ms. Lisa Hauck	Human Resources Director
Ms. Kathy Stagnaro	Clerk of the Board

1. Call to Order by Chair Coonerty.

Commission Chairperson Coonerty called the meeting to order at 3:03 p.m.

No changes to the agenda were made.

Chair Coonerty welcomed Supervisor Wendy Root Askew, Monterey County, and Supervisor Josh Pedrozo, Merced County, to the Board.

[Vice Chair Conner arrived at this time: 3:06 p.m.]

Roll call was taken and a quorum was present.

2. Oral Communications.

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

No comments or announcements from Commissioners at this time.

4. Comments and announcements by Chief Executive Officer.

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

Ms. Sonnenshine, CEO, welcomed Commissioners to the first meeting of 2021. She noted that this was a full agenda with thorough and detailed staff reports on consent and that a letter to Governor Newsom regarding vaccine equity were included in the packet. She reminded Commissioners that completed annual Form 700 – Statements of Economic Interests are due to the Clerk of the Board.

<u>Consent Agenda Items</u>: (5. – 10J.): 3:10 p.m.

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

MOTION: Commissioner Smith moved to approve the Consent Agenda, seconded by Chair Coonerty.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Conner, Coonerty, Cuevas, deGhetaldi, Edgcomb, Gray, Hall, Jimenez, Kalantari-Johnson, Molesky, Nanyonjo, Pedrozo, Quezada, Rabago, Radner and Smith.

Noes: None.

Absent: Commissioners Askew, Bizzini, Brothman, Schuller and Weber.

Abstain: None.

Regular Agenda Item: (11. - 14.): 3:13 p.m.

[Commissioner Weber arrived at this time: 3:13 p.m.]

11. Discuss Healthcare Environment. (3:13 – 3:47 p.m.)

Mr. Larry Levitt, Executive Vice President for Health Policy, Kaiser Family Foundation, shared insights and held an interactive discussion with the Board on the healthcare environment and future State and Federal priorities impacting members and providers as well as the health plan. The pandemic continues to be a priority in 2021, however he noted that with the new administration, there may be opportunity to make progress on other health issues particularly related to behavioral health, access and health care disparity.

[Commissioner Askew arrived at this time: 3:16 p.m.]

[Commissioner Bizzini arrived at this time: 3:23 p.m.]

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

12. Discuss California Budget Priorities in 2021. (3:47 – 4:01 p.m.)

Ms. Stephanie Sonnenshine, CEO, provided a high-level overview of the relevant priorities indicated by the Governor's January budget proposal. As of February 17, 2021, Medi-Cal Rx, the carve out of pharmacy services from managed care has been further delayed by the Department of Health Care Services. It is unknown at this time when the pharmacy carve-out is expected to be implemented. Updates will be provided to the Board on legislation and the budget as needed, including any letters of support for legislative proposals for the Board's consideration and approval.

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

13. Consider approving report on Medi-Cal Managed Care Procurement Process. (4:01 – 4:11 p.m.)

Ms. Stephanie Sonnenshine, CEO, provided an overview and background information regarding service area expansion. Expansion promotes the Alliance's mission and the County Organized Health System and local plan model, strengthens the Central California service areas through unification, consolidates legislator relations and expands reach.

Feasibility considerations include: sufficient provider participation, community stakeholder support, sufficient State revenue funding, State and Federal approvals, agreement on governance and implementation planning.

The Alliance has previously discussed with the Board the potential for expansion into both San Benito and Mariposa counties over the course of the years. Staff have maintained contact with the counties and have kept up with local thinking about a Medi-Cal delivery system for Medi-Cal beneficiaries in those counties.

Staff recommended that the Board direct staff to work with San Benito and Mariposa counties and return to the board at its March 24, 2021 meeting with a report of findings and recommendation regarding proceeding with a letter of intent.

MOTION: Commissioner Cuevas moved to direct staff to explore interest in, and feasibility of, an expansion of Alliance service area and to report back to the Board in March with a recommendation, seconded by Commissioner Edgcomb.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Askew, Bizzini, Conner, Coonerty, Cuevas, deGhetaldi, Edgcomb, Gray, Hall, Jimenez, Kalantari-Johnson, Pedrozo, Quezada, Rabago, Radner and Weber.

Noes: None.

Absent: Commissioners Brothman, Molesky and Schuller.

Abstain: Commissioners Nanyonjo and Smith.

14. Discuss Strategic Planning Preview. (4:11 – 4:15 p.m.)

Ms. Stephanie Sonnenshine, CEO, provided an overview and next steps of the strategic planning process for 2022 and beyond. The goal of this process is to engage the Board in the development of a three-year organizational strategic plan through an efficient, inclusive and data-driven process. This process is intended to identify the one to two big ideas towards which internal and external activities will align to advance health for Alliance members and communities.

Commissioners, members, staff and local stakeholders will be invited to respond to a survey following this meeting to provide input in the strategic planning process. Ms. Wendy Todd, Wendy Todd Consulting, will facilitate the strategic planning process and has been invited to the March meeting to discuss the themes from the feedback of the survey to provide direction for the June Board retreat and to seek approval of the Strategic Plan in September.

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

[Commissioner Edgcomb departed at this time: 4:15 p.m.]

Adjourn to Closed Session

Chair Coonerty moved the commission into Closed Session at 4:15 p.m.

15. Closed session pursuant to Government Code Section 54957.6 regarding the Agency's performance evaluation of the CEO.

16. Closed session pursuant to Government Code Section 54956.87 (c); Contract Negotiations.

Return to Open Session

Vice Chair Conner reconvened the meeting to Open Session at 5:37 p.m.

17. Closed session pursuant to Government Code Section 54957.6 regarding the Agency's performance evaluation of the CEO.

Vice Chair Conner reported from Closed Session that the Board accepted the CEO's annual performance evaluation. The vote passed with 16 ayes and 5 absent.

Closed session pursuant to Government Code Section 54956.87(c); Contract Negotiations.

Vice Chair Conner reported from Closed Session that no action was taken by the Board.

The Commission adjourned its meeting of February 24, 2021 at 5:39 p.m. to March 24, 2021 at 3:00 p.m. via teleconference unless otherwise noticed.

Respectfully submitted,

Ms. Kathy Stagnaro
Clerk of the Board

COMPLIANCE COMMITTEE

Meeting Minutes
Wednesday, February 17, 2021
8:30 – 10:00 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, Merced County
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
Marina Owen	Chief Operating Officer
Maya Heinert	Medical Director, Monterey County
Michelle Stott	Quality Improvement Director
Rick Dabir	Technology Development 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:

Kay Lor	Provider Payment Director

Committee Members Excused:

Chris Morris	Operational Excellence Director
Dianna Diallo	Medical Director

Mary Brusuelas	UM and Complex Case Management Director
Navneet Sachdeva	Pharmacy Director
Stephanie Sonnenshine	Chief Executive officer

Ad-Hoc Attendees:

Aaron McMurray	Information Security Analyst
Kat Reddell	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 December 2, 2020 Minutes.

COMMITTEE ACTION: Committee reviewed and approved minutes of January 20, 2021 meeting.

3. Consent Agenda.

1. **Policy Hub Approvals**
2. **Regulatory and All Plan Letter Updates**
3. **Code of Conduct Revisions**

Mandella indicated that Code of Conduct revisions are to expand the staff who must notify Human Resources of board-level volunteer activities, from supervisors and above to all Alliance staff.

COMMITTEE ACTION: Committee reviewed and approved Consent Agenda.

4. Regular Agenda

1. **Medi-Cal Contract Compliance Grid**

Somoza, Compliance Manager, presented the newly updated Medi-Cal Contract Compliance Grid, which was developed as a tool to aid Directors and staff to identify which contract provisions their departments are responsible for and which internal policies and procedures (P&Ps) demonstrate Plan compliance.

COMMITTEE ACTION: Committee reviewed Medi-Cal Contract Compliance Grid and assigned the following action items:

- Department Directors to review contract grid to ensure accurate assignments.
- Department Directors to distribute contract grid to relevant staff for training purposes.
- Department Directors incorporate review of the contract grid when drafting or revising policies to ensure contract references are correct and up to date.
- Mandella to consider presentation at Leadership and Admin Forums.

2. Compliance Promotional Activities

Mandella, Compliance Officer, reviewed the purpose of conducting compliance promotional activities and historical efforts to engage staff in learning about Compliance. Mandella reported that staff engagement has historically been low, and noted the need to adapt promotional strategies to maximize staff engagement while using Compliance resources efficiently.

Gorman, Communications Director, reported on collaborative partnership with Compliance and reviewed promotional activities planned for 2021.

Committee members provided feedback and ideas to boost staff awareness.

The meeting adjourned at 9:22 a.m.

Respectfully submitted,

Robin Sihler
Administrative Assistant - Compliance

Physicians Advisory Group

Meeting Minutes

Thursday, December 3, 2020
12:00 - 1:30 p.m.

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

Group Members Present:

Dr. Jennifer Hastings	Provider Representative
Dr. Scott Prysi	Provider Representative
Dr. Misty Navarro	Provider Representative
Dr. Patrick Clyne	Provider Representative
Dr. Shirley Dickinson	Provider Representative
Dr. Caroline Kennedy	Provider Representative
Dr. Devon Francis	Provider Representative
Dr. James Rabago	Provider Representative
Dr. Casey Kirkhart	Provider Representative
Dr. Chuyen Trieu	Provider Representative

Group Members Absent:

Dr. Barry Norris	Provider Representative
Dr. Allen Radner	Provider Representative
Dr. Anjani Thakur	Provider Representative
Dr. Kenneth Bird	Provider Representative
Dr. Amy McEntee	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. Mary Brusuelas	Utilization Management/CCM Director
Ms. Jordan Turetsky	Provider Services Director
Ms. Hilary Gillette-Walch	Clinical Decision Quality Manager
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. Tracy Neves	Clerk of the Advisory Group

Public Representatives Present:

Ms. Becky Shaw	Public 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 September 3, 2020 Physicians Advisory Group (PAG) minutes.

   Minutes approved as written.

4. **Old Business - Updates**

   A. Cares Based Incentives (CBI) Updates
   Dr. Bishop noted that CBI 2022 updates would also be discussed. For CBI 2020 and 2021, Dr. Dianna Diallo noted the Alliance received a number of recent requests from providers to clarify whether IHA visits could be completed through telehealth visits. They can be, so guidelines and documentation were created and shared with providers. The information was shared in the Provider News distributed through fax and email on November 17. As discussed in the previous PAG meeting, DHCS's temporary suspension of the 120-day timeline for completion of IHA visits is still in effect. All providers will receive credit for CBI in 2020 if they meet the minimum number of members for eligibility for this measure.

   Possible 2022 CBI Measures include:

   - Programmatic Measures
     - Add: Breast Cancer Screening, Controlling High Blood Pressure
     - Modify: Antidepressant Medication Management for Screening for Depression and Follow-up Plan

- Retire: Body Mass Index Assessment: Children & Adolescents, Maternity Care: Post-Partum Care, Maternity Care
- Exploratory Measures
  - Add: Health Disparity Measure

Dr. Bishop noted breast cancer and blood pressure measures were targeted as they are below the 50% percentile in all counties. Blood pressure screening would require new coding (CB2 codes) in the system. Provider inquired about the blood pressure guidelines. It was noted the controlling blood pressure measure is a hybrid measure.
Action: The Alliance to review blood pressure guidelines and present at the next meeting.

Dr. Diallo noted the Alliance is considering modification of the depression screening measure, following changes from the CA specific measure to the CMS core measure. This screening would be more inclusive of the entire adult population. The measure would look at whether an annual screening (adult) was complete. If there is a positive depression screen, the patient would receive a follow-up plan. Provider noted that it is important that all providers are using the same depression screening and follow-up guidelines. It was noted, evidence-based tools are utilized for depression screening and a wide range of tools are available for provider follow-up. The provider website contains CBI fact sheets for each measurement.

Maternity measures are being considered for retirement as performance is relatively high, and some PCPs do not directly manage their patient's pregnancy. Also in consideration for retirement, is the BMI Children and Adolescents measure as performance is high for medical record review during HEDIS, and more providers have been submitting ICD-10 codes through claims.

The Alliance is considering an exploration measure related to health disparities. Provider noted there can be issues with getting the data into electronic medical records and staffing constraints. Provider suggested looking at other entities to see what they are doing regarding this topic. Another suggestion was to review/utilize current data available to track access to care and health outcomes. Provider noted that Dr. Marissa Raymond-Flesch would be a good resource for this topic as she recently presented on racism in healthcare. The Group agreed this is an important topic and would like to continue the discussion further. **Action:** The Alliance will bring various options regarding this topic to future meetings for discussion.

5. **New Business**

A. COVID-19 Coordination with Public Health

Dr. Maya Heinert presented COVID outreach efforts with Public Health. Currently emergency room departments (EDs) are experiencing overcrowding. Before the holidays members were going to the EDs to obtain testing. Provider Services reached out to all county providers to ascertain who was able to conduct testing for COVID. The Provider Relations data regarding

RSV, COVID-19 and flu vaccinations was shared with the Group. Regional Operations will share the data with Monterey and Merced County Health Department leadership. The Santa Cruz County Health Department plans to assist providers with PPE and testing kit needs.

The Alliance is attending quarterly meetings with partners to discuss what is impacting the EDs and their current challenges. One concern is administration of monoclonal antibodies that has created issues in the ED as infusion can take several hours. There has been mixed data regarding the usage of monoclonal antibodies for treatment of COVID. The Alliance is assessing how to assist with vaccination efforts and waiting for state and county direction. The Alliance Communications department is assisting in informing providers and members regarding where they can go for testing. Testing and COVID information has also been shared on the Alliance website, Facebook, and in radio interviews. In addition, there are communications regarding behavioral health services and the holidays. All communications are provided in all three of our threshold languages. A provider inquired whether Medi-Medi members can assess Beacon services. It was noted that members should first seek treatment through Medicare, and reach out to the Alliance and Beacon for services not covered by Medicare. **Action:** Jennifer Mockus will follow-up with Beacon to get a list of their network providers that accept Medicare.

B. Pharmacy Carve-Out Update
Navneet Sachdeva, Pharmacy Director, gave a presentation on the Pharmacy Carve-Out/Medi-Cal Rx. The original effective date of the Medi-Cal Rx was January 1 but was delayed to April 1, 2021. Medi-Cal Rx will deliver the outpatient prescription benefit through Magellan Medicaid Administration, Inc. The benefit includes outpatient drugs, supplies, and enteral nutrition products. There will be no changes to medical and/or institutional claims as they remain the plan's responsibility. Members will be able to continue all current medications for 180 days with provisions for some common chronic conditions to continue on medications for 5 years.

The Alliance has attended meetings with external stakeholders which includes DHCS, Magellan, a Pharmacy Carve-out Workgroup and other plans. An internal Pharmacy Carve-Out project subgroup was also formed. DHCS sent out a 90/60-day notices with the January 1st implementation date, and the date has since changed to April 1st. Communication regarding the Pharmacy Carve-Out was sent via an educational flyer, the Alliance website, newsletters and on social media. Pharmacy also participated in discussions with the Member Services Advisory Group. Notices were sent to mail order and compounding pharmacies regarding the change and informing them they will need to enroll with DHCS to continue services. The member handbook was updated and pharmacy gaps are being identified. Utilization Management (UM) and Community Care Coordination (CCC) are also discussing the Pharmacy-Carve as part of their member engagement. Outreach was conducted to high-risk CCS members utilizing specialty drugs.

DHCS sent out notices to providers and pharmacies, and training provided through the DHCS portal. Pharmacy Carve-Out information was provided through meetings, provider bulletins, provider manual and via the Alliance website. Magellan is providing portal training.

Alliance readiness efforts were also shared with the Group. Pharmacy continues to update and educate departments throughout the Alliance regarding the carve-out.
Some open issues remaining include:

- Magellan Portal Sign up and training for providers
- Specialty Pharmacy case management
- Pharmacy immunization procedure payments
- CDL gap analysis and reduction
- Magellan operational readiness for claim processing.
- Magellan Clinical Liaison roles and functions
- Pharmacy Provider Network Adequacy

Post implementation activities will include tracking all member and provider inquiries, review of daily data feeds from Magellan to monitor denials and determine access issues, and review of Medi-Cal claims submitted to MedImpact. In addition, to utilization of Magellan Clinical Liaison for care coordination and implementation of clinical programs.

Provider thanked Navneet for her presentation and for Pharmacy's efforts regarding the Pharmacy Carve-Out.

C. Member Outreach & Communication
Michelle Stott, Quality Improvement & Population Health Director, presented member outreach data. Member outreach from April 1 to November 19 consisted of outreach to 116,032 members through live calls, robocalls, and mailings. Several Alliance teams worked collaboratively on the member outreach. Resuming Care outreach began in July and has been an ongoing effort. Recently there was a power outage in Santa Cruz County and the Alliance conducted outreach to vulnerable members. Outreach was also completed as part of the DHCS pediatric campaign to promote well visits, immunizations and lead screening. The pediatric campaign consisted of mailers, robocalls and telephonic outreach. Upcoming member outreach will include the DHCS pediatric campaign for Adolescents. This includes:

- Adolescent well-visits and Immunizations (ages 7 to <18)
  Minimal to no utilization based on claims
    - Handouts include:
        - Alliance Quick Reference Guide
        - Nutrition "Choose My Plate"
        - Flu vaccine
        - $50-member reward (raffle) for immunizations
        - Mental health resources
- Young Adult (18 to <22 yrs.) well-visits
    - Handouts TBD

Michelle asked the Group for their feedback for next year's outreach. Some possible topics include flu vaccine, reinforcement of COVID-19 precautions and safety, informational calls on COVID-19 vaccine and resuming care for preventive services.

Provider noted COVID outreach is very important in addition to flu vaccines. Some members are still hesitant to get the flu vaccine and believe it can cause the flu. Conducting flu vaccine outreach annually would be helpful. Providers are receiving questions regarding the COVID vaccines. It was noted that due to flu vaccines and COVID, preventative services have declined. Provider noted more access is needed for COVID testing and triage.

6. **Open Discussion**

Chairperson Bishop opened the floor for the Group to have an open discussion. Provider asked about Alliance specific COVID guidelines. Dr. Bishop noted providers should seek guidance from their local health departments and facilities. Dr. Arakawa agreed with Dr. Bishop's recommendation.

The meeting adjourned at 1:30 p.m.

Respectfully submitted,

Ms. Tracy Neves
Clerk of the Advisory Group

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

DATE: March 24, 2021

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

FROM: Dr. Dale Bishop, Chief Medical Officer

SUBJECT: Alliance Formulary Changes for Q1 2021

Recommendation. Staff recommend the Board approve the decision from the March 4, 2021 Pharmacy and Therapeutics (P&T) Committee on Alliance formulary changes for Q1 2021 listed below.

Background. The Alliance formulary is developed and maintained by the P&T Committee. The P&T Committee reports to the Continuous Quality Improvement Committee (CQIC). The CQIC is designated by, and accountable to, the Santa Cruz-Monterey-Merced Managed Medical Care Commission (Board). The activities, findings, recommendations and actions of the CQIC are reported to the Board on a scheduled basis.

Discussion. The P&T Committee accepted the following changes recommended by Alliance Pharmacists based on safety, efficacy, cost, scientific evidence and standards of practice.

Drug	Action
Zilretta (triamcinolone)	Added Prior Authorization Criteria
Eylea (aflibercept)	Modified Prior Authorization Criteria
Xarelto 2.5mg	Added to formulary
Sodium chloride 0.9% vial, flush, irrigation	Removed quantity limit

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

Attachments. N/A

DATE: March 24, 2021

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

FROM: Jenifer Mandella, Compliance Officer

SUBJECT: Policy Revisions – 105-0012 – Administrative Decision-Making Controls

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Recommendation. Staff recommend the Board approve revisions to Alliance Policy 105-0012 – Administrative Decision-Making Controls.

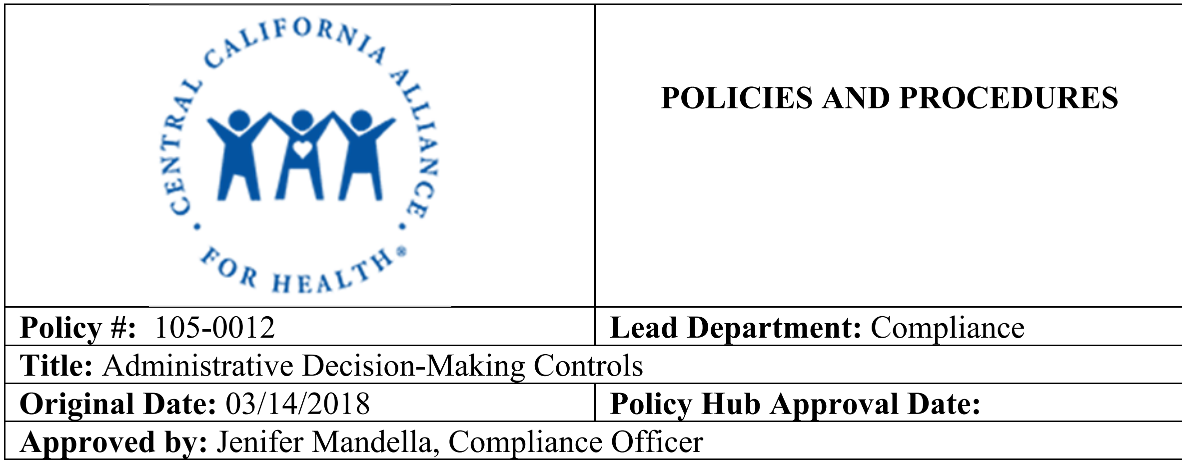
Summary. Alliance Policy 105-0012 – Administrative Decision-Making Controls was revised to document the Chief Executive Officer's (CEO's) authority to manage and hire personnel.

Background. Board bylaws state that the CEO has the responsibility and authority to carry out policies, procedures and practices of the Commission and act as representative for the Commission in matters on which the commission has not authorized someone else to do so. (9.2.1 and 9.2.2). The bylaws state that the Commission shall adopt procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property, and improvements, hiring employees, managing personnel, and for all other matters as deemed appropriate. In 2019, Staff conducted an assessment to confirm policies are in place for each of these functional areas. That review identified an opportunity to adopt a policy that documents and clarifies the authority that the board has granted the CEO to manage and hire personnel.

Discussion. In 2019, Staff conducted an assessment to confirm policies are in place for each of the aforementioned functional areas. That review identified an opportunity to adopt a policy that documents and clarifies the authority that the board has granted the CEO to manage and hire personnel. Required language has been incorporated into Alliance Policy 105-0012 – Administrative Decision-Making Controls. With this revision, Alliance policies fully document delegation of authority as indicated in the bylaws.

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

Attachments.
1. Alliance Policy 105-0012 – Administrative Decision-Making Controls



	POLICIES AND PROCEDURES
Policy #: 105-0012	**Lead Department:** Compliance
Title: Administrative Decision-Making Controls	
Original Date: 03/14/2018	**Policy Hub Approval Date:**
Approved by: Jenifer Mandella, Compliance Officer	

Purpose:
To outline the Central California Alliance for Health's (the Alliance's) policy on administrative decision-making controls, as approved by the Board of Commissioners (the Board).

Policy:
Alliance Bylaws of the Santa Cruz-Monterey-Merced Managed Medical Care Commission (Bylaws) provide that the Chief Executive Officer (CEO) has the authority to carry out the policies, procedures and practices of the Board, and act as the representative of the Commission in all matters that the Commission has not authorized someone else to do.[i] Any authority not specifically addressed by the Board, the Bylaws, or this policy is reserved to the CEO or designee.

Definitions:
Administrative Controls – Procedures necessary to ensure decisions are made in compliance with requirements governing Alliance operations.

Unavailable – Absent and unreachable due to vacation, illness, injury, or other circumstance inhibiting decision-making abilities essential to support business operations.

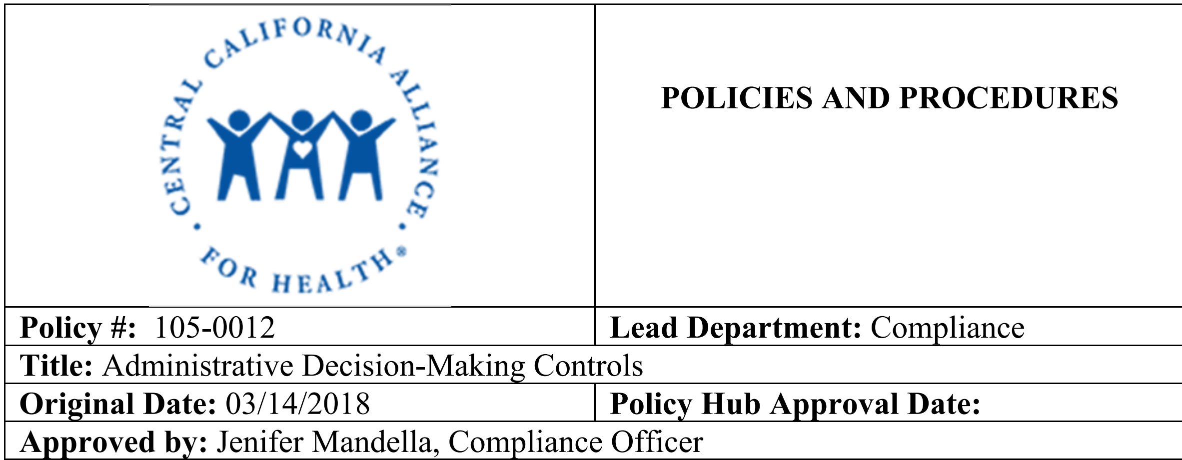
Procedures:
1. Advocacy
    a. The Board maintains authority to approve Alliance representation in advocacy matters relating to Federal and State legislation.
        i. The Alliance is prohibited from partisan advocacy as a public agency. As such, Board advocacy shall focus on policy and legislative issues, including, but not limited to, member eligibility and/or benefits, Medi-Cal provider payments, Medi-Cal health plan revenue, and Medi-Cal managed care policies and initiatives.[ii]
    b. The CEO, or designee, maintains authority to represent the Alliance in professional or industry associations, including but not limited to, the Association for Community Affiliated Plans (ACAP), the California Association of Health Plans (CAHP), and the Local Health Plans of California (LHPC).

2. Legal Settlements
   a. The CEO maintains authority to approve legal settlements related to actions against the Plan. The CEO will keep the Board apprised of any issue of pending or potential litigation up to the limits of the CEO's expenditure authority.[iii]

3. Signature Stamps
   a. The CEO maintains authority to approve use of his/her signature stamp.
   b. The Chief Financial Officer (CFO) maintains authority to approve use of his/her signature stamp.

4. Alliance Staff
   a. The CEO will submit to the Board, annually, for approval, an administrative budget that provides for necessary personnel, equipment, supplies, and other necessary expenditures to ensure that the work of the Commission can be carried out effectively and efficiently.
   b. The Board delegates to the CEO the responsibility for the management and hiring of personnel subject to personnel policies which are the responsibility of the CEO to establish and carry out. In doing so, the CEO will ensure all applicable laws, regulations and rules regarding personnel are followed and documented in personnel policies.
   c. Only the CEO has authority to approve involuntary staff terminations. In these instances, the HRD recommends separation to the CAO. If approved, the CAO forwards the separation request to the CEO for final approval.
   d. The CFO maintains authority to approve and sign the payroll register.

5. Executive Line of Succession
   a. Specific authorities may be delegated in accordance with this policy if the CEO is Unavailable, as defined in this policy.
   b. In the event that the Executive Line of Succession is activated on behalf of the CEO, Alliance staff members listed in the table below may act in his/her absence, in accordance with this policy, beginning with the First Alternate and progressing thorough each alternate, as necessary.



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH	**POLICIES AND PROCEDURES**
Policy #: 105-0012	**Lead Department:** Compliance
Title: Administrative Decision-Making Controls	
Original Date: 03/14/2018	**Policy Hub Approval Date:**
Approved by: Jenifer Mandella, Compliance Officer	

Primary	CEO
First Alternate	Chief Operating Officer
Second Alternate	CFO
Third Alternate	CAO

c. Only the Officers named above are included in the Executive Line of Succession. The Board assumes authority when all named individuals are Unavailable.
d. Individuals acting in accordance with the Executive Line of Succession shall retain such authorities until:
    i. Authority is resumed by the Primary; or
    ii. Authority is assumed by the Board.
e. The acting CEO must notify the Board, Alliance Chiefs, and Department Directors in the event the Executive Line of Succession is activated based on CEO Unavailability due to incapacity, as determined by the acting CEO.
f. For any action in which two Officers' signatures or approvals are required, and in the event the authorized Officer is Unavailable to provide approval, the Executive Line of Succession may be used to obtain the signature or approval of the next alternate in the Executive Line of Succession.

References:
Alliance Policies:
- 101-1028 – Paid Time Off
- 101-1032 – Recruitment and Selection
- 101-1043 – Job Changes - Promotion – Reclassification
- 101-1051 – Bilingual Compensation Program
- 105-0013 – Expenditure Authority
- 106-1044 – Tuition Reimbursement
- 500-3053 - Remote Access to Alliance Systems
- 701-1400 – Accounts Payable
- 701-1500 – Expense Reimbursement
- 701-4400 – Purchase Orders

Impacted Departments:
- Administration
- Finance Division

<table>
<tr><td colspan="2"> </td><td colspan="2">POLICIES AND PROCEDURES</td></tr>
<tr><td colspan="2">Policy #: 105-0012</td><td colspan="2">Lead Department: Compliance</td></tr>
<tr><td colspan="4">Title: Administrative Decision-Making Controls</td></tr>
<tr><td colspan="2">Original Date: 03/14/2018</td><td colspan="2">Policy Hub Approval Date:</td></tr>
<tr><td colspan="4">Approved by: Jenifer Mandella, Compliance Officer</td></tr>
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Government Relations
Human Resources
Training & Development
Technology Services

Regulatory:
Legislative:
Contractual:
MMCD Policy Letter:
NCQA:
Supersedes:

Policy 105-0003 – Contract Signature and Expenditure Authority and Administrative Decision-Making Controls

Other References:

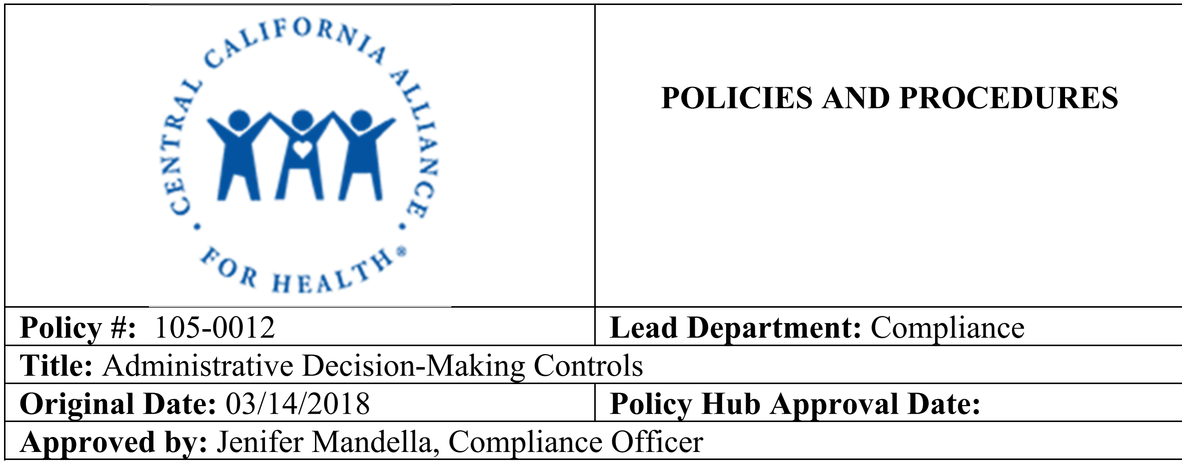
By-Laws of the Santa Cruz-Monterey-Merced Managed Medical Care Commission
Framework for Legislation and Finance Committees presented to the Commission April 24, 2013
Alliance Compliance Plan

Attachments:

Lines of Business This Policy Applies To	**LOB Effective Dates**
☒ Medi-Cal	(01/01/1996 – present)
☒ Alliance Care IHSS	(07/01/2005 – present)

Revision History:

Reviewed Date	Revised Date	Changes Made By	Approved By
			Jenifer Mandella
04/16/2019	05/13/2019	Ilsa Branch, Compliance Manager	Jenifer Mandella, Compliance Officer
3/4/2021	3/4/2021	Jenifer Mandella, Compliance Officer	



	POLICIES AND PROCEDURES
Policy #: 105-0012	**Lead Department:** Compliance
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[i] SC-M-MMC Bylaws, Article IX, Provisions 9.2.1 and 9.2.2

[ii] Framework for Legislation and Finance Committees presented to the Commission April 24, 2013

[iii] Alliance Expenditure and Signature Authority Policy, adopted by the Board on 6/28/2000, and revised 9/26/2012 and 3/28/2018

DATE: March 24, 2021

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

FROM: Scott Fortner, Chief Administrative Officer

SUBJECT: Alliance Workforce and Workspace Planning

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

Discussion. In response to the COVID-19 pandemic, Alliance office locations in all three counties have been closed since March 16, 2020. Alliance staff have been working in a temporary, fulltime telecommuting status since that date. At this time, the planned date for reopening Alliance offices is scheduled for "no sooner than" July 1, 2021. As part of assessing the safe reopening of Alliance offices, the Alliance Workspace Reentry Taskforce (WRT), which consists of Alliance Medical, Human Resources and Facility Management leadership, regularly monitors and evaluates the trajectory and local impact of the COVID-19 pandemic. Alliance leadership will continue to look to this team for guidance and recommendations further to the safe reopening of Alliance offices.

As we look to the future of health plan operations in a post-pandemic environment, the Alliance has developed guidelines for general staffing practices while ensuring a connection to the local community, detailed below.

Local Health Plan: Local Presence. The Alliance is a regional non-profit health plan using the State's County Organized Health System model to serve approximately 360,000 members in Santa Cruz, Monterey and Merced counties. We work in partnership with our contracted providers to improve access to quality health care for those we serve. This results in the delivery of innovative community-based health care services, better medical outcomes and cost savings. As a local health plan, we emphasize hiring staff within the communities we serve and within the local area. Being local is important to ensuring awareness, understanding, and a connection to our communities, and it provides the opportunity for staff to more easily meet business needs, and attend community and company events and meetings (once clarified following the pandemic). "Local' is defined as residing:

- Within an Alliance service area county: Santa Cruz, Monterey or Merced;
- In a county contiguous to Alliance service counties: San Benito, San Mateo, Santa Clara, Stanislaus, Mariposa, Madera, Fresno, Kings, San Luis Obispo; and/or
- In a location not exceeding a three-hour commute (one way) from the employee's primary Alliance office location.

Situations may occur where business needs will best be met with an employee who resides outside of the service area. Examples include recruiting outside of our service area for difficult to fill positions and retention of staff in certain roles needing to relocate outside the service area. All such situations will be evaluated on a case-by-case basis.

General Staffing Practices. Ensuring the safety and wellbeing of Alliance staff while meeting core obligations is a priority, as is ensuring employee engagement and productivity, and preserving Alliance culture. When the Alliance offices are safely reopened for business, we will adjust our pre-pandemic telecommuting policy by expanding work-from-home opportunities from the current maximum of two days per week to a maximum of up to five days per week (fulltime telecommuting). We will continue with providing the current flexible and alternate work scheduling opportunities.

In evaluating workforce options, the Alliance will rely on telecommuting when and where it supports the Alliance in meeting its business needs. As the Alliance has successfully demonstrated the ability to work from home fulltime and meet core obligations, employees should be permitted to continue fulltime telecommuting if requested, unless there is a specific negative impact on the organization and our success.

Staff in certain positions may be required to have a "customer-facing" or "in-office" presence based on the nature of their role. Examples include but are not limited to:

- Customer-Facing: Positions with direct, in-person member, provider and/or community contact; and
- In-Office: Positions requiring hands-on/in-person effort specific to leadership, management, maintenance, and/or the operations of the health plan and its facilities, etc.

Department leadership will be entrusted with evaluating and approving staff telecommuting and scheduling requests based on business needs, together with department operations and current department structure, as documented in Department Operating Assessments. Positions/roles should be assessed based on the continued ability to meet business needs successfully in a telecommuting working environment, and then an individual's ability to meet core obligations.

With a higher percentage of staff working from home fulltime, it's anticipated that the pre-pandemic workspace need may be reduced (yet to be determined). Internal planning efforts are currently underway to develop options for available workspaces in a post-pandemic environment, which will be brought to your board for consideration at the appropriate time.

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

Attachments. N/A

DATE: March 24, 2021

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

FROM: Van Wong, Chief Information Officer

SUBJECT: Centers for Medicare & Medicaid Services Interoperability Rule Project Update

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

Summary. Phase I of the Centers for Medicare & Medicaid Services (CMS) Interoperability and Patient Access final mandated Rule (Rule) for payers is effective on January 1, 2021 with enforcement deferred to July 1, 2021. The second phase, which governs Payer-to-Payer data exchange is effective January 1, 2022. The Alliance has selected HiPaaS, Inc. as our vendor to implement the solution, and we are on track to meet the Rule enforcement date for Phase I.

Background. As noted in the June 2020 Board Report, the Rule's overarching goal is to enable patient access to personal health information along with the choice as to when, who, and how that information is shared and utilized. The Rule transforms healthcare by empowering patients to better make informed decisions about their healthcare. Patients will have easy access to:

- Clinical and claims data, including treatment history and prescriptions
- Up-to-date provider listing and preferred drug list for their health plan's network
- Share data between their providers
- Bring their data with them when switching plans or providers
- See how their benefits are coordinated if they have other health coverage

As a Medi-Cal payer, the Alliance will have increased ability to provide more efficient and coordinated care by sharing health information with patients for better engagement, exchanging data with other payers to facilitate the best outcomes for patients, offering a shareable provider directory to help patients find the doctors they need, and maintaining historical claims and encounter data to help patients understand their rendered healthcare and expenses.

Discussion. The Rule mandates technical and content standards that payers and health information technology vendors must use as a common interoperability framework for information exchange, delivered in the form of Fast Healthcare Interoperability Resource (FHIR) APIs. The categories of FHIR APIs relate to 1) Provider, 2) Formulary/Drug List, 3) Patient and 4) Payer, with the Payer API being effective January 1, 2022.

To that end, staff are working closely with our vendor to meet the July 1st compliance date for Phase I. Key milestones that have been accomplished to date are:

- AWS Cloud Infrastructure procurement and setup
- Provider API requirements & mapping
- Patient API - Historical claims analysis and mapping for professional claims

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Staff continue to assess the need to create new and/or revise existing policies and procedures related to secure digital identity management. In addition, staff are working on materials to educate members and providers on implications of the Rule including security and privacy concerns, specifically consent management and security of third-party applications.

Longer term, staff will be evaluating usage of member data made available through the Payer API in support of overall population management and individual member health. In addition, staff will assess implications of the Interoperability and Prior Authorization proposed rule that came out in December 2020. This proposed rule focuses on efforts to improve prior authorization processes through policies and technology, to help ensure that patients remain at the center of their own care.

Fiscal Impact. The Alliance has already included the necessary cost to support this effort in the 2021 approved budget.

Attachments. N/A

DATE: March 24, 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 February and continuing into March, rates of new COVID-19 positive cases, hospitalizations and deaths have significantly decreased in all three Alliance counties. The Counties remained in the purple (COVID widespread) category through the first week of March with Santa Cruz County moving into the red (COVID substantial) category on March 9. ICU capacity locally has increased since late January and is now over 15% throughout the Alliance region.

As of March 5th 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 7 days
Merced	29,325	412	5.7%
Monterey	42,362	329	4.6%
Santa Cruz	14,760	187	2.9%

As represented in the California Healthy Places Equity Index, low-income, Black, Latino, Pacific Islander, and essential workers continue to be disproportionately impacted by COVID-19 in terms of higher rates of infection, hospitalizations, and deaths. Efforts continue to close gaps in equity as the Alliance has prioritized vaccine outreach navigation for members over 65 and members with the greatest need as defined by the Healthy Places Equity Index.

Vaccine availability has been below expectations in all Alliance counties, but with recent approval of the Janssen (Johnson and Johnson) COVID-19 vaccine, is improving and steady progress is being been made to vaccinate Alliance members. A report of Alliance member vaccine penetration has been developed using vaccine registry data and Medi-Cal fee-for-service claims data. The table below reflects these data. We know that the report has some gaps in data completeness at this time since our outreach efforts have indicted that most members over age 65 tell us that they have received the vaccine. Improvement in vaccine report completeness and more frequent updates are possible given discussion around the potential for the California Department of Public health collaborating with DHCS to provide weekly reports of Alliance member vaccines. As of March 9, 2021 vaccine penetration using available data follows:

Number and Percent of Members Receiving at Least One Vaccine Dose by Age Group, 10 – 85+ yrs and by County (December – March 9th)

	Merced		Monterey		Santa Cruz	
Age Group	Number	Percent	Number	Percent	Number	Percent
Ages 85+	285	25%	637	43%	350	50%
Ages 75-84	511	18%	1,237	38%	779	45%
Ages 65-74	793	15%	1,509	23%	1,506	38%
Ages 45-64	402	2%	1,179	5%	1,232	9%
Ages 20-44	962	2%	2,323	5%	1,887	8%
Ages 10-19	53	0%	118	0%	94	1%

Community Coordination. The Alliance continues collaborating with county leaders, community-based organizations, and providers to inform and educate members on the value of prevention efforts. Regular convenings between the Alliance and the County Public Health department's leadership has taken place since December and are continuing. The Public Health departments have identified three priority areas where further collaboration was desired including health promotion activities, COVID-19 testing, as well as vaccine safety and availability. The Alliance has continued outreach calls to members and providers to reinforce these health promotion messages, including preventive health education, COVID-19 testing, and resuming health care services. Alliance leadership also continues to be engaged with County Public Health Departments and the Local Health Plans of California to promote the equitable distribution of the vaccine.

The Alliance is participating with local planning groups such as the Monterey County-CHWs and COVID Outreach Project. The intention is to include members of the community in the planning and delivery of the outreach and support efforts. As the need and resources vary in each county, coordination is critical to assure members and community partners are provided accurate and valuable information available in their community.

On February 11th, the Alliance held the third Central Valley Home and Community Based Services convening in Merced County wherein stakeholders discussed leveraging existing community resources to support older adults and people with disabilities at risk of COVID-19, as well as to discuss ways to provide care after hospitalization for COVID-19 infection safely in non-congregate living settings.

Pandemic Care Task Force. The Resuming Care Task Force transitioned in January 2021 to the Pandemic Care Task Force, focusing cross-functional work on meeting the primary objective of informing Alliance members and providers in the pandemic environment with clear and vetted communications as put forth by Public Health.

In support of this objective, the Alliance has continued member and provider outreach campaigns with the goal of reinforcing public health messaging relating to illness prevention as well as vaccine readiness. Staff continue to work closely with local County Health Departments to support vaccine deployment activities. The Alliance is assisting members to navigate vaccine distribution options in their local area, whether through their primary care physician (PCP), through local mass vaccination sites, or through local organizations that are assisting individuals to enroll for the vaccine.

Pandemic Care Communications. In support of the Pandemic Care Task Force, the Alliance Communications team delivered several broad communications tactics throughout February with evergreen messages about the COVID-19 vaccine and reminders on the importance of masking and social distancing. The deliverables include tactics in three languages, including updating messaging on the vaccine website landing page, a short video, a flyer, facts dispelling myths about the COVID-19 vaccine and eleven social media posts. In addition, staff is also working with Medical Directors on a "7 Facts about the COVID-19 Vaccine" editorials to submit to the *Merced Sun-Star, Santa Cruz Sentinel* and *Salinas Californian* for publication in March. Staff will continue to develop communications as emerging messages are identified through the Pandemic Care Task Force committees.

Pandemic Care: Member Outreach Calls. Alliance staff have engaged regularly with county leaders and local organizations to promote equity measures in our service area. The *Your Health Matters* team provides outreach calls to Alliance members within the high-risk populations identified by each county. Since January of this year staff outreached to 3,580 members who live in the highest risk communities. Staff provide essential information regarding COVID-19 safety precautions. Vaccine safety, stay home if you are sick, and avoid group gatherings are among the primary messaging included in the outreach.

With the roll out of the COVID-19 vaccine to the 65-year-old and over population, Alliance staff identified over 2,100 high risk, monolingual Spanish speaking members who live in the areas identified as higher risk by Counties. Outreach calls to these members began in mid-February and were completed by the first week of March. The calls focused on vaccine distribution in their county, vaccine safety, what to expect when vaccinated, reducing the risk of getting sick, cultural considerations and the fact that vaccines are free to our members. Most members stated they had either received their vaccine or have scheduled an appointment to receive it. A small proportion of members are working with their PCP to schedule an appointment. Most members are being taken by their children or family members to appointments. Resources were provided to members who had questions around where to get the vaccine, transportation, and financial support. Guidance was also provided to members who had received "misinformation" including whether or not the vaccine was needed if someone already had COVID-19 disease, and whether both shots were really needed.

Workspace Reentry Taskforce. On November 3, 2020, the Workspace Reentry Taskforce made a revised recommendation to the Chiefs to reopen the Alliance offices no sooner than July 1, 2021.

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

Attachments. N/A

DATE: March 24, 2021

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

FROM: Lisa Ba, Chief Financial Officer

SUBJECT: Proposed Medical and Administrative Budget for Calendar Year 2021 due to Pharmacy Carve-out Delay

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Recommendation. Staff recommend the Board approve the following additional budget related to the Pharmacy Carve-out Delay:

1. CY 2021 Pharmacy Medical Budget of $208.6M ($208,601,209), resulting in a total Medical Budget of $1,443.1M ($1,443,050,522) for CY 2021.
2. CY 2021 Administrative Budget of $3.5M ($3,498,424), resulting in a total Administrative Budget of $85.6M ($85,563,876) for CY 2021.

Summary. The Alliance is committed to putting forward a revised budget that now factors in the Pharmacy through the end of calendar year (CY) 2021. Staff continue to ensure that this final budget iteration covers adequate funds for efficient and effective operations and demonstration of fiscal responsibility.

Background. In January 2019, the Department of Health Care Services (DHCS) communicated to the Medi-Cal Managed Care Plans that the Pharmacy benefit would be carved out from the Plan responsibility effective January 1, 2021.

On November 16, 2020, DHCS informed the Plans that they will delay the Pharmacy Carve-out until April 1, 2021.

The Board approved the 2021 Budget on December 2, 2020, which assumed the Pharmacy Carve-out to take place on January 1, 2021. Staff informed the Board of the Pharmacy Carve-out delay and indicated that an additional budget would be presented for Board approval once information became available.

On December 23, 2020, DHCS included pharmacy revenue rates for Q1 2021.

On February 17, 2021, DHCS informed Plans that the Pharmacy Carve-out is further delayed and additional information will be provided in May 2021. The new timeline makes the Pharmacy Carve-out more likely to be effective after January 2022 rather than July 2021. Therefore, Staff prepared a 12-month pharmacy budget for CY 2021. Staff will include any new developments in the mid-year forecast.

Discussion.

Revenue: Staff applied pharmacy rates from December 2020 and assumed a 1% increase effective April 1, 2021. This results in an additional $215.6M in revenue.

Medical Expense: The pharmacy expense is based on the claims trend from CY 2019, CY 2020 and includes a 2.5% increase, resulting in an additional $208.6M in medical expense.

Administrative Expense: The 2021 proposed pharmacy administrative budget is $3,5M, predominantly due to the MedImpact Pharmacy Benefit Management fee.

Fiscal Impact. The delay of the Pharmacy Carve-out results in $3.5M in operating income, bringing the annual budgeted loss down to $37.6M. The additional revenue also brings down the ALR from 6.4% in the original budget to 5.7%.

2021 Revised Budget with Pharmacy

Key Indicators	2021 Approved Budget	2021 Pharmacy Budget	2021 Revised Budget
Membership	*4,499,410*	*4,499,410*	*4,499,410*
Revenue	1,275,483	215,551	1,491,034
Medical Expenses	1,234,479	208,601	1,443,081
Administrative Expenses	82,065	3,498	85,564
Operating Income/(Loss)	**(41,061)**	**3,452**	**(37,610)**
Net Income/(Loss)	(49,253)	3,452	(45,802)
MLR %	*96.8%*	*99.2%*	*96.8%*
ALR %	*6.4%*	*1.5%*	*5.7%*
Operating Income %	*-3.2%*	*-0.7%*	*-2.5%*

Attachment: N/A

DATE: March 24, 2021

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

FROM: Jenifer Mandella, Compliance Officer

SUBJECT: 2020 Compliance Program Report

Recommendation. Staff recommend the Board approve the Compliance Program Report for 2020 and the revised Alliance Code of Conduct for 2021.

Summary. This report summarizes the Alliance's Compliance Program activities for 2020 and includes a recommendation to approve the Compliance Program Report and the revised Alliance Code of Conduct.

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

The Alliance Governing Board (Board) is responsible for oversight of the Compliance Program. In April 2008, the Board delegated authority for overseeing the effectiveness of the Compliance Program to the Compliance Committee. The Compliance Committee is chaired by the Compliance Officer and consists of Alliance Division Chiefs and Department Directors. The Compliance Committee met routinely in 2020 to receive reports on key Compliance Program functions, information on risk evaluation, compliance monitoring, legislation and All Plan Letter (APL) implementation, and developed resolutions to identified concerns. Committee members discuss the issues and make recommendations to direct Compliance Department staff activities. In 2020, Compliance Program activities were reported to the Board through the routine submission of Compliance Committee minutes, the production of Compliance Program Dashboards, and the inclusion of key Compliance Program metrics in the Alliance Dashboard.

This report serves to inform the Board of the Alliance's Compliance Program activities for 2020.

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

- General compliance inquiries (policies, regulations, regulatory requests, contractual requirements, etc.)
- Confidential employee hotline referrals

- Oversight of subcontracted entities
- Health plan audits (regulatory audits and internal auditing and monitoring)
- Finance recoveries
- Monitoring of plan activities to prevent fraud, waste and/or abuse (FWA)
- Investigations of suspected/actual FWA
- Investigations of Health Insurance Portability and Accountability Act (HIPAA) incidents
- Staff training

Please refer to the attached Compliance Program Dashboards for detailed 2020 Compliance Program statistics.

Key Program Accomplishments

- Implemented improvements to the Internal Audit & Monitoring (Internal A&M) Program to ensure the standard application of review procedures, a complete review of Alliance operations against relevant requirements, the thorough documentation of findings and decisions, and timely completion of corrective action plans (CAPs). Accomplishments included the creation of work instructions articulating audit criteria and methodology and the development of a process to monitor Compliance metrics in the Alliance Dashboard and implement CAPs in instances of recurrent non-compliance.
- Improved cross-functional collaboration to integrate privacy and security efforts and ensure a cohesive HIPAA compliance program. Accomplishments included regular meetings between the Privacy and Security Officers to coordinate operational work and develop aligned HIPAA program goals, completion of a HIPAA security assessment and correction of high-risk findings, work towards implementation of the Centers for Medicare and Medicaid Services Interoperability Rule, and the provision of more frequent, less formal staff education on HIPAA topics.
- Leveraged data to improve oversight of Compliance operations and Compliance Program efficacy, including implementing performance thresholds and control charts for select metrics and leveraging data mining tools to focus program integrity activity on high-impact outlier behavior.
- Strengthened and streamlined core Compliance Department processes, including the processes used to manage delegate oversight and the implementation of new requirements; ensured documentation and back-up training were in place for core functions.
- Continued the electronic management of the Alliance's policy review process. During 2020, 262 policies were reviewed to ensure alignment with contract provisions, regulation, legislation, and the Department of Health Care Service (DHCS) and the Department of Managed Health Care (DMHC) APLs, and revised policies were submitted to DMHC and/or DHCS for review and approval, as appropriate.
- Performed annual compliance risk assessment process focusing on industry trends, including enforcement actions taken against health plans, Alliance audit findings, and newly implemented requirements. Created the 2021 Internal A&M Work Plan, which directs internal audit and monitoring activity for 2021.
- Performed monitoring and evaluation of the performance of Alliance delegated entities through the review of delegates' reporting at Compliance Committee.

- Reviewed new requirements, including legislation passed during calendar year (CY) 2020, contract revisions, and 65 APLs issued by DHCS and DMHC for applicability to Alliance operations; ensured all applicable requirements were implemented by operational departments.
- Participated in a cross-functional group to develop and release a behavioral health services Request for Proposal, review and score bid responses, and select a delegate. Compliance's participation ensured the potential delegates being reviewed met all contractual and regulatory requirements.

Regulatory Audit Activity. The Alliance undergoes routine audits and examinations of its finances and operations by its regulatory oversight agencies, as well as by independent auditing firms. Following is a list of active audits and examinations that the Alliance was involved in during CY 2020, including the auditing entity and a description of the audit or review.

- DMHC 2020 Medical Survey – which is a routine review of the Alliance's performance in providing health care benefits and meeting the health care needs of subscribers and enrollees for the Alliance's Knox-Keene regulated line of business, Alliance Care In-Home Supportive Services (IHSS). The audit covered the areas of: Grievances and Appeals, Prescription Drugs, Utilization Management (UM), Quality Management, Language Assistance, Continuity of Care, Access and Availability, and Access to Emergency Services and Payment. As of the publication of this report, the Alliance is awaiting DMHC's Preliminary Report, which will detail deficiencies, if any, and allow the Alliance the opportunity to accept or rebut the preliminary findings.
- Healthcare Effectiveness Data and Information Set (HEDIS) Compliance Audit of the Medi-Cal Line of Business – which is a review of Medi-Cal quality of care measures by an External Quality Review Organization on behalf of DHCS, covering the 2020 Measurement Year. The audit was managed by Quality Improvement staff. The results of the audit identified no issues, and no corrective action was required.
- Independent Financial Audit – which is an independent audit of the Alliance's financial position and operations. The audit was managed by Finance staff. In CY 2020, Moss Adams, LLP audited the Alliance's financial performance for CY 2019. Moss Adams did not identify any material deficiencies in internal controls. The audit results were presented at the May 27, 2020 Board meeting.

Additionally, in 2020, DMHC finalized its 2019 Follow-Up Review of 2017 Survey Deficiencies, which was a follow-up review to confirm corrective actions put in place after the 2017 DMHC Medical Survey were effective. DMHC concluded that the Alliance failed to correct three of the six total deficiencies and imposed a $15,000 fine on the Alliance. Since the final report was issued in January 2020, corrective actions have been implemented to resolve these deficiencies and Compliance staff has verified correction through internal audits.

Due to COVID-19, DHCS provided flexibility in scheduling the annual Medical Review Audit, which is a routine review of the Alliance's regulatory compliance and health services operations for its Medi-Cal line of business. The Alliance opted to delay the audit one year and expects the 2021 audit to cover a 2-year lookback period.

Health Insurance Portability and Accountability Act. The Alliance continually identifies and implements opportunities to strengthen HIPAA compliance. In 2020, Compliance staff supported the organization in adjusting to the COVID-19 pandemic through advising on policy and procedure changes to ensure compliance with HIPAA requirements in a remote environment. In addition, Compliance and Information Technology Services (ITS) staff took steps to integrate privacy and security efforts and ensure a cohesive HIPAA compliance program, which included regular meetings between the Privacy and Security Officers, developing aligned HIPAA program goals, and enhancing organizational visibility of security work.

In 2020, the Alliance experienced a decrease in referrals of suspected HIPAA events, from 94 in 2019 to 76 in 2020 (19% decrease). There were 45 events requiring DHCS notification pursuant to the DHCS Medi-Cal contract, which is a slight decrease from 48 in 2019 (6.25% decrease). Compliance staff fully investigated all reports and worked with operational departments to mitigate risk and prevent further disclosure of Alliance member protected health information (PHI). Six events were determined to be breaches requiring member notification, which is an increase from the 1 breach in 2019. One of these breaches was a breach impacting over 500 members, which was the result of a phishing attack. Upon notification of the incident, the Alliance immediately conducted a full investigation, ensured access to Alliance systems was secured, and implemented controls to prevent recurrence of a similar incident. The Alliance notified all impacted members; notified the media; and completed regulatory reporting, including reporting to DHCS, Monterey County Public Authority, and the Department of Health and Human Services. A total of 46,070 members were impacted by breaches in 2020. The Compliance Department will continue to monitor HIPAA incidents and ensure HIPAA compliance remains an area of focus for the organization in 2021.

In 2020, the Alliance engaged with a vendor to complete a routine Security Assessment to ensure compliance with HIPAA security requirements. The Security Assessment identified a total of 81 opportunities for improvement, with no critical findings requiring immediate response. As of the drafting of this report, ITS staff completed remediation of all but one identified high impact risks. A plan is in place to remediate the remaining lower risk items in 2021 and verify correction through a re-test and expanded HIPAA Risk Analysis conducted by the same vendor.

The focus of the HIPAA Program in 2021 is to continue improving Program operations, with a particular focus on adapting to the remote environment; ensuring staff education and awareness, particularly with regards to HIPAA security; implementing corrective actions responsive to the findings of the 2020 HIPAA Security Assessment; and continuing to develop a structure to ensure the coordination between Security and Privacy.

Fraud, Waste and Abuse Prevention, Detection and Investigation. The Alliance's Program Integrity Team is responsible for ensuring that the Alliance has controls in place to prevent and detect FWA, and to investigate, report, and resolve suspected and/or actual FWA.

In 2020, Program Integrity staff assessed and improved processes by leveraging data to focus investigative resources on concerns with the biggest impact to Alliance revenue and members. Program Integrity staff implemented FWA thresholds, which serve as a guide as

to when the Special Investigations Unit (SIU) will open investigations and undertake resource-intensive activities such as medical record record review. Staff also collaborated with Advanced Analytics to develop a tool to improve FWA data mining and reporting abilities.

During 2020, and as in the year prior, the Alliance experienced a decrease in referrals of potential FWA, from 112 in 2019 to 86 in 2020 (24% decrease in referrals), and a decrease in the number of open investigations, from 73 in 2019 to 52 in 2020 (30% decrease in opened investigations). Program Integrity staff attributes a decrease in referral volume to a shift in available organizational staff resources as a result of the COVID-19 pandemic and accredits an ongoing decrease in open investigations to continued efforts to vet referrals prior to opening a formal investigation. Member-related matters were primarily the result of allegations of potential drug-diversion, false eligibility, and prescription tampering. Provider-related matters were primarily related to utilization and irregular billing behavior.

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

An annual Internal A&M Work Plan was created to identify operational areas to audit in 2020, prioritized by compliance risk. As in previous years, compliance risk was assessed according to established criteria which consider complexity, level of cross-departmental work and potential impacts on members and providers, with the higher risk items receiving the most frequent review. The 2020 Internal A&M Work Plan included 68 planned reviews of 36 operational areas. As a result of limited staff availability due, in part, to the COVID-19 pandemic, the 2020 Internal A&M Work Plan was re-assessed mid-year and Compliance staff efforts were focused on conducting reviews of the high-risk audit areas. In total, Compliance staff completed 29 of the planned reviews for the year.

A total of 10 departments were audited in 2020, with the biggest review impact in UM (12 reviews) and Pharmacy (6 reviews). Of the total completed reviews in 2020, 97% received a passing score, which is an increase in passing scores from 88% in 2018 and 85% in 2019. Where gaps were identified, Compliance staff oversaw the implementation of corrective action plans and/or provided recommendations around process improvement. The organization is engaged in the correction of identified issues, as evidenced by 100% performance on the Alliance Dashboard metric related to the timely response to audit findings and correction of all findings upon re-audit.

Compliance staff also developed the 2021 Internal A&M Work Plan, reviewing Alliance audit findings, newly implemented APLs and legislation, and Knox-Keene sanctions received by other health plans to identify higher risk areas for review. The 2021 Internal A&M Work Plan includes 23 separate audits of 11 operational processes, with the majority of audits focused on ensuring member rights are upheld (e.g., Grievance, UM). In addition, Compliance staff will conduct a quarterly review of the 23 metrics on the Alliance Dashboard that were derived from regulatory requirements.

Delegate Oversight. The Alliance's Delegate Oversight Program ensures that delegates meet all Alliance standards through a pre-delegation assessment and approval process for new delegates; ongoing annual verification of delegation; and continuous oversight, monitoring and evaluation of delegated activities. During 2020, Alliance subject matter experts conducted routine oversight, including annual and quarterly reviews of 13 functions for 9 delegates.

Compliance staff also coordinated pre-delegation activities for 2 current delegates, with the intention of expanding the functions delegated. Compliance staff coordinated a pre-delegation review of CareNet/MDLive's credentialing function to expand the Alliance's nurse advice line functionality to enable live transfers to a telehealth physician for consultation. Compliance staff also coordinated a pre-delegation review of MedImpact's UM function to allow MedImpact to assume the responsibility for conducting Pharmacy UM for approximately 500 Alliance members in the IHSS program after Medi-Cal RX is implemented. The outcomes of each delegate's review were presented to the Compliance Committee and expanded delegation was approved.

Confidential Reporting. In support of the requirement to ensure effective lines of communication from staff to the Compliance Officer, the Alliance maintains a confidential hotline, which Alliance staff may use to report compliance issues anonymously, including non-compliant, unethical and/or illegal behavior.

During 2020, one concern was reported through the hotline, which was a combined Compliance – Human Resources concern. This rate of reporting is well below our historical reporting average of 8 reports per year, and below the industry standard of 1 report per 1,000 employees per month. The low reporting rate may indicate Alliance staff's comfort reporting concerns directly to leadership and Compliance and Human Resources staff. Nevertheless, staff were educated as to the availability of the hotline and was promoted to ensure awareness of this resource.

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

In 2020, 579 training sessions were completed, which includes 55 web-based trainings for new hires, in-person compliance training for 56 new hires, and 468 web-based trainings for existing staff. 100% of required new hire and refresher trainings were trainings were completed timely.

Compliance Program Activities for 2021. The Alliance continuously works to develop and strengthen the plan's Compliance Program. Areas of focus for 2021 include:

- Continuing to leverage data to focus Program Integrity investigative resources on areas with high risk and/or return on investment and enhance prevention through provider education.
- Continued collaboration with ITS staff to improve the Alliance's HIPAA program, with a particular focus on adapting Alliance operations to a remote environment, developing a comprehensive staff education program, and conducting HIPAA Risk Analysis and ensuring the resolution of identified risks.
- Obtain Knox-Keene licensure for the Alliance's Medi-Cal line of business, implement final action items needed to ensure operational compliance with Knox-Keene requirements, and ensure audit readiness for the first DMHC audit of the Medi-Cal line of business.
- Developing an organizational implementation plan for the revised DHCS model agreement, which ensures organizational compliance with the terms of the agreement by its anticipated 2024 implementation date.
- Support 2021 organizational objectives, with a particular focus on supporting departments in the operational objective related to achieving all regulatory, contractual, and core program requirements.
- Continue strengthening core Compliance Department processes, with a focus on systematizing standard processes to streamline and ensure consistency in standard processes.
- Continue to engage in culture of compliance campaign with a particular emphasis on promoting Compliance as a resource in the remote environment.

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

Attachments.

1. Alliance Code of Conduct
2. 2020 Annual Internal Audit & Monitoring Dashboard
3. 2020 Annual Health Insurance Portability and Accountability Act Dashboard
4. 2020 Annual Program Integrity Dashboard
5. 2020 Annual Delegate Oversight Dashboard

Code of Conduct

The Alliance's seven values are standards that guide our conduct. These values are represented in the Alliance's Code of Conduct.

Integrity: We tell the truth and do what we say we will do.
Excellence: We value and continuously improve quality in our services.
Customer Service: Customer satisfaction is our highest priority.
Partnership: We collaborate with others for strong solutions.
Innovation: We leverage local talent to create solutions.
Stewardship: We manage responsibly and earn the trust of partners and regulators.
Culture: We strive for a respectful, diverse, professional and fun workplace.

The Code of Conduct provides guidelines to Board members, employees, and contractors on appropriate ethical and legal standards. The Code of Conduct is an important component of the Compliance Program and reflects the Alliance's commitment to comply with all applicable Federal and State laws, regulations, and contractual obligations. Compliance is everyone's responsibility, thus it is the Alliance's expectation that all Board members, employees, and contractors be familiar and comply with all requirements of the Code of Conduct, avoid actions and relationships that may violate these standards, and seek guidance from appropriate staff when necessary.

The information contained in the Alliance Code of Conduct is not all inclusive or encompassing. The Alliance reserves the right to evaluate any and all situations pertaining to an actual or perceived ethical or legal conflict or misconduct, and then make a determination as to appropriate disciplinary action, policy and procedures, etc., given the facts and circumstances.

Compliance with the Law

The Alliance is committed to conducting all activities and operations in compliance with applicable laws.

Fraud Waste & Abuse
With oversight from the Compliance Committee, the Alliance's Program Integrity function prevents, detects, evaluates, investigates, reports and resolves all potential/actual fraud, waste and abuse issues. Board members, employees, and contractors shall obey laws that prohibit direct or indirect payments in exchange for the referral of patients or services, which are paid by Federal and/or State health care programs.

Political Activities
The Alliance's political participation is limited by the Political Reform Act. Alliance funds, property, and resources are not to be used to contribute to political campaigns, political parties, or organizations. Board members, employees, and contractors may participate in the political process on their own time and at their own expense but are not to give the impression that they are speaking on behalf of, or representing the Alliance during these activities.

Anti-Trust
All Board members, employees, and contractors must comply with applicable antitrust, unfair competition, and similar laws which regulate competition. The types of activities that involve antitrust laws include agreements to fix prices, bid rigging, and related activities; boycotts, exclusive dealings, and price discrimination agreements; unfair trade practices; sales or purchases conditioned on reciprocal purchases or sales; and discussion of factors that determine prices at trade association meetings. Questions regarding anti-trust issues are to be directed to the Compliance Officer or Compliance Manager.

Member Rights

The Alliance is committed to meeting the health care needs of its members by providing access to quality health care services.

Access
Alliance policies and procedures have been developed to be consistent with applicable laws governing member choice and access to health care services. Employees and contractors shall comply with all requirements for coordination of medical and support services for persons with special needs. Employees and contractors shall provide culturally, linguistically, and sensory appropriate services to plan members to ensure effective communication regarding diagnosis, medical history and treatment, and health education.

Complaint Process
Alliance employees and contractors shall inform members of their appeal rights through member handbooks and other communications in accordance with Alliance procedures and applicable laws. Alliance member complaints and grievances shall be investigated in a prompt and nondiscriminatory manner in accordance with Alliance policies and applicable laws.

Business Ethics

The Alliance is committed to the highest standards of business ethics. Employees and contractors shall accurately and honestly represent the Alliance and not engage in any activity or scheme intended to defraud anyone of money, property, or honest services.

Candor and Honesty

Board members, employees, and contractors shall be candid and honest in the performance of their responsibilities and in all communications.

Financial Reporting

All financial reports, accounting records, research reports, expense accounts, timesheets and other documents are to accurately and clearly represent the relevant facts or the true nature of a transaction. The Alliance maintains a system of internal controls to ensure that all transactions are executed in accordance with management's authorization and recorded in a proper manner to maintain accountability of the agency's assets.

Regulatory Agencies and Accrediting Bodies

Alliance employees and contractors shall deal with all regulatory agencies and accrediting bodies in a direct, open, and honest manner.

Public Integrity

The Alliance and its Board members and employees shall comply with laws and regulations governing public agencies.

Public Records

The Alliance shall provide access to records to any person, corporation, partnership, firm or association requesting to inspect and copy them in accordance with the California Public Records Act, California Government Code Sections 6250 et seq., the Health Insurance Portability and Accountability Act (HIPAA), and Alliance policies.

Public Funds

The Alliance, its Board members, and employees shall not make gifts of public funds or assets or lend credit to private persons without adequate consideration that they serve a purpose within the authority of the Alliance.

Public Meetings

The Alliance, and its Board members and employees, shall comply with requirements relating to the notice and operation of public meetings in accordance with the Ralph M. Brown Act.

Confidentiality

Board members, employees, and contractors shall maintain the confidentiality of all confidential information in accordance with applicable laws and shall not disclose

confidential information except as specifically authorized by Alliance policies, procedures, and applicable law.

No Personal Benefit
Board members, employees, and contractors shall not use confidential or proprietary Alliance information for their own personal benefit or for the benefit of any other person or entity, while employed at or engaged by the Alliance, or at any time thereafter.

Duty to Safeguard Member and Medical Confidential Information
Board members, employees, and contractors shall safeguard Alliance member protected health information (PHI), identity, eligibility, and medical information, peer review, and other confidential information in accordance with HIPAA regulations, California law, and the Alliance's policies and procedures.

Personnel Files
Personal information contained in employee personnel files shall be maintained in a manner designed to ensure confidentiality in accordance with applicable law.

Proprietary Information
Alliance Board members, employees, and contractors shall safeguard confidential proprietary information including, without limitation, contractor information and proprietary computer software, in accordance with, and to the extent required by, contract or law. The Alliance shall safeguard provider identification numbers including: medical licenses, Medicare numbers, social security numbers, and other identifying numbers.

Conflicts of Interests

Board members and employees have a duty to be loyal to the Alliance.

Conflict of Interest Code
Designated employees as identified in the Conflict of Interest Code, including Board members, shall comply with the requirements of Alliance Conflict of Interest policies to avoid impropriety or the perception of impropriety, which might arise from their influence on business decisions or disclosure of Alliance business operations.

Outside Services and Interests
Employees shall not perform work or render services for any contractor, association of Contractors, or other organizations with which the Alliance does business or which seek to do business with the Alliance without prior Chief Executive Officer approval (See Outside Employment section in Employee Handbook). Employees shall not permit his or her name to be used in any fashion that would indicate a business connection with any contractor or association of contractors, including vendors. All employees shall report all Board-level volunteer activities to the Alliance's Human Resources Department upon consideration and on an annual basis thereafter.

Business Relationships

Business transactions with vendors, contractors, and other third parties shall be conducted at arm's length in fact and in appearance, transacted free from improper inducements, and in accordance with applicable law and ethical standards.

Business Inducements

Board members, employees, contractors, and providers shall not use their positions to personally profit or assist others in profiting in any way at the expense of Federal and/or State health care programs, the Alliance, or Alliance members.

Gifts to the Alliance

Board members and employees shall not solicit or accept personal gratuities, gifts, favors, services, entertainment or any other things of value from any person or entity that furnishes items or services to the Alliance unless specifically permitted under Alliance Policies. Please see Alliance Policy 105-0015 – Conflict of Interest for specific guidance on acceptance of gifts by Alliance staff members.

Provision of Gifts by the Alliance

Employees may provide gifts, entertainment or meals of nominal value to the Alliance's current and prospective business partners and other persons when these activities have a legitimate business purpose, are reasonable, and are consistent with applicable law and Alliance policy. In addition to complying with statutory and regulatory requirements, it is important to avoid the appearance of impropriety when giving gifts to persons and entities that do business or are seeking to do business with the Alliance. Questions regarding provision of gifts are to be directed to the Compliance Officer or Compliance Manager.

Third-Party Sponsored Events

The Alliance will not participate in any joint contractor, vendor, or third party sponsored event where the intent of the other participant is to improperly influence, or gain unfair advantage from, the Alliance or its operations. Employees' attendance at contractor, vendor or other third-party sponsored events, educational programs and workshops is generally permitted where there is a legitimate business purpose subject to prior approval by the Department Manager or Director. To align with California Fair Political Practices Commission requirements, third party sponsorship of events or travel is not permitted, unless the meeting attendee is a speaker or honoree at the event. Additionally, employees will not participate in raffles at third party sponsored events.

Provision of Gifts to Government Agencies

Board members, employees, and contractors shall not offer or provide money, gifts or other things of value to any government entity or its representatives, except campaign contributions to elected officials in accordance with applicable campaign contribution laws.

Protection of Alliance Assets

Board members, employees, and contractors shall strive to preserve and protect Alliance assets by making prudent and effective use of Alliance resources and properly and accurately reporting its financial condition.

Personal Use of Alliance Assets

The assets of the Alliance are not for personal use. Board members, employees, and contractors

are prohibited from the unauthorized use or taking of Alliance equipment, supplies, materials or services.

Communications
All communication systems, electronic mail, internet access, or voicemail are the property of the Alliance. Board members, employees, and contractors should assume that the communications are not private. Board members, employees, and contractors shall adhere to the highest standards of professional conduct and personal courtesy in the type, tone, and content of all written, verbal and electronic communications and messages.

Electronic Mail and Social Media
Board members, employees, and contractors may not use internal communication channels or access to the internet at work to post, store, transmit, download, or distribute any information or material which is threatening, knowingly, recklessly, or maliciously false, obscene, or which constitutes or encourages criminal offenses, gives rise to civil liability or otherwise violates any laws or Alliance policies. The internal communication channels or access to the internet may not be used to send spam mail, or copyrighted documents that are not authorized for reproduction. Board members, employees, and contractors must adhere to the Alliance's Code-of-Conduct when using social media in reference to the Alliance.

Discrimination

The Alliance acknowledges that fair and equitable treatment of employees, members, providers, and other persons is fundamental to fulfilling its mission and goals.

No Discrimination
Board members, employees, and contractors shall not unlawfully discriminate on the basis of race, color, religion, sex, national origin, ancestry, age or perceived age, creed, citizenship, physical disability, mental disability, medical condition, family care leave status, veteran status, marital status, gender, gender identity, gender expression, genetic information, pregnancy, political affiliation, sexual orientation, or any other legally protected status. The Alliance is committed to providing a work environment free from discrimination and harassment based on any classification noted above.

Participation Status

The Alliance requires that contracted providers have valid and current licenses, certificates, and/or registration, as applicable, and that employees, contractors, and members of the Alliance Board of Commissioners are able to participate in Federal and State-funded programs.

Participation Status
The Alliance has policies that ensure contracted providers, employees, contractors, and members of the Alliance Board of Commissioners are not currently suspended, terminated, debarred, or otherwise ineligible to participate in any Federal or State health care program.

Disclosure of Participation Status
Contractors shall disclose to the Alliance whether they are currently suspended, terminated,

debarred, or otherwise ineligible to participate in any Federal and/or State health care program; if they have ever been excluded from participation in Federal and/or State health care programs based on a Mandatory Exclusion; and/or have met the Alliance's Felony Conviction status requirements as set forth in Alliance policy, as applicable.

Delegated Third Party Administrator Review
The Alliance requires that its delegated contractors review participating providers and suppliers for licensure and participation status as part of the delegated credentialing and recredentialing processes.

Licensure
The Alliance requires that all employees and contractors who are required to be licensed, credentialed, certified or registered in order to furnish items or services to the Alliance and its Members have valid and current licensure, credentials, certification or registration as applicable.

Government Inquiries

Employees shall notify the Alliance upon receipt of government inquiries and shall not destroy or alter documents in response to a government request for documents or information.

Notification of Government Inquiry
Employees are to notify the Government Relations Director immediately upon the receipt of a formal government inquiry for information regarding Alliance business practices.

No Destruction of Documents
Employees shall not conceal, destroy or alter Alliance information or documents in anticipation of, or in response to, a request for documents by any governmental agency or court.

Compliance Program Reporting

Board members, employees, and contractors have a duty to comply with the Alliance Compliance Program. Compliance is a condition of appointment, employment, and/or engagement.

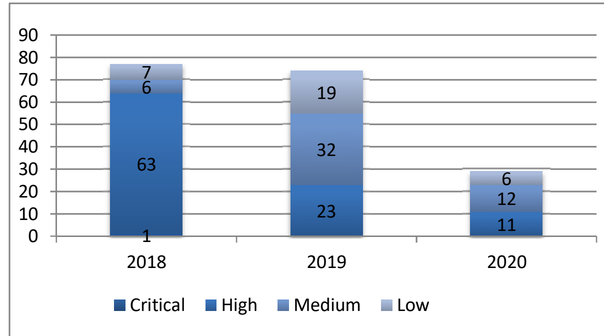
Reporting Requirements
All Board members, employees, and contractors must report suspected violations of any statute, regulation, or guideline applicable to Federal and/or State health care programs or Alliance policies. Staff can be assured that they may report suspected and actual compliance or fraud issues or concerns without retaliation or retribution. Such reports may be made to a supervisor or manager, the Compliance Officer, the Chief Administrative Officer, Human Resources Director, Compliance staff, or anonymously to the Confidential Disclosure Hotline.

Employees can call the Alliance's toll-free Confidential Disclosure Hotline at **1-877-874-8416,** or use the Alliance Confidential Disclosure website: https://ccah.alertline.com. Additional reporting information is located on the Compliance Intranet page.

Compliance

Internal Audit Dashboard - 2020 Annual Report

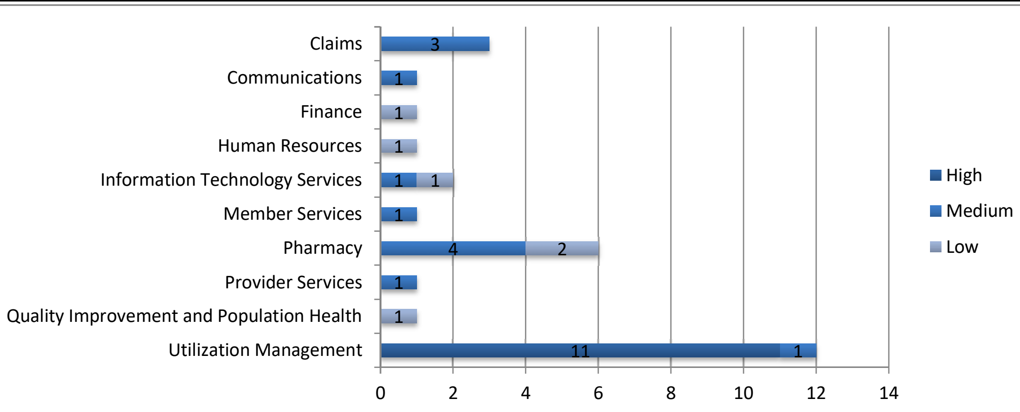
Prepared for the Alliance Board



Reviews Completed by Risk Level

Compliance conducted a total of 29 internal audits in 2020. Items were selected for the work plan by prior year's audit findings, new requirements, and Knox-Keene sanctions of other plans.

29 Total Reviews Completed in 2020

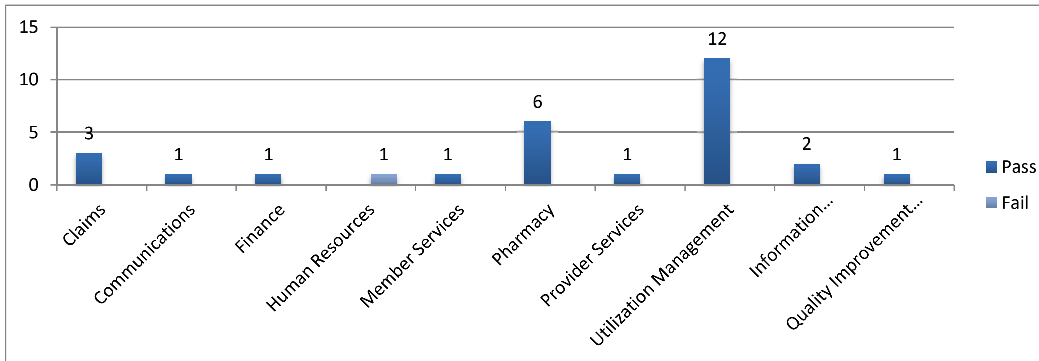


Reviews by Operational Area & Risk Level

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

Review Results by Operational Area

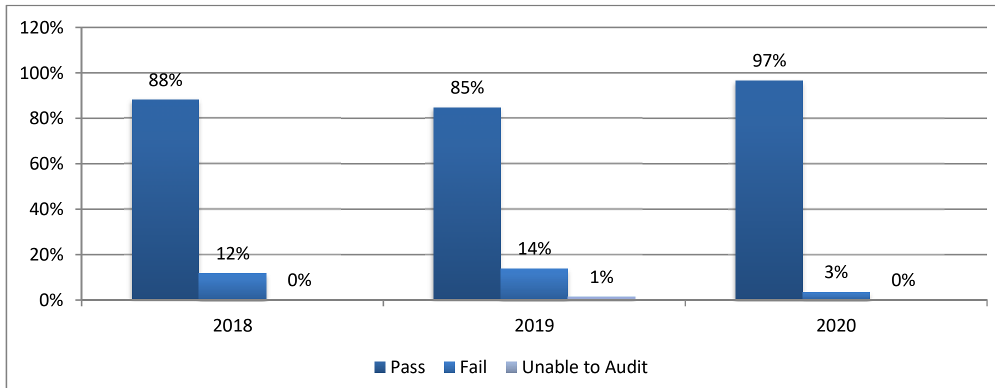
28 of 29 completed reviews received a passing score
1 of 29 completed reviews received a failing score



Mitigation for Failed Reviews

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

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



Trending and Annual Review Results by Risk Level

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

<u>2020 Outcomes</u>

High Risk Areas: 100% Passed
Medium Risk Areas: 100% Passed
Low Risk Areas: 83% Passed
Overall Result: 97% Passed

Compliance

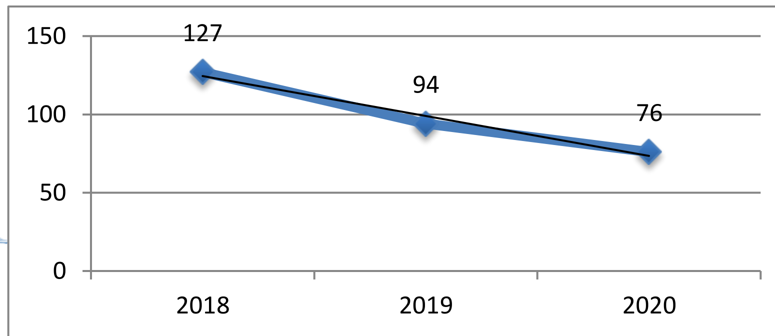
HIPAA Dashboard - 2020 Annual Report

Prepared for the Alliance Board

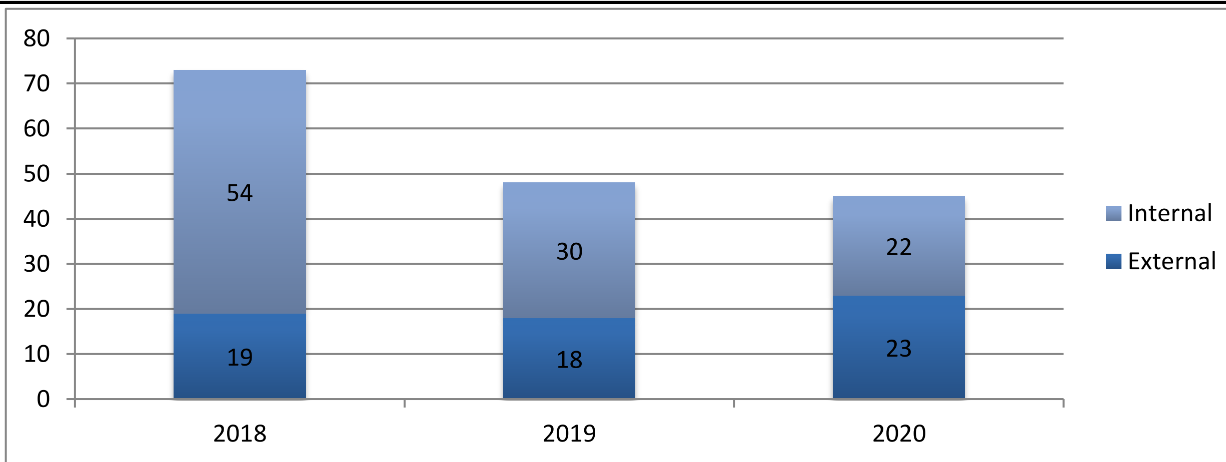
Reports of Suspected Disclosures by Quarter

Compliance received a total of 76 reports of suspected unauthorized disclosures of Protected Health Information (PHI) during 2020

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



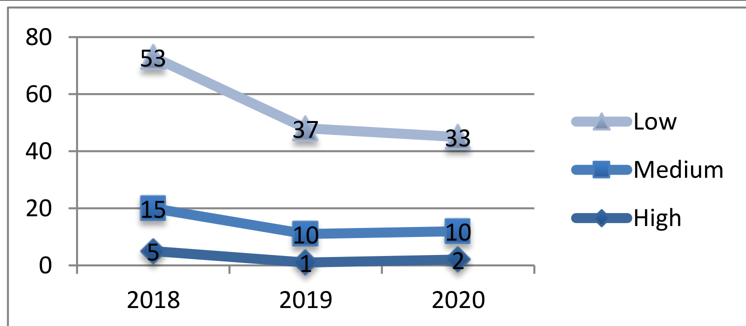
76 Total HIPAA Reports in 2020



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

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

**Excludes Non-Events and Duplicates*



Impact of Reportable Events

(excludes Non-Events and Duplicates)

33 of 45 reportable events had an impact of low

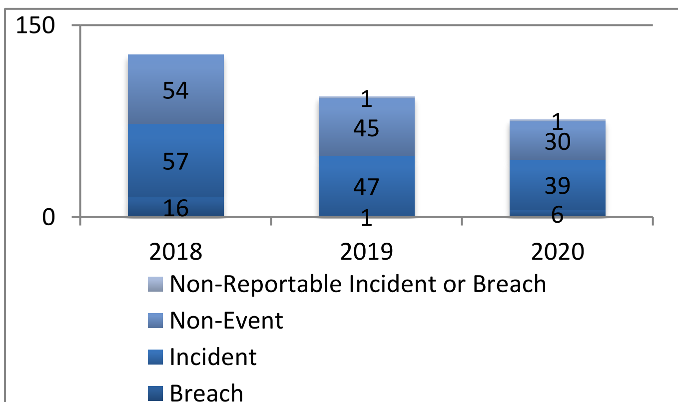
10 of 45 had an impact of of medium

2 of 45 had an impact of high

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

Final Classification

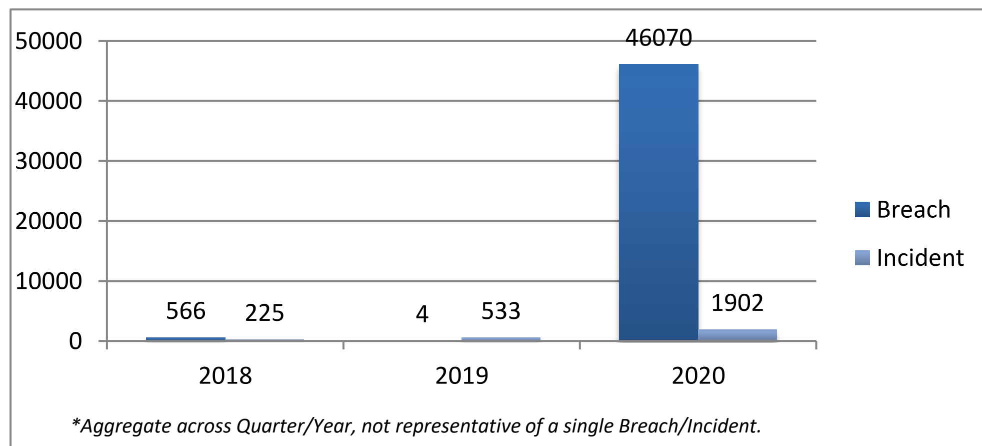
Staff are required to report all suspected unauthorized disclosures of PHI. Breaches are unauthorized disclosures of PHI to a non-covered entity; Incidents are unauthorized disclosures to covered entities; non-events are when the investigation reveals that no unauthorized disclosure of PHI occured.



Member Impact

47,972 members were impacted by HIPAA events in 2020;
1,902 were due to Incidents and 46,070 were due to Breaches.

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



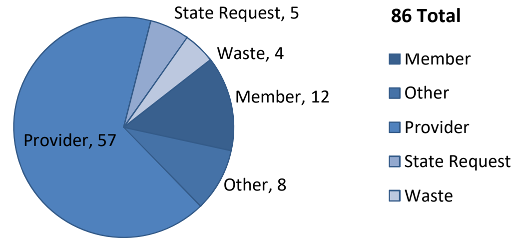
**Aggregate across Quarter/Year, not representative of a single Breach/Incident.*

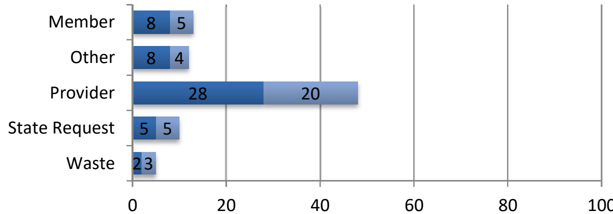
Compliance
Program Integrity Dashboard - 2020 Annual Report

Prepared for the Alliance Board

Matters Under Investigation (MUIs)

<u>In CY-2020 there were 86 total MUIs investigated by the Program Integrity Unit.</u>
MUIs are classified by the target of the allegation/concern ("Other" example: If a member alleged a non-Alliance member used their Alliance ID card to fraudulently obtain prescription medications).





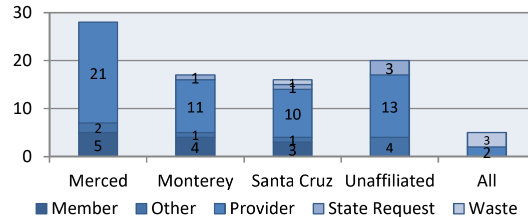
MUIs by Status

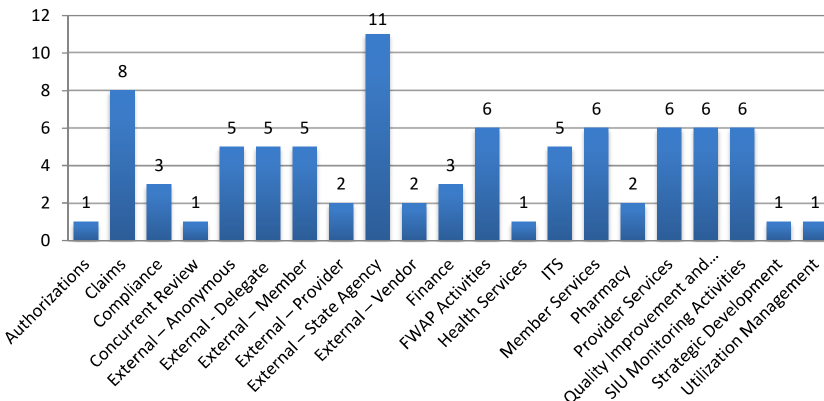
If MUIs undergo a status change in CY-2020, they are reported once under current status at the end of 2020. MUIs by status does not account for MUIs not in an Opened or Closed status in the year.

Opened — Opened during year
Closed — Closed during year

MUIs by County

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



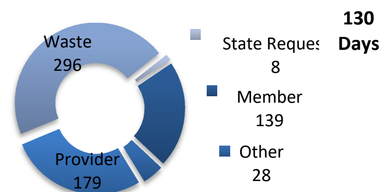


MUI Reporting Staff Department

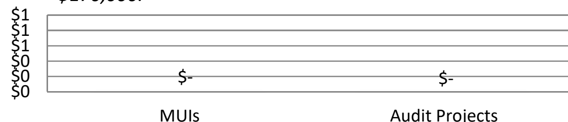
The referral source represents the origin of the referral, not the nature of the allegation/concern (anonymous referrals included as "other" in summary).

Investigation Duration Average

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



Recoveries reporting currently unavailable while report development is underway. 2020 recoveries are estimated at $170,000.



Financial Reporting

<u>MUIs</u> represents claims recovered subsequent to the resolution of an MUI. Note: some MUIs may have originated as an audit project and escalated as an MUI due to the nature of the audit findings.

<u>Audit Projects</u> represents claims recovered subsequent to the completion of an audit of multiple providers. Reported recoveries can be inclusive of various projects throughout a quarter (e.g. Provider Sampling; Upper Billing Limit; Smoking Cessation).

Compliance

Delegate Oversight Dashboard - 2020 Annual Report

Prepared for the Alliance Board

Delegate Oversight - Annual Review

The Alliance performs annual reviews of delegates to ensure these entities continue to meet Alliance standards as set forth in contracts, legislation and regulations. Annual reviews consist of reviewing delegate documents for delegated activities as well as for non-delegated activities to ensure delegates meet all requirements imposed on the Alliance by its regulators. When non-compliance is identified and/or if questions arise from the review, the Alliance pends the approval of that function, and follows up with the delegate to obtain additional information.

Delegated and Non-Delegated Functions Reviewed Annually (13)

Quality Improvement
Claims Payment
Member Grievances
Network Management
Compliance
Fraud, Waste and Abuse
Finance

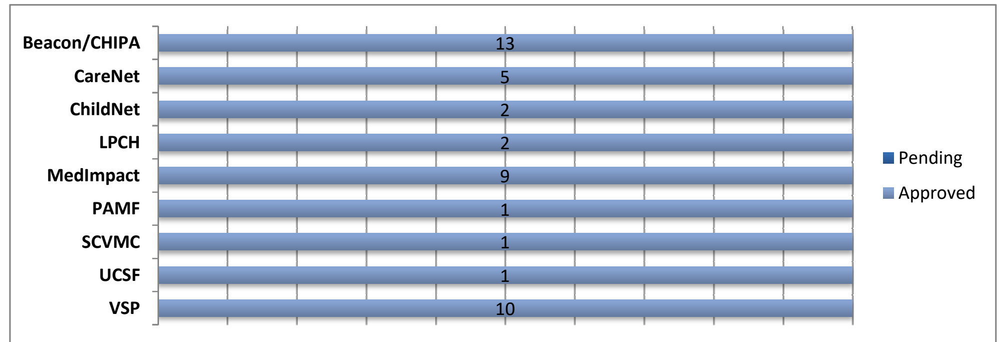
Utilization Management
Member Connections
Provider Disputes
Credentialing
Culture & Linguistics
Member Rights

Entities Approved for 2020 Delegation

This chart displays the total amount of reviewed functions per entity that are approved for CY 2020.

In 2020, 100% of delegated functions were approved via the Alliance's Delegate Oversight Program.

** Pending functions are defined as Not Reviewed/Outstanding*



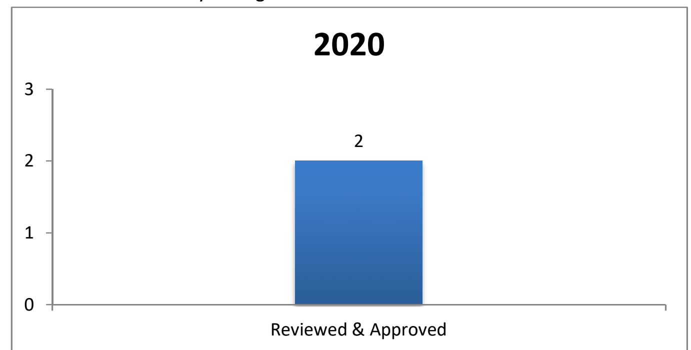
Pre-Delegation Evaluations

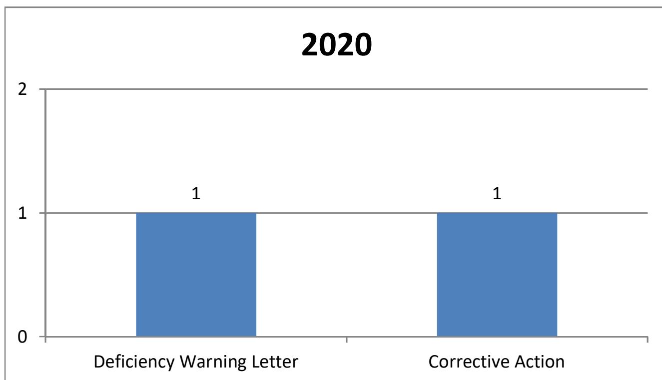
Prior to entering into a Delegation Agreement with an entity and prior to the delegation of plan functions, the Alliance perfoms a thorough evaluation of the entity's capacity to meet Alliance standards. Pre-delegation evaluations consist of reviewing entity documents for delegated activities as well as for non-delegated activities to ensure entities meet all requirements imposed on the Alliance by its regulators.

Evaluations Approved

This chart displays the the total number of pre-delegation evaluations performed and approved prior to delegation.

In 2020, 2 Pre-delegation Evalutions were reviewed and approved for the following:
CareNet: Credentialing
MedImpact: Utilization Management and Member Rights & Responsibilities





Delegate Entity Compliance Oversight Activities

In addition to annual and quarterly reviews, the Alliance may conduct additional performance management activities to ensure adequate performance goals are achieved.

Warning letters: Official notifications to delegates informing them of potential deficiencies, and that failure to address the concern(s) will result in Corrective Action(s);

Corrective Actions: Action plans imposed on delegates to address identified deficiencies, which require specific actions and follow up activities.

During 2020, there was 1 open CAP related to Quality Improvement function, which remains open; and, 1 Warning Letter related to Credentialing, which has been resolved.

Biography for Ms. 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's volunteer experience includes serving as the co-chair of the Marin County Mental Health Board and member of Buckelew Program's Board of Directors. Currently, Wendy serves as the co-chair of Northern California Grantmakers' Bay Area Health Funders Group. In addition, Wendy is part of two consultant networks that share resources to advance race equity and social justice.

The value of centering on health equity is deeply rooted in Wendy's lived experiences with income inequality and mental illness in her family. Growing up with financial insecurity, housing instability, and a loved one's adjustment to a chronic mental illness was certainly challenging at times. However, it is these experiences that fuel Wendy to passionately advocate for equity, particularly race equity, in the health sector.

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.

Information Items: (13A. – 13D.)

A. Membership Enrollment Report Page 13A-01
B. Member Newsletter (English) – March 2021
https://www.ccah-alliance.org/pdfs/member_newsletters/CCAH-Member-March_2021-ENG.pdf
C. Member Newsletter (Spanish) – March 2021
https://www.ccah-alliance.org/pdfs/member_newsletters/CCAH-Member-March_2021-SPA.pdf
D. Provider Bulletin – March 2021
https://www.ccah-alliance.org/pdfs/provider_bulletins/PSBulletin_202103.pdf

Enrollment Report

Year: *2017 & 2018* **County:** *All* **Program:** *IHSS & Medi-Cal*
Aid Cat Roll Up: *All* **Data Refresh Date:** *3/5/2021*

StaticDate
3/1/2020 12:00:00 AM to 3/31/2021 11:59:59 PM

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

# of Members

180K
160K
140K
120K
100K
80K
60K
40K
20K
0K

152,620
166,416
0.7%
9.0%

120,329
Members--> 133,215
Monthly --> 0.8%
Yearly --> 10.7%

64,527
72,523
0.6%
12.4%

Program County
SANTA CRUZ
MONTEREY
MERCED

March 2020 May 2020 July 2020 September 2020 November 2020 January 2021 March 2021

Program..	ProgramCo..	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Medi-Cal	SANTA CRUZ	64,527	65,254	66,643	67,536	68,143	68,802	69,348	69,801	70,476	70,964	71,549	72,058	72,523
	MONTEREY	152,045	154,461	155,831	157,384	158,629	159,520	160,724	161,351	162,011	163,151	163,957	164,722	165,900
	MERCED	120,329	121,560	123,194	124,605	125,607	126,644	127,936	128,662	129,519	130,484	131,277	132,109	133,215
IHSS	MONTEREY	575	572	579	579	580	570	560	554	546	540	537	529	516
Total Members		**337,476**	**341,847**	**346,247**	**350,104**	**352,959**	**355,536**	**358,568**	**360,368**	**362,552**	**365,139**	**367,320**	**369,418**	**372,154**