



**Ventura County Medi-Cal Managed
Care Commission (VCMCC) dba
Gold Coast Health Plan (GCHP)
Commission Meeting**

**County of Ventura Government Center
Hall of Justice - Pacific Conference Room
800 S. Victoria Avenue, Ventura, CA 93009**

**Monday, November 16, 2015
3:00 PM**

AMENDED AGENDA

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT Comments are limited to three (3) minutes. Those wishing to comment must complete and submit a Speaker Card to the Clerk of the Board.

- **Public Comment** – Comments regarding items not on the agenda but within the subject matter jurisdiction of the Commission.
- **Agenda Item Comment** – Comments within the subject matter jurisdiction of the Commission pertaining to a specific item on the agenda. The speaker is recognized and introduced by the Commission Chair during Commission's consideration of the item.

1. APPROVE MINUTES

- a. Special Meeting of October 29, 2015

2. CONSENT ITEMS

- a. Financials - September 2015

Meeting Agenda Available at <http://www.goldcoasthealthplan.org>

ADMINISTRATIVE REPORTS RELATING TO THIS AGENDA AND MATERIALS RELATED TO AN AGENDA ITEM SUBMITTED TO THE COMMISSION AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC REVIEW DURING NORMAL BUSINESS HOURS AT THE OFFICE OF THE CLERK OF THE BOARD, 711 E. DAILY DRIVE, SUITE #106, CAMARILLO, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT (805) 437-5509. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

Ventura County Medi-Cal Managed Care Commission (VCMCC) dba

Gold Coast Health Plan November 16, 2015 Commission Meeting Agenda (continued)

LOCATION: County of Ventura Government Center, Hall of Justice - Pacific Conference Room, 800 S. Victoria Avenue, Ventura, CA 93009

TIME: 3:00 PM

PAGE: 2 of 3

3. APPROVAL ITEMS

- a. FY 2014-15 Audit Results (Presented by Moss Adams)
- b. FY 2013-14 Audit Results
- c. Appointment of Audit Committee
- d. Approval of Resolution Amending / Revising and Ratifying Personnel Rules, Regulations and Policies
- e. Quality Improvement Committee Report – 3rd Quarter 2015
- f. Provider Credentialing Policy and Organizational Providers Credentialing Policy
- g. Chief Diversity Officer Job Description and Salary

4. ACCEPT AND FILE ITEMS

- a. CEO Update
- b. CFO Update
- c. COO Update
- d. CIO Update
- e. CMO / Health Services Update

5. INFORMATIONAL ITEMS

- a. Salary Survey
- b. General Counsel Discussion on Commission and Staff Relationship
- c. Diversity Committee Report

COMMENTS FROM COMMISSIONERS

CLOSED SESSION

- a. **Public Employee Performance Evaluation
Pursuant to Government Code Section 54957
Title: Chief Executive Officer**

Meeting Agenda Available at <http://www.goldcoasthealthplan.org>

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Ventura County Medi-Cal Managed Care Commission (VCMCC) dba

Gold Coast Health Plan November 16, 2015 Commission Meeting Agenda (continued)

LOCATION: County of Ventura Government Center, Hall of Justice - Pacific Conference Room, 800 S. Victoria Avenue, Ventura, CA 93009

TIME: 3:00 PM

PAGE: 3 of 3

b. **Conference with Legal Counsel - Existing Litigation
Pursuant to Paragraph (1) of Subdivision (d) of Government Code Section
54956.9**

Clinicas Del Camino Real Inc. v. Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan. Ventura County Superior Court Case Number 56-2014-00456149-CU-BC-VTA

ADJOURNMENT

Unless otherwise determined by the Committee, the next regular meeting of the Committee will be held on January 25, 2016 in the County of Ventura Government Center, Hall of Administration - Multi-Purpose Room, 800 S. Victoria Avenue, Ventura, CA 93009

Meeting Agenda Available at <http://www.goldcoasthealthplan.org>

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**Ventura County Medi-Cal Managed Care Commission
(VCOMMCC) dba Gold Coast Health Plan (GCHP)
Special Commission Meeting Minutes**

October 29, 2015

(Not official until approved)

Notice of said meeting was duly given in the time and manner prescribed by law. Affidavit of compliance is on file in the Clerk of the Board's Office.

CALL TO ORDER

Chair Araujo called the meeting to order at 6:02 p.m. in the Carnegie Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE

Antonio Alatorre, Clinicas del Camino Real, Inc.

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program

Barry Fisher, Ventura County Health Care Agency

David Glycer, Private Hospitals / Healthcare System

Michelle Laba, MD, Ventura County Medical Center Executive Committee

Darren Lee, Private Hospitals / Healthcare System

Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS

Lanyard Dial, MD, Ventura County Medical Association

Peter Foy, Ventura County Board of Supervisors

Gagan Pawar, MD, Clinicas del Camino Real, Inc.

Vacant, Medi-Cal Beneficiary Advocate

STAFF IN ATTENDANCE

Dale Villani, Chief Executive Officer

Patricia Mowlavi, Chief Financial Officer

Ruth Watson, Chief Operating Officer

Traci R. McGinley, Clerk of the Board

Scott Campbell, Legal Counsel

Steven Lalich, Communications Director

PUBLIC COMMENT

None.

CLOSED SESSION

Legal Counsel Campbell explained the purpose of the Closed Session items.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 6:03 p.m. regarding the following items:

- a. **Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8**
Property: 770 Paseo Camarillo and 711 E. Daily Drive, Camarillo, California 93010
Agency Negotiators: Scott Campbell, legal counsel; Dale Villani, CEO; Ruth Watson, COO; William G. Kiefer, Executive Vice President NAI Capital, Inc.
Negotiating Parties: 770 Paseo Camarillo, LP and 711 Building, LLC
Under Negotiation: Price and Terms of Payment
- b. **Public Employee Performance Evaluation
Pursuant to Government Code Section 54957**
Title: Chief Executive Officer

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 7:39 p.m.

Legal Counsel Campbell stated there was no reportable action taken in Closed Session.

1. APPROVAL ITEMS

a. Lease for 770 Paseo Camarillo, Camarillo, California 93010

Commissioner Lee moved to approve the lease for 770 Paseo Camarillo, Camarillo. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Glycer, Laba, Lee and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Foy and Pawar.

b. Lease Extension for 711 E. Daily Drive, Camarillo, California 93010

Commissioner Lee moved to approve the lease extension for 711 E. Dailey Drive, Camarillo. Commissioner Fisher seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Glycer, Laba, Lee and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Foy and Pawar.

c. 2016 Commission Meeting Calendar

Commissioner Fisher moved to approve the 2016 Commission Meeting Calendar. Commissioner Alatorre seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Fisher, Glycer, Laba, Lee and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Dial, Foy and Pawar.

ADJOURNMENT

Meeting adjourned at 7:44 p.m.



AGENDA ITEM 2.a.

TO: Gold Coast Health Plan Commission

FROM: Patricia Mowlavi, CFO

DATE: November 16, 2015

RE: Financials - September 2015

SUMMARY:

Staff is presenting the attached September 2015 financial statements (unaudited) of Gold Coast Health Plan (Plan) for the Commission to accept and file. These financials were reviewed by the Executive / Finance Committee on November 5, 2015, where the Committee recommended that the Commission accept and file these financials.

BACKGROUND / DISCUSSION:

The staff has prepared the September 2015 financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

Financial Highlights

Overall Performance – For the three months ending September 30, 2015, the Plan's gain in unrestricted net assets was approximately \$16.3 million compared to the \$3.6 million budget. The favorable variance included a \$3.9 million retroactive revenue rate adjustment received in September, for July through December 2013. Also contributing to the variance was higher than expected Adult Expansion (AE) membership growth and lower than anticipated health care and administrative costs.

Tangible Net Equity – Favorable operating results contributed to a Tangible Net Equity (TNE) level of approximately \$123.4 million, which exceeded both the budget of \$83.6 million by \$39.8 million and the State minimum required TNE amount of \$21.8 million by \$101.6 million.

September's TNE was 533% of the State required TNE, excluding the \$7.2 million County of Ventura lines of credit (LOC). The sharp rise in the TNE multiple reflects an increase in capitated arrangements which are excluded from the required TNE calculation.

Membership – September membership of 194,875 exceeded budget by 2,171 members. The increase was primarily in the Adult Expansion (AE) category, which grew by 2,104 members this fiscal year.

Revenue – For the month ending September, fiscal year to date net revenue was \$163.3 million or \$7.2 million favorable to budget. The favorable variance included a \$3.9 million revenue rate adjustment, which was retroactive to July through December 2013. Also contributing to the variance was the increase in membership with higher capitation rates (Adult Expansion).

Revenue included a \$4.6 million reserve for rate reductions associated with AE. This reserve represents an expected refund, to DHCS, of rate overpayments (DHCS is paying at July 1, 2014 rates rather than the July 1, 2015 published rates) and the anticipated refund of revenue to achieve a medical loss ratio (MLR) of 85%, for this aid category. (The MLR is calculated by dividing health care costs by revenue.)

Health Care Costs – For the month ending September, fiscal year to date health care costs were \$137.8 million or \$4.1 million favorable to budget. Health care costs decreased by \$2.5 million or 5% in September over August driven by reduced Inpatient utilization. The MLR for the fiscal year is 85% versus 88% in August. Additional detail by major line item follows:

- Capitation – For the fiscal year, capitation was \$22.8 million or \$4.8 million over budget. The unfavorable variance was driven by the Enhanced Adult Expansion Capitation program, which was revised effective July 2015, as well as higher than budgeted capitated membership growth.
- Fee for Service – For the fiscal year, total claims expense was \$110.8 million compared to a budget of \$118.0 million. While there was some movement of services between categories, the overall variance is comprised of the \$1.7 million in Physician Specialty savings.
- Inpatient – Three unusually large claims impacted inpatient costs this fiscal year.
- LTC / SNF – New AB 1629 rates were contemplated in the budget, but rates scheduled to be released August 1, 2014 have not yet been published by DHCS. As a temporary measure, an estimate accrual has been recorded until rates are published and operationalized by the Plan.
- Pharmacy – For the fiscal year, overall Pharmacy was \$22.0 million or \$486,000 favorable to budget driven by lower than budgeted costs in Adult and Family aid categories.

Administrative Expenses – For the month ending September, fiscal year to date administrative costs totaled \$9.2 million or \$1.3 million favorable to budget. Savings were realized due to the delay in new hires and related costs associated with personnel.

The administrative cost ratio (ACR) is 6% or 1% favorable to budget. (The ACR is calculated by dividing administrative expenses by total revenue.)

Cash and Medi-Cal Receivable – Total Cash and Medi-Cal Premium Receivable balances were \$414.1 million, as of September 30, 2015. This includes pass-through payments for AB 85 of \$3.2 million and Managed Care Organizations (MCO) tax of \$4.0 million. Excluding the impact of the pass through amount, the total of Cash and Medi-Cal Receivable balance as of September 30, 2015 was \$406.8 million or \$855,000 under the budgeted level of \$407.7 million.

Investment Portfolio – As of September 30, 2015, the value the investments were as follows:

- Short-term Investments \$260.1 million: Cal Trust \$80.1 million; Ventura County Investment Pool \$80.0 million; LAIF CA State \$50.0 million; Commercial paper and bonds \$50.0 million.
- Long-term Investments (Bonds) \$24.6 million.

RECOMMENDATION:

Staff requests that the Commission accept and file the September 2015 financial statements.

CONCURRENCE:

November 5, 2015 Executive / Finance Committee

Attachments:

Financials

ATTACHMENTS



**Gold Coast
Health Plan**SM
A Public Entity

FINANCIAL PACKAGE

For the month ended September 30, 2015

TABLE OF CONTENTS

Financial Overview

Financial Performance Dashboard

APPENDIX

Statement of Financial Positions

YTD Statement of Revenues, Expenses and Changes in Net Assets

Statement of Revenues, Expenses and Changes in Net Assets

Statement of Financial Positions

YTD Cash Flow

Monthly Cash Flow

Cash Trend Combined

Membership

Total Expense Composition

Paid Claims and IBNP Composition

Pharmacy Cost & Utilization Trends

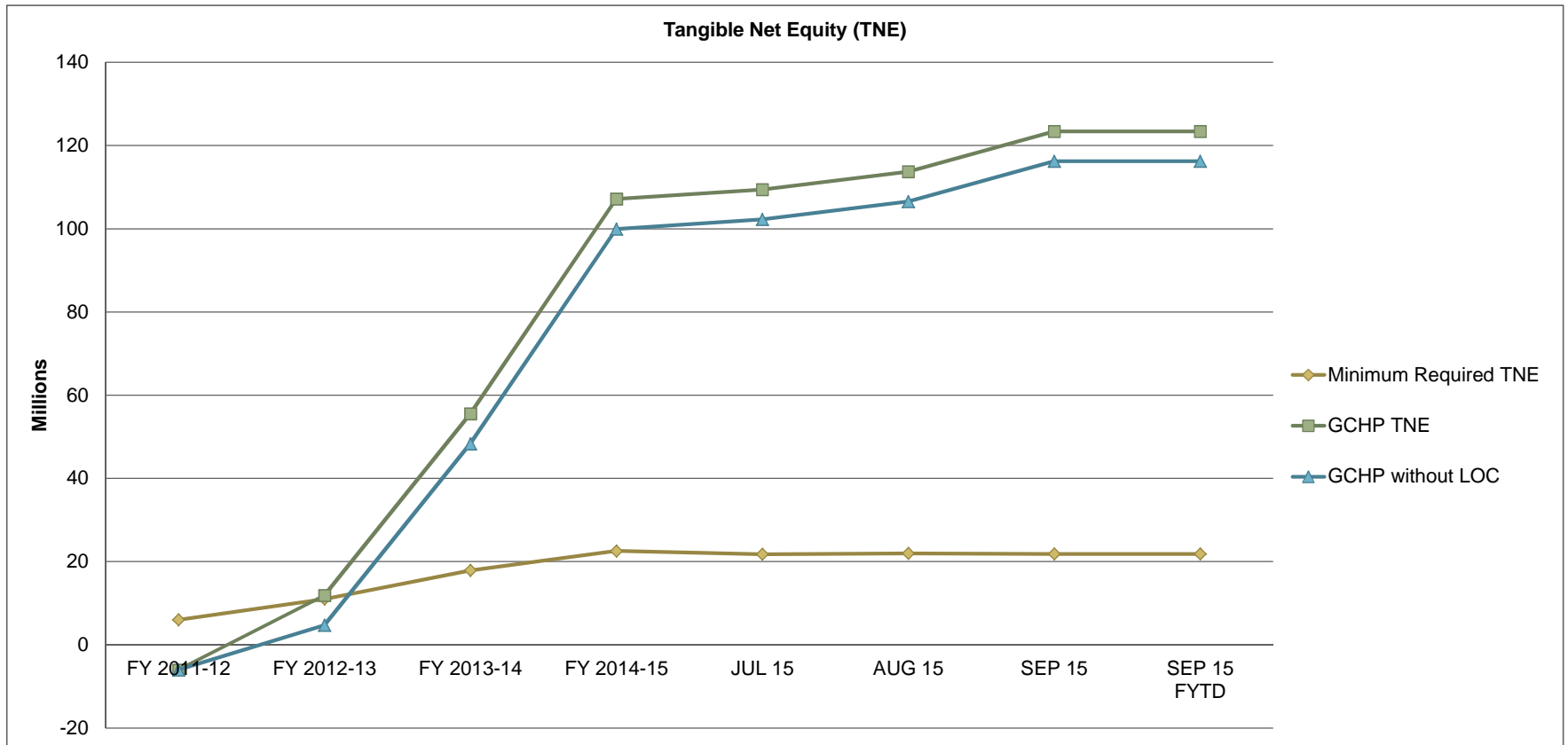
**GOLD COAST HEALTH PLAN
FINANCIAL RESULTS SUMMARY**

Description	AUDITED*	AUDITED*	AUDITED	UNAUDITED	FY 2015-16				Budget Comparison		
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	JUL 15	AUG 15	SEP 15	SEP 15 FYTD	Budget FYTD	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
Member Months	1,258,189	1,223,895	1,553,660	2,130,979	189,314	193,867	194,875	578,056	574,816	3,240	0.6 %
Revenue	304,635,932	315,119,611	402,701,476	596,219,281	49,905,030	55,401,591	57,991,214	163,297,835	156,058,292	7,239,543	4.6 %
<i>pmpm</i>	242.12	257.47	259.20	279.79	263.61	285.77	297.58	282.49	271.49	11.00	4.1 %
Health Care Costs	287,353,672	280,382,704	327,305,832	509,183,268	44,669,495	47,843,013	45,332,729	137,845,237	141,992,530	4,147,293	2.9 %
<i>pmpm</i>	228.39	229.09	210.67	238.94	235.95	246.78	232.62	238.46	247.02	8.56	3.5 %
% of Revenue	94.3%	89.0%	81.3%	85.4%	89.5%	86.4%	78.2%	84.4%	91.0%	6.6 %	7.2 %
Admin Exp	18,891,320	24,013,927	31,751,533	35,425,960	2,944,855	3,242,001	2,977,361	9,164,217	10,419,883	1,255,666	12.1 %
<i>pmpm</i>	15.01	19.62	20.44	16.62	15.56	16.72	15.28	15.85	18.13	2.27	12.5 %
% of Revenue	6.2%	7.6%	7.9%	5.9%	5.9%	5.9%	5.1%	5.6%	6.7%	1.1 %	15.9 %
Total Increase / (Decrease) in Unrestricted Net Assets	(1,609,063)	10,722,980	43,644,110	51,610,053	2,290,680	4,316,578	9,681,123	16,288,381	3,637,626	12,650,756	347.8 %
<i>pmpm</i>	(1.28)	8.76	28.09	24.22	12.10	22.27	49.68	28.18	6.33	21.85	345.3 %
% of Revenue	-0.5%	3.4%	10.8%	8.7%	4.6%	7.8%	16.7%	10.0%	2.3%	7.6%	327.9 %
YTD											
100% TNE	16,769,368	16,138,440	17,867,986	22,556,530	21,780,703	21,953,653	21,819,072	21,819,072	23,426,220	(1,607,148)	(6.9)%
% TNE Required	36%	68%	100%	100%	100%	100%	100%	100%	100%	100%	
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	21,780,703	21,953,653	21,819,072	21,819,072	23,426,220	(1,607,148)	(6.9)%
GCHP TNE	(6,031,881)	11,891,099	55,535,211	107,145,264	109,435,944	113,752,522	123,433,646	123,433,646	83,616,534	39,817,112	47.6 %
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	87,655,241	91,798,869	101,614,573	101,614,573	60,190,313	41,424,260	68.8 %
% of Required TNE level			311%	475%	502%	518%	566%	566%	357%		
% of Required TNE level (excluding \$7.2 million LOC)			271%	443%	469%	485%	533%	533%	326%		

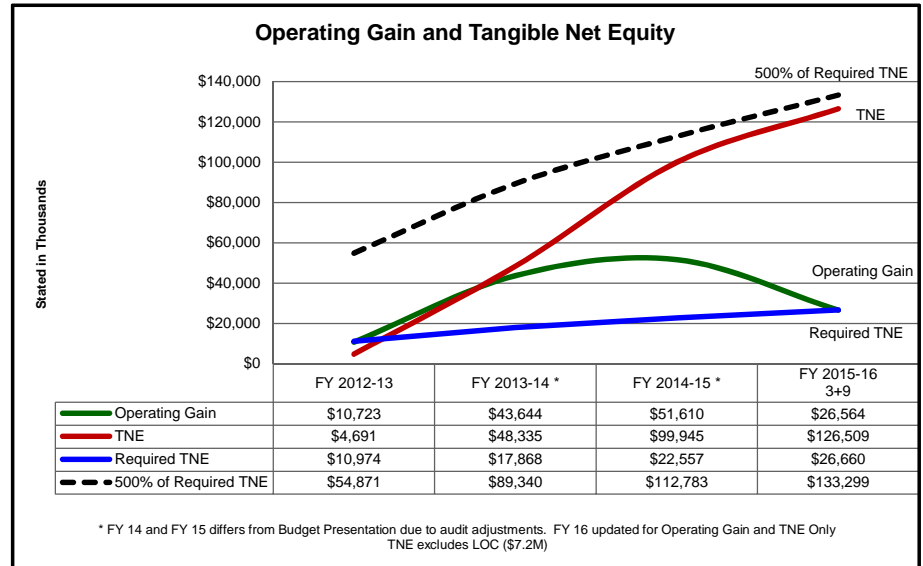
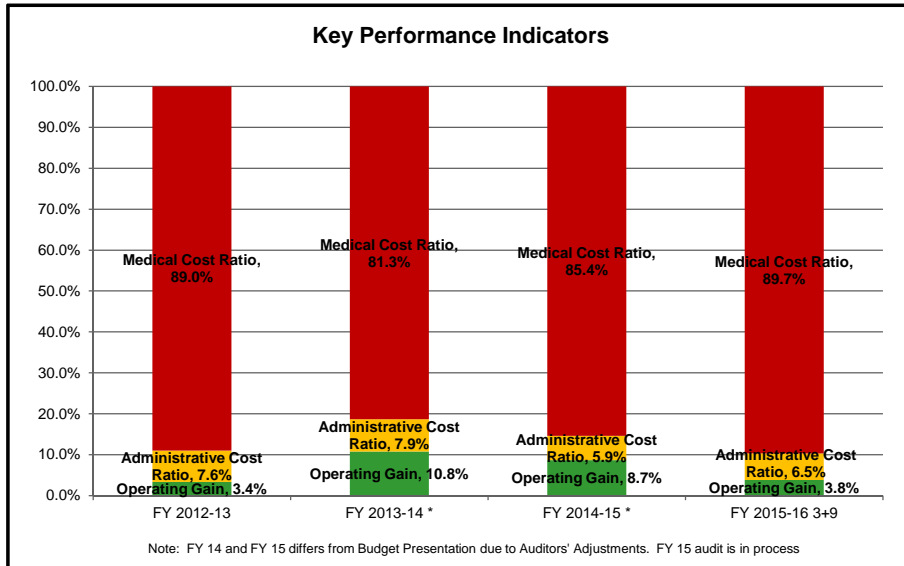
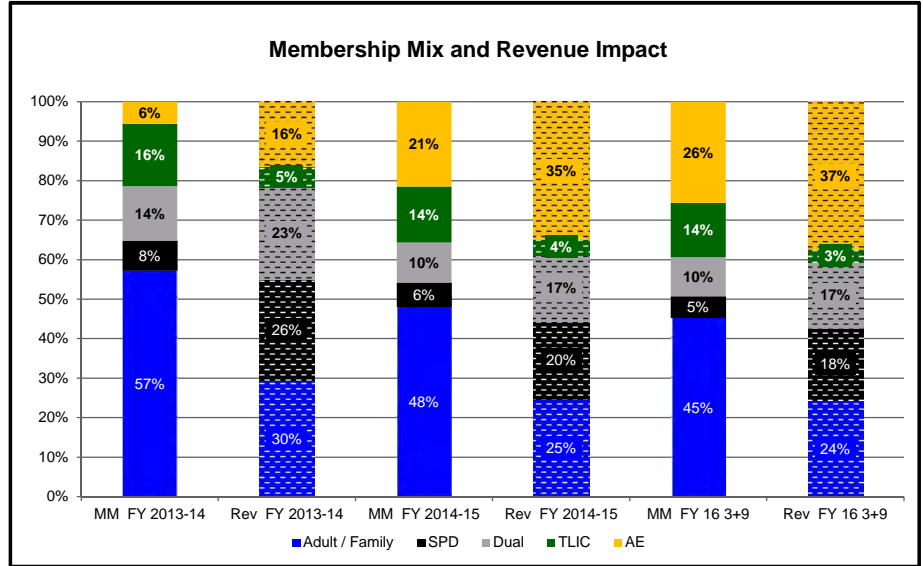
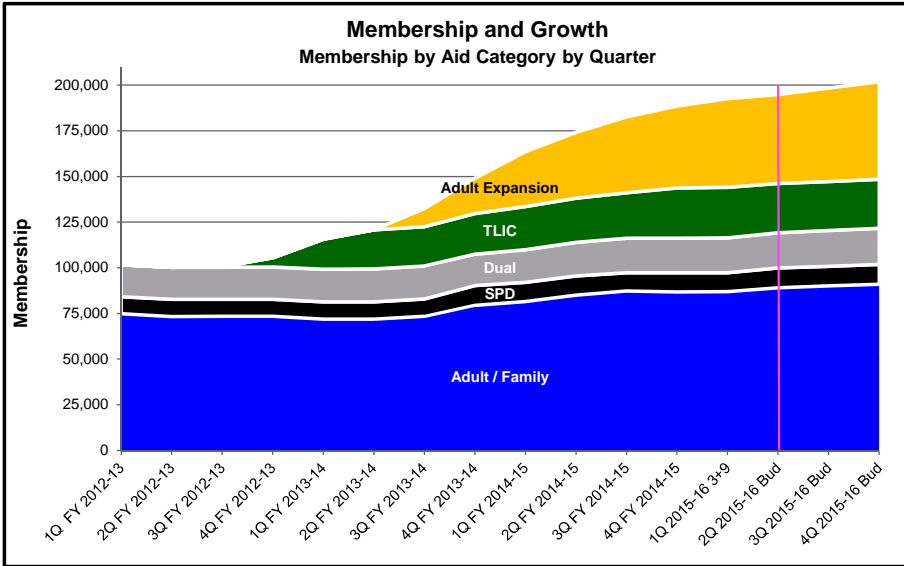
Note: TNE amount includes \$7.2 million related to the Lines of Credit (LOC) from Ventura County.

* Audited amounts reflect financial adjustments made by auditors, but exclude presentation reclassifications without P&L impact (i.e. reporting package kept the same).

**GOLD COAST HEALTH PLAN
TANGIBLE NET EQUITY (TNE) CHART**



**FINANCIAL PERFORMANCE DASHBOARD
FOR MONTH ENDING SEPTEMBER 30, 2015**



Note: 3+9 indicates 3 months of actual results followed by 9 months of forecasts



For the month ended September 30, 2015

APPENDIX

Statement of Financial Positions

YTD Statement of Revenues, Expenses and Changes in Net Assets

Statement of Revenues, Expenses and Changes in Net Assets

Statement of Financial Positions

YTD Cash Flow

Monthly Cash Flow

Cash Trend Combined

Membership

Total Expense Composition

Paid Claims and IBNP Composition

Pharmacy Cost & Utilization Trends

STATEMENT OF FINANCIAL POSITION

	09/30/15	08/31/15	07/31/15	Audited FY 2013-14
ASSETS				
Current Assets:				
Total Cash and Cash Equivalents	\$ 89,376,678	\$ 95,355,438	\$ 41,673,499	\$ 60,176,698
Total Short-Term Investments	260,184,464	260,146,494	135,116,663	0
Medi-Cal Receivable	64,573,064	59,326,724	186,030,070	119,538,688
Interest Receivable	302,757	204,793	277,605	0
Provider Receivable	596,315	480,792	478,672	395,129
Other Receivables	171,740	172,364	171,945	1,821,475
Total Accounts Receivable	65,643,876	60,184,672	186,958,292	121,755,292
Total Prepaid Accounts	1,673,177	1,598,954	1,158,110	994,278
Total Other Current Assets	81,702	81,702	81,702	81,719
Total Current Assets	416,959,896	417,367,260	364,988,265	183,007,987
Total Fixed Assets	1,004,681	1,028,172	1,058,798	1,163,269
Total Long-Term Investments	24,577,733	24,600,960	24,624,169	0
Total Assets	\$ 442,542,310	\$ 442,996,391	\$ 390,671,233	\$ 184,171,256
LIABILITIES & NET ASSETS				
Current Liabilities:				
Incurring But Not Reported	\$ 61,456,059	\$ 57,561,903	\$ 54,084,060	\$ 40,304,158
Claims Payable	6,002,510	11,835,727	12,708,417	9,482,660
Capitation Payable	27,247,178	31,772,366	37,186,547	12,444,575
Physician ACA 1202 Payable	10,965,642	10,965,642	10,965,642	12,765,516
AB 85 Payable	3,243,135	1,706,301	5,413,364	2,325,587
Accounts Payable	5,166,071	769,423	427,576	2,875,709
Accrued ACS	0	3,066,737	2,876,754	0
Accrued Expenses	9,437,545	26,184,994	6,212,442	5,748,120
Accrued Premium Tax	4,047,112	9,324,756	5,863,776	15,925,782
Accrued Interest Payable	80,835	77,588	73,998	42,062
Current Portion of Deferred Revenue	345,000	383,333	421,667	460,000
Accrued Payroll Expense	881,101	860,619	707,576	760,032
Total Current Liabilities	128,872,189	154,509,388	136,941,818	103,134,200
Long-Term Liabilities:				
DHCS - Reserve for Capitation Recoup	189,686,725	174,218,172	143,810,602	24,970,000
Other Long-term Liability-Deferred Rent	549,751	516,310	482,868	71,845
Deferred Revenue - Long Term Portion	0	0	0	460,000
Notes Payable	7,200,000	7,200,000	7,200,000	7,200,000
Total Long-Term Liabilities	197,436,476	181,934,481	151,493,470	32,701,845
Total Liabilities	326,308,665	336,443,869	288,435,288	135,836,045
Net Assets:				
Beginning Net Assets	99,945,264	99,945,264	99,945,264	4,691,101
Total Increase / (Decrease in Unrestricted Net /	16,288,381	6,607,258	2,290,680	43,644,110
Total Net Assets	116,233,646	106,552,522	102,235,944	48,335,211
Total Liabilities & Net Assets	\$ 442,542,310	\$ 442,996,391	\$ 390,671,233	\$ 184,171,256

FINANCIAL INDICATORS				
Current Ratio	3.24 : 1	2.7 : 1	2.67 : 1	1.77 : 1
Days Cash on Hand	217	209	111	116
Days Cash + State Capitation Rec	257	244	229	347
Days Cash + State Capitation Rec (less Tax Liab	255	238	225	316

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THREE MONTHS ENDING SEPTEMBER 30, 2015**

	September 15 Year-To-Date		Variance
	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	578,056	574,816	3,240
Revenue			
Premium	\$ 174,257,049	\$ 173,861,062	\$ 395,987
Reserve for Rate Reduction	(4,550,000)	(11,838,117)	7,288,117
MCO Premium Tax	(6,861,372)	(6,379,653)	(481,719)
Total Net Premium	162,845,677	155,643,292	7,202,385
Other Revenue:			
Miscellaneous Income	115,000	115,000	(0)
Total Other Revenue	115,000	115,000	(0)
Total Revenue	162,960,677	155,758,292	7,202,385
Medical Expenses:			
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	22,804,688	18,059,595	(4,745,093)
<u>FFS Claims Expenses:</u>			
Inpatient	28,007,866	28,910,524	902,658
LTC / SNF	24,728,789	26,957,229	2,228,440
Outpatient	9,760,595	9,370,654	(389,941)
Laboratory and Radiology	935,850	657,905	(277,945)
Emergency Room	4,154,106	3,824,321	(329,785)
Physician Specialty	10,555,760	12,269,573	1,713,813
Primary Care Physician	3,404,304	3,897,110	492,806
Home & Community Based Services	3,418,639	3,690,188	271,549
Applied Behavior Analysis Services	136,714	164,194	27,480
Mental Health Services	1,414,410	1,314,420	(99,990)
Pharmacy	21,964,581	22,450,336	485,755
Adult Expansion Reserve	0	0	0
Provider Reserve	0	1,692,821	1,692,821
Other Medical Professional	422,663	609,225	186,562
Other Medical Care	398	0	(398)
Other Fee For Service	1,561,896	1,776,835	214,939
Transportation	339,754	421,026	81,272
Total Claims	110,806,325	118,006,361	7,200,036
Medical & Care Management Expense	3,973,407	5,118,660	1,145,253
Reinsurance	821,510	807,914	(13,595)
Claims Recoveries	(560,693)	0	560,693
Sub-total	4,234,224	5,926,574	1,692,351
Total Cost of Health Care	137,845,237	141,992,530	4,147,293
Contribution Margin	25,115,440	13,765,762	11,349,678
General & Administrative Expenses:			
Salaries and Wages	2,205,774	2,466,590	260,816
Payroll Taxes and Benefits	586,415	728,922	142,507
Travel and Training	41,385	153,828	112,443
Outside Service - ACS	4,607,371	4,446,965	(160,406)
Outside Services - Other	426,703	509,933	83,230
Accounting & Actuarial Services	45,930	135,000	89,070
Legal	155,856	262,500	106,644
Insurance	100,593	81,504	(19,089)
Lease Expense - Office	198,103	260,820	62,717
Consulting Services	174,834	340,724	165,890
Advertising and Promotion	42,083	20,730	(21,353)
General Office	420,338	758,272	337,934
Depreciation & Amortization	61,278	84,531	23,253
Printing	8,441	52,315	43,874
Shipping & Postage	13,779	53,492	39,713
Interest	65,210	63,757	(1,453)
Total G & A Expenses	9,154,093	10,419,883	1,265,790
Total Operating Gain / (Loss)	\$ 15,961,348	\$ 3,345,879	\$ 12,615,469
Non Operating			
Revenues - Interest	337,158	300,000	37,158
Expenses - Interest	10,124	8,253	(1,871)
Total Non-Operating	327,034	291,747	35,287
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 16,288,381	\$ 3,637,626	\$ 12,650,756
Net Assets, Beginning of Year	99,945,264		
Net Assets, End of Year	<u>116,233,646</u>		

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	FY 2014-15			FY 2015-16 Monthly Trend			Current Month		
	JUN 15	JUL 15	AUG 15	SEPTEMBER 2015		Variance Fav / (Unfav)			
				Actual	Budget				
Membership (includes retro members)	194,664	189,314	193,867	194,875	192,704	2,171			
Revenue:									
Premium	\$ 57,237,879	\$ 54,776,298	\$ 57,880,936	\$ 61,599,815	\$ 58,490,894	\$ 3,108,921			
Reserve for Rate Reduction	27,500,000	(2,840,000)	(350,000)	(1,360,000)	(4,016,122)	2,656,122			
MCO Premium Tax	(3,344,080)	(2,156,817)	(2,279,062)	(2,425,493)	(2,144,944)	(280,549)			
Total Net Premium	81,393,799	49,779,481	55,251,874	57,814,322	52,329,828	5,484,494			
Other Revenue:									
Miscellaneous Income	38,333	38,333	38,333	38,333	38,334	1			
Total Other Revenue	38,333	38,333	38,333	38,333	38,334	1			
Total Revenue	81,432,133	49,817,814	55,290,207	57,852,656	52,368,162	5,484,495			
Medical Expenses:									
Capitation (PCP, Specialty, Kasier, NEMT & Vision)	57,292,433	6,642,386	8,374,655	7,787,648	6,083,503	(1,704,145)			
FFS Claims Expenses:									
Inpatient	7,345,269	7,760,571	12,017,812	8,229,483	9,739,093	1,509,610			
LTC / SNF	6,314,577	9,162,478	7,700,632	7,865,679	9,022,589	1,156,910			
Outpatient	7,358,224	4,014,644	2,643,296	3,102,655	3,151,486	48,831			
Laboratory and Radiology	(2,687,938)	243,129	285,529	407,192	221,548	(185,644)			
Emergency Room	2,005,556	1,346,738	1,469,605	1,337,763	1,285,248	(52,515)			
Physician Specialty	10,079,684	3,621,741	3,229,913	3,704,106	4,130,356	426,250			
Primary Care Physician	(8,639,511)	1,005,439	1,152,060	1,246,805	1,308,164	61,359			
Home & Community Based Services	1,287,871	860,648	1,314,514	1,243,477	1,235,144	(8,333)			
Applied Behavior Analysis Services	27,547	39,965	47,436	49,314	164,194	114,880			
Mental Health Services	703,182	810,272	259,327	344,811	441,640	96,829			
Pharmacy	6,691,948	6,839,470	7,245,754	7,879,357	7,550,561	(328,796)			
Adult Expansion Reserve	8,100,000	0	0	0	0	0			
Provider Reserve	0	0	0	0	568,313	568,313			
Other Medical Professional	16,819	135,125	111,134	176,404	204,951	28,547			
Other Medical Care	0	398	0	0	0	0			
Other Fee For Service	(322,299)	590,364	401,396	570,136	596,220	26,084			
Transportation	(764,134)	138,797	78,685	122,272	141,612	19,340			
Total Claims	37,516,794	36,569,779	37,957,093	36,279,454	39,761,119	3,481,665			
Medical & Care Management Expense	1,102,685	1,294,135	1,440,569	1,238,703	1,705,892	467,189			
Reinsurance	(258,261)	271,171	273,383	276,955	272,308	(4,648)			
Claims Recoveries	(84,767)	(107,976)	(202,687)	(250,030)	0	250,030			
Sub-total	759,657	1,457,331	1,511,265	1,265,628	1,978,200	712,572			
Total Cost of Health Care	95,568,884	44,669,495	47,843,013	45,332,729	47,822,822	2,490,093			
Contribution Margin	(14,136,751)	5,148,319	7,447,194	12,519,927	4,545,340	7,974,586			
General & Administrative Expenses:									
Salaries and Wages	789,369	716,867	773,532	715,375	839,611	124,236			
Payroll Taxes and Benefits	265,818	197,598	193,404	195,413	248,557	53,144			
Travel and Training	38,926	10,754	12,243	18,388	42,233	23,845			
Outside Service - ACS	1,488,853	1,397,235	1,632,136	1,578,000	1,490,557	(87,443)			
Outside Services - Other	168,960	133,376	138,017	155,310	164,763	9,453			
Accounting & Actuarial Services	10,000	40,000	0	5,930	45,000	39,070			
Legal	173,994	99,724	91,347	(35,214)	87,500	122,714			
Insurance	53,714	32,645	32,645	35,303	27,168	(8,135)			
Lease Expense - Office	63,689	66,034	66,034	66,034	86,940	20,906			
Consulting Services	45,523	16,942	87,665	70,228	121,374	51,146			
Translation Services	7,143	0	0	0	0	0			
Advertising and Promotion	17,774	28,023	5,613	8,447	9,640	1,193			
General Office	221,608	148,784	151,257	120,298	194,058	73,760			
Depreciation & Amortization	19,905	20,352	20,463	20,463	34,616	14,153			
Printing	10,792	681	5,911	1,849	3,380	1,531			
Shipping & Postage	29,252	12,809	87	883	3,879	2,996			
Interest	39,373	19,745	28,058	17,407	21,363	3,956			
Total G & A Expenses	3,444,694	2,941,567	3,238,411	2,974,114	3,420,639	446,525			
Total Operating Gain / (Loss)	(17,581,445)	2,206,752	4,208,783	9,545,813	1,124,701	8,421,111			
Non Operating:									
Revenues - Interest	87,799	87,216	111,384	138,558	100,000	38,558			
Expenses - Interest	2,743	3,287	3,590	3,247	2,695	(552)			
Total Non-Operating	85,056	83,929	107,794	135,311	97,305	38,006			
Total Increase / (Decrease) in Unrestricted Net Assets	(17,496,389)	2,290,680	4,316,578	9,681,123	1,222,006	8,459,117			
Full Time Employees				164	193	29			

MPPM - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	JUN 15	JUL 15	AUG 15	SEPTEMBER 2015		Variance Fav / (Unfav)
				Actual	Budget	
Membership (includes retro members)	194,664	189,314	193,867	194,875	192,704	2,171
Revenue:						
Premium	294.03	289.34	298.56	316.10	303.53	12.57
Reserve for Rate Reduction	141.27	(15.00)	(1.81)	(6.98)	(20.84)	13.86
MCO Premium Tax	(17.18)	(11.39)	(11.76)	(12.45)	(11.13)	(1.32)
Total Net Premium	418.12	262.95	285.00	296.67	271.56	25.12
Other Revenue:						
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.20	0.20	0.20	0.20	0.20	(0.00)
Total Other Revenue	0.20	0.20	0.20	0.20	0.20	(0.00)
Total Revenue	418.32	263.15	285.20	296.87	271.75	25.12
Medical Expenses:						
Capitation (PCP, Specialty, Kasier, NEMT & Vision)	294.31	35.09	43.20	39.96	31.57	(8.39)
FFS Claims Expenses:						
Inpatient	37.73	40.99	61.99	42.23	50.54	8.31
LTC / SNF	32.44	48.40	39.72	40.36	46.82	6.46
Outpatient	37.80	21.21	13.63	15.92	16.35	0.43
Laboratory and Radiology	(13.81)	1.28	1.47	2.09	1.15	(0.94)
Emergency Room	10.30	7.11	7.58	6.86	6.67	(0.20)
Physician Specialty	51.78	19.13	16.66	19.01	21.43	2.43
Primary Care Physician	(44.38)	5.31	5.94	6.40	6.79	0.39
Home & Community Based Services	6.62	4.55	6.78	6.38	6.41	0.03
Applied Behavior Analysis Services	0.14	0.21	0.24	0.25	0.85	0.60
Mental Health Services	3.61	4.28	1.34	1.77	2.29	0.52
Pharmacy	34.38	36.13	37.37	40.43	39.18	(1.25)
Adult Expansion Reserve	41.61	0.00	0.00	0.00	0.00	0.00
Provider Reserve	0.00	0.00	0.00	0.00	2.95	2.95
Other Medical Professional	0.09	0.71	0.57	0.91	1.06	0.16
Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00
Other Fee For Service	(1.66)	3.12	2.07	2.93	3.09	0.17
Transportation	(3.93)	0.73	0.41	0.63	0.73	0.11
Total Claims	192.73	193.17	195.79	186.17	206.33	20.16
Medical & Care Management Expense	5.66	6.84	7.43	6.36	8.85	2.50
Reinsurance	(1.33)	1.43	1.41	1.42	1.41	(0.01)
Claims Recoveries	(0.44)	(0.57)	(1.05)	(1.28)	0.00	1.28
Sub-total	3.90	7.70	7.80	6.49	10.27	3.77
Total Cost of Health Care	490.94	235.95	246.78	232.62	248.17	15.54
Contribution Margin	(72.62)	27.19	38.41	64.25	23.59	40.66
General & Administrative Expenses:						
Salaries and Wages	4.06	3.79	3.99	3.67	4.36	0.69
Payroll Taxes and Benefits	1.37	1.04	1.00	1.00	1.29	0.29
Travel and Training	0.20	0.06	0.06	0.09	0.22	0.12
Outside Service - ACS	7.65	7.38	8.42	8.10	7.73	(0.36)
Outside Services - Other	0.87	0.70	0.71	0.80	0.86	0.06
Accounting & Actuarial Services	0.05	0.21	0.00	0.03	0.23	0.20
Legal	0.89	0.53	0.47	(0.18)	0.45	0.63
Insurance	0.28	0.17	0.17	0.18	0.14	(0.04)
Lease Expense - Office	0.33	0.35	0.34	0.34	0.45	0.11
Consulting Services	0.23	0.09	0.45	0.36	0.63	0.27
Translation Services	0.04	0.00	0.00	0.00	0.00	0.00
Advertising and Promotion	0.09	0.15	0.03	0.04	0.05	0.01
General Office	1.14	0.79	0.78	0.62	1.01	0.39
Depreciation & Amortization	0.10	0.11	0.11	0.11	0.18	0.07
Printing	0.06	0.00	0.03	0.01	0.02	0.01
Shipping & Postage	0.15	0.07	0.00	0.00	0.02	0.02
Interest	0.20	0.10	0.14	0.09	0.11	0.02
Other/ Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Total G & A Expenses	17.70	15.54	16.70	15.26	17.75	2.49
Total Operating Gain / (Loss)	(90.32)	11.66	21.71	48.98	5.84	43.15
Non Operating:						
Revenues - Interest	0.45	0.46	0.57	0.71	0.52	0.19
Expenses - Interest	0.01	0.02	0.02	0.02	0.01	(0.00)
Total Non-Operating	0.44	0.44	0.56	0.69	0.50	0.19
Total Increase / (Decrease) in Unrestricted Net Assets	(89.88)	12.10	22.27	49.68	6.34	43.34

STATEMENT OF CASH FLOWS - FYTD

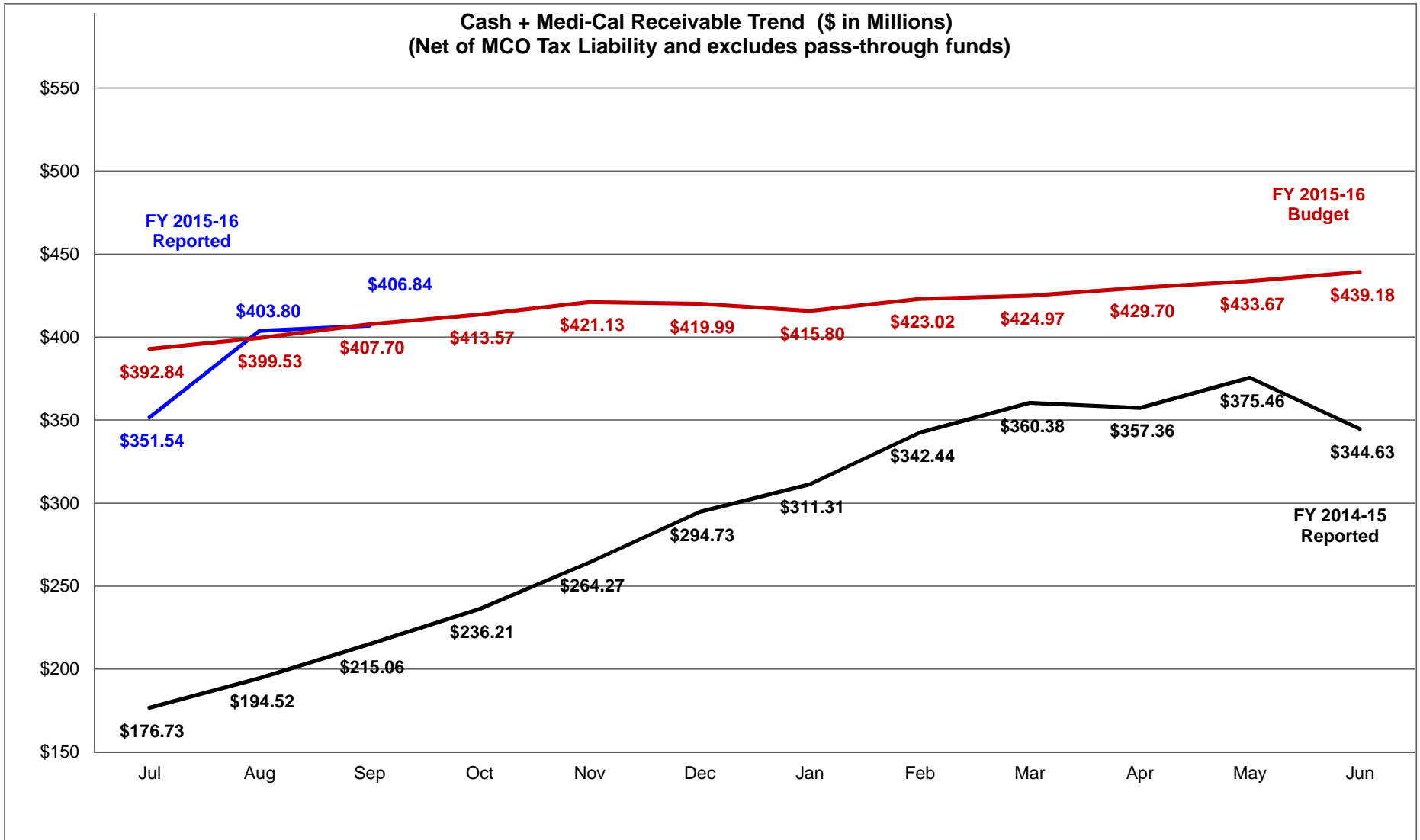
	SEP 15
Cash Flow From Operating Activities	
Collected Premium	\$ 277,182,765
Miscellaneous Income	337,158
State Pass Through Funds	27,822,597
<u>Paid Claims</u>	
Medical & Hospital Expenses	(92,352,803)
Pharmacy	(22,945,025)
Capitation	(33,246,845)
Reinsurance of Claims	(821,510)
State Pass Through Funds Distributed	(8,601,578)
Paid Administration	(11,024,447)
MCO Taxes Received / (Paid)	(9,142,976)
Net Cash Provided / (Used) by Operating Activities	127,207,336
Cash Flow From Investing / Financing Activities	
Net Acquisition of Investments	(95,024,478)
Net Acquisition of Property / Equipment	(24,321)
Net Cash Provided / (Used) by Investing / Financing	(95,048,800)
Net Cash Flow	\$ 32,158,536
Cash and Cash Equivalents (Beg. of Period)	57,218,141
Cash and Cash Equivalents (End of Period)	89,376,678
	\$ 32,158,536
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	16,288,381
Depreciation & Amortization	103,753
Decrease / (Increase) in Receivables	65,906,221
Decrease / (Increase) in Prepaids & Other Current Assets	(906,345)
(Decrease) / Increase in Payables	2,588,272
(Decrease) / Increase in Other Liabilities	48,701,447
Change in MCO Tax Liability	405,539
Changes in Claims and Capitation Payable	(14,963,844)
Changes in IBNR	9,083,912
	127,207,336
Net Cash Flow from Operating Activities	\$ 127,207,336

0.00

STATEMENT OF CASH FLOWS - MONTHLY

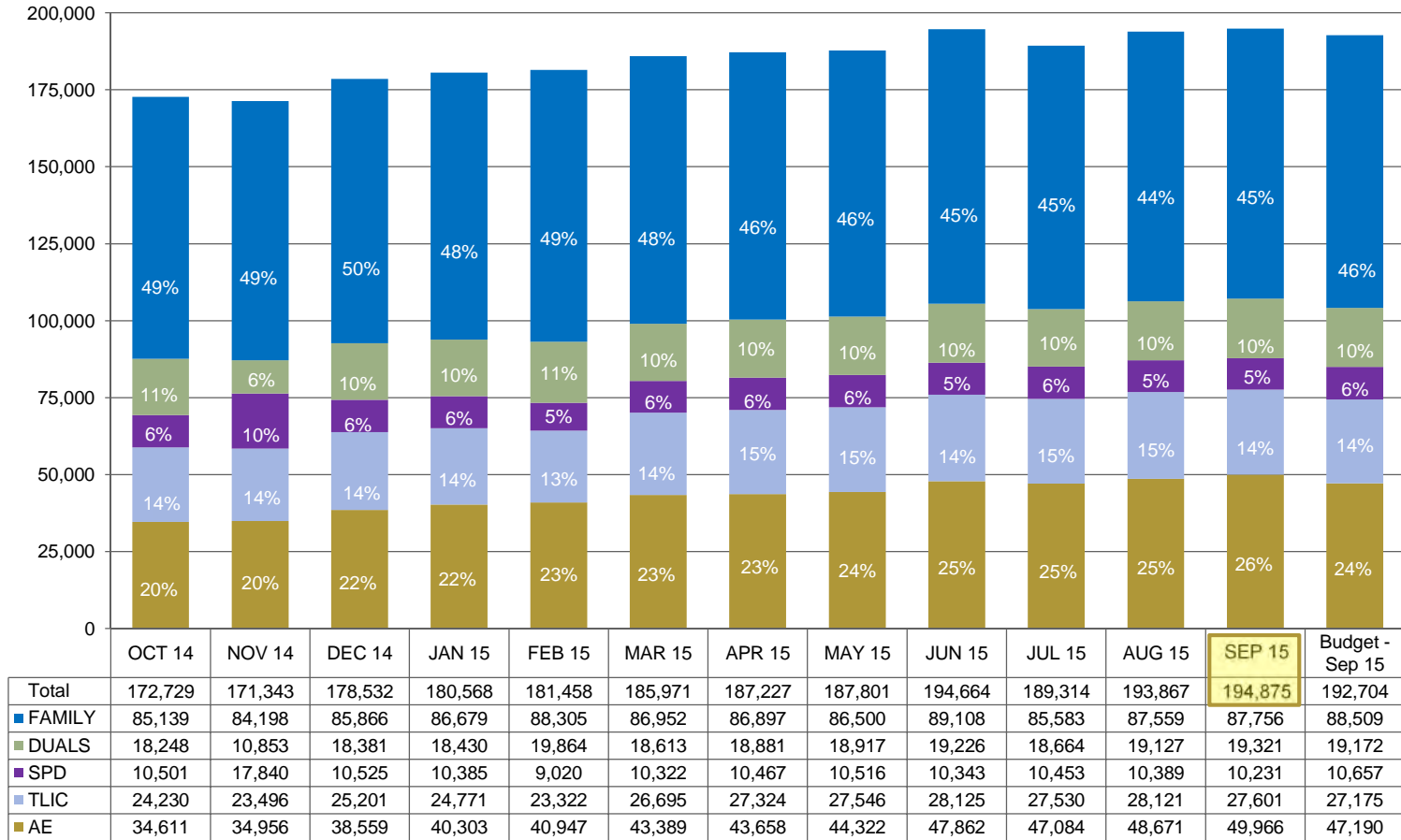
	SEP 15	AUG 15	JUL 15
Cash Flow From Operating Activities			
Collected Premium	\$ 68,284,834	\$ 208,708,144	\$ 189,788
Miscellaneous Income	138,558	111,384	87,216
State Pass Through Funds	4,517,957	23,304,639	-
<u>Paid Claims</u>			
Medical & Hospital Expenses	(30,834,324)	(32,510,910)	(29,007,568)
Pharmacy	(7,880,591)	(7,757,457)	(7,306,977)
Capitation	(25,287,425)	(3,926,229)	(4,033,191)
Reinsurance of Claims	(276,955)	(273,383)	(271,171)
State Pass Through Funds Distributed	(3,244,866)	(5,356,712)	-
Paid Administration	(2,234,571)	(3,599,447)	(5,190,430)
MCO Tax Received / (Paid)	(9,135,503)	(7,473)	-
Net Cash Provided / (Used) by Operating Activities	(5,952,886)	178,692,555	(45,532,334)
Cash Flow From Investing / Financing Activities			
Net Acquisition of Investments	(14,743)	(125,006,621)	29,996,886
Net Acquisition of Property / Equipment	(11,131)	(3,995)	(9,195)
Net Cash Provided / (Used) by Investing / Financing Activities	(25,874)	(125,010,616)	29,987,691
Net Cash Flow	\$ (5,978,760)	\$ 53,681,939	\$ (15,544,643)
Cash and Cash Equivalents (Beg. of Period)	95,355,438	41,673,499	57,218,141
Cash and Cash Equivalents (End of Period)	89,376,678	95,355,438	41,673,499
	\$ (5,978,760)	\$ 53,681,939	\$ (15,544,643)
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	9,681,123	4,316,578	2,290,680
Depreciation & Amortization	34,621	34,621	34,510
Decrease / (Increase) in Receivables	(5,459,203)	126,773,620	(55,408,196)
Decrease / (Increase) in Prepaids & Other Current Assets	(74,222)	(440,845)	(391,278)
(Decrease) / Increase in Payables	(13,856,973)	16,953,951	(508,706)
(Decrease) / Increase in Other Liabilities	15,463,661	30,402,678	2,835,108
Changes in Withhold / Risk Incentive Pool	-	-	-
Change in MCO Tax Liability	(5,277,645)	3,460,981	2,222,203
Changes in Claims and Capitation Payable	(10,358,404)	(6,286,871)	1,681,431
Changes in IBNR	3,894,156	3,477,842	1,711,914
	(5,952,886)	178,692,555	(45,532,334)
Net Cash Flow from Operating Activities	(5,952,886)	178,692,555	(45,532,334)

**GOLD COAST HEALTH PLAN
SEPTEMBER 2015**



GOLD COAST HEALTH PLAN

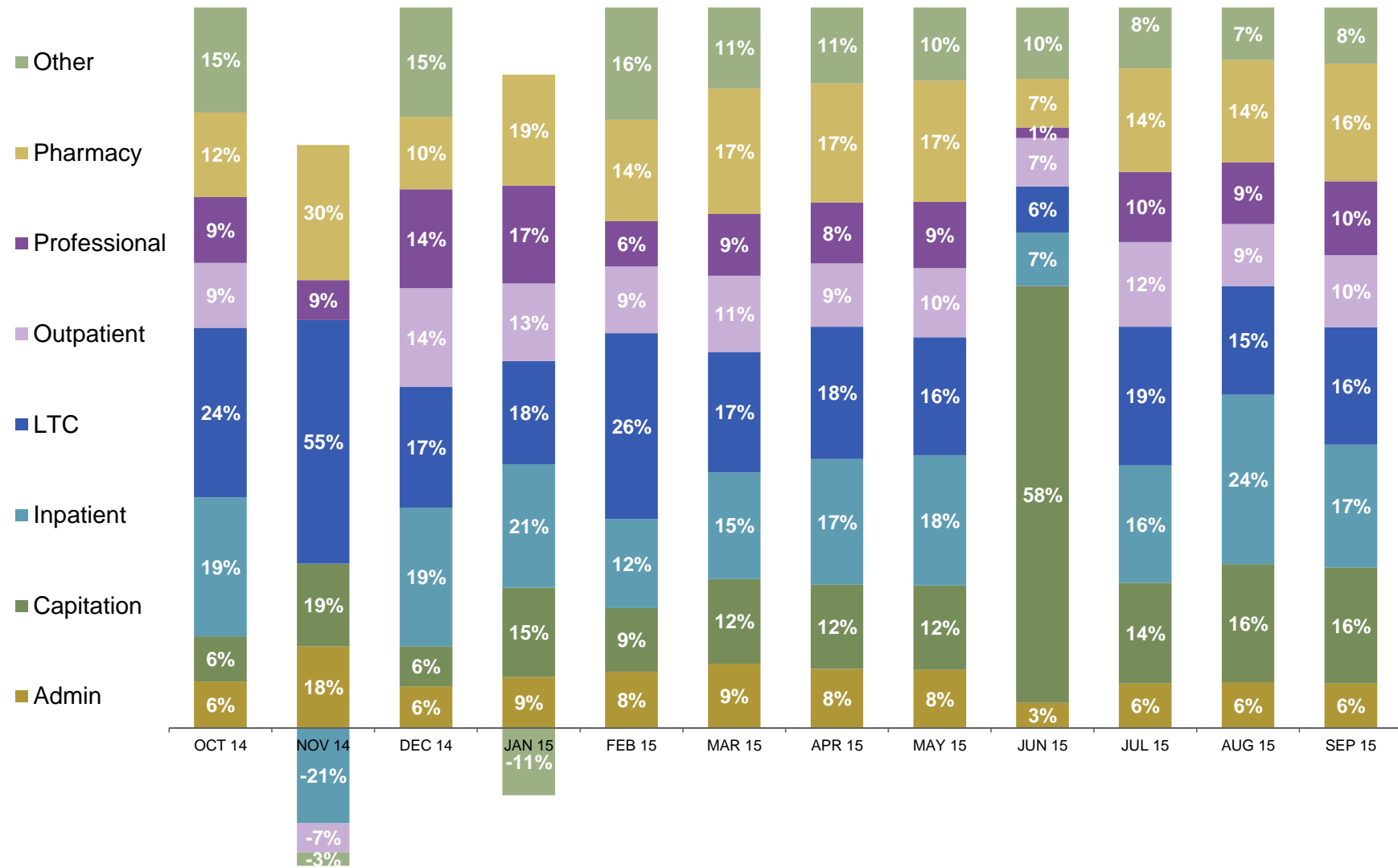
Membership - Rolling 12 Month



SPD = Seniors and Persons with Disabilities TLIC = Targeted Low Income Children AE = Adult Expansion
 Note: Beginning in Apr 14 actual membership reflects new Dual definition as implement by DHCS. Prior months have not been restated.

GOLD COAST HEALTH PLAN

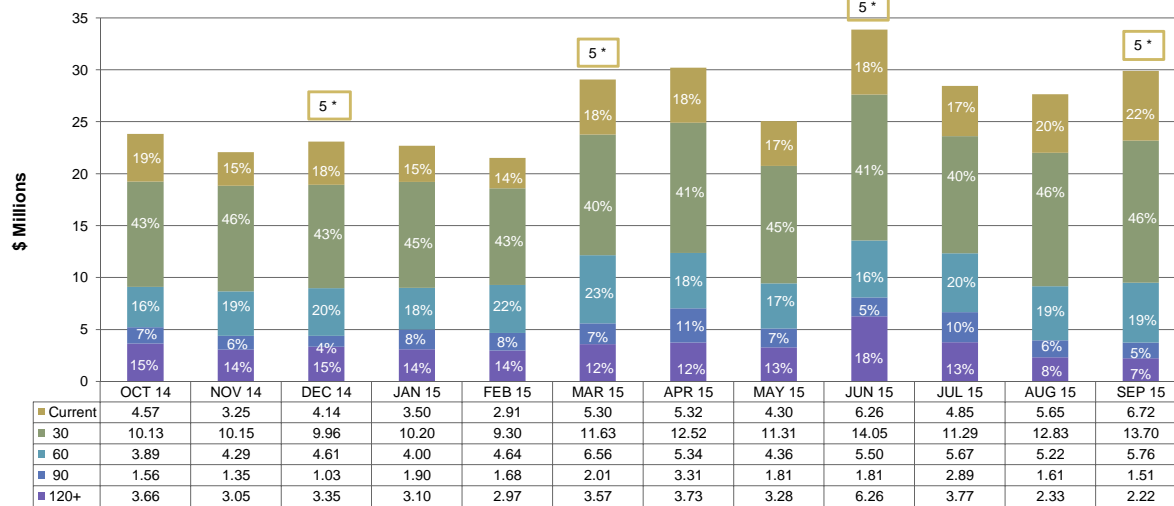
Total Expense Composition



Note: November 14 reflects an adjustment in medical expenses as a result of the Adult Expansion allowance for revenue recoup.
 January 15 reflects an adjustment to Adult Expansion reserve resulting in a reduction to IBNR.
 June 15 reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

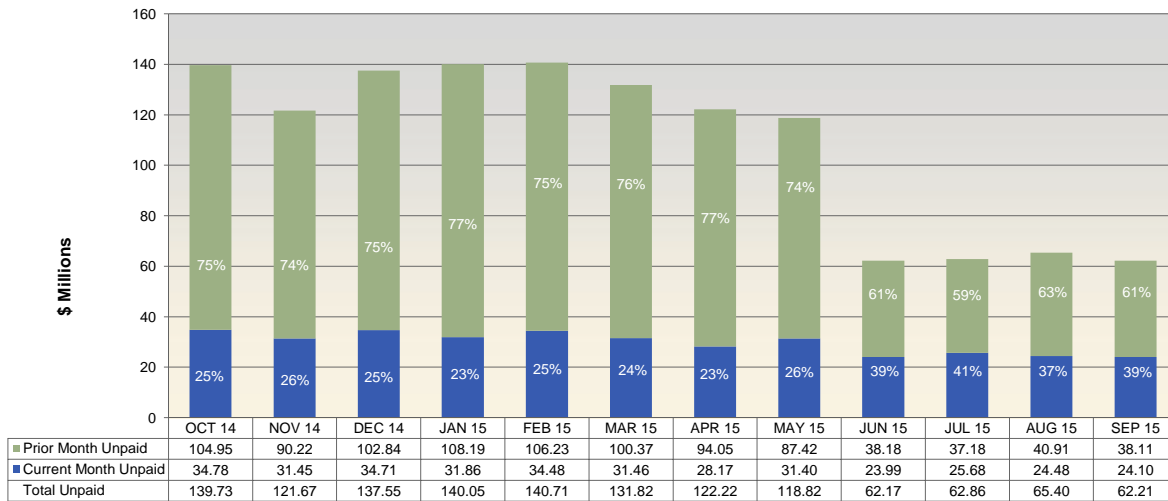
**GOLD COAST HEALTH PLAN
SEPTEMBER 2015**

Paid Claims Composition (excluding Pharmacy and Capitation Payments)



Note: Paid Claims Composition - reflects adjusted medical claims payment lag schedule.
Months Indicated with 5* represent months for which there were 5 claim payments. For all other months, 4 claim payments were made.

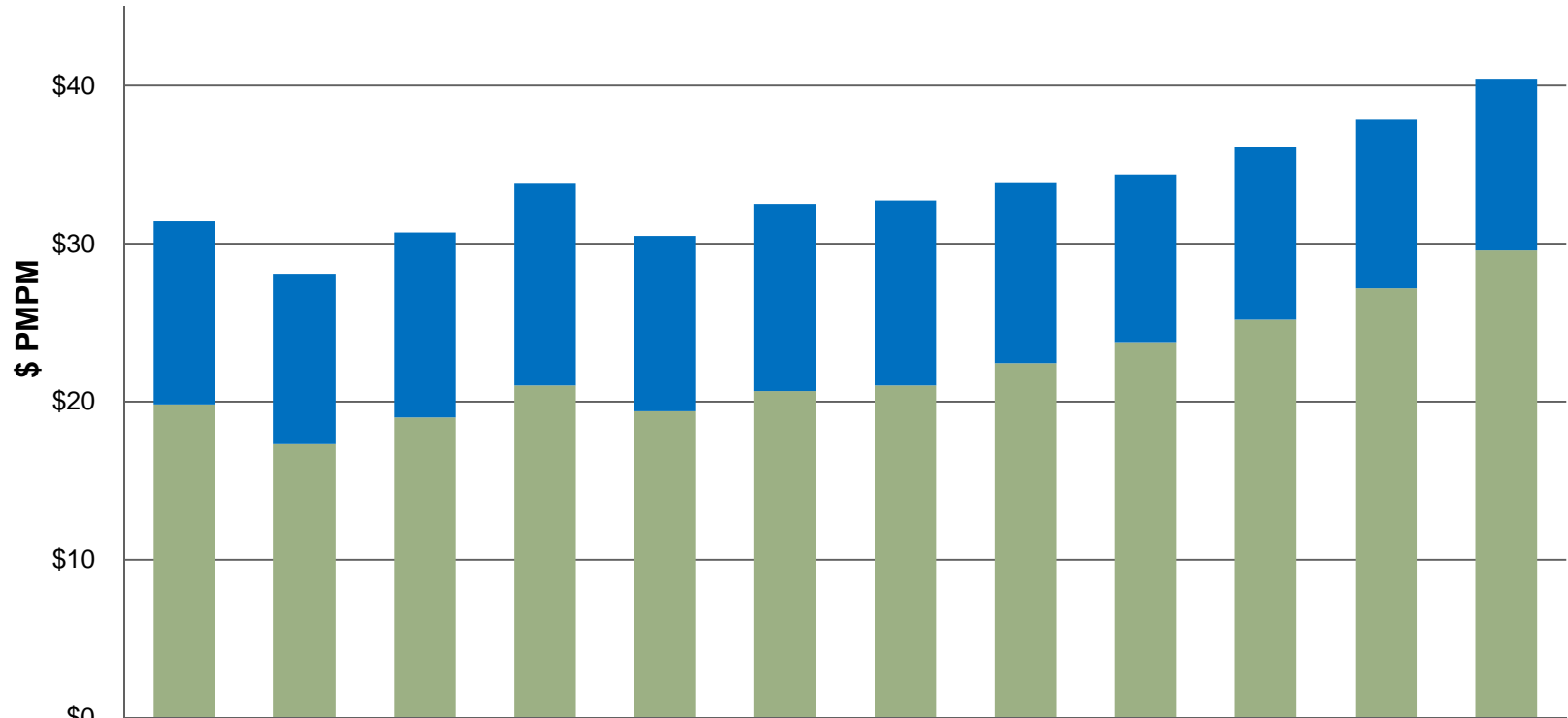
IBNP Composition (excluding Pharmacy and Capitation)



Note: IBNP Composition - reflects updated medical cost reserve calculation plus total system claims payable.
June 2015 - reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

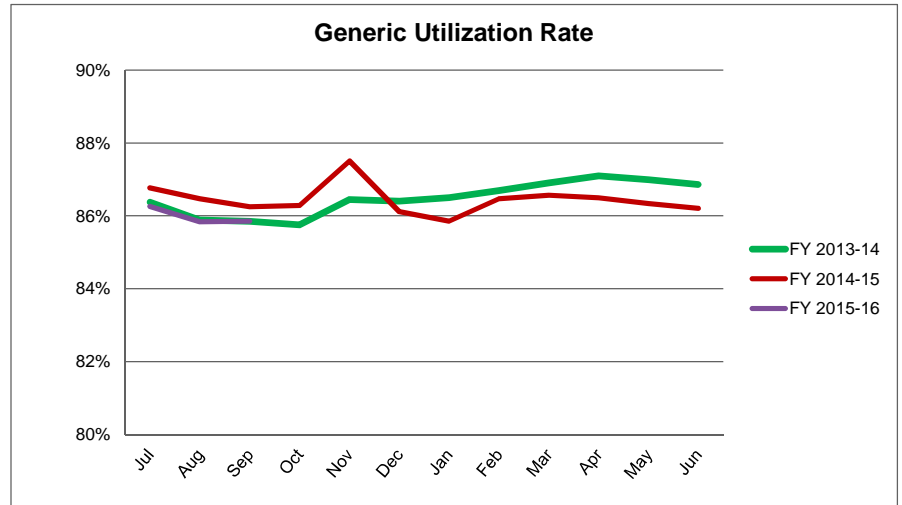
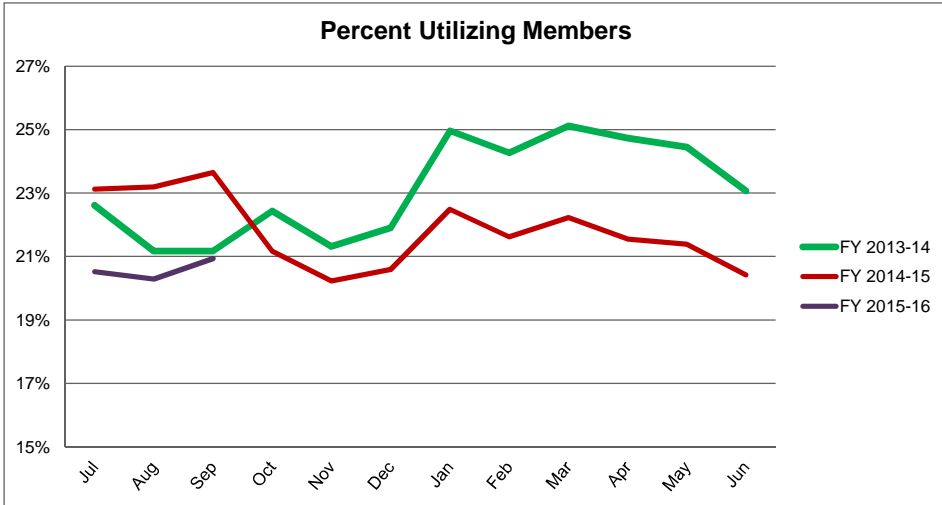
GOLD COAST HEALTH PLAN

Pharmacy Cost Trend

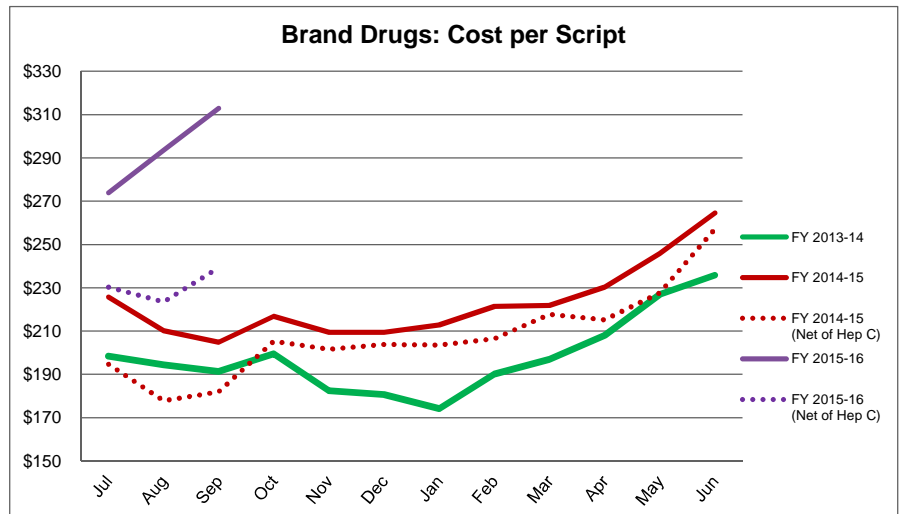
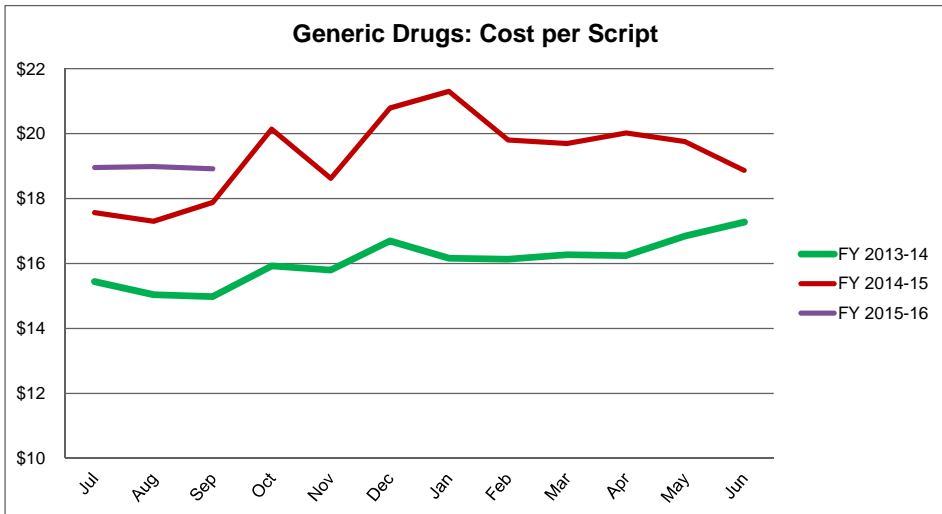


	OCT 14	NOV 14	DEC 14	JAN 15	FEB 15	MAR 15	APR 15	MAY 15	JUN 15	JUL 15	AUG 15	SEP 15
AVG PMPM	\$31.41	\$28.09	\$30.71	\$33.79	\$30.49	\$32.51	\$32.74	\$33.84	\$34.38	\$36.13	\$37.84	\$40.43
■ GENERIC	\$11.58	\$10.78	\$11.71	\$12.77	\$11.09	\$11.83	\$11.71	\$11.39	\$10.60	\$10.94	\$10.66	\$10.86
■ BRAND	\$19.83	\$17.31	\$19.01	\$21.02	\$19.40	\$20.68	\$21.03	\$22.45	\$23.78	\$25.19	\$27.18	\$29.58

**GOLD COAST HEALTH PLAN
PHARMACY ANALYSIS**



Effective Oct 14, Dual members were responsible for prescription copays, lowering the percentage of utilizing members.





AGENDA ITEM 3.a.

TO: Gold Coast Health Plan Commission
FROM: Patricia Mowlavi, CFO
DATE: November 16, 2015
RE: FY 2014-15 Audit Results (Presented by Moss Adams)

AUDIT RESULTS

The Plan's auditor, Moss Adams LLP (Moss Adams) is presenting the results and findings of the FY 2014-15 (07/01/2014-06/30/2015) financial audit of Gold Coast Health Plan (Plan) for review by the Commission.

The following bullets summarize the audit findings:

1. Auditor's report reflects an "unqualified opinion" (i.e., there were no issues that would impact the financials).
2. Auditor' findings reflect improvement on the internal control-related findings.

The Plan engaged Moss Adams to perform a financial audit for FY 2014-15. Performing an annual audit is a requirement of the Plan's contract with the State of California's Department of Health Care Services.

The primary purpose of the audit is for stakeholders to gain assurance that the Plan's financial statements are properly presented, are free of material misstatements and have been prepared in conformity with accounting principles generally accepted in the U.S. The auditor's report for FY 2014-15 resulted in an unqualified opinion; no issues were reported that would have an adverse effect on the Plan's financial results.

A secondary (but important) purpose of the audit is to test and comment on the Plan's design, implementation and maintenance of a system of internal controls that have a relationship with financial reporting.



November 12, 2015

Dr. Robert Gonzalez
Executive/Finance Committee Chair
Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
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Camarillo, CA 93010-6082

RSM US LLP

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West Tower, Suite 1100
Minneapolis, MN 55402

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Dear Dr. Gonzalez:

In accordance with your request, we are attaching the accompanying PDF file, which contains an electronic final version of the report to the Executive/Finance Committee for Ventura County Medi-Cal Managed Care Commission/dba Gold Coast Health Plan (GCHP) for the year ended June 30, 2014. We understand that your request for the electronic copy has been made as a matter of convenience. You understand that electronic transmissions are not entirely secure and that it is possible for confidential financial information to be intercepted by others.

This report is not to be modified in any manner. This final version supersedes all prior drafts. Any preliminary draft version of this report previously provided to you in an electronic format should be deleted from your computer, and all printed copies of any superseded preliminary draft versions should likewise be destroyed.

Professional standards and our firm policies require that we perform certain additional procedures whenever our reports are included, or we are named as accountants, auditors or "experts," in a document used in a public or private offering of equity or debt securities. Accordingly, as provided for and agreed to in the terms of our arrangement letter, GCHP will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our consent. Any request to consent is also a matter for which separate arrangements will be necessary. After obtaining our consent, GCHP also agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when GCHP seeks such consent, we will be under no obligation to grant such consent or approval.

Thank you for the opportunity to serve you.

Sincerely,

Steven J. Draxler, Partner
612.376.9590

wpd
Attachment

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Ventura County Medi-Cal Managed Care Commission/ dba Gold Coast Health Plan

Report to the Executive/Finance Committee
October 2, 2015

October 2, 2015

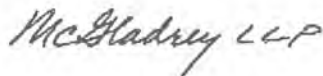
Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
711 East Daily Drive, Suite 106
Camarillo, CA 93010-6082

Attention: Members of the Executive/Finance Committee

We are pleased to present this report related to our audit of the financial statements of Ventura County Medi-Cal Managed Care Commission/dba Gold Coast Health Plan (GCHP or the Plan) for the year ended June 30, 2014. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for GCHP's financial reporting process.

Also note that on October 26, 2015, we changed the name of our firm from McGladrey LLP to RSM US LLP.

This report is intended solely for the information and use of the Commission, Executive/Finance Committee, and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Plan.



Contents

Required Communications	1-5
Summary of Accounting Estimates	6-8
Exhibit A—Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	
Significant Written Communications Between Management and Our Firm	
Exhibit B—Qualifications Letter	
Exhibit C—Representation Letter	
Exhibit D—Independence Letter	
Exhibit E—Management Letter	

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 7, 2014.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by GCHP. The Plan did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions Under Section 1202 of the Affordable Care Act (ACA), GCHP recognized revenue of approximately \$16,590,000, net of \$460,000 of premium tax, from the State of California Department of Health Care Services (DHCS) in fiscal 2014 for certain primary care services provided in calendar years 2013 and 2014. GCHP is required to remit certain defined supplemental payments to primary care providers who have attested to DHCS by December 31, 2014. GCHP has recognized expense of approximately \$14,916,000 for ACA 1202–related fees during the year ended June 30, 2014.</p> <p>During fiscal year 2014, the League of United Latin American Citizens (LULAC) issued a report accusing the leaders of GCHP of discrimination, financial improprieties, and other operational and policy matters and/or shortcomings. The Plan's Commissioners initiated and oversaw an independent investigation into the allegations, hiring a forensic firm, Vicenti Lloyd & Stutzman, LLP (VLS), and a law firm, Atkinson, Andelson, Loya, Rudd and Romo (AALRR). McGladrey obtained the VLS forensic report and obtained management representations on the AALRR report and discussed the conclusions and financial statement disclosures with management.</p>

Area	Comments
Accounting Policies and Practices (Continued)	<p>GCHP's contract with DHCS established a minimum medical loss ratio of 85 percent for the newly enrolled Adult Expansion members. A payable to the State of California and a corresponding reduction of revenue of approximately \$24,970,000 was recognized to meet the 85 percent medical loss ratio requirement.</p> <p>We did not identify any other significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Accounting Estimates.</p>
Disagreements With Management	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
Consultations With Other Accountants	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
Significant Issues Discussed With Management	<p>Over the course of our audit, we discussed several significant issues with management, including the following:</p> <ul style="list-style-type: none"> • The resignations of the former CEO and CFO • Allegations made by the League of United Latin American Citizens, the process for looking into those allegations, and the outcomes from VLS and AALRR • GCHP's compliance with the State of California Department of Health Care Services • Financial statement classifications and disclosures • The adjustment to the medical claims in the financial statements based on subsequent information • The balance sheet classification of the Payable to the State of California • The adjustment to the financial statements to reflect ACA Section 1202 • Continuation of the relationship of our firm and GCHP
Significant Difficulties Encountered in Performing the Audit	<p>We did not encounter any significant difficulties in dealing with management during the audit.</p>

Area	Comments
Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	We have separately communicated the significant deficiencies and material weaknesses in internal control over financial reporting identified during our audit of the financial statements, and this communication is attached as Exhibit A.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Plan, including the representation letter provided to us by management, are attached as Exhibits B through E.

Area	Comments				
Audit Adjustments	Adjustments recorded to the original trial balance during the audit resulted in an increase to net position of approximately \$17,878,000 and include the following:				
Description	Increase (Decrease) in Assets	(Increase) Decrease Liabilities	Net Position	(Increase) Decrease in Revenue	Increase (Decrease) in Expense
Identified as a result of audit procedures:					
Increase Medi-Cal revenue and receivable, net of Managed Care Organization (MCO) tax, for ACA Section 1202 adjustments	\$ 11,811,223	\$ (465,068)	\$ -	\$ (11,811,223)	\$ 465,068
Increase claims liability and expense related to ACA Section 1202	-	(9,542,740)	-	-	9,542,740
Reclassify reinsurance recoveries from reinsurance premiums expense	-	-	-	5,956,714	(5,956,714)
Increase reinsurance recoveries for amounts received	362,994	-	-	-	(362,994)
Increase Medi-Cal revenue and receivable, net of MCO tax, for final rates and membership	5,269,592	(207,490)	-	(5,269,592)	207,490
Reduce claims liability and expense related to subsequent claims activity	-	52,405,863	-	-	(52,405,863)
Record a payable to the State of California and a reduction of revenue for Adult Expansion	-	(24,970,000)	-	24,970,000	-
Increase Medi-Cal receivable and liability for AB 85 final rate adjustment	1,080,303	(1,080,303)	-	-	-
Reduce capitation receivable and revenue for allowance for uncollectibility, net of MCO tax	(1,578,642)	62,159	-	1,578,642	(62,159)
Increase Medi-Cal revenue and claims liability for AB 85	(172,947)	172,947	-	-	-
Increase claims liability and expense for updated assessment of reserves	-	(3,457,244)	-	-	3,457,244
Recognize intergovernmental transfer net revenue and receivable	501,341	-	-	(501,341)	-
Increase Medi-Cal revenue and receivable, net of MCO tax, for updated rates	2,820,695	506,042	-	(3,663,612)	336,875
Increase legal reserves and expense	-	(5,250,000)	-	-	5,250,000
Record capitation expense and payable for additional Adult Expansion services	-	(10,390,310)	-	-	10,390,310
				<u>\$ 11,259,588</u>	<u>\$ (29,138,003)</u>
Close revenue/expense to net assets	-	-	(17,878,415)		
Net effect on net position	<u>\$ 20,094,559</u>	<u>\$ (2,216,144)</u>	<u>\$ (17,878,415)</u>		

Area	Comments
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Uncorrected Misstatements	During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the financial position, results of operations, and cash flows and to the related financial statement disclosures. Following is a summary of those differences.
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Description	Increase (Decrease) in Assets	(Increase) Decrease Liabilities	Net Position	(Increase) Decrease in Revenue	Increase (Decrease) in Expense
Reversal of prior-year misstatements:					
Projected overpayment of claims	\$ -	\$ -	\$ (318,000)	\$ -	\$ 318,000
Current-year misstatements:					
Projected overpayment of claims	-	1,150,000	-	-	(1,150,000)
Projected understatement of provider receivable	155,000	-	-	(155,000)	-
				<u>\$ (155,000)</u>	<u>\$ (832,000)</u>
Close revenue/expense to net assets	-	-	(987,000)		
Net effect on net position	<u>\$ 155,000</u>	<u>\$ 1,150,000</u>	<u>\$ (1,305,000)</u>		

**Ventura County Medi-Cal Managed Care Commission/
 dba Gold Coast Health Plan
 Summary of Accounting Estimates
 Year Ended June 30, 2014**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Plan's June 30, 2014, financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Valuation and collectibility of receivables, including provider receivables	<p>Revenues and their related receivables are based on contract terms and are reduced to their estimated net collectible amounts.</p> <p>Management estimates an allowance for accounts receivable balances when deemed appropriate. Amounts determined to be uncollectible are written off.</p>	Management reviews aged accounts receivable balances to determine specific accounts that require an allowance for uncollectibility based on the ability to collect the receivable balance.	We tested the propriety of management's information and performed testing of subsequent receipts. Based on our procedures, the estimates appear reasonable.
Reinsurance recoverable	GCHP seeks to reduce the loss that may arise from large claims by reinsuring certain levels of risk with a reinsurer. Amounts recoverable from reinsurers that relate to paid claims are classified as assets, net of an allowance for any estimated uncollectible amounts, and as a reduction to medical expenses incurred.	Management calculates reinsurance recoveries by reviewing claims paid that exceed reinsured loss thresholds. Management then reviews these estimated recoveries receivable based on terms of the contract with the reinsurer and for collectibility based on aging.	We tested management's process for calculating the amount of reinsurance recoverable and concluded that the estimate is reasonable.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Reserve for claims liability and claims payable	Management establishes claims liability based on estimates of the ultimate cost of claims in process and provision for claims incurred but not paid (IBNP).	<p>The estimate of the claims liability is based on historical claim patterns and certain management assumptions.</p> <p>Management uses subsequent claims run-out and prior claims experience to determine the amount of the estimated liability. Milliman, an independent actuarial firm, was engaged to provide an opinion on the adequacy of the Medi-Cal IBNP claims reserve at June 30, 2014.</p> <p>In cases where adequate historical claims payment experience does not yet exist for a new population (Adult Expansion or Targeted Low Income Program), a book-to-budget methodology is used in which GCHP relies on state-developed medical rates or medical loss ratios to estimate claims liabilities.</p> <p>After year-end, management reviewed subsequent claims run-out and adjusted IBNP to actual claims paid through May 2015 plus additional margin.</p>	<p>We tested the propriety of management's information, and we read the independent actuary's report. Our internal actuary performed a corroborative estimate of the claims liability. We reviewed the claims run-out through August 2015 and management's subsequent journal entry.</p> <p>Based on our procedures, the estimates appear reasonable after management's adjustment.</p>

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Premium revenue and premium reserve	Capitation revenue is recognized in the period it is earned. Revenue adjustments are recorded in the period they can be reasonably determined.	During 2014, GCHP recorded revenue based on 2013 capitation rates. When final 2014 rates were available, management adjusted revenue to final rates. In addition, rate changes due to ACA 1202 and various Assembly Bills are recorded as legislation is effective and rates are finalized.	We tested GCHP capitation revenue using estimated data provided by the State of California and management's analysis. We also reviewed the journal entry made and supporting documentation to adjust revenue to the final rates. Based on our procedures, the estimates appear reasonable after adjustments to final rates and membership.
Reserve for premium deficiency	A premium deficiency reserve is recorded when there is an expected loss in the subsequent year from contracts that have been committed to at year-end.	Management performs periodic analysis of its expected future health care costs and maintenance costs by line of business to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve is accrued.	We reviewed the propriety of management's analysis, including the 2015 financial forecast. Based on our procedures, the estimates appear reasonable.

**Exhibit A—Letter Communicating Significant Deficiencies and
Material Weaknesses in Internal Control Over Financial Reporting**

October 2, 2015

Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
711 East Daily Drive, Suite 106
Camarillo, CA 93010-6082

Attention: Members of the Executive/Finance Committee

In planning and performing our audit of the financial statements of Ventura County Medi-Cal Managed Care Commission/dba Gold Coast Health Plan (GCHP or the Plan) as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCHP's internal control. Accordingly, we do not express an opinion on the effectiveness of GCHP's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in GCHP's internal control to be material weaknesses.

The Plan's written responses to the material weaknesses identified in our audit were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

MATERIAL WEAKNESSES

REVENUE RECOGNITION

ACA Section 1202: Section 1202 of the Affordable Care Act (ACA 1202) requires payment of the Medicare rate for certain primary care services provided in calendar years 2013 and 2014. This provision applies to evaluation and management and vaccine administration services when delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine. The Plan recorded revenue and expense related to ACA 1202 for the period from January 1, 2013, through June 30, 2013.

As ACA 1202 is applicable for the period from January 1, 2013, through December 31, 2014, GCHP should have recorded revenue and expense for the period from July 1, 2013, through June 30, 2014. In June 2014, the State of California Department of Health Care Services (DHCS) released a change in methodology whereby managed care plans retain the risk on payments owed to primary care physicians (PCP). Therefore, as the Plan's estimated amounts owed to PCPs was less than the revenue provided in the capitated rates, an adjustment was required to record the revenue to be retained by the Plan. Management did not properly evaluate how ACA 1202 would impact capitation revenue or operating expenses.

While the Plan did not record the fiscal 2014 effect of ACA 1202 at June 30, 2014, due to not having final rates at year-end, these rates were available before the year-end closing process. Therefore, the Plan should have recorded the additional revenue of \$11,216,000, net of MCO tax of approximately \$460,000, as well as claims liability and expense of approximately \$9,543,000 for ACA 1202 adjustments related to the period from July 1, 2013, through June 30, 2014.

Management's Response

The Plan received ACA 1202 funds during the period January 1, 2013, through June 30, 2013, and they were properly posted as revenue. The Plan, however, did not receive any ACA 1202 funds covering the period July 1, 2013, through June 30, 2014, until September 2014. Upon receipt, these funds were posted back into fiscal year 2014 in June, 2014.

During the period in question, the Plan was unsure if additional ACA 1202 funds were forthcoming beyond that already received. As a result, no ACA 1202 revenue and expense were recognized monthly for the months from July 1, 2013, through June 30, 2014.

Payable to the State of California: GCHP's contract with DHCS established a minimum medical loss ratio (MLR) of 85 percent for the newly enrolled Adult Expansion members. Initially, the Plan recorded the amount required to achieve an 85 percent MLR as health care expense and medical claims liability. As the amounts will be required to be refunded to the State, a journal entry was required to record a payable to the State of California and a corresponding reduction of revenue.

Management's Response

As of June 30, 2014, Adult Expansion had only been in existence for six months and had an actuarially unacceptable level of experience. As has been the custom with new programs, the Plan relied on state-developed rates in recording costs and related claims liabilities. GCHP transitioned to a more traditional IBNR model when adequate historical experience became available. During this transition period, it became clearer that a revenue reserve methodology had become more appropriate. As a result, it was determined that a prior liability originally recorded through recognizing costs should be recast as a liability to the state, as it became evident that initial capitation rates represented partial overfunding of the program.

CLAIMS PROCESSING AND CLAIMS RESERVES

Accurate payment of claims is the basis for estimating the claims liability and maintaining provider relationships and contract compliance. Because the claims liability is a significant estimate, errors in the claims payment systems could have a material impact on the financial statements.

The medical claims processing function is outsourced to a third-party vendor, specifically, ACS Health Administration, Inc. (ACS). Pharmacy claims are processed by ScriptCare, and Beacon Health processes mental health claims. Due to the nature and susceptibility of processing data electronically, management should ensure that the necessary controls are in place and operating effectively to ensure that the data being sent to the third parties and subsequently reviewed and uploaded to GCHP's financial and claims system is complete and accurate.

We noted that certain medical claims selected for testing were not adjudicated properly. There were several reasons for improper adjudications, including a scanning error, manual adjudication error, payment of a claim that should have been rejected, and a claim was paid for which the Plan should not have been the primary insurer.

The Plan has increased audit procedures to include all claims paid over \$10,000, and the auto-adjudication rate and electronic submission of claims continues to increase. However, manual adjudication of claims increases the likelihood of processing errors, so we suggest implementing additional controls over manually adjudicated claims as well as additional review procedures for scanned claims.

In addition, the Plan had significant subsequent journal entries to reduce incurred but not paid (IBNP) claims reserve and claims expense. While a budgeted methodology was followed, information received after year-end indicated that original estimates were significantly overstated.

We recommend the following:

- Management should continue to perform audits on the procedures performed by third-party vendors who process claims information.
- Assure internal policies are being followed and any informal policies, such as the practice to pay the lesser of billed or contract amounts, are documented in a formal policy to assure consistency in payment processing.
- Assure claims are being processed appropriately by implementing or continuing to use the following controls:
 - Implement a formal control that demonstrates fee schedule uploads are being reviewed by GCHP employees after the information is sent and input into the claims system or changes to the state or provider fee schedules occur to assure the fee schedules agree to provider contracts.
 - Continue to review processes and procedures to assess whether claims were processed accurately.
 - Continue to consistently follow and monitor formal information technology (IT) change management policies that govern all types of IT changes (upgrade, patch, vendor-initiated, emergency, etc.) made by either ACS or GCHP.
 - Continue to monitor ACS policies and procedures and assure these policies are in place for adjudication of claims and IT controls, particularly in the absence of a SOC 1 report.
- Additionally, during our review of GCHP's contract with ACS, we noted there is a level of ambiguity regarding which party (GCHP or ACS) is financially responsible for processing run-out claims upon termination or expiration of the contract. We recommend management work with ACS to add clarity to this provision of the contract and that management ensures the accounting records properly reflect the clarified understanding between the parties to the contract. We understand this language has been drafted, but not executed as of September 2015.

Management's Response

- Management should continue to perform audits on the procedures performed by third-party vendors who process claims information.

GCHP's audit program includes a weekly audit of Xerox' random audit to validate that Xerox self-reported financial and procedural results are accurate. GCHP requires Xerox to forward all claims with a payable amount of more than \$10,000 to GCHP for review and approval. GCHP staff can approve claims with a payable amount between \$10,000 and \$49,999; claims in excess of \$50,000 are reviewed and approved by the Director of Operations. GCHP audits all denied claims for emergency services and family planning/sensitive services to ensure claims are not being denied incorrectly. GCHP recently implemented an audit of all denied claims to ensure claims are not being denied incorrectly. GCHP and Xerox have a biweekly conference call to discuss claim-related audit findings and issues.

- Assure internal policies are being followed and any informal policies, such as the practice to pay the lesser of billed or contract amounts, are documented in a formal policy to assure consistency in payment processing.

The "lesser of" language is incorporated in many of Xerox' desktop procedures, which are used by claims processors as guidelines for processing GCHP claims. GCHP will be reviewing all desktop procedures with Xerox the first week of November 2015, and the review will include adding "lesser of" language to those procedures where appropriate, if it currently is not included. The goal of the review is to:

- *Ensure desktop procedures accurately reflect the correct process that should be followed by claims processors*
- *Revise desktop procedures as necessary*
- *Identify any desktop procedures that need to be developed*
- Assure claims are being processed appropriately by implementing or continuing to use the following controls:
 - Implement a formal control that demonstrates fee schedule uploads are being reviewed by GCHP employees after the information is sent and input into the claims system or changes to the state or provider fee schedules occur to assure the fee schedules agree to provider contracts.

GCHP audits all post-configuration changes to ensure that requested changes to the core processing system have been implemented correctly. All fee schedule changes which result from provider contracting initiatives are submitted through the Change Control Document (CCD) process to the Director of Operations, who reviews the request for completeness and forwards to Xerox. Once GCHP is advised that the configuration is complete, GCHP monitors the core system to identify paid claims associated with the CCD request and audits a sample of those claims to validate the configuration is correct. Once the validation is complete, Xerox is given the approval to close the CCD.

- Continue to review processes and procedures to assess whether claims were processed accurately.

GCHP added a full-time, dedicated quality assurance auditor to the claims team in April 2015. GCHP and Xerox will continue to audit claims and will look for additional opportunities to strengthen the audit program.

- Continue to consistently follow and monitor formal information technology (IT) change management policies that govern all types of IT changes (upgrade, patch, vendor-initiated, emergency, etc.) made by either ACS or GCHP.

This process is currently in place for both entities. GCHP has an internal change management policy in place for the Plan's internally supported production environment (systems and supporting infrastructure). Production changes are tracked in the Connectwise helpdesk ticketing system. Examples of production changes include security patches and server configuration changes.

Xerox/ACS, the ASO that processes claims on the Plan's behalf, also has a formal change management process to assure modifications are reviewed by designated employees before entered into production. Production changes for systems supported by Xerox/ACS are tracked in a ticketing system called "ServiceCenter." The Plan has obtained and reviewed Xerox/ACS' policies for change management.

- Continue to monitor ACS policies and procedures and assure these policies are in place for adjudication of claims and IT controls, particularly in the absence of a SOC 1 report.

ACS completed a SOC audit in the last 12 months and produced findings. We completed a review of their IT security controls within the SOC report as part of our information security review for contracted business associates.

SIGNIFICANT DEFICIENCIES

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following control deficiencies in the Plan's internal control to be significant deficiencies.

The Plan's written responses to the significant deficiencies identified in our audit were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

MONITORING CONTROLS AND INTERNAL POLICIES

Segregation of duties and monitoring controls—accounting: An effective system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its initiation to its completion. While GCHP has added personnel during the year and many improvements were made, there are limited areas where only monitoring controls are in place to detect errors. Having a limited number of accounting and finance personnel at GCHP prevents a proper segregation of accounting functions necessary to assure adequate internal control, as well as a lack of resources to research accounting pronouncements and changes in legislation that could affect financial reporting. As a result, some aspects of internal accounting control that rely upon adequate segregation of duties and sufficient staffing were not effective for the entirety of the year.

Management employees perform monthly analytical and review procedures on key accounts and transactions; however, there is limited documented oversight to these functions other than a review of the financial statements by the chief executive officer, chief financial officer, and/or the Commission. This may create an opportunity to misappropriate assets and misrepresent financial position. Supervision and periodic review procedures can assist in mitigating the lack of proper segregation of duties and assure all changes in legislation are reflected in the financial statements. During our audit, we noted that while management reviewed and approved certain reconciliations, formal written evidence of approval or review was not always available. In conjunction with the segregation of duties deficiency noted earlier, this lack of controls heightens the risk of misappropriated assets and financial statement errors. Early in fiscal 2014, we noted instances where journal entries were not approved. We understand that additional procedures have been put in place during fiscal 2014 to assure approvals are documented for journal entries.

The lack of monitoring controls also leaves GCHP vulnerable to accounting errors. During the course of the audit, we noted circumstances where monitoring controls did not identify reconciling differences, or documentation of approvals were not documented. We identified several audit adjustments in reinsurance receivable, IBNP, revenue, and accrued expenses during the fiscal 2014 audit. We recommend GCHP continue to review and monitor its processes for recording and reviewing all entries to ensure proper financial reporting and adherence to generally accepted accounting principles (GAAP) and legislative changes.

We recommend GCHP continue working to eliminate conflicting or combined duties through segregation of duties and IT controls to the extent possible with the resources available. We also recommend putting more formalized compensating supervisory controls in place, including review of legislative and accounting updates and significant rate or membership changes.

Management's Response

Although the Plan's small staff has required certain staff personnel to perform multiple tasks which, at times, may conflict with the internal control concept of segregation of duties, there is, at present, no accounting personnel possessing the ability and authorization to be able to perform a transaction from inception to completion. We agree that segregation of duties can be improved and will endeavor to achieve this internal control objective through staff additions, changes to the current work flow and operating procedures.

The accounting staff prepares monthly reconciliations of all balance sheet and significant income statement accounts. Additionally, detailed analyses for revenue and related health care expenses for all aid categories are prepared. The Controller is tasked with the responsibility for ensuring that the Plan is in compliance with the latest accounting pronouncements and changes in legislation as well as being responsible for reviewing all journal entries and underlying support documentation prior to their posting into the general ledger. Additionally, the Controller is responsible for ensuring that all reconciliations are completed properly and timely. Taken together, the Controller's supervisory review ensures that the Plan's financial statements are prepared properly, in compliance with GAAP, and that amounts are fairly stated. Going forward, the importance of formally documenting our review process will be re-emphasized.

With a new CFO on board, the current work flow will be examined and operating policies and procedures amended, if necessary, all with the goal of ensuring that a system of sound internal control is in place to ensure the accuracy of the Plan's financial data.

Segregation of duties and approval policies—payroll: In our review over access controls, we noted the user listing indicated several users in the payroll system and finance with super-user capability. The super-user access allows an employee to initiate and approve transactions. We recommend limiting personnel with super-user status and to consider only giving super-user access to individuals in the IT department. We also recommend that any changes initiated by the super-users should be reviewed for appropriateness on a regular basis.

In addition, we noted several instances where approval of payroll changes was not documented or evidence of approval was not retained, including: pay rate approval/changes, an unapproved time card, erroneous overtime paid, and a form for sick leave not located. We suggest having all merit and salary changes documented and maintaining this approval in an electronic database to assure all employee records are complete.

Management's Response

During the May–June 2014 time frame, McGladrey met with Plan accounting and human resource personnel to suggest that internal controls related to the payroll system, particularly reducing the number of users with super-access authority, could be enhanced. The Plan immediately followed up by restructuring the payroll processing work flow to reduce the number of super-users to just one person. This person is located in the Human Resources Department and also serves as the administrator for the ADP payroll processing/human resources system. Payroll segregation is further enhanced by the following: personnel change processing by human resources and actual payroll processing performed by finance.

Internal policies—capital assets: In testing capital assets and the related depreciation expense, we noted that capital assets are not being depreciated according to the Plan's internal policy (half-year convention); rather, capital assets are being depreciated based on the date the asset is placed into service. We recommend the Plan review internal policy to determine which method is most appropriate for the Plan while remaining in compliance with governmental accounting standards. In addition, assure the Plan's policy has procedures in place to appropriately identify capital assets or items that should be expensed, particularly in the instance of software acquisitions.

Management Response

When the Plan was established, a capitalization policy was prepared which established procedures for accounting for long-life assets with useful lives spanning multiple years. Although the policy required the use of the "half-year convention" to calculate depreciation expense, in practice, this procedure has never been followed. Instead, depreciation expense has always been calculated based on the date the asset is placed into service method. Deployment of this depreciation methodology has been consistent and has been fully disclosed in all of our regulatory filings as well as annual reports since the beginning of operations. Moreover, our depreciation policy and calculation of related expense has been reviewed and tested, without issue, by our external accountants, McGladrey, for the last three fiscal years.

Moving forward, the Plan's capital asset policy is currently under review, and revisions will be made to reflect current practices. Once completed, the revised policy will support and be consistent with current accounting of capital assets.

REVENUE AND ACCOUNTS RECEIVABLE RECONCILIATIONS AND ALLOWANCES

GCHP has a number of accounts receivable from providers and reinsurers and for capitation receivable. The allowance for doubtful accounts on receivable balances is a significant estimate and is determined by management. We noted that the reconciliations for accounts receivable balances included all activity incurred during the fiscal year, but did not necessarily identify the receivable balance by paying entity at year-end. Without a schedule that identifies which party will pay the amount to be collected, it is difficult to assess the allowance for doubtful accounts, and there may be amounts collectible that are not pursued timely and, therefore, collection may be lost.

A point-in-time reconciliation of accounts receivable and assessment of the collectability of accounts receivable should be performed monthly to assure interim financials properly reflect the best estimate of the expected value of accounts receivable. We recommend this assessment be based on knowledge of the provider or reinsurer and assessment of their ability to pay, aging, collection terms and historical collection rates. All amounts should be tracked to assure efforts are made timely to collect outstanding balances. Any significant write-offs should be communicated to the Executive/Finance Committee on a timely basis.

In addition, all subsequent cash receipts should be tied back to initial account receivable reconciliations to assure amounts are collected timely and can be followed up on in the case of aged balances. During the course of the audit, we noted that the Plan received approximately \$364,000 for reinsurance recoveries not previously reported and approximately \$155,000 of provider receivables that was applied to an improper balance, thereby understating overall accounts receivable and revenues by approximately \$519,000.

Subsequent tracking of cash receipts is particularly important for capitation revenue and receivable as rates and membership retro-activity is added to the reconciliations. Any updates to rates, membership, or legislative changes should be monitored through these reconciliations. Subsequent journal entries were identified through audit procedures related to retroactive rate and membership adjustments.

Management's Response

Over the past year, the Plan has put in place policies and procedures to enhance internal controls over the recording of cash receipts. Accounts receivable are reconciled monthly, and the various components are individually tracked to ensure proper application of subsequent cash receipts. Aged balances are reviewed periodically while recognizing that the major source of funds is a governmental agency, which often effects retroactive payments and adjustments long after the initial revenue is recorded.

ACCOUNTING DEPARTMENT RESOURCES

The Plan is experiencing errors in reconciling its accounting and reporting processes. Timely and accurate financial information can significantly assist senior management and the Commission by facilitating relevant oversight and budgetary control and quickly addressing financial results, cash flow and other issues. We recommend the Plan consider its accounting department resources to assure proper accounting, reconciliations, compliance, monitoring and oversight.

Management's Response

A new CFO has come on board and is implementing best practices, improving efficiencies, and reviewing and revising policies and procedures. The Plan is implementing an internal audit function for robust oversight, risk management and financial controls.

Members of the Executive/Finance Committee
Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
October 2, 2015
Page 9

CLOSING

We would be happy to assist you in addressing and implementing any of the suggestions in this letter.

This communication is intended solely for the information and use of the Commission, Executive/Finance Committee, and management of GCHP and is not intended to be, and should not be, used by anyone other than these specified parties.

McGladrey LLP

Significant Written Communications Between Management and Our Firm

Exhibit B—Qualifications Letter

October 2, 2015

Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
711 East Daily Drive, Suite 106
Camarillo, CA 93010-6082

Attention: Members of the Executive/Finance Committee

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Ventura County Medi-Cal Managed Care Commission/dba Gold Coast Health Plan (GCHP or the Plan) for the years ended June 30, 2014 and 2013, and have issued our report thereon dated October 2, 2015. In connection therewith, we advise you as follows:

1. We are independent certified public accountants with respect to GCHP and conform to the standards of the profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the California Board of Public Accountancy.
2. The engagement partner and engagement director, who are certified public accountants, have 19 years and 14 years, respectively, of experience in public accounting and are experienced in auditing insurance companies. Members of the engagement team, 83 percent of whom have had experience in auditing insurance companies and 83 percent of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.
3. We understand that GCHP intends to file its audited financial statements and our report thereon with the California Department of Health Care Services and that the California Department of Health Care Services will be relying on that information in monitoring and regulating the financial condition of GCHP.

While we understand that an objective of issuing a report on the financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, GCHP and the California Department of Health Care Services should understand that the objective of an audit of financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the financial statements present fairly, in all material respects, the assets, liabilities, net position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America.

Consequently, under auditing standards generally accepted in the United States of America, we have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatement resulting from fraud. Because of the characteristics of fraud, a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material misstatements caused by error or fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by insurance commissioners.

It is the responsibility of the management of GCHP to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The California Department of Health Care Services should exercise due diligence to obtain whatever other information may be necessary for the purpose of monitoring and regulating the financial position of GCHP and should not rely solely upon the independent auditor's report.

4. We will retain the workpapers prepared in the conduct of our audit until the California Department of Health Care Services has filed a Report of Examination covering fiscal 2014, but not longer than seven years. After notification to GCHP, we will make the workpapers available for review by the California Department of Health Care Services at the offices of the insurer, at our offices, at the offices of the California Department of Health Care Services, or at any other reasonable place designated by the California Department of Health Care Services. Furthermore, in the conduct of the aforementioned periodic review by the California Department of Health Care Services, photocopies of pertinent audit workpapers may be made (under the control of the accountant), and such copies may be retained by the California Department of Health Care Services.
5. The engagement partner has served in that capacity with respect to GCHP since 2011, is authorized by the California Board of Public Accountancy to practice public accounting in the state of California, and is a member in good standing of the American Institute of Certified Public Accountants.
6. To the best of our knowledge and belief, we are in compliance with the requirements of section 7 of the National Association of Insurance Commissioners' (NAIC) *Model Rule (Regulation) Requiring Annual Audited Financial Reports* regarding qualifications of independent certified public accountants.

This communication is intended solely for the information and use of the Commission, Executive/Finance Committee, and management of GCHP and is not intended to be, and should not be, used by anyone other than these specified parties.



Exhibit C—Representation Letter



October 2, 2015

McGladrey LLP
801 Nicollet Avenue
11th Floor, West Tower
Minneapolis, MN 55402-2526

This representation letter is provided in connection with your audits of the financial statements of Ventura County Medi-Cal Managed Care Commission / dba Gold Coast Health Plan (GCHP or the Plan) which comprise the balance sheets as of June 30, 2014 and 2013 and the related statements of revenues, expenses and changes in net position, cash flows, and the related notes to the financial statements for the years then ended. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of October 2, 2015, the following representations made to you during your audits:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 7, 2014, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. GCHP uses enterprise fund accounting and is a county organized health system operating in Ventura County, California
3. GCHP is not reported as a component unit of any governmental entity. The financial statements referred to above present only GCHP and do not purport to, and do not, present fairly the financial position, change in financial position, or cash flows of the County of Ventura, California.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
6. There are no undisclosed related party relationships or transactions to be accounted for or disclosed.
7. All events subsequent to the date of the financial statements and for which U.S GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. The Plan has satisfactory title to all owned assets.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance including the following:

McGladrey LLP
October 2, 2015
Page 2

As of June 30, 2014 and 2013, GCHP's tangible net equity (TNE) requirement has been met. GCHP had been working with the California Department of Health Care Services (DHCS) to remedy the corrective action plan (CAP) developed by DHCS to assist the Plan in achieving compliance with TNE and other operational and reporting requirements. As of June 30, 2014, we have received notification that the medical CAP has been found to be in compliance and was closed. GCHP has met several requirements on the financial CAP; therefore, the DHCS has allowed the Plan to terminate the State-appointed monitor and reduce oversight reporting. We believe that GCHP has taken appropriate action to ensure the Plan's ability to continue as a going concern.

We agree with the findings of specialists engaged by us in evaluating loss reserves and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

11. The loss reserve specialist used by management in estimating the loss and loss adjustment expense reserves had a sufficient level of competence and experience in loss reserving, including knowledge about the types of insurance written by the Plan as well as an understanding of the appropriate methods for calculating such reserve estimates. We recognize we are responsible for the actuarial amounts and balances and, in our opinion, all such amounts are fairly presented.
12. All reported receivables represent valid claims. Premiums receivable represent valid claims against the DHCS as indicated and do not include amounts for policies written subsequent to the balance sheet dates. An adequate provision has been made for uncollectible amounts, discounts, and allowances that may be incurred in the collection of receivables at those dates.
13. No deferred acquisition costs have been recorded as the Plan's policy is to expense these costs as incurred.
14. The reinsurance contracts provided to you represent all of the Plan's agreements with respect to its ceding and assuming reinsurance activities, and there are no modifications, either written or oral, of the terms of the Plan's reinsurance contracts or additional reinsurance agreements that have not yet been provided to you.
15. All reported reinsurance recoverable amounts, less applicable allowances, are collectible; however, the Plan remains primarily liable in the event that the reinsurers do not honor these obligations. We are unaware of any material adverse change in the financial condition of the Plan's reinsurers that might raise concern regarding their ability to honor their reinsurance commitments.
16. The liability for unpaid claims (and claims adjustment expenses) includes estimates of amounts due on reported claims and claims that have been incurred but that were not reported as of June 30, 2014. Such estimates are based on actuarial projections applied to historical claim payment data. Such liabilities represent the Plan's best estimate of amounts that are reasonable and adequate to discharge the Plan's obligations for claims incurred but unpaid as of June 30, 2014.

The Plan used historical payment experience and other statistics and changes in operations to estimate reserves for the Plan's traditional Medi-Cal population. In cases where adequate historical claims payment experience did not yet exist for a new population, a methodology is used in which GCHP relies on state-developed medical rates or medical loss ratios to estimate claims liabilities. The Plan projected its claims liability for the two new populations, Adult Expansion and Targeted Low Income Program (TLIC), based actual claims paid through May 31, 2015 and the remaining estimated liability was based

McGladrey LLP
October 2, 2015
Page 3

on traditional IBNR methodology. In addition, the Plan recorded additional liabilities for items not specifically addressed in the base liability using management's best estimate. We believe these methods best approximate the ultimate liability for unpaid claims.

17. Claims adjustment expenses have been paid in advance for up to six months based on a per member-per month arrangement with ACS Health Administration, Inc. (ACS). ACS has the contractual obligation to continue claims adjustment activities for incurred claims until such claims have been properly adjudicated for up to six months after the contract with ACS is terminated.
18. We have informed you of all uncorrected misstatements.

As of and for the Year Ended June 30, 2014

We believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Description	Increase (Decrease) in Assets	(Increase) Decrease		(Increase) Decrease in Revenue	Increase (Decrease) in Expense
		Liabilities	Net Position		
Reversal of prior-year misstatements:					
Projected overpayment of claims	\$ -	\$ -	\$ (318,000)	\$ -	\$ 318,000
Current-year misstatements:					
Projected overpayment of claims	-	1,150,000	-	-	(1,150,000)
Projected understatement of provider receivable	155,000	-	-	(155,000)	-
				<u>\$ (155,000)</u>	<u>\$ (832,000)</u>
Close revenue/expense to net assets	-	-	(987,000)		
Net effect on net position	<u>\$ 155,000</u>	<u>\$ 1,150,000</u>	<u>\$ (1,305,000)</u>		

Information Provided

19. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of commissioners and committees of commissioners, or summaries of actions of recent meetings for which minutes have not yet been prepared.
20. All transactions have been recorded in the accounting records and are reflected in the financial statements.
21. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud. We are not aware of any fraud related to financial reporting.

McGladrey LLP
October 2, 2015
Page 4

22. We have disclosed to you all information that we are aware of regarding allegations of fraud or suspected fraud, affecting the entity's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
23. We have disclosed to you all information that we are aware of regarding any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others. Specifically, we have disclosed to you all:
 - a. Allegations from the League of United Latin American Citizens (LULAC), all of which have been investigated by external consultants and none of which present a significant financial risk to GCHP.
 - b. Facts surrounding the pending litigation by Clinicas del Camino Real, Inc. The litigation reserve of \$5,000,000 for this matter is our best estimate of the probable settlement.
24. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
25. We have received and responded to an inquiry from the State of California Attorney General. Based on the information we have, there is no disclosure or liability recognition that should be included in our June 30, 2014 financial statements.
26. We are not aware of any undisclosed pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. We have appropriately disclosed matters related to the LULAC allegations and other asserted and unasserted claims.
27. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
28. We have informed you of all significant deficiencies and material weaknesses in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data.
29. There have been no reports of regulatory examinations that have been completed in the past year and we have informed you that no such examinations are currently in process. We are not aware of any allegations of noncompliance that should be considered for disclosure or as a basis for recording a loss contingency.
30. We have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the statutory financial statements in the event of noncompliance. We have also informed you of all oral agreements for which signed documents have not yet been prepared through the date of this letter.
31. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices other than the letter regarding "DHCS's final response to the MCP's CAP" dated May 8, 2014 and the "Monitoring Services and Corrective Action Plan Pursuant to Contract with the DHCS" dated June 13, 2014 (and prior versions), which have been provided to you.
32. We have estimated GCHP capitation revenue based on signed DHCS contract amendments and the most recent rate information available to us. The Plan received a rate spreadsheet from the DHCS for the

McGladrey LLP
October 2, 2015
Page 5

period July 1, 2013 through June 30, 2014. This rate spreadsheet included the final rates for fiscal 2014 and contains the appropriate rates to calculate capitated revenue for this time period.

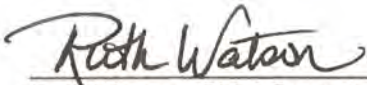
33. We expect that GCHP will continue as a going concern for the near term.
34. GCHP uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board (GASB).
35. At June 30, 2014 and 2013, all bank deposit accounts were covered by FDIC insurance or posted collateral.
36. We have determined that we are not required to follow the Annual Financial Reporting Model Regulation (Model Audit Rule) as promulgated by the National Association of Insurance Commissioners.
37. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us and should be treated according to HIPAA and our signed Business Associate Agreement.

Respectfully,

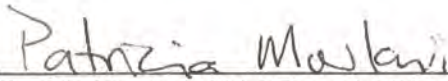
Ventura County Medi-Cal Managed Care Commission / dba Gold Coast Health Plan




Dale Villani, Chief Executive Officer



Ruth Watson, Chief Operating Officer



Patricia Mowlavi, Chief Financial Officer



Lyndon Turner, Finance Manager

Exhibit D—Independence Letter

October 2, 2015

Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
711 East Daily Drive, Suite 106
Camarillo, CA 93010-6082

Attention: Members of the Executive/Finance Committee

We were engaged to audit the financial statements of Ventura County Medi-Cal Managed Care Commission/dba Gold Coast Health Plan (GCHP) as of and for the year ended June 30, 2014, and have issued our report thereon.

Our audit was conducted in accordance with audit and related professional practice standards of the American Institute of Certified Public Accountants (AICPA) and the independence standards of the *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Independence from GCHP is crucial to the performance of our audit services. We have been asked to communicate the following to the Executive/Finance Committee of GCHP:

1. Disclose, in writing, all relationships between our firm and GCHP that, in our professional judgment, may reasonably be thought to bear on independence.
2. Confirm in writing that, in our professional judgment, we are independent of GCHP.

We are not aware of any relationship between our firm and GCHP that, in our professional judgment, may reasonably be thought to bear on our independence.

In our professional judgment, McGladrey LLP is independent with respect to GCHP within the meaning of Rule 101 of the AICPA Code of Professional Conduct as well as GAS standards.

This report is intended solely for the information and use of the Commission, Executive/Finance Committee, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

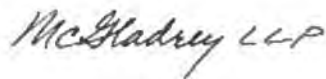


Exhibit E—Management Letter

October 2, 2015

Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
711 East Daily Drive, Suite 106
Camarillo, CA 93010-6082

Attention: Members of the Executive/Finance Committee

This letter includes comments, observations and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of Ventura County Medi-Cal Managed Care Commission/dba Gold Coast Health Plan (GCHP or the Plan) for the year ended June 30, 2014. We have repeated the following comments from our prior audit because they are still applicable for our audit of the current financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving GCHP's practices and procedures.

INTERNAL AUDIT FUNCTION

The Executive/Finance Committee's commitment to the improvement of GCHP's operations should include an ongoing commitment to develop and enhance the performance capabilities of an internal audit function.

While a formal internal audit function is not required, we recommend the Plan begin developing a department that can effectively execute the functions of an internal audit department. We suggest the implementation of this department over time as GCHP develops into an established entity. The objectives of an internal audit function are to assist the Executive/Finance Committee and management in the effective discharge of their responsibilities by furnishing them with analyses, recommendations and risk mitigation suggestions concerning the activities reviewed. This involves going beyond the accounting and financial records to regularly test financial cycles and specific areas of risk.

By establishing an internal audit function, more accurate and timely data will be available regarding operational activities in various departments. This will allow financial services to better monitor their financial activities, as well as strengthen the existing internal control structure and provide more timely identification and resolution of issues.

We recommend an internal audit function with some of the following attributes:

- The internal audit function should be based on a thorough risk assessment. The risk assessment should then drive an annual plan, which is followed by the internal audit function. The annual plan should be developed by the internal audit function, with input from management and the Executive/Finance Committee, and should focus on key risk areas. The audit plan should encompass the entirety of GCHP's operations, including all transaction cycles, departments, internal controls, etc.
- The internal audit staff should have no direct responsibilities for nor authority over any of the activities reviewed. Therefore, the internal audit review and appraisal does not in any way relieve other employees of GCHP of the responsibilities assigned to them.

- In some cases, it may be logical to enlist the use of specialists to assist in the audit or compliance projects. In those circumstances, the internal staff should closely oversee and review the analyses performed.
- GCHP should provide the internal audit personnel full access to all records and personnel relevant to the subject under review.

In addition to the orthodox internal audit approach, which concerns itself with control testing, detection and prevention of fraud, and deviations from GCHP policies, the activities of an internal audit function should also include operational auditing. Operational auditing is an objective appraisal of the activities of a department or service within an organization with a view toward evaluating the efficiency and effectiveness of various activities within a department or service organization. Some examples of successful operational auditing include:

- Medical claims processing—The claims processing cycle is the backbone of GCHP. Ensuring appropriate payment processing according to contractual fee schedules, efficient flow of member information, and accurate data collection for actuary assessment and financial reporting is paramount in every insurance organization. Internal audit should play a vital role in overseeing and supporting GCHP through claims processing cycle auditing.
- Administrative services management—While a focus on the medical claims expense is important for any insurance provider, the cost of professional services accounts for a significant portion of GCHP's operating budget. Assuring that professional service providers have the capability to adequately process and report activity is essential. The internal audit function can have a positive impact on managing and monitoring the design, transaction integrity and reporting measures, in both a financial and operational aspect, for professional service contracts.
- Cash receipts and disbursements—GCHP should ensure that there are policies and procedures in place related to the following:
 1. Segregation of duties in the cash receipt and disbursement cycles is adequate.
 2. Accounts payable invoices are processed timely in order to maximize discounts and avoid finance/late charges.
 3. Accounts payable invoices are properly canceled so as to avoid a duplicate payment.
 4. Proper authorization is obtained before payments are made, and vendor listings are periodically reviewed.
 5. Checks and check-writing capabilities are secured.
 6. Bank statements are reviewed and reconciled on a monthly basis.

Members of the Executive/Finance Committee
Ventura County Medi-Cal Managed Care Commission/
dba Gold Coast Health Plan
October 2, 2015
Page 3

- Business risk management—The auditing profession has issued an auditing standard that encourages organizations to consider their own fraud prevention controls and programs. As a result, we encourage management to consider what the risks are related to potential fraud and what procedures are in place or should be put into place to reduce the risks. This is a role that could be assumed by an internal audit function.
- Significant new systems—While internal audit should not be overwhelmed with special projects, this department can be a valuable source for testing of specific areas identified by finance, risk management, legal counsel or the compliance function.

CLOSING

We would be happy to assist you in addressing and implementing any of the suggestions in this letter.

This letter is intended solely for the information and use of the Commission, Executive/Finance Committee, and management of GCHP and is not intended to be, and should not be, used by anyone other than these specified parties.

McGladrey LLP



AGENDA ITEM 3.c.

TO: Gold Coast Health Plan Commission
FROM: Patricia Mowlavi, CFO
DATE: November 16, 2015
RE: Appointment of Audit Committee

SUMMARY:

The Audit Committee Charter, which was adopted at the Commission Meeting on September 28, 2015, created a Committee comprised of at least three and no more than six members of the Commission. All Committee Members will be financially literate and at least one member will be a financial expert. The Audit Committee will meet at least four times a year.

BACKGROUND / DISCUSSION:

The Audit Committee was established to support the additional oversight expected with the establishment of the internal audit function. The internal audit function will bring a systematic and disciplined approach to evaluate the effectiveness of the organization's governance, risk management and internal control.

FISCAL IMPACT:

Appointment of the Audit Committee will not result in any immediate fiscal impact.

RECOMMENDATION:

Staff requests that the Commission appoint Audit Committee Members.

CONCURRENCE:

N/A

Attachments:

RESOLUTION 2015-___

A RESOLUTION OF THE VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION DBA GOLD COAST HEALTH PLAN, REPEALING RESOLUTION NO. 2012-001 (ADOPTING RULES AND REGULATIONS FOR THE ADMINISTRATION OF THE PERSONNEL SYSTEM) AND ADOPTING PERSONNEL RULES, REGULATIONS, AND POLICIES

WHEREAS, the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan hereinafter referred to as GCHP, is authorized to adopt rules and regulations for the administration of the personnel system; and

WHEREAS, the objectives of these Personnel Rules and Regulations are to facilitate efficient and economical services to the public and to provide for an equitable system of personnel management; and

WHEREAS, these Personnel Rules and Regulations set forth those procedures that ensure similar treatment for persons who apply for, are selected for, or who are employed by GCHP, and define many of the obligations, rights, privileges, and prohibitions that are placed upon all employees in the service of GCHP; and

WHEREAS, at the same time, within the limits of administrative feasibility, considerable latitude shall be given to Chief Executive Officer (CEO) and designee in the interpretation of these rules;

NOW, THEREFORE, BE IT RESOLVED Resolution No. 2012-001 is hereby repealed.

NOW, THEREFORE, BE IT RESOLVED that the Commission of GCHP hereby adopts the Personnel Rules, Regulations, and Policies.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan at a regular meeting on the ___ day of _____, ___ by the following vote:

- AYE:**
- NAY:**
- ABSTAIN:**
- ABSENT:**

Chair

Attest:

Traci R. McGinley, Clerk of the Board

SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-1
POLICY: AT WILL EMPLOYMENT	EFFECTIVE: 12/01/2015

PURPOSE:

To establish the practices and procedures supporting the “At Will” policy enforced at Gold Coast Health Plan (GCHP) in accordance with California State law.

POLICY:

Employment with GCHP is “At Will” at all times. Employment “At Will” means that either the employee or the employer may terminate the employment relationship at any time with or without notice, for any reason or no reason.

SCOPE:

The “At Will” policy applies to all employees of GCHP. As such, the working relationship may be terminated with or without cause under the law, with or without notice by either the employee or the employer.

GENERAL:

Nothing contained in this policy manual or in any other materials or information distributed by the organization creates a contract of employment between an employee and GCHP. Employment is on an at-will basis. This means that employees are free to resign their employment at any time for any reason, and GCHP retains that same right. No statements to the contrary, written or oral made either before or during an individual’s employment can change this. No individual supervisor, manager, or officer can make a contrary agreement except for the CEO, and even then, such an agreement must be set forth in writing authorized by the GCHP Commission and signed by the CEO

“NEW HIRE” PERIOD:

GCHP employs a variety of administrative staff as needed to perform duties necessary to ensure a well-functioning operation.

An “Introductory Employee” .is an employee during the first 90-days of their employment with GCHP. During this “New Hire” period, GCHP will evaluate the Introductory Employee’s work attitude, attendance, performance and ability to work with other employees and supervisors.

Likewise, during this period, the Introductory Employee has the opportunity to determine if they are satisfied with their position and working environment. While in the introductory period, an Introductory Employee will receive GCHP benefits, except as noted or as mandated by law.

When an Introductory Employee has satisfactorily completed their introductory period, they will become a regular (full or part time) employee. The “New Hire” period may be extended for

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a period of 90-days at the sole discretion of GCHP. Completing an employee's introductory period or any extension thereof does not alter an employee's at will employment status. Employees retain the right to terminate their employment at any time, with or without cause or notice, and GCHP has a similar right throughout the employee's employment with GCHP.

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-2
POLICY: EQUAL EMPLOYMENT OPPORTUNITY	EFFECTIVE: 12/01/2015

PURPOSE:

In order to clarify organizational responsibilities as it pertains to employment under the Equal Employment Opportunity Commission, the Department of Labor, Title VII of the Civil Rights Act of 1964, the California Department of Fair Employment and Housing, the California Fair Employment and Housing Act, and other federal and state laws and regulations governing employment.

POLICY:

This policy will clarify GCHP’s support of Equal Employment as it relates to employee rights under federal and state regulations as well as GCHP’s Code of Conduct and Ethical treatment of all candidates and employees.

SCOPE:

This policy applies to all GCHP employees.

PROCESS:

Our goal at GCHP is to recruit, hire, and maintain a diverse workforce. Equal employment opportunity is good business as well as being the law and applies to all areas of employment, including recruitment, selection, hiring, training, transfer, promotion, termination, compensation, and benefits.

As an equal opportunity employer, GCHP does not discriminate in its employment decisions on the basis of race, religion (including religious dress and grooming), color, creed, national origin or ancestry, gender, pregnancy or pregnancy-related condition sexual orientation, gender expression, gender identity, citizenship status, age, marital status, veteran or military status, physical or mental disability, medical condition including diagnosis or history of cancer, genetic characteristics or genetic information, or on any other basis that would be in violation of any applicable federal, state, or local law. Furthermore, GCHP will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship, safety, and/or health risk. GCHP also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or falls in any of those categories, or is associated with a person who has or is perceived as having any of those characteristics or falling into any of those categories. GCHP also prohibits harassment on any of the above bases.

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-3
POLICY: HARASSMENT PREVENTION	EFFECTIVE: 12/01/2015

PURPOSE:

All employees, applicants, volunteers, and independent contractors (workers) working for the Plan are to be treated with respect and dignity. The Plan is committed to providing an atmosphere free of harassment and discrimination based on such factors as race, religion, creed, national origin or ancestry, physical or mental disability, medical condition, genetic condition, pregnancy (including childbirth or related conditions), marital status, gender or gender identity, sex, age, sexual orientation, family care or medical leave status, or any other characteristic protected by law.

Harassment and discrimination are against the law, and they are demeaning and harmful to both the victim and the Plan. The Plan will not tolerate harassment of, or discrimination against, its workers by managers, supervisors, co-workers, or anyone conducting Plan business. Similarly, the Plan will not tolerate harassment of its workers by others with whom the Plan has a business, service, or professional relationship (including members of the public).

This Policy does not restrict nor inhibit any supervisor from their responsibility or in their ability to direct, critique and discipline employees in a non-discriminatory manner.

Failure to follow this Policy may result in disciplinary action, up to and including termination of employment.

POLICY:

This policy will clarify GCHP's support as it relates to employee right under federal and state regulations as well as GCHP's Code of Conduct and Ethical treatment of all candidates and employees regarding the right to work in an environment free of harassment as well as discrimination.

PROCEDURES:

1.0. Harassment Prohibited

Harassment includes conduct that has the purpose or effect of unreasonably interfering with an individual's work performance; creating an intimidating, hostile, threatening or offensive working environment; or adversely affecting the employee's performance, evaluation, assigned duties or any other condition of employment or career development. This Policy prohibits harassment in any form, including:

- 1.1 Oral or Written harassment such as epithets, jokes, nicknames, derogatory comments or slurs based on any basis protected by law;

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- 1.2 Physical harassment such as assault, touching, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual; and
- 1.3 Visual harassment such as derogatory posters, cartoons or drawings, based on one of the categories above.
- 1.4 Sexual harassment includes, any unsolicited, offensive or unwelcome sexual advances, requests for sexual favors, and other oral or written, visual, or physical conduct of a sexual nature which occurs under any of the following circumstances:
 - 1.4.1 Submission to such conduct is made either expressly or by implication a term or condition of an individual's employment;
 - 1.4.2 Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting the individual; or
 - 1.4.3 Other examples of sexual harassment include unwelcome sexual flirtations or propositions; verbal abuse of a sexual nature; graphic verbal comments about an individual's body; sexually degrading words used to describe an individual; and the display or use in the work environment of sexually suggestive objects or pictures, posters, jokes, cartoons, or calendar illustrations.
 - 1.4.4 Sexual harassment also includes gender-based harassment by a person of the same gender.
 - 1.4.5 Prohibited sexual harassment need not be motivated by sexual desire.

2.0 Retaliation Prohibited

Retaliation against an employee for reporting violations of this Policy in good faith, or for participating in the investigation of a harassment or discrimination complaint, is strictly prohibited.

3.0 Procedures regarding all complaints of potential harassment including retaliation

3.1 Employee Responsibility

It is important that employees inform the Plan as soon as possible about any prohibited harassment because nothing can be done to remedy the situation if the Plan does not know that it exists.

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- 3.1.1 Any individual who feels comfortable doing so should let a fellow employee know when that employee's behavior or comments are offensive or unwelcome, even if the situation does not rise to the level of a violation of this Policy. However, individuals are not required to handle these situations on their own. If an individual is not comfortable handling a situation directly with another employee, the individual should immediately report the conduct to one of the persons listed below.
- 3.1.2 Any individual who believes that they have been or are being harassed in violation of this Policy shall immediately report this violation to his or her supervisor, the CEO, the Human Resources Director or any Plan supervisor with whom the individual feels comfortable speaking. Complaints about the CEO should be directed to the Plan's General Counsel or Commission CEO.
- 3.1.3 Any individual who is aware or suspects that another person has been harassed in violation of this Policy shall report this violation to his or her supervisor, the CEO or any Plan supervisor with whom the individual feels comfortable speaking.

3.2 Supervisor Responsibility

- 3.2.1 Each supervisor has the responsibility of maintaining a work environment free of harassment. This responsibility includes being available to discuss this Policy with the workers that they supervise and to assure the workers that they are not required to endure any form of prohibited harassment. If someone reports a harassment allegation to a supervisor, it is the responsibility of the supervisor to take immediate action by documenting the incident(s) and reporting the allegation of harassment to the CEO or the Human Resources Director.
- 3.2.2 Any supervisor who fails to take appropriate action to report or address harassment, discrimination or retaliation issues can and will be disciplined by the Plan.

3.3 Investigation

The Plan will investigate all complaints of harassment in a prompt, objective, and thorough manner, including interviews of those with relevant knowledge. The Plan's investigation will be designed to maintain, to the extent possible, the privacy and confidentiality of all parties and witnesses involved. Complete confidentiality cannot occur, however, due to the need to investigate fully and to take effective remedial action. Whenever appropriate, the supervisor of the

affected department(s) may be informed that a complaint has been filed. The CEO (or designee) is responsible for directing an investigation into such allegations and for implementing appropriate remedial action, where warranted. The Plan will not disclose a completed investigation report except as it deems necessary to support disciplinary action, to take remedial action, to defend itself in adversarial proceedings, or as otherwise required by law.

3.4 Resolution

3.4.1 After investigation, the Plan will communicate the confidential findings (i.e., sustained, not sustained, or inconclusive) to the complainant, the alleged harasser, and members of management with a legitimate need to know.

3.4.2 If there is a finding that harassment in violation of this Policy or applicable laws has occurred, the Plan will take appropriate and immediate action to end any harassment and prevent its recurrence. Where appropriate, the Plan may first work to resolve the matter informally. In that case, the complainant will not be required to meet with the alleged harasser. If the matter is not suitable for informal resolution, appropriate formal action will be taken pursuant to applicable policies and agreements. If formal action is required, the complainant may be required to testify at a hearing.

3.5 Discipline

Any employee found to have violated this Policy will be disciplined. Specific action taken will depend upon the specific circumstances.

4.0 Harassment Involving the Public

4.1 The Plan strictly prohibits harassment of any member of the public by any person conducting Plan business or otherwise representing the Plan.

4.2 Dealing with the public can be challenging and sometimes contentious. While employees are expected to interface with the public as their duties dictate, sometimes in difficult or even volatile situations, employees are not expected to endure actual harassment by members of the public. If an employee feels that he or she is being subjected to harassment by a member of the public, the employee should report such harassment to his or her supervisor (or other person listed above) for investigation and appropriate action. Employees will not be penalized for refusing to tolerate harassment from a member of the public.

5.0 Further Information

Employees are urged to contact the Human Resources Director or the CEO if they have any questions or concerns about this Policy.

In addition to this Policy, the State of California Department of Fair Employment and Housing (DFEH) provides additional information regarding the legal remedies and complaint process available through the government agencies. If a worker thinks he or she has been harassed, discriminated against, or that he or she has been retaliated against for complaining, that person may file a complaint or obtain additional information from DFEH at 1-800-884-1684 or <http://www.dfeh.ca.gov>.

This is to acknowledge that I have received, have read, and understand the Plan's Harassment and Discrimination Prevention Policy.

Date: _____ Signature: _____

Printed Name: _____

SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-4
POLICY: ETHICS AND CONFLICTS OF INTEREST	EFFECTIVE: 01/12/2015

PURPOSE:

This policy will provide direction and clarification for avoiding conflicts of interest and furthering the ethics and values fostered by GCHP.

POLICY:

In order to ensure an ethical environment for all employees, members, physicians and visitors to GCHP locations, GCHP has established a policy to support the Mission Vision and Values of GCHP which should be fostered in all aspects of employment for GCHP personnel.

SCOPE:

This policy applies to all GCHP officers, employees’ physicians and consultants who perform services on behalf of GCHP.

GUIDELINES:

Employees are expected to use good judgment, adhere to high ethical standards, and avoid situations that create an actual or perceived conflict between their personal interests and those of the organization. GCHP needs to know that the transactions employees participate in are ethical and within the law, both in letter and in spirit. GCHP recognizes that different organizations have different codes of ethics. However, just because a certain action may be acceptable by others outside of GCHP as “standard practice,” that is by no means sufficient reason to assume that such practice is acceptable at our organization. There is no way to develop a comprehensive, detailed set of rules to cover every business situation. The tenets in this policy outline some basic guidelines for ethical behavior at GCHP. Whenever employees are in doubt, they should consult with their department leader. Conflicts of interest or unethical behavior may take many forms including but not limited to the acceptance of gifts from competitors, vendors, potential vendors, or customers [members] of the organization. Gifts may only be accepted if they have a nominal retail value of less than \$49.99 and only on appropriate occasions (for example, a holiday gift).

Employees are cautioned not to accept any form of remuneration or nonbusiness-related entertainment, nor may employees sell to third parties any information, products, or materials acquired from the organization.

Employees may engage in outside business activities provided such activities do not adversely affect the organization or the employee’s job performance and the employee does not work for a competitor, vendor, or customer [members].

Employees are prohibited from engaging in financial participation, outside employment, or any other business undertaking that is competitive with or prejudicial to the best interests of

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GCHP. Further, employees shall comply with all State and Federal laws related to ethics and conflicts of interests and shall attend regular ethics trainings as required by the Commission.”

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-5
POLICY: OPEN DOOR	EFFECTIVE: 12/01/2015

PURPOSE:

To ensure that all employees of GCHP are provided with a venue for presenting grievances and/or concerns regarding business practices, ethical conduct, leadership behavior or disciplinary action.

POLICY:

In order to provide a venue for employees to discuss their concerns or formally present their position regarding issues of disparity or perceived unfairness.

SCOPE:

This policy applies to all GCHP employees.

PROCESS:

At GCHP, we believe that communication is essential to good employee relations. Employees should share their concerns, seek information, provide input, and resolve work-related issues by discussing them with their supervisor until they are fully resolved. It may not be possible to achieve the result an employee wants, but a thorough attempt is expected to clarify the organization’s position as it pertains to the employee’s concern.

If an issue cannot be resolved at this level, the employee is welcome to discuss the issue with the manager of his/her department. The supervisor should set up a time for both of them to meet with the manager.

If the employee’s concern cannot be resolved with the manager, the employee may discuss it with an officer of the organization. The manager should schedule that meeting for the employee.

Regardless of the situation, the employee should be able to openly discuss any work-related problems and concerns without fear of retaliation. Directors and supervisors are expected to listen to employee concerns, to encourage their input, and to seek resolution to the issues. Often this will require setting a meeting in the near future. Directors and/or supervisors are to set these meetings as quickly as possible, normally within a three day work period, and employees are expected to understand that issues and concerns may not always be addressed at the moment they arise. Discussing these issues and concerns with management will help to find a mutually acceptable solution for nearly every situation.

If an employee has a concern about discrimination and/or harassment, GCHP has set up special procedures to report and address these issues. Those reporting procedures are set forth in GCHP’s Harassment and/or Discrimination Policy.

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-6
POLICY: WHISTLE BLOWER	EFFECTIVE: 12/01/2015

PURPOSE:

It is the intent of GCHP to adhere to all laws and regulations that apply to it. The underlying purpose of this policy is to support GCHP’s goal of legal compliance. Support by all employees is necessary to achieving compliance with various laws and regulations.

POLICY:

If any employee reasonably believes that some policy, practice, or activity of GCHP or an entity with which GCHP has a business relationship is in violation of a law, a written complaint may be filed by that employee with Human Resources. Alternatively, employees may reach out to the Compliance Hot Line: (805) 437-9999 and leave a confidential voice mail message describing the issue in question.

SCOPE:

This policy applies to all employees of GCHP.

PROCESS:

Written Complaint:

In the event an employee witnesses an event s/he believes is contrary to local, state, federal or Plan regulations, procedures or violates GCHP’s Code of Conduct, the employee may detail the events in a written document to Human Resources.

Compliance Hot Line

In the interest of confidentiality, employees may opt to use the Compliance Hot Line (805) 437-9999. It is not necessary to identify the individual witnessing the situation, however the situation/incident must be described clearly enough to provide information to initiate an investigation.

The information will be retrieved by the Compliance Officer and disseminated to the appropriate department for investigation: Environmental, Health & Safety, Compliance, Human Resources, for follow-up, resolution, recommendation of action(s) required. The Hot Line will be reviewed for new/up-dated information on an as needed basis.

Non-retaliation: An employee is protected from retaliation where the employee brings the alleged unlawful activity, policy, or practice, to the attention of GCHP and provides GCHP with a reasonable opportunity to investigate and correct the alleged unlawful activity. Further, GCHP will not retaliate against an employee who in good faith, has made a protest or raised a complaint about some practice of GCHP or of an entity with which GCHP has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy. Nor will GCHP retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of GCHP,

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that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy.

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-7
POLICY: THE HATCH ACT	EFFECTIVE: 12/01/2015

PURPOSE:

This policy provides guidance for GCHP employees as it pertains to their responsibilities under the Hatch Act (5 U.S.C.A. 7324) OF 1939.

POLICY:

All employees of GCHP are subject to regulations and guidelines as they apply to the Hatch Act. This law prohibits covered employees from holding public office, attempting undue influence on public elections, participation and management of campaigns, or attempting to exert undue influence on government hires.

SCOPE:

This policy applies to all employees of GCHP who are compensated through federal funds. Employees who are not sure whether this Policy applies to them should contact Human Resources.

GENERAL:

Hatch Act:

GCHP may apply for federal grant funding for a variety of projects. Some of those grant funds may be used for employee compensation. The Hatch Act prohibits government employees who are compensated by federal funding from engaging in partisan political activities, including but not limited to the following:

Membership:

The Act precludes employees from membership in any political organization which advocates the overthrow of our constitutional form of government.

Campaign Contribution Limits:

Employees receiving compensation from federal funds have an annual ceiling of \$5,000 for contributions to the campaign of an individual candidate for federal office.

Guidelines:

Below are some of the guidelines that employees receiving compensation from federal funds need to follow when working or volunteering on a political campaign for federal office. Employees may not:

- Be a candidate in a political election in which any candidate represents a political party.
- Raise money for a partisan political campaign.
- Allow their names to be used in any fundraising appeal on behalf of a partisan political campaign.
- Participate in a phone bank that is engaged in fundraising for a partisan campaign.

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-8
POLICY: FALSIFICATION OF DOCUMENTATION	EFFECTIVE: 12/01/2015

PURPOSE:

To provide guidelines for all GCHP employees regarding the ramifications of knowingly falsifying documents which apply to employment, benefits, members information, Plan processes and/or systems.

POLICY:

In order to ensure integrity in all systems, processes and legal information, GCHP has established a requirement that all information applied to employee files, benefit information, members information, system processes and required documentation be, to the best of the recording employee's knowledge, accurate.

SCOPE:

This policy applies to all employees of GCHP.

GENERAL:

Employee Files:

Pre-hire documentation, including the application, I-9, W-4, background checks, social security number, must be filled out to the best of the candidate's knowledge. Falsification of such documentation may result in failure to hire, or if discovered after hire date, termination.

Benefit Information:

In the event employees claim dependents in their benefit information, employees must ensure information regarding marital status, age, dependency is accurate. Failure to do so may result in termination of benefits or increased co-pay.

Members Information:

The employee responsible for recording of member's information, must, to the best of their knowledge ensure that information given is recorded as provided and all files are maintained in a confidential, encrypted program.

Plan Programs and Systems:

All Plan programs related to members and employee confidentiality information must follow Plan protocol in maintaining confidentiality as well as ensuring to the best of their ability and level of responsibility that at no time is any such information available for viewing by any individual not cleared for such viewing and knowledge.

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SUBJECT: EMPLOYEE RIGHTS	POLICY:# 1-9
POLICY: NON-SOLICITATION	EFFECTIVE: 12/01/2015

PURPOSE:

To prevent disruption of member services and protect member privacy, GCHP prohibits the solicitation, distribution and posting of materials on or at GCHP property by any employee or non-employee except as provided in this policy.

POLICY:

Unauthorized solicitation by employees including, but not limited to, seeking payments, contributions to charities and other organizations, bets, memberships, funds, sale of merchandise, services or tickets, requesting support for a political candidate or commitment with respect to causes, groups, or interests is not permitted on GCHP premises at any time. Solicitation that is discriminatory, hateful, harassing, illegal, defamatory, profane, or obscene is prohibited at all times.

SCOPE:

This policy applies to all employees of GCHP.

GENERAL:

Distribution and Posting of Literature By Employees:

Employees may engage in solicitation on GCHP premises only during their non-working time in non-work areas (lounges, dining room, etc.). Non-working time means during meal and rest breaks and before or after work. Employees may distribute or circulate non-GCHP written materials only during non-working time and only in non-work areas. If an employee is not certain whether an area is a work or non-work area, he or she should consult his or her immediate supervisor for clarification.

Solicitation is generally prohibited by non-employees. However, non-employee representatives of an employee organization and other visitors of GCHP employees are permitted reasonable access to non-work areas provided the non-employees sign in, state their business, and obtain the appropriate identification to ensure safety of the Plan and member privacy. Non-employees must be accompanied by a GCHP employee at all times. Approved non-employees may engage in solicitation on GCHP premises only during non-working time in non-work areas. Such visits by non-employees should not disrupt workflow or member services.

GCHP has bulletin boards located throughout the facility for the purpose of communicating with employees. Postings on designated boards are limited to items posted by GCHP, including statutory and legal notices, safety and disciplinary rules, GCHP policies, memos of general interest relating to the company, local operating rules, and other company items. Postings on other bulletin boards for employee use are subject to reasonable regulation.

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Postings that are discriminatory, hateful, harassing, illegal, defamatory, profane, or obscene are prohibited and will be removed.

Failure to comply with this policy may result in disciplinary action, up to and including possible termination.

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SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-1
POLICY: RECRUITING AND APPLICATIONS	EFFECTIVE: 12/01/2015

PURPOSE:

To clarify the process used in the interviewing and selection of GCHP candidates for employment.

POLICY:

GCHP is committed to providing equitable and consistent processes in the selection of candidates, which best fit the requirements of open positions.

SCOPE:

Except in special circumstances, this policy applies to all open positions within the GCHP structure and provides guidelines to ensure equity and equal opportunity for diverse candidate selection.

GENERAL:

Request for Open Position:

Open positions are generated by an approval process that begins with the hiring manager. The manager completes a request form, including job description information for any/all budgeted positions and submits the form to the department head for approval. Once the position has been approved, the form is submitted to the Human Resources Recruiting Specialist.

Unbudgeted positions must also be submitted through the approval process with additional approval required by the Executive team.

The Human Resources Recruiting Specialist then posts the position on the Plan website as well as appropriate sites pertaining to the business need. The position is also posted at this time with job related minority industry locations and publications.

Executive Recruiting:

In the event C-Suite or high-level executive positions become available, it may be necessary for the Director of Human Resources to contract with an Executive Search Firm. Confidentiality issues may impact public posting and will be coordinated between the Human Resources Director, the Chief Executive Officer, and/or the Commission of Directors and the contracted Executive Search Firm.

Internal Candidates:

GCHP believes in a promote-from-within philosophy and to that end employees are encouraged to submit their resumes for positions, for which they believe they are qualified and where required, possess appropriate licensing, credentialing, degree and/or experience.

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Interviewing Selection:

Submitted resumes and Curriculum Vitae will be retained and reviewed by the Human Resources Recruiting Specialist. The Specialist will review qualifications, pre-screen and select approximately seven to ten most qualified candidates for the hiring manager to review. The hiring manager will select approximately three to five candidates from the presented selection for in-person interviewing. The Recruiting Specialist will schedule panel interviewing with the pre-selected candidates. The Panel will be comprised of individuals selected by the hiring manager.

In the event no finalists are selected from the panel interviewing process, the Human Resources Recruiting Specialist will return to the submitted resumes and/or re-post the position to attract additional candidates.

The process will be repeated until the position is either filled or closed.

All resumes and/or Curriculum Vitae of interviewed candidates will be saved with a copy of the requisition paperwork.

Application Materials:

Application materials shall require information covering training, experience, and other pertinent information designed to determine if the applicant can perform the essential job duties. Application materials may include references and background checking, such as verification of criminal record, driver's license, education, work, etc. False information of material fact on application materials may result in rejection or dismissal of the applicant. Applications and examinations are confidential records and shall not be returned to applicants. No applicant information shall be asked or sought that is prohibited under any state or federal law.

Disqualification:

Human Resources may disqualify any candidate for any legitimate business reason. An applicant has no right to grieve or appeal any such actions by GCHP. Any one or more of the following reasons may result in disqualification.

Improperly Completed Application:

The applicant did not properly complete the application materials.

Minimum Qualifications:

The application indicates on its face that the applicant does not possess the minimum qualifications for the position.

Essential Duties:

The applicant is unable to perform the essential functions of the position sought, with or without reasonable accommodations.

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Illegal Drugs:

The applicant is currently using illegal drugs.

Conviction of a Crime:

The applicant has been convicted of a crime that may have an adverse impact on the applicant's ability to perform the job for which the applicant is applying.

Legal Right to Work

The applicant is not legally permitted to work within the United States.

False Statements:

The applicant has made a false statement of any material fact or practiced or attempted to practice deception or fraud in making the application for employment.

Material Cause:

Material cause, in the judgment of Human Resources, would render the applicant unsuitable for the position, including a prior resignation from GCHP service, termination from GCHP service, or a record of significant disciplinary action.

EXAMINATIONS:**Examination Process:**

All hiring shall be made according to merit and fitness. GCHP may utilize any legitimate business method to determine the qualifications of applicants, including without limitation, written tests, physical agility tests, oral examinations, training and experience review, panel interviews, assessment centers, and oral interviews. The selection practices used in the examination process shall be impartial and relate to those subjects that, in the opinion of Human Resources, fairly measure the relative capacities of the candidates to execute the duties and responsibilities of the position. All applicable testing, must be approved by Human Resources prior to use and must be consistently performed on all applicants under consideration for the position.

Conduct of Examination:

GCHP may conduct the selection processes itself or contract with any competent organization, individual, or firm for preparing and/or administering examinations.

Notification of Examination Material Results:

Examination results are not provided. However, if requested by a candidate in an examination, exam results may be given, at the sole discretion of Human Resources.

Background:

As part of the pre-employment procedure, applicants may be required to supply references, and will be required to submit to a thorough background check. Background checks conform with state and federal law. In addition, all employees must be physically and mentally capable of performing the essential functions of their jobs with or without reasonable accommodation.

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GCHP shall have the right to conduct a complete and exhaustive background investigation on all applicants seeking employment, including a criminal background check, where applicable, and a medical and/or psychological examination by GCHP-retained medical practitioners, where deemed appropriate by GCHP. Any medical or psychological examination shall be conducted only after a conditional job offer has been made, in accordance with applicable law.

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SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-2
POLICY: EMPLOYMENT OF RELATIVES / CLOSE PERSONAL RELATIONSHIPS	EFFECTIVE: 12/01/2015

PURPOSE:

This policy will provide clarification for employees and aid in the understanding and protection of the sensitivity of GCHP information and work directives. The Plan desires to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism, possible claims of sexual harassment, and the employee morale and dissension problems that can potentially result from romantic relationships or other fraternization between Plan employees.

It is not the Plan’s intention to dictate choices made in employees’ personal lives with this Policy. Employees remain free to develop relationships and socialize outside the workplace during their personal time. However, romantic and personal relationships with co-workers can raise significant concerns in the workplace and sometimes lead to dissension, lack of productivity, and morale problems – for employees who are involved in the relationship as well as their co-workers. In addition, employees must understand that public employees are required to abide by high standards to insure a harassment-free workplace.

POLICY:

This policy clarifies GCHP’s position regarding the hiring of relatives of, or those with close personal relationships with, GCHP employees.

SCOPE:

This policy applies to all GCHP employees.

GUIDELINES:

Clarification of Relatives/Close Personal Relations:

While the organization has no prohibition against hiring relatives of employees or those in close personal relationships with employees, such individuals will not be hired into or transferred to positions where they directly or indirectly supervise or are supervised by another close family member or person with a close personal relationship with an employee.

Marriage of Employees:

If two employees marry and are in the same chain of command, GCHP may select either employee at its discretion and require the selected employee to transfer or leave the organization. GCHP reserves the right to determine in all cases if a close enough familial relationship exists to prohibit a supervisory relationship.

Other Romantic/Intimate Personal Relationships

GCHP discourages intimate personal relationships with direct reports, which may result in physical relationships, co-habitation, or less than professional attachments. Persons in leadership roles found to be conducting themselves with less than professional behavior

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towards direct reports may face disciplinary action, up to and including termination. Any employee involved in a romantic relationship with an employee in his or her supervisory chain, or a supervisor who is aware of such a relationship, must advise their Department Director or the Human Resources Director so that a determination can be made as to whether a conflict of interest or similar issue exists and needs to be addressed. Failure to disclose the existence of or end of a personal romantic relationship listed above may lead to disciplinary action, up to and including termination (of both employees and/or the supervisor who was aware of the relationship and failed to properly report it).

Possible Action(s) Taken by GCHP

If, in the sole opinion of the Plan, an employee's relative status or personal relationship with another Plan employee may create or is creating a conflict of interest, disruption in the workplace, negative or unprofessional work environment, or if the relationship presents concerns regarding supervision, safety, security or morale, the Plan may take whatever action it deems appropriate according to the circumstances, including but not limited to transfers, shift changes, or termination.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-3
POLICY: NEW EMPLOYEE ORIENTATION	EFFECTIVE: 12/01/2015

PURPOSE:

To provide as well as define the standard procedure for introducing new hire employees to the policies, procedures, and regulatory requirements serving as GCHP employees

POLICY:

GCHP provides a thorough acclimation to the policies and practices and regulatory requirements necessary to work for the organization. New Hire Orientation will also ensure all required forms for federal, state, local and internal requirements are completed during this time.

SCOPE:

This policy applies to all New Hires at all levels, for the GCHP.

GENERAL:

Orientation is an introductory period to the organization’s policies and procedures. It is conducted on the first Monday, the first day of employment for new hires. The process takes approximately four and one-half hours (4.5) and includes:

- Welcome and introduction of new employee
- Review Performance Standards and Best Practices
- Discussions of organizational philosophy and commitment to positive patient relations
- Explanation of the Employee Handbook, probationary period, work hours, meal and rest breaks, communication, promotional opportunities, merit increases, standards of conduct
- Providing employee with written copy of job description
- Discuss supervisory/reporting structure
- Information on Equal Employment Opportunity/Affirmative Action/Anti-Harassment policy
- Touring the center and familiarizing employee with the vocabulary
- Providing employee with details and documentation pertaining to all available benefits, employee completes necessary forms
- Discussion of OSHA standards as they relate to the workplace
- Information on security procedures
- Information on prevention, control and transmission of infectious diseases
- Information about Patient Confidentiality and Protected Health Information; employee signs Acknowledgment Form
- Discussion on general fire and safety procedures
- Information about training resources available
- Information about performance evaluation

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- Review Timesheet, PTO Request, Expense Reimbursement forms
- Review Job Performance Evaluation Process and schedule
- Team Incentive Plan
- Provide Center Contact List – updated with new employee information
- Provide Timecard, Request for Time Off, Expense Report forms
- Keys, if applicable
- Parking Permit, if applicable
- Security Codes, if applicable
- Test computer logons
- Outlook / Webmail orientation
- HR website orientation
- Receipt of Employee Handbook

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-4
POLICY: PERSONNEL FILES AND IDENTIFYING INFORMATION	EFFECTIVE: 12/01/2015

PURPOSE:

To define the documents necessary for individual personnel files as well as the process for maintaining files, methods of confidentiality and duration of maintenance.

POLICY:

This policy applies to all employees of Gold Coast Health Plan (GCHP) and their related Personal Identity Information (PII), benefits, Protected Health Information (PHI), and personnel information. This policy relates to both the maintenance and the potential release of information. .

SCOPE:

This policy is applicable to all personnel files for all employees of GCHP.

GENERAL:

Personnel Files, Personal Identifying Information, and Protected Health Information

Official Personnel Files:

GCHP shall maintain an official personnel file in either hard copy or electronic form for each of its employees. Personnel files contain such personnel records as may be deemed necessary for the administration of Human Resources.

Inspection of Personnel Files:

Personnel files shall be made available for inspection by employees within a reasonable time after an employee's request and without loss of pay, provided that employees make arrangements with their manager if the inspection occurs on duty. Upon written request, employees may obtain copies of the materials subject to inspection pursuant to applicable law. GCHP may preclude inspection of certain information in accordance with law, such as certain background and other pre-employment information, and materials relating to the investigation of a possible criminal offense. Pursuant to state law, employees are entitled to inspect and receive a copy of the personnel records GCHP maintains relating to the employee's performance or to any grievance concerning the employee. Upon request, employees also are entitled to receive a copy of any document they sign relating to obtaining or holding employment with GCHP.

Confidential Files:

Confidential files, such as injury reports and confidential medical records, are maintained in separate electronic files.

Employee Data:

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

Employees must ensure that Human Resources is kept apprised of their current address, personal phone number, as well as ensure that all legally required or required documentation is kept up-to-date and on file in Human Resources. Employees are responsible for keeping Human Resources apprised of all personal information related to their emergency contact(s) and benefit status. Changes in marital status, birth or death that affect benefits must be communicated to Human Resources within 30 calendar days of the event.

Personal Identifying Information (PII):

GCHP recognizes the need to maintain the confidentiality of Personal Identity Information (PII) and understands that such information is unique to each individual. The PII covered by this policy may come from various types of individuals performing tasks on behalf of GCHP and includes employees, applicants, independent contractors, and any PII maintained on its various databases. This policy is intended to be comprehensive and will include requirements for the security and protection of such information throughout GCHP and its approved vendors both on and off work premises. PII may reside in hard copy or electronic records; both forms of PII fall within the scope of this policy.

Key Elements of the Policy:

Personal Identity Information has unique personal identification numbers or data, including:

- Social Security Numbers (or their equivalent issued by governmental entities outside the United States.)
- Taxpayer Identification Numbers.
- Employer Identification Numbers.
- State or foreign driver's license numbers.
- Date of birth.
- Corporate or individually held credit or debit transaction card numbers (including PIN or access numbers) maintained in organizational or approved vendor records.

PII Retention:

GCHP minimizes the amount of PII data it maintains, and it retains such PII only as long as necessary in accordance with GCHP's document retention policy and applicable law.

Data Breaches/Notification:

Databases that include PII may be breached inadvertently or through wrongful intrusion. Upon becoming aware of a data breach, Human Resources will notify all affected individuals whose PII data may have been compromised, and the notice will be accompanied by a description of action being taken to reconcile any damage as a result of the data breach. Notices will be provided as expeditiously as possible and in no event be later than the commencement of the payroll period after which the breach was discovered.

Data Access:

GCHP maintains multiple IT systems where PII data may reside; thus, user access to such IT systems is the responsibility of GCHP. Internal controls have been created for such systems

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to establish legitimate access for users of data, and access shall be limited to those approved. Any change in vendor status or the separation of an employee or independent contractor must be communicated to [designate position or department] within ___ days of such change.

GCHP Human Resources, finance, and information technology units have defined responsibilities for access of data that may include PII. Employees may need to access PII while off site and access to such data shall not be prohibited, subject to the provision that the data to be accessed is minimized to the degree possible to meet business needs and that such data shall reside only on assigned laptops/approved storage devices that have been secured in advance.

Data Transmission and Transportation:

Access to PII:

Vendors:

GCHP may share data with vendors who have a business need to have PII data (e.g. for processing payroll). Where such inter-Plan sharing of data is required, encryption and protection standards will be used safeguard all PII data.

Portable Storage Devices:

GCHP reserves the right to restrict PII data it maintains in the workplace. In the course of doing business, PII data may also be downloaded to laptops or other computing storage devices to facilitate business. To protect such data, the Plan will also require that any such devices use approved encryption and security protection software while such devices are in use on or off Plan premises.

Employee Concerns:

If an employee has reason to believe that his or her PII data security has been breached or that GCHP representative(s) are not adhering to the provisions of this policy, an employee should contact Human Resources immediately. In the event the individual believes the infraction has occurred as a result of Human Resources action, the individual may reach out to The Executive Team or the Ethics Hot Line at (805) 457-9999.

Confirmation of Confidentiality:

All Plan employees must maintain the confidentiality of PII to which they may have access and understand that that such PII is to be restricted to only those with a business need to know.

Violations of PII Policies and Procedures:

The protection of PII data is of the utmost importance. Infractions of this policy or its procedures will result in disciplinary action up to and including termination.

Confidentiality of Medical Information :

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

GCHP occasionally has a bona fide business need to collect and review medical information about its employees for various reasons. Such information will be maintained confidentially in accordance with applicable law.

Authorized Use:

To ensure proper handling of employee medical information GCHP authorizes the following positions and their designees to receive and use this type of information on an as-needed basis: Chief Executive Officer and Human Resources and, where necessary for business reasons, appropriate supervisory employees in the affected employee's chain of command.

Utilization of Medical Information:

GCHP may legally receive medical reports or information without the employee's authorization for administering and maintaining the following programs:

- Employee benefits plans, including health care plans.
- Plans providing short-term and long-term disability income.
- Workers' compensation benefits.
- Programs for determining eligibility for paid or unpaid medical leave.
- Fitness-for-duty results that describe the employee's job-related functional limitations and exclude any diagnosis or statement of cause.
- In a proceeding that is a lawsuit, arbitration, grievance, or other claim wherein the employee has placed in issue his or her medical condition.

Employee Releases:

Should GCHP need medical information about an employee in order to assess accommodation, workplace safety, etc., a release of information form must be signed by the employee.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-5
POLICY: ATTENDANCE, WORKING HOURS	EFFECTIVE: 12/01/2015

PURPOSE:

This policy will define the guidelines for non-exempt as well as exempt employees, in compliance with state and federal rules and regulations as they apply to GCHP’s policy on attendance as well as working hours.

POLICY:

In order to ensure that all employees have an understanding of GCHP’s expectations regarding attendance and working hours.

SCOPE:

This policy applies to all employees at GCHP.

GENERAL:

Attendance:

Regular, reliable attendance is an essential function of all employees’ positions. Employees shall be in attendance at their workplace in accordance with this policy. All units shall keep attendance records of employees, which shall be reported via the online payroll system.

Overtime:

GCHP is committed to observing all of its overtime pay obligations under applicable law. This policy, as well as all pay practices, shall comply with, and shall be interpreted to ensure the minimum requirements of these laws and regulations. Overtime shall be defined and compensated for in accordance with the appropriate compensation designated for non-exempt employees.

Exempt Employees:

An exempt employee is, by definition, an employee who is exempt from earning overtime pay based on hours worked. GCHP will determine whether an employee is exempt based on applicable laws.

Non-Exempt Employees:

A non-exempt employee is an employee who is eligible to receive overtime pay for certain hours worked in accordance with provisions of applicable wage and hour laws.

Overtime Paid:

All non-exempt employees who work more than 40 hours in one workweek will receive overtime pay as computed below:

Overtime at the rate of 1½ times the employee’s regular rate of pay for all hours worked in excess of 40 hours in any one workweek.

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Only those hours actually worked are counted to determine an employee's overtime pay. For example, sick days, vacation days and unworked holidays are not counted as hours worked and, therefore, are not counted in making overtime calculation.

The employee's manager must authorize all compensable overtime in advance of the time being worked. Except when absolutely necessary to address an emergency or special circumstances, employees who are entitled to overtime compensation under the law may not work outside of regularly scheduled working hours, or during unpaid meal periods, without the prior authorization of their manager. In that event, employees shall report overtime work as soon as possible after the work is performed.

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require GCHP to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is defined as all-time actually spent on the job performing assigned duties.

All non-exempt employees are required to clock in and clock out on the Plan's time keeping system. Non-exempt employees are not permitted to perform any work while not clocked in. Non-exempt employees must clock in and out at the actual time the employee reports for work, reports out for a meal period, reports back from a meal period, and stops working for the day. In the event a non-exempt employee fails to clock in or out as required, the employee must immediately raise the issue with the person in charge of payroll so that GCHP may make the appropriate adjustments in the payroll system to ensure the employee is accurately paid for all time worked.

No employee may clock in or out for another employee. Such an offense may result in immediate termination of employment.

No Compensatory Time Earned:

Employees may not accrue compensatory time off. Overtime will be paid in the pay cycle covering the pay period in which it is worked.

Workweek:

The basic workweek for full time employees shall be 40 hours per week, in a 7-day period as identified in each individual employment agreement. The workweek commences at 12:00 a.m. every Saturday, and is a regularly recurring 7- day period ending at 11:59 p.m. every Friday evening.

Change in Work Hours:

GCHP shall establish and may modify regular working hours for its employees and may require employees to work additional hours, overtime, or to perform standby responsibilities.

Meal Periods:

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

Exempt employees are provided with a 60 minute meal period. Non-exempt employees are provided with a 30 or 60-minute uninterrupted meal period that is not compensable for every five hours worked, and such employees must clock out and back in for meal periods. Meal periods may not be taken at the beginning or end of a shift to shorten the workday.

Rest Periods:

Non-exempt employees are provided with a 15-minute paid rest period for every four hours worked, or major fraction thereof. Rest breaks should be taken as close as possible to the middle of the four hour work period. Rest periods may not be combined or used to shorten the workday or to lengthen a meal period

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-6
POLICY: WORKPLACE ATTIRE	EFFECTIVE: 12/01/2015

PURPOSE:

To provide all staff members with appropriate guidelines for employee personal appearance including standards of dress, grooming, hygiene and personal cleanliness while at work, or on duty.

POLICY:

Every employee represents GCHP in the eyes of our Commission, our members and the community-at-large. It is the policy of GCHP that employees are required to present a clean, neat, professional business appearance at all times when employees are in the workplace or representing GCHP outside of the workplace.

Our dress code is based on several factors. GCHP is a professional organization that is responsible for health care access for thousands of people. Our dress code reflects our culture of professionalism, and our respect for our mission and our fiscal responsibilities. Our actions speak loudest, but our appearance communicates as well as community leaders, providers, members and other visitors to our work place.

Our standard continues to be “Business Casual”. Many examples of acceptable clothing and footwear are provided in this policy, since they are often requested by staff and help to clarify our standard.

SCOPE:

This policy applies to all employees of GCHP.

GENERAL:

Workplace Attire:

GCHP maintains a professional working environment for the benefit of its employees and the public. Each employee shall present him/herself appropriately and professionally, including but not limited to workplace attire, especially when attending off-site meetings and events. If an employee is on the job in inappropriate clothing, the immediate supervisor may require the employee to change into appropriate work wear.

All employees are required to adhere to these standards as part of the requirements of their employment with GCHP. Employees will be aware of, and conscientious about, the neatness and cleanliness of their apparel, and their personal hygiene while on the job.

Acceptable Appearance/Attire:

Our overall standard is business professional, yet casual. Examples of acceptable attire include:

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

For Women: Suits, blazers, dress coats, blouses, business casual shirts (such as short or long sleeve polo shirts, appropriate for a business environment), dresses, skirts, pantsuits, dress slacks, business casual pants, sweaters, and capri pants. The length of capris that is acceptable is mid-calf or just below the calf. Any shorter length is considered shorts and therefore may not be worn at any time, including casual Fridays. A denim skirt or blazer is acceptable if not faded or torn and the style is suitably professional for our business environment.

For Men: Suits, sports coats, dress shirts, ties, sweaters, business casual shirts (such as short or long sleeved polo shirts appropriate for a business environment), dress slacks and business casual pants (such as Dockers).

The duties of some positions may occasionally require more professional dress than others depending upon the requirements of the job. Employees who attend both internal and external meetings, visit other professional offices, hospitals, clinics, etc., and interact with business and community representatives, must dress to present an appropriate professional business image of GCHP.

The duties of some positions may allow for the wearing of more comfortable, casual apparel due to the nature of the job requirements. When the job requires physical activity (lifting, carrying, stretching, bending, etc.) employees may wear more casual apparel such as work pants and tennis shoes to permit greater freedom of movement and safety. GCHP reserves the right to determine which job assignments meet these criteria. Ask for clarification from the manager or Human Resources department.

Unacceptable Appearance/Attire:

Examples of unacceptable and inappropriate attire that is not in compliance with our standards include provocative attire (low cut clothing, miniskirts, etc.), oversized clothing, extremely tight clothing including spandex, leggings or other form-fitting attire, tank tops, midriff tops, crop tops, halter-neck tops and dresses, spaghetti-strap tops and dresses, sun or beach dresses, nylon jogging suits, sweats/exercise pants, sportswear and shorts of any length and/or shorts, pajamas and jeans (except casual days).

Clothing with potentially offensive words, terms, logos, pictures, cartoons, or slogans is inappropriate for our business environment and is not to be worn at any time. Clothing that exposes undergarments is also inappropriate for our business environment and is not to be worn at any time.

Acceptable Shoes and Footwear:

Conservative, non-athletic walking shoes, loafers, dress boots, flats, heels, business or dress shoes, business professional sandals, and leather deck-type shoes are acceptable for our business environment. Shoes are to be worn at all times while in the office. Tennis shoes may be worn on "Casual Days" only.

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Unacceptable Shoes and Footwear:

Flip-flops (thongs), slippers and non-dress boots

“Casual Day”:

GCHP observes Friday as Casual Day. Employees are permitted to wear more casual and informal clothing on Fridays. Employees are still required to present a clean and neat appearance at all times as every employee continues to represent GCHP in the eyes of members and the community at large. Examples of allowable choices on Casual Day include denim jeans, tee shirts and tennis shoes. As a rule, casual clothing that is acceptable attire is not appropriate for our regular Monday through Thursday standard.

Provocative attire (low cut clothing, mini-skirts, etc.) , oversized clothing, extremely tight clothing including spandex or other form-fitting attire, tank tops, midriff tops, crop tops, halter-neck tops and dresses, spaghetti-strap tops and dresses, sun or beach dresses, nylon jogging suits, sweats/exercise pants, sportswear and shorts of any length and/or skorts may not be worn.

Directors and managers are required to use their own discretion on Casual Day depending on their schedule for business that day. Employees who have important meetings with non-employees either on or off sight on Casual Day need to consider observing the more professional standards of the regular Dress Code Policy guidelines. If there are questions, ask for clarification from the manager.

These examples are not meant to be all-inclusive, and may need to be amended from time to time as styles change.

Grooming and Cleanliness:

All employees are expected to present themselves for work well groomed, with attention paid to good personal hygiene. In consideration of others, care should be taken to avoid strong, offensive odors, such as tobacco, perfumes or cologne as some employees are sensitive to the chemicals in personal care products, such as perfumes, colognes, hairspray or other hair care products and scented lotions.

Compliance:

Compliance with this policy is the responsibility of every individual. Employee cooperation will make enforcement unnecessary. However, employees who fail to follow the Dress Code guidelines will be sent home and requested to return to work in compliance with the guidelines. Employees will not be compensated for time away from work.

GCHP reserves the right to determine the appropriateness of compliance with the Dress Code Policy. Continued failure to comply with this policy may result in disciplinary action, up to and including separation of employment. This policy may be revised, updated, or rescinded at any time by GCHP.

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-7
POLICY: SICK PAY	EFFECTIVE: 12/01/2015

PURPOSE:

In order to determine adequate availability and use of paid sick pay, GCHP has developed the following policy in compliance with local, state and federal regulations.

POLICY:

All full-time employees and part-time employees who are regularly schedule for more than 30 hours per week may accrue sick time at the rate of 40 hours per year (fulltime) or on a pro-rata basis.

Other employees not eligible for the more generous sick leave benefit may accrue paid sick time in accordance with the California Labor Code requirements as set forth below

SCOPE:

This policy applies to all GCHP employees.

GENERAL:

Paid sick time must be accrued before it can be taken. Employees are only eligible to take paid sick time off after sick time has been accrued. Fulltime and part-time employees regularly scheduled for 30 or more hours per workweek begin accruing sick time hours on their date of hire and continue to accrue sick time hours each pay period. Other employees accrue time as addressed below in the “minimum sick leave” section.

Sick time accrual is suspended if an employee is on an unpaid leave of absence. Sick time is not considered “hours worked” for overtime purposes. The rate of accrual is based on an Employee’s employment status and tenure. Sick leave may be used in minimum of two 2 hour increments.

Accrued sick leave has no cash value, and an employee shall not receive payment for unused accumulated sick leave upon separation from GCHP employment.

Valid Reasons For Use of Paid Sick Time:

Employees may use paid sick leave for diagnosis, preventative or other care, or treatment of an existing health condition of the employee or family member. Family member includes the employee’s parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling (including adoptive, step and foster sibling). Employees also may use paid sick leave if they are a victim of domestic violence, sexual assault or stalking and need time off to obtain any relief, including a restraining order, to seek medical attention, to obtain counseling, or participate in safety planning or other safety actions.

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Notification of Need for Sick Leave:

When an employee is unable to report for duty due to the employee's own illness or that of a family member as defined above, the employee must notify his/her manager as soon as possible. The employee shall report the intended use of sick leave and the reason for the absence. If the manager is not immediately available, the employee may leave a voice mail message, unless otherwise directed. Employees should remember that abuse of sick leave and excessive unexcused absenteeism are subject to disciplinary action. Therefore, it is important that each employee maintains a high level of attendance and considers sick pay to be a safety net against an unforeseen serious illness or other sick time need in the future.

Accrual

Employees accrue sick leave at the rate of one hour for every 30 hours worked up to a maximum of or forty-eight (48) hours per anniversary year. Unused sick leave rolls over to the next anniversary year. Employees may accrue an overall maximum of two hundred forty (240) hours of paid sick time. If the employee's benefits reach this maximum, further accumulation of sick- time will be suspended until the employee has reduced the balance below the limit.

Payment for Sick Leave

An employee will receive sick pay provided the total sick pay does not exceed the total amount accrued. The sick time balance for an employee will not be allowed to go into a negative status. An employee will not receive sick pay for days out sick or other reasons permitted under this policy if no sick pay is available. Sick pay will be calculated based on the employee's straight time hourly pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives or bonuses.

Sick pay may be used to supplement any payments that an employee is eligible to receive during a leave of absence (e.g. workers compensation benefits or disability insurance programs). The combination of any such disability pay and sick pay cannot exceed the employee's normal weekly earnings.

Employees will not be paid for unused accrued sick leave either during employment or at the time of termination.

Minimum Paid Sick Leave

Any employee who is not otherwise eligible for regular sick leave (e.g. temporary, per diem, and non-regular part-time employees not regularly schedule for 30+ hours per week) shall be eligible for this Minimum Paid Sick Leave. An employee who works thirty (30) or more days within a year from the commencement of employment is eligible for Minimum Paid Sick Leave. This policy is intended to comply with the requirements of the Healthy Workplaces, Healthy Families Act of 2014 at Labor Code section 246(e)(2) and should be interpreted consistently.

Eligible employees who are hired after July 1, 2015, shall be granted twenty four (24) hours upon hire for use during the calendar year of their hire. Every year thereafter, on January 1st,

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each covered part time employee shall receive an annual grant of twenty four (24) hours of Minimum Paid Sick Leave for use during that calendar year. This annual grant does not roll over to the next calendar year and is not paid out upon termination of employment, retirement, or death. The Minimum Paid Sick Leave entitlement and its use shall be reflected on the covered employee's regular pay stubs.

Minimum Paid Sick Leave may be used for any purpose leave is otherwise typically used, when available, for illness and consistent with those uses set forth in the Healthy Workplaces, Healthy Families Act of 2014 (AB 1522). These uses include, but are not limited to use by a covered employee for preventative care or diagnosis, care, or treatment of an existing health condition for the covered employee or his or her family member; and use by a covered employee who is a victim of domestic violence, sexual assault, or stalking. A covered employee may not be required to find a replacement worker in order to utilize Minimum Paid Sick Leave.

Procedural requirements, including those requirements related to notice, request of use, acceptable uses, prohibited uses, minimum increments, and medical certification shall be governed by existing policies relating to unscheduled leave as set forth in the regular sick leave policy.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-8
POLICY: VACATION PAY	EFFECTIVE: 12/01/2015

PURPOSE:

To provide a procedure for all employees to utilize their employee benefit of vacation hours.

POLICY:

Vacation hours are provided to all employees and begin to accrue the first day of employment. Vacation is provided for all employees to allow them time away from work on an annual basis and employees are encouraged to utilize this benefit.

SCOPE:

This policy applies to all GCHP employees who work thirty (30) or more hours per week.

GENERAL:

Accrual:

Subject to the applicable maximum accrual cap, eligible employees may accrue vacation time as follows:

One to Five Years:

Employees accrue vacation beginning on the first day of hire for each full month of service. For each twelve months of continuous full-time employment, each eligible full-time employee earns 80 hours of vacation. During this time period, vacation is earned at a rate of 6.67 hours per month on a pro-rated basis. Employees working less than forty (40) hours per week will receive vacation accrual on a pro-rated basis, based upon their average weekly hours of work

Five years and one day up to Fifteen Years:

After five (5) years of continuous full-time employment, eligible full-time employees earn 120 hours of vacation for each continuous twelve months of employment. During this time period, vacation is earned at a rate of 10.0 hours per month. The same pro-ration for employees working less than forty (40) hours per week will apply.

Fifteen Years and one day and On:

After an employee has been employed by GCHP in excess of 15 years of continuous service full-time employees are eligible to accrue twenty 160 hours of vacation for each continuous twelve months of employment. During this time period, vacation is earned at a rate of 13.33 hours per month. The same pro-ration for employees working less than forty (40) hours per week will apply.

Years of Service	Hours Earned Per Year	Hourly Accrual Per Month
1-5	80	6.67

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5+ - 15	120	10
15 +	160	13.33

Employees are eligible to accrue a maximum of 2.5 times the amount of their annual accrual rate.

Years of Service	Hours Earned Per Year	Maximum Hourly Accrual Cap
1-5	80	200
5+ - 15	120	300
15 +	160	400

Part-time employees, with a minimum weekly hours worked of 30 hours per week, will receive their vacation accrual on a pro-rated basis, based upon hours worked per average work-week.

Vacation time will not accrue during any unpaid portion of a leave of absence or while on disability salary continuation.

Employees at the director level and above will be eligible to begin with three (3) weeks of vacation upon hire and advance to the four (4) week tier after five (5) years of service. Directors and above may not accrue more than the acknowledged level of accrual time for each tier.

Maximum Accrual:

Once an employee has reached their maximum accrual cap they will cease to accrue any additional vacation hours until such time as the employee's takes vacation time and reduces their accrual below the maximum amount.

No Buy-Out:

Accrued vacation hours are not eligible for buy-out and must be used when possible.

Requesting Vacation:

Employees must request vacation time with as much advance notice as possible, when requesting a week or more of vacation and a week's notice for days less than one week. Vacation granting is at the discretion of the direct supervisor and may be declined when work situations do not allow for absentee employees.

Non-Exempt employees may take vacation time in 2-hour increments

Termination:

Unused accrued vacation hours, up to the maximum accrual amount, will be paid out upon departure.

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Employees will be paid out any unused accrued vacation on the last day of their employment, provided they give adequate notice of departure. If less than 48 hours of notice is provided, employees will receive any amount due them, including unused vacation accrual, within 72 hours of termination.

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SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-9
POLICY: ADMINISTRATIVE DAYS	EFFECTIVE: 12/01/2015

PURPOSE:

To clarify GCHP’s benefit of providing two (2) paid administrative days on a pro-rated basis for manager and below and three (3) paid administrative days for directors and above.

POLICY:

In addition to sick pay and vacation pay, GCHP provides eligible employees up to two (2) days of paid administrative days each calendar year for managers and below and three (3) administrative days for directors and above.

SCOPE:

This policy applies to all GCHP employees.

GENERAL:

All employees are eligible to receive two (2) days of paid administrative days on a pro-rated basis for managers and below and three (3) administrative days for directors and above, based upon average number of hours worked. Managers and below hired on, or before July first of the calendar year will receive two full days of administrative days to be taken in accordance with the attendance policy and with prior permission from the employee’s supervisor. Directors and above will be eligible to receive three (3) full days of administrative days to be taken in accordance with attendance policy and with prior permission from the employee’s supervisor.

Managers and below hired after the first of July of the calendar year will be subject to one (1) paid administrative day in accordance with the attendance policy and with prior permission from the employee’s supervisor. Directors and above will be subject to 1.5 paid administrative days.

Employee’s hired after the first of November will not be eligible for Administrative Days during that same calendar year, but will receive the customary two/three after the first of the following year.

Employees must use the allotted Administrative Days during the same calendar year as they do not carry over from year to year. Unused Administrative Days for the year will be “cashed out” during the final payroll cycle of each calendar year.

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SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-10
POLICY: HOLIDAY PAY GUIDELINES	EFFECTIVE: 12/01/2015

PURPOSE:

To clarify GCHP's benefit of providing ten (10) days of paid holidays on a pro-rated basis.

POLICY:

In addition to sick pay and vacation pay, GCHP provides employees another ten (10) days of paid holidays each year.

SCOPE:

This policy applies to all GCHP employees working thirty (30) or more hours per work week. Employees averaging less than thirty (30) hours per work week will not be paid for holiday days.

GENERAL:

All employees are eligible to receive ten (10) days of paid holiday pay on a pro-rated basis, based upon average number of hours worked. Paid holidays are as follows:

- | | |
|------------------------|------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Veteran's Day |
| President's Day | Thanksgiving Day |
| Memorial Day | Day after Thanksgiving |
| Independence Day | Christmas Day |

Employees must work the workday prior and the workday after scheduled holidays in order to be eligible for holiday pay. Holiday pay is paid at the employee's regular hourly rate at the time of the holiday.

Exceptions to this rule of required working the workday before and the workday after the holiday are pre-scheduled vacation days, approved by the employee's supervisor for those pre and post-holiday days. In the event the employee has scheduled those days off, they will also receive holiday pay for that day.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-11
POLICY: COMPENSATION	EFFECTIVE: 12/01/2015

PURPOSE:

To provide a process which ensures an equitable salary review and distribution based upon budget allotment and aligned with GCHP’s Merit Review program.

POLICY:

GCHP believes that compensation for employees should meet with the organization’s philosophy to attract and retain employees utilizing a compensation formula that is competitive with similar non-profit organizations.

SCOPE:

Human Resources administers and maintains the Compensation Plan (the “Comp Plan”)and in conjunction with Executive approval may make appropriate revisions to the Comp Plan as often as necessary to ensure that the Comp Plan provides uniform and equitable compensation rates and policies.

GENERAL:

Salary Ranges:

Salary ranges and performance-based pay plans are intended to furnish administrative flexibility in recognizing individual differences among positions, in providing employee incentives, and in rewarding employees for meritorious service. The Comp Plan maintains a salary range table that is reviewed and adjusted when deemed appropriate based upon like organizations.

Merit salary advancements shall occur in accordance with the following:

Pay for Performance:

The Plan provides a scheduled annual review process for all employees hired on or before the First of October each calendar year. Employees hired after that date will receive a ninety (90) day review, but will not be eligible for a merit increase for this time-period. They will receive a pro-rated increase the following year review period. In the event the Plan elects to provide merit increases for the results of the performance review, employees receiving a Satisfactory or better review will be eligible for a merit increase, based upon budget allowance, employee’s position in the range and the employee’s final rating. Employee’s receiving a less than Satisfactory rating may be required to complete a performance improvement plan.

Salary on Promotion:

An employee who is promoted to a position in a class allocated to a higher salary range than the class to which the employee was formerly assigned will receive an adjustment to their salary which positions their new salary within the new range.

Salary on Transfer:

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An employee who is transferred from one position to another in the same class or to another position in a class having the same salary range shall receive some acknowledgment within that range that recognizes the new position but does not move them outside the appropriate range. The employee's merit review and anniversary date may not change.

Special Compensation:

Other compensation in the form of incentive pay, bonus, or any other such similar forms of compensation authorized by the GCHP Commission, may occur at any time not relating to an employee's anniversary date, calendar year, fiscal year, or other such timing.

Common Deductions from Salaries:

Notwithstanding any other provisions in these Rules, GCHP may take deductions from paychecks of exempt employees for any of the following reasons:

- When an employee is absent from work for one or more full days for personal reasons other than sickness or disability.
- For absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness.
- To offset amounts employees receive as jury or witness fees or for temporary military duty pay.
- For penalties imposed in good faith for infractions of safety rules of major significance.
- For unpaid disciplinary suspensions of one or more full days imposed in good faith pursuant to a written policy for workplace conduct rule infractions.
- In the employee's initial or terminal week of employment if the employee does not work the full week.
- For unpaid leave taken by the employee under the federal Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA) or other applicable leave law.

For absences due to a budget-required furlough.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-12
POLICY: EVALUATION POLICY:	EFFECTIVE: 12/01/2015

PURPOSE:

GCHP believes that every employee should receive at minimum an annual opportunity to discuss their level of participation and job responsibilities with their supervisor. Providing an annual evaluation process ensures that every employee meets and discusses their job performance and opportunities for improvement with their supervisor.

POLICY:

GCHP will provide an equitable, systematic process that includes written, numerical rating and open dialogue between employee and supervisor for clarification of job performance and areas of opportunity going forward.

SCOPE:

This policy applies to all employees, at all levels of the organization.

GENERAL:

Employee Performance Evaluations:

GCHP shall strive to provide a professional work environment that encourages and supports fair and equitable treatment of its employees. GCHP recognizes the importance of employee performance appraisals in sustaining an effective staff, and further, encourages an open, ongoing dialogue between managers, supervisors, and employees.

Performance appraisals are completed generally once a year and may be done more frequently at the discretion of the manager. The purpose of the employee performance evaluation process is to provide an opportunity for the manager and employee to review and evaluate performance standards and objectives. Performance appraisals are not subject to any grievance procedure.

Annual Performance Appraisals:

At a minimum, a work planning and performance evaluation shall occur at least once a year for all employees at an appropriate and logical date.

Eligibility:

Employees typically receive an initial ninety (90) day appraisal after the first ninety (90) days of hire (the “New Hire Period”).

The supervisor may elect to extend the New Hire Period based upon a review that indicates the candidate is not performing the functions of the job based upon Job Description requirements but, in the supervisor’s opinion, has the ability to do so given additional time in the position. In this case, the New Hire Period may be extended another thirty (30), sixty (60)

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or ninety (990) days. The decision to extend the New Hire Period must be made in conjunction with the applicable Director and Human Resources.

Evaluation Forms:

Human Resources assumes responsibility for the preparation and consistency of the evaluation process. With approval of GCHP executives, the Human Resources department will establish the appropriate form, establish a time frame and ensure consistency across the Plan for accumulation of form ratings as well as the value of the ratings.

Employees with direct reports are required to complete an assessment on each of their direct reports in alignment with the provided time-frame and submit the review for initial approval from their Executive and Human Resources.

Human Resources will compile the overall effects of the reviews for each department and an over-view of the organization and will submit the results to the Executive Team for discussion and additional approval.

Upon approval of said reviews and budgetary costs, employees with direct reports will provide time for each direct report to see, read, provide comments, discuss and understand the results of their review. Any dispute over the results and ratings will be handled at the discretion of the supervisor.

Finalized reviews will be returned to Human Resources for recording of the results, implementation of any corresponding increases and filing in the employee's personnel file.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-13
POLICY: PROMOTIONS, TRANSFERS AND REINSTATEMENTS	EFFECTIVE: 12/01/2015

PURPOSE:

GCHP believes in providing an environment of equity as well as opportunity. To ensure that all employees are recognized for their achievements as well as utilized for their talents, GCHP encourages a promote-from-within philosophy where appropriate.

POLICY:

It is the policy of GCHP to promote-from-within where appropriate. To that end, open positions will be posted internally as well as externally and employees are encouraged to submit their resumes when their skill sets meet the criteria of the open position.

SCOPE:

Absent special circumstances, this policy applies to all positions with the exception of the Chief Executive Officer.

GENERAL:

Promotions:

Employees may compete for and be promoted into a position when (a) they meet all criteria for the position for which they are being considered (b) they have not been subject to any disciplinary action within the previous twelve (12) months, and (c) they have received a positive rating in their last review.

Transfer:

Upon approval of the involved Directors, after consultation with the current manager and the potential new manager and Human Resources, an employee may be laterally transferred at any time from one position to another based upon business need.

Reinstatement:

The Chief Executive Officer after consultation with Human Resources may, but is not required to, approve the reinstatement of an employee who has resigned within the previous 36 months and who has a good record, to a vacant position without competing for the position (once they have re-submitted their updated resume and met with the hiring manager).

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-14
POLICY: SEPARATION FROM SERVICE	EFFECTIVE: 12/01/2015

PURPOSE:

GCHP adheres to the “At Will” presumption provided by the State of California. Nonetheless, GCHP strives to ensure that all employees are subject to consistent procedures when terminating employment.

POLICY:

Pursuant to its at-will employment policy, both the organization and its employees have the right to separate employment with or without notice and with or without cause. However to ensure consistency when terminating an employee, GCHP has provided the following guidelines.

SCOPE:

This policy applies to all employees of Gold Coast Health Plan.

GENERAL:

Separation From Service:

Resignation:

Employees are encouraged to give at least two (2) weeks’ notice when resigning. The resignation becomes effective upon receipt of an oral, written, or e-mailed notice of the resignation. The resignation letter or e-mail should state the effective date and reasons for leaving.

Automatic Resignation:

Employees are deemed to have resigned when absent from work without prior authorization or notification for three workdays. GCHP shall give notice of such automatic resignation via email and mail (USPS or overnight) to the employee’s last known personal email and mailing address.

Failure to Report:

Failure on the part of an employee to return to work within one working day of his/her scheduled return from any approved time off shall be cause for immediate discharge. GCHP shall give notice of such termination via email and mail (USPS or overnight) to the employee’s last known personal email and mailing address

Discharge:

All employees are at-will employees and may be discharged by the Chief Executive Officer with or without reason or cause and without right of appeal.

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Layoff Policy and Procedure:

Statement of Intent:

When, in the judgment of the CEO, it becomes necessary to abolish a position due to lack of funds, curtailment of work, organizational changes, or for other business reasons, the employee holding such position may be laid off or demoted to an available position, if any, without the right of appeal. An employee who is laid off has no bumping rights, no right to appeal the decision to layoff, nor any greater rights to return status.

Order of Layoffs:

Layoffs shall be made in accordance with serving the best needs of GCHP.

Notification:

Employees to be laid off shall be given as much notice as possible or as mandated by applicable law, prior to separation.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-15
POLICY: EDUCATION AND TRAINING	EFFECTIVE: 12/01/2015

PURPOSE:

GCHP believes in providing adequate training to employees in support of their job descriptions as well as provisions for any required certificates or state requirements.

POLICY:

It is the policy of GCHP to ensure that all employees receive training as well as necessary certification and/or licenses to enable them to perform their roles within local, state and federal requirements. GCHP also believes in encouraging employees to participate in developmental training and education. In order to encourage this culture, GCHP provides on line training, which may be utilized during business hours, provided the employee maintains the requirements of their job.

SCOPE:

This policy applies to all employees of GCHP.

GENERAL:

Certifications & Licenses:

Based upon job specifications as well as local, state and federal requirements, specific positions within the organization may be required to maintain certifications and/or licenses that relate to the ability of employees to perform the functions of their positions. GCHP will reimburse the cost of such required programs, provided the employee receives certification and/or license. In order to receive reimbursement, the employee must produce the receipt of payment as well as a copy of the verifying document.

Required Training:

Harassment Prevention:

On a bi-annual basis, GCHP will provide a two-hour approved training session to all employees, clarifying their roles and responsibilities as employees to prevent and report prohibited harassment.

Discrimination:

On a bi-annual basis, GCHP will provide a two-hour approved training session to all employees, clarifying their roles and responsibilities as employees regarding prohibited discrimination.

Compliance:

GCHP will provide other internal training regarding issues including Safety, Ethics, Confidentiality, Brown Act responsibilities, Hatch Act responsibilities and compliance requirements. Employees are required to complete various on-line trainings on a pre-

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determined schedule. Failure to comply with the scheduled required training may result in disciplinary action, up to and including possible termination.

Developmental Training:

GCHP has developed an on-line training program which will enhance employee skills and provide an opportunity to develop their level of performance. Some such training is optional/voluntary; other portions are mandatory. For optional/voluntary programs, Employees are encouraged to utilize their free time, to participate in short and long-term training programs which are available on the employee website. While employees are welcome to partake of these programs they are also advised that usage of these systems may in no way diminish their responsibilities to their job functions. Inability to complete mandatory training, or to complete other on-going work requirements, may result in disciplinary action, up to and including possible termination.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-16
POLICY: TUITION REIMBURSEMENT	EFFECTIVE: 12/01/2015

PURPOSE:

The purpose of this policy is to assist employees who wish to pursue further formal education through accredited educational institutions in an effort to enhance current skills as well as to improve future potential benefit to Gold Coast Health Plan.

POLICY:

The Plan may reimburse full-time, regular employees, including maintenance and administrative employees, for formal education costs for courses at accredited institutions that are approved in advance by the Plan. The approval for reimbursement will be dependent on the course and its relevance to the employee’s current or future potential position. Approval must be obtained prior to commencement of each course per semester. Reimbursements are made on a first-come, first-served basis up to the amount of available reimbursement funds approved by the Commission in the annual budget.

SCOPE:

This policy applies to all employees in good standing with the Plan.

GENERAL:

Reimbursement will be made up to 100 percent for course work applicable to the current position. Courses applicable to potential future assignment may be approved at percentages ranging from 50 to 100 percent, depending on the perceived value to the Plan. The Plan will review employee applications on a course-by-course basis.

- Employees receiving a C or better for the completion of their associate or bachelor degree related course will be reimbursed at 100% of the cost of the tuition, upon submission of documentation providing proof of completion and letter grade
- Employees receiving anything below a C will not be reimbursed for the completion of their course.

A second degree will be reimbursed at the same percent only if it is an advanced degree in a field of study applicable to the employee’s current or impending position.

- If approved, MBAs and law degrees will be reimbursed at 50 percent, regardless of the position the individual holds. Any exception requires approval of the CEO.
- There is no limit to the number of credit hours eligible for reimbursement per semester. Employees are encouraged to be prudent in the selection of the number of courses attempted each semester, as coursework and study time will compete with work obligations. Employees must be actively employed by the Plan when reimbursement is sought. Employees subjected to a reduction in force (RIF) by the Plan will be reimbursed for courses currently approved and enrolled in at the time of the RIF.
- Employees must satisfactorily complete the course work to be considered for reimbursement.

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- Reimbursement will be at the public, state-supported institution tuition rate (the Plan uses _____ and _____ as typical benchmark institutions). Attendance at private institutions, in correspondence programs or in other high-cost programs will not be considered justification for payment of exceptional tuition or related costs.
- All required coursework/tuition fees will be reimbursed at the designated approval percentage. Books, lab and building use fees will be reimbursed at 50 percent, regardless of the course of study.
- Initial approval of a course of study does not obligate the Plan to future/continued approval of courses in that course of study. Approvals are only valid for the course and semester given.
- Maximum reimbursement per calendar year for pursuit of a bachelor's or associates degree is \$5,000.00

Maximum reimbursement per calendar year for pursuit of a Masters or above is \$7,500.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-17
POLICY: HEALTH, DENTAL, VISION, PENSION BENEFITS	EFFECTIVE: 12/01/2015

PURPOSE:

To provide all eligible employees with the opportunity to participate in health, dental, vision and retirement plans under the GCHP umbrella.

POLICY:

It is the policy of GCHP to provide all eligible employees with an opportunity to ensure themselves, their families and their significant others with health, dental and vision coverage as well as to save towards retirement.

SCOPE:

All GCHP employees who work thirty (30) or more hours per week are eligible to participate in these benefits programs. Employees who work less than thirty (30) hours per week may eligible to participate in some programs on a pro-rated basis. See Human Resources for details.

GENERAL:

Benefits:

All compensation and benefits afforded GCHP employees and their eligible dependents are governed by the terms and conditions of the contractual agreements with the benefit providers. Compensation shall be determined by the Chief Executive Officer, consistent with these policies and procedures, in the best interest of GCHP, and governed by the terms and conditions of an employee’s individual employment agreement. Insurance premiums not paid in whole or part by GCHP shall be the responsibility of the employee.

Qualifying for Benefits: A medical plan, dental plan, vision plan, long- and short term disability program, life insurance, employee assistance program, flexible spending accounts, and other such benefits are available to full-time employees and may be pro-rated for eligible regularly working part- time employees, with costs shared by GCHP and the employee as defined and provided for in the individual employment agreement.

Group Health Insurances: These insurances are subject to the terms and conditions of the specific benefit plans.

Insurance Premium:

Full time employees and their eligible dependents shall be provided insurance for themselves and eligible dependents, up to the maximum contribution as provided in GCHP’s Health Contribution Plan. The maximum monthly contribution for employees only covering themselves and for one or more family member is determined annually.

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Eligibility:

All regular full-time and regular part-time employees who are assigned to work more than 30 hours per week are eligible to participate. Part-time employees shall have their benefit costs pro-rated and if employee elects coverage, such additional premium costs will be paid by the employee through payroll deductions.

Dental and Vision Effective Dates:

Based on the terms and conditions with the provider, generally coverage shall become effective on the first day of the month following the employee's actual start date, and shall terminate on the last day of the month in which the employee leaves employment.

Medical Effective Dates:

Based on the terms and conditions with the provider, generally coverage shall become effective on the first day of the month following the employee's initial appointment date, and shall terminate on the last day of the month following the month in which the employee leaves employment.

Life, AD&D, and Short-term and Long-term Disability Effective Dates:

These benefits are only available for regularly working full time employees. Coverage shall become effective on the first day of the month following the employee's initial appointment date and shall terminate on the last day in which the employee was in paid status.

Life and Accidental Death and Dismemberment Insurance:

Coverage for all employees is up to two times the employee's annual compensation to a maximum of \$200,000.

Short-and Long-term Disability Insurance:

GCHP maintains a short-and long-term disability insurance program for all regular full-time employees. This insurance is intended to cover employees in the event of a long-term injury or illness that is not covered by some other leave benefit. Eligibility for disability benefits begins after the employee has been absent from work for a certified illness/injury for a minimum of 30 calendar days. The benefit pays up to 2/3rds of the employee's gross monthly salary up to a maximum level of \$6,000, if the employee is certified as disabled. Accumulated sick leave or vacation may be used during the waiting period.

Other Benefits:

GCHP contributes on the employee's behalf, the employer costs for Medicare. This benefit follows federal requirements. GCHP does not participate in social security.

Deferred Compensation Plans:

GCHP participates in deferred compensation (IRC sec. 457) plans and 401(a) plans.

Domestic Partner Health Benefits Eligibility:

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

GCHP provides registered domestic partners and the children of registered domestic partners, the opportunity to enroll in health plans administered by the California Public Employees Retirement system. Registered domestic partners must meet the requirements for enrollment as stated in Article 9, Section 22873 of the Public Employees Retirement Law, and must submit the required documentation for confirmation.

Definition:

For the purpose of providing health care benefits, a domestic partnership is defined as two adults of the same sex, both over the age of 18 and opposite sex domestic partners where one person is over the age of 62 and who are registered as domestic partners with the State of California.

Dependent Children:

Children must be economically dependent upon the employee for their financial support and have a parent-child relationship with the employee. Coverage for children will be terminated when the child reaches age 26 (exceptions apply for children with disabilities), or when the child marries.

Procedures:

Employees may enroll their registered domestic partner and or children of their registered domestic partner on the first day of the month following receipt of the notarized Declaration of Domestic Partner Registration from the Secretary of State. The Plan must receive the declaration within 60 days of issue. A Statement of Financial Liability for Domestic Partner Health Benefits must be completed and signed, along with the declaration, as well as the health enrollment form before enrollment of partner or children.

Tax Implications:

Federal law does not recognize domestic partner relationships for tax purposes. Therefore the value of the additional benefits received by a domestic partner is considered taxable income. The tax liability is an “imputed value” based on the fair market value of the benefit of all of the selected coverage, as assigned by the individual plans. If the domestic partner qualifies as a dependent for tax reporting requirements under the Internal Revenue Code, the value of the additional benefits may be exempt for the imputed tax upon proper certification. Imputed earnings are subject to federal tax and are not added to your taxable gross income for California state tax purposes.

Eligible Dependents Change in Relationship:

It is the responsibility of the employee to notify Human Resources to cancel a spouse or domestic partner’s coverage if the relationship terminates or when the spouse or domestic partner no longer shares a common residence with employee. It is the responsibility of the employee to notify Human Resources to cancel an adult child’s coverage once the adult child reaches the benefit limit. If the employee does not notify Human Resources of the termination of the relationship within 31 days of the event, the employee will be held responsible for all

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costs for medical services received by the spouse or partner and or children of the spouse or partner after the termination of the relationship.

COBRA Requirements:

COBRA medical insurance will be offered through CalPERS to employees, and their legal dependents as required by law. Other COBRA required insurance will be offered through GCHP insurance plans. In the event of termination of marriages, domestic partnership, the death of the employee, or a dependent child reaching the age limit for insurance, under the same conditions used for traditional marriages, COBRA will be offered. Should the spouse or partner elect COBRA, the coverage will continue as required by law. The spouse or partner of the employee pays for COBRA benefits.

Retirement:

All regular full-time and regular part-time employees shall participate in the 401(a) retirement plan and shall be governed by its rules and regulations. GCHP shall contribute 10% of salary towards the employee's 401(a) retirement plan for all hours in a paid status.

Some employees are eligible for a 457 match, as outlined in their individual employment agreements.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-18
POLICY: LEAVES OF ABSENCE	EFFECTIVE: 12/01/2015

PURPOSE:

To provide employees the opportunity to be away from work for various reasons, detailed in this policy, with approval from their manager and Human Resources.

POLICY:

GCHP understands that from time to time, employees must be away from GCHP during business hours. In an effort to accommodate such times and maintain consistency regarding time away from work, as well as comply with all local, state and federal laws, GCHP has prepared the following guidelines.

SCOPE:

This policy applies to all eligible employees of GCHP.

GENERAL:

General Leave Provisions:

Employees are expected to be at work at their scheduled times. To ensure accountability and the integrity of public service, all employees who receive leave benefits are expected to account for their absences from work. Leave time for all employees is chargeable in increments of .25 hours (15 minutes).

Leave Approval:

Leaves shall be subject to approval by the manager, and scheduled in advance whenever possible, with due regard for service needs.

Leave Accounting:

GCHP may employ any reasonable measure to ensure employees are properly accounting for leaves, including requiring reasonable proof that the basis for the leave is legitimate. Employees may be required to submit a medical certification of sickness supporting a request for sick leave. GCHP may require a fitness-for-duty certification from any employee returning from medical leave.

Leave Benefits:

Leave benefits are available only as identified in GCHP policies, an individual employment agreement, and as required by law.

Leave Accruals:

Except where otherwise specified in particular policies, Employees eligible for leave shall accumulate leave from the date of the employee's initial appointment until separation from employment.

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Accruals Only During Working or Paid Leave Status:

Leave accrues on hours in a paid status. No leaves will accrue when an employee is on an unpaid leave (meaning a leave not paid for by the Plan).

Available Leave Categories:

GCHP provides the following leave categories: administrative leave, annual vacation leave, bereavement leave, discretionary leave of absence without pay, holidays, and other leaves as required by law [including but not limited to family and medical leave, disability leave, jury/witness duty leave, , military leave (including military family leave), pregnancy and pregnancy-related disability leave and parental leave, sick leave with pay, school activities leave, organ and bone marrow donor leave, victims of crime leave, emergency personnel leave, and time off to vote].

Administrative Leave:

Administrative leave may be granted to an employee as part of the terms of an individual employment agreement, and the terms of that agreement shall apply.

Others Types of Administrative Leave:

Administrative leave with or without pay may be granted by the Chief Executive Officer, as appropriate, to address administrative issues.

Vacation Leave:

GCHP provides annual vacation leave as described in each individual employment agreement and in Vacation Policy 2-8. Earned and accrued vacation leave may be taken as it accrues, but not before it accrues. Scheduling of vacations must be made in consideration of the unit's workload. Please see Vacation Policy 2-8 for further details.

Bereavement Leave:

Unless otherwise stipulated in an individual employment agreement, employees may take bereavement leave of up to 24 hours in the event of death of any of an immediate family member. Immediate family members are defined as: spouse, domestic partner as defined by the State of California, parent (or parent-in-law), grandparent sister, brother, son, and daughter (including step-siblings and step-children).

Job-Related Injury/Illness Leave (i.e. Workers' Comp):

All employees are entitled to workers' compensation insurance benefits in accordance with state law. If an employee is injured or made ill arising out of or in the course of work, the employee may file a claim on the approved claim forms with GCHP's workers' compensation claims administrator. Employees are eligible to receive workers' compensation insurance benefits if the claim is declared compensable under the California workers' compensation laws. Payment of job-incurred disability leave shall be at the amount of temporary disability indemnity received, pursuant to workers' compensation law. Employees returning from

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workers comp leaves will need medical clearance to return to work and, in some cases, may be subject to fitness for duty examinations.

Labor Code Section 3352: In accordance with Section 3352 of the Labor Code, GCHP does not extend workers' compensation benefits to volunteers.

Jury Duty/Witness Leave:

Jury Duty:

An employee summoned and required to serve as a juror in a trial, upon notification and appropriate verification submitted to his/her unit manager, may be absent from duty with full pay. The employee shall remit, within 15 days of receipt, all fees received for serving as a juror except those fees specifically allowed for mileage and expenses.

Witness Leave:

An employee who is subpoenaed to appear in court in a matter regarding an event or transaction which he/she perceived or investigated in the course of his/her employment with GCHP shall be allowed to do so without loss of compensation, unless it is the employee's own lawsuit. An employee subpoenaed to appear in court in a matter unrelated to his/her official capacity, or who is appearing in court in a matter initiated by the employee, shall be permitted time off without pay, or if the employee chooses, to use accrued vacation for such purpose. However, exempt employees who work any portion of a workweek in which they also appear as a witness will receive their full salary for that workweek.

Employees are required to provide reasonable advance notice of the need for jury/witness leave. Employees also are expected to report to work each day or portion of a day they are not performing jury/witness duty.

Leave of Absence:

Discretionary Leave of Absence Without Pay:

Employees who have been employed at the Plan for at least one year, and who are not eligible for other leaves but wish to request a leave, may be granted a discretionary leave of absence (DLOA) without pay for up to 3 months upon written approval of the Chief Executive Officer or designee. The Chief Executive Officer in consultation with Human Resources may grant or deny a request for unpaid leave of absence in his/her sole discretion. Upon expiration of an approved leave, the Plan will attempt to reinstate the employee in the position held at the time leave was granted; however, except as otherwise required by law, DLOA's are not job-protected leaves. Failure of an employee on leave to report to work promptly at the leave's expiration without request and approval for an extension of said leave in writing, shall constitute voluntary resignation by the employee.

Absence Without Approval:

Any unauthorized leave of absence from duty by an employee shall result in disciplinary action and/or discharge. Subsequently such absence may be approved by the employee's

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unit manager in consultation with Human Resources, with or without pay, where extenuating circumstances are found to have existed.

Military Leave:

Military leave shall be granted in accordance with the provisions of state and federal law, and Employees on military leave are entitled to health, welfare, and seniority-related benefits as required by state and federal law.

Less Than 31 Days:

If the leave is less than 31 days, the employee is required to pay the employee's share of the insurance premiums.

More than 30 Days:

If the leave is more than 30 days, the employee may extend his or her Plan-sponsored benefits through COBRA at his or her own expense (which includes various administrative fees in addition to the premium payment).

Military Family Leave:

In accordance with the Family and Medical Leave Act (FMLA), eligible employees may use available FMLA leave in a 12-month period for any "qualifying exigency" arising out of a family member's active military duty. Eligible employees are also permitted to take up to 26 weeks of leave in a single 12-month period to care for a family member who sustains a serious illness or injury while on active military duty. See FMLA, CFRA, CDPL, ADA Policy 2-19 for additional details or contact Human Resources.

Military Spouse Leave:

In accordance with California Military & Veterans Code, eligible spouses and domestic partners of active members of the military are entitled to up to 10 days of unpaid leave when their spouse or domestic partner, who is in active military service, is on leave. .

School Activities Leave:

Employees who are parents, guardians, or grandparents having custody of one or more children in kindergarten through twelfth grade, or attending a licensed child day care facility, may take up to 40 hours off per school year for school/day care activities in accordance with California law. Such time off may not exceed eight hours in any calendar month. The employee must use existing vacation or administrative leave time off during such absences. Otherwise such leave will be unpaid. The employee must give reasonable notice to his/her manager of the planned school activities leave.

Time Off to Vote:

Employees who are registered voters may claim necessary time off to vote at statewide elections under the provisions of the State Elections Code Section 14350. If an employee does not have sufficient time outside of working hours to vote at a statewide election, the employee may without loss of pay, take enough working time off, which when added to the

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voting time available outside of working hours, will enable the employee to vote. Absentee voting is encouraged if the employee lives such a distance that considerable time would be needed to travel to the employee's designated polling place.

Amount:

No more than 2 hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of a regular working shift, whichever allows the most free time for voting and the least time off from work. In no event is the voter/employee eligible to take off more time than is necessary to vote and then travel to or from the worksite.

Notice:

The employee shall give the manager at least 2-working days' notice that time off for voting is desired.

Scheduling Absence:

Registered voters/employees who need time off to vote must make arrangements with his/her manager.

Victims of Crime:

GCHP will grant unpaid time off to employees who have been victims of domestic violence, sexual assault or stalking. A victim of domestic violence, sexual assault or stalking may take time off to seek relief in court to help ensure his or her health, safety, or welfare, or the health, safety, or welfare of his or her child. Victims of domestic violence, sexual assault or stalking also may take time off to (a) undergo treatment for physical or mental injuries or abuse, (b) seek medical attention for injuries, (c) obtain services from a domestic violence shelter, program, or sexual assault crisis center, (d) obtain psychological counseling, (e) participate in safety planning, or (f) take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation. Employees may use their accrued vacation and sick benefits to cover any time off for this purpose, if applicable under the circumstances.

GCHP also will grant employees unpaid time off under this policy to participate in judicial proceedings where the employee or an immediate family member, a registered domestic partner, or the child of a registered domestic partner has been a victim of a serious crime. For purposes of this policy, an "immediate family member" means a spouse, child, stepchild, sibling, stepsibling, parent, or stepparent. As specified by California law, a victim of a serious crime is a person who is a victim of a violent felony, a serious felony, or a felony involving theft or embezzlement. Employees may use their accrued vacation and sick benefits to cover any time off, if applicable under the circumstances.

To be eligible for leave under this policy, employees must provide advance notice of their intent to take time off unless advance notice is not feasible. GCHP may request that the employee provide supporting documentation such as a police report, a restraining order, or medical documentation.

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GCHP will provide reasonable accommodations for an employee who is a victim of domestic violence, sexual assault, or stalking who requests an accommodation for the safety of the victim while at work. Reasonable accommodations may include the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, changed work station, installed lock, assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking, or referral to a victim assistance organization. GCHP will engage in a timely, good faith interactive process with the employee to determine effective reasonable accommodations. Reasonable accommodations do not include any action that would constitute an undue hardship on the organization's business operation. Employees seeking such accommodations should contact Human Resources.

GCHP will maintain the confidentiality of any employee requesting time off or other accommodation under this policy to the extent required by law.

Volunteer Firefighters, Reserve Peace Officers, and Emergency Rescue Personnel:

If an employee is a volunteer firefighter, reserve peace officer or emergency rescue personnel, the employee should advise Human Resources *[or other designee]* so that GCHP is aware that the employee may need time off for emergency duty or training. If the employee needs to take time off for emergency duty, if possible, the employee should alert the Human Resources *or other designee]* before departing for duty. Written verification of participation in a volunteer firefighter, reserve peace officer or emergency rescue program and the need for the time off may be required.

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SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-19
POLICY: FMLA, CFRA, PDL	EFFECTIVE: 12/01/2015

PURPOSE:

To establish the guidelines, policies and procedures of Gold Coast Health Plan (GCHP) governing leaves of absences pertaining to family, medical and pregnancy disability leave.

POLICY:

Leaves of absence are to be available to all eligible employees on a non-discriminator basis and in compliance with all applicable state and federal laws. Leaves of absence will be considered in cases of medical disabilities, pregnancy disability (and pregnancy-related conditions), and in cases of personal emergency, military duty, jury duty witness duty, bereavement, as well as other time off from work regulated by law. Unless specifically proved otherwise, all leaves of absence are unpaid. See also Leaves of Absence Policy 2-19.

SCOPE:

This policy applies to all eligible employees of GCHP. Unless the laws require a departure from the policies set forth below, they will be administered as written below unless and until they are amended by GCGHP.

GENERAL:

Employees with more than 12 months of service, who have worked at least 1,250 hours during the previous 12-month period before the need for leave, and who are employed at a work site where there are 50 or more employees within a 75 mile radius, are eligible for a leave of absence under FMLA and CFRA for a maximum of 12 workweeks of unpaid family/medical leave within a 12-month period.

Leave may be taken for one or more of the following reasons:

- The birth of the employee’s child, or placement of a child with the employee for adoption or foster care (FMLA/CFRA);
- For incapacity due to pregnancy, prenatal medical care or child birth (FMLA only);
- To care for the employee’s spouse, child, or parent who has a serious health condition (FMLA/CFRA);
- To care for the employee’s registered domestic partner (CFRA only);
- For a serious health condition that makes the employee unable to perform his or her job (FMLA/CFRA);
- For military leave entitlements

Military Family Leave Entitlements

Eligible employees whose spouse, child or parent is on covered active duty or called to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and leave arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

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Eligible employees may also take a special leave entitlement of up to 26 weeks of leave to care for a covered service member during a single 12-month period. (FMLA/CFRA for 12 weeks if the care provider is eligible for both, followed by 14 weeks of FMLA only, or 26 weeks of FMLA only if the leave is not CFRA covered leave). A covered service member is either a current member of the Armed forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperating, or therapy for a serious injury or illness.

Calculating the 12-month Period

For purposes of calculating the 12-month period during which 12 weeks of FMLA/CFRA or qualifying exigency leaves may be taken, GCHP uses a rolling year. Under most circumstances, leave under federal and state law will run at the same time and the eligible employee will be entitled to a total of 12 weeks of family and medical leave in the designated 12-month period. For leave to care for a covered service member, the 12-month period begins on the first day of the leave, regardless of how the 12-month period is calculated for other leaves. Leave to care for a covered service member is for a maximum of 26 workweeks during a 120-month period.

Pregnancy, Childbirth or Related Conditions

Leave because of the employee's own disability for pregnancy, childbirth or related medical condition is not counted as time used under CFRA. However, time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under FMLA. Employees who take time off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the pregnant employee is no longer disabled, or once the employee has exhausted Pregnancy Disability Leave (PDL) and has given birth she may apply for leave under CFRA, for purposes of baby bonding.

Any leave taken for the birth, adoption, or foster care placement of a child does not have to be taken in one continuous period of time. CFRA leave taken for the birth or placement of a child will be granted in minimum amounts of two weeks. However, GCHP will grant a request for a CFRA leave (for birth/placement of a child) of less than two weeks' duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

Leave Procedures

Please contact the Human Resources Director as soon as you realize the need for family/medical leave. If the leave is based on the expected birth, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, the employee must notify the Plan at least 30 days before leave is to begin.

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The employee must consult with his or her supervisor regarding scheduling of any planned medical treatment or supervision in order to minimize disruption to Plan operations. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employee's child, parent, or spouse. If the employee cannot provide 30 days' notice, the Plan must be informed as soon as is practical.

If the Family and Medical Leave Act/California Family Rights Act request is made because of the employee's own serious health condition, GCHP may require, at its expense, a second opinion from a health care provider that the Plan chooses. The health care provider designated to give a second opinion will not be one who is employed on a regular basis by the Plan.

If the second opinion differs from the first opinion, GCHP may require, at its expense, the employee to obtain the opinion of a third health care provider designated or approved jointly by the employer and the employee. The opinion of the third health care provider shall be considered final and binding on GCHP and the employee.

Certification

GCHP requires the employee to provide certification within 15 days of any request for family and medical leave under state and federal law, unless it is not practicable to do so. GCHP may require recertification from the health care provider if additional leave is required. If the employee does not provide medical certification in a timely manner to substantiate the need for family and medical leave, the Plan may delay approval of the leave, or continuation thereof, until certification is received. If certification is never received, the leave may not be considered family and medical leave.

If the leave is needed to care for a sick child, spouse, or parent, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition;
- Estimated amount of time for care by the health care provider; and
- Confirmation that the serious health condition warrants the participation of the employee.

When both parents are employed by GCHP, and request simultaneous leave for the birth or placement for adoption or foster care of a child, the Plan will not grant more than a total of 12 workweeks of family/medical leave for this reason.

If an employee cites his/her own serious health condition as a reason for leave, the employee must provide a certification from the health care provider stating:

- Date of commencement of the serious health condition;
- Probable duration of the condition; and
- Inability of the employee to work at all or perform any one or more of the essential functions of his/her position because of the serious health condition.

GCHP will require certification by the employee's health care provider that the employee is fit to return to his or her job. Failure to provide certification by the health care provider of the employee's fitness to return to work will result in denial of reinstatement for the employee until the certificate is obtained.

A leave taken due to a "qualifying exigency" related to military service must be supported by a certification of its necessity. A leave taken due to the need to care for a service member shall be supported by a certification by the service member's health care provider or other certification allowed by law. Special certification requirements apply to leaves related to military service.

Health and Benefit Plans

An employee taking family medical leave will be allowed to continue participating in any health and welfare benefit plans in which he/she was enrolled before the first day of the leave (for a maximum of 12 workweeks) at the level and under the conditions of coverage as if the employee had continued in active employment for the duration of such leave. GCHP will continue to make the same premium contribution as if the employee had continued working, and the employee is expected to continue his or her share of benefits. The continued participation in health benefits begins on the date leave first begins under Family and Medical Leave Act (for pregnancy disability leaves) or under the Family and Medical Leave Act/California Family Rights Act (for all other family care and medical leaves).

Employees on family/medical leave who are not eligible for continued paid coverage may continue their group health insurance coverage through GCHP in conjunction with the federal COBRA guidelines by making monthly payments to GCHP for the amount of the applicable premium. Payment is to be made to GCHP on the 1st day of each month. Accrued paid time off is required to be used for any family/medical leave qualifying event, except leave that is also pregnancy disability leave.

Reinstatement after a Leave of Absence

Under most circumstances, upon return from family/medical leave, an employee will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he or she not gone on leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement. In addition, an employee's use of family/medical leave will not result in the loss of any employment benefit that the employee earned before using family/medical leave.

Reinstatement after family/medical leave may be denied to certain salaried "key" employees under the following conditions:

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- An employee requesting reinstatement was among the highest-paid 10 percent of salaried employees employed within 75 miles of the work site at which the employee worked at the time of the leave request;
- The refusal to reinstate is necessary because reinstatement would cause substantial and grievous economic injury to the Plan 's operations;
- The employee is notified of the Plan 's intent to refuse reinstatement at the time the Plan determines the refusal is necessary; and
- If leave has already begun, the Plan gives the employee a reasonable opportunity to return to work following the notice described previously.

Paid Time Off Accrual

Employees on Family and Medical Leave Act/California Family Rights Act leave will continue to accrue paid time off only while using some form of accrued paid time off (e.g. vacation or sick leave). During any type of unpaid leave (including Family and Medical Leave Act/California Family Rights Act leave), employees will not continue to accrue paid time off.

Carryover

Leave granted under any of the reasons provided by state and federal law will be counted as family/medical leave and will be considered as part of the 12-workweek entitlement (26-workweek entitlement if leave is to care for a service member) in a rolling 12-month period. No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

Intermittent Leave

Employees may take Family and Medical Leave Act/California Family Rights Act leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee's child, parent, or spouse, or of the employee, and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is 0.25 hours. If an employee is taking FMLA/CFRA leave to bond with a new child, leave can be taken in two-week increments – except that leave of less than two (2) weeks duration can be taken on no more than two (2) occasions.

Pregnancy Disability Leave (PDL)

Eligibility for Leave

The Plan provides pregnancy disability leaves of absence without pay to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions. Time off needed for prenatal care or post-natal care, severe morning sickness, doctor-ordered bed rest, childbirth, loss or end of pregnancy, and recovery from childbirth would all be covered by a pregnancy disability leave (PDL).

Procedures for Requesting Leave

Employees should make requests for pregnancy disability leave to the Human Resources Director at least thirty (30) days in advance of foreseeable events and as soon as possible for

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unforeseeable events. A health care provider's statement must be submitted verifying the need for pregnancy disability leave and stating:

1. The date on which the employee became disabled due to pregnancy, childbirth or related medical condition or the date on which the need for a transfer became medically advisable;
2. The probable duration of the period or periods of disability or the need for transfer; and
3. A statement that, due to the disability, the employee is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons, or that the transfer is medically advisable.

Re-certification may be required if the employee requests an extension beyond the original certification.

Any changes in this information contained in the health care provider's statement should be promptly reported to Human Resources.

Length of Leave

Employees are normally granted unpaid leave for the period of the disability, up to a maximum of 17 1/3 weeks. The pregnancy disability leave does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. In other words, leave may be taken intermittently or on a reduced work schedule when determined medically advisable by the employee's health care provider. The smallest increment of time that can be used for such leave is 0.25 of an hour. The Plan may transfer the employee to an alternative position or alter the existing job to accommodate intermittent leave or a reduced work schedule. The employee will receive the same pay and benefits in the alternative position.

Pay and Benefits During Leave

An employee taking pregnancy leave may substitute any available paid time off (e.g. vacation or sick leave) before continuing on an unpaid basis. Any substituted paid leave will be counted toward the 17 1/3 week entitlement. Employees on unpaid leave will not continue to accrue paid leave time and will not be paid for holidays during the leave.

In general, employees taking pregnancy disability leave will be treated the same as other similarly situated employees taking disability leave. Employees returning from a pregnancy disability leave shall return with no less seniority than they had when the leave commenced for purposes of layoff, recall, promotion, job assignment, and seniority-related benefits. Employees shall retain employee status during the period of leave, and the leave shall not constitute a break in service for purposes of longevity and/or seniority.

The Plan will maintain and pay for coverage of employee benefits under the same conditions that coverage would have been provided if the employee would have been employed continuously for the duration of the leave (for a period of up to 4 months, unless coverage

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would be continued for other employees on disability leave for a greater period of time). Continuation of benefits is in addition to time that the Plan would be required to maintain benefits under CFRA. The Plan may recover the employee premium paid under certain circumstances if the employee fails to return to duty after the end of her pregnancy disability leave.

Concurrent Leaves

Since pregnancy and related medical conditions can also qualify as “serious health conditions” under FMLA, pregnancy disability leave and FMLA leave run concurrently. However, the right to take a pregnancy disability leave is separate and distinct from the right to take CFRA leave. Leave taken by an employee disabled by pregnancy, childbirth or related medical conditions is not family leave under the CFRA, even though it may qualify as FMLA leave. Accordingly, although the Plan requires that pregnancy disability and FMLA leave run concurrently, CFRA leave can never run concurrently with a pregnancy disability leave. This means that, at the end of the employee's period(s) of pregnancy disability and/or pregnancy disability/FMLA leave, whichever occurs first, a CFRA eligible employee may take up to 12 workweeks of CFRA leave for baby bonding due to the birth of her child or for other family leave purposes.

Where an employee has exhausted her entitlement to pregnancy disability/FMLA leave prior to the birth of her child, and her health care provider certifies that continued leave is medically necessary, the Plan may, but is not required to, allow the employee to utilize CFRA leave prior to the birth of her child.

Requests for Reasonable Accommodation

An employee may request a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she provides the Plan with medical certification from her health care provider. In addition to other possible forms of reasonable accommodation, a pregnant employee may transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated. Where transfers are made based on the employee's health needs, the employee will receive the pay that accompanies the alternative position. Such reasonable accommodation will not involve the Plan creating additional employment that would otherwise not be created, discharging other employees, transferring another employee with more seniority, violating a collective bargaining agreement, or promoting any employee (including the pregnant employee) to a position for which the employee is not qualified.

Return to Work

So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide the Human Resources Director with at least two weeks' advance notice of the date she intends to return to work.

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When a pregnancy disability leave ends, an employee will be reinstated to her original position or to a comparable position with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if an employee on pregnancy leave would have been laid off had she not gone on leave, or if the employee's position has been eliminated during the leave and there is no comparable position available, then the employee would not be entitled to reinstatement. An employee's use of pregnancy leave will not result in the loss of any employment benefit that the employee earned or was entitled to before the leave.

Employees returning from pregnancy disability leave must submit a health care provider's verification of their fitness to return to work.

If an employee fails to report to work promptly at the end of the pregnancy disability leave, the Plan will assume that the employee has resigned.

SUBJECT: EMPLOYEE PROCESSES	POLICY:# 2-20
POLICY: ACCOMMODATIONS FOR EMPLOYEES WITH DISABILITIES	EFFECTIVE: 12/01/2015

PURPOSE:

To ensure that GCHP provides a consistent method of reviewing possible accommodations for employees with disabilities.

POLICY:

It is the policy of GCHP to provide reasonable accommodations for any qualified employees with disabilities that prevent them from performing the essential functions of their jobs.

SCOPE:

This policy is in effect to ensure reasonable accommodations are made where required by law.

GENERAL:

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, GCHP will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Any employee who requires an accommodation in order to perform the essential functions of the job should contact his or her Director or the Human Resources Director and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Plan will engage in an interactive process with the individual to identify the barriers that interfere with the equal opportunity of the applicant or employee to perform his or her job. The Plan will identify possible effective accommodations, if any, that will help eliminate the limitation. The Plan will also consider any requests for accommodations made by the individual. If the accommodation is reasonable and will not impose an undue hardship, the Plan will make the accommodation. GCHP retains the discretion to make the ultimate decision as to what, if any, accommodation to provide.

SUBJECT: HEALTH AND SAFETY	POLICY:# 3-1
POLICY: DRUG AND ALCOHOL ABUSE POLICY:	EFFECTIVE: 12/01/2015

PURPOSE:

The purpose of this policy is to support a drug-free environment in the workplace. GCHP is committed to providing a safe environment for all employees and members. To that end, GCHP requires pre-employment and “For Reasonable Cause” drug testing.

POLICY:

In compliance with the Drug-Free Workplace Act of 1988, GCHP has a longstanding commitment to provide a safe, quality-oriented and productive work environment consistent with the standards of the community in which the Plan operates. Alcohol and drug abuse poses a threat to the health and safety of GCHP employees and to the security of the Plan’s equipment and facilities. For these reasons, GCHP is committed to the elimination of drug and alcohol use and abuse in the workplace.

SCOPE:

This policy outlines the practice and procedure designed to correct instances of identified alcohol and drug use in the workplace.

This policy applies to all employees and all applicants for employment of GCHP. The Human Resource (HR) department is responsible for policy administration.

GENERAL:

Substance Abuse Awareness

Illegal drug use and alcohol misuse have many serious adverse health and safety consequences. Information about those consequences and sources of help for drug or alcohol problems is available from the HR department, which has been trained to make referrals and to assist employees with drug or alcohol problems through the Employee Assistance Program (EAP).

Employee Assistance

GCHP will assist and support employees who voluntarily seek help for such problems before becoming subject to discipline or termination under this GCHP policy. Such employees will be allowed to use accrued paid time off, placed on leaves of absence, referred to treatment providers and otherwise accommodated as required by law. Such employees may be required to document that they are successfully following prescribed treatment and to take and pass follow-up tests if they hold jobs that are safety-sensitive or require driving, or if they have violated this policy previously. Once a drug test has been scheduled, unless otherwise required by applicable law, the employee will have forfeited the opportunity to be granted a leave of absence for treatment, and possible discipline, up to and including discharge will be unavoidable.

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Employees should report to work fit for duty and free of any adverse effects of illegal drugs or alcohol. This policy does not prohibit employees from the lawful use and possession of prescribed medications. Employees must, however, consult with their doctors about the medications' effect on their fitness for duty and ability to work safely, and they must promptly disclose any work restrictions to their supervisor. Employees should not, however, disclose to GCHP underlying medical conditions.

Work Rules

Whenever employees are working, are operating a GCHP vehicle, are present on GCHP premises or are conducting Plan-related work offsite, they are prohibited from:

- a. Using, possessing, buying, selling, manufacturing or dispensing an illegal drug (to include possession of drug paraphernalia).
- b. Being under the influence of alcohol or an illegal drug as defined in this policy.
- c. Possessing or consuming alcohol.
- d. The presence of any detectable amount of any illegal drug or illegal controlled substance in an employee's body system, while performing Plan business or while in a Plan facility, is prohibited.
- e. GCHP will also not allow employees to perform their duties while taking prescribed drugs that are adversely affecting their ability to safely and effectively perform their job duties. Employees taking a prescribed medication must carry it in the container labeled by a licensed pharmacist or be prepared to produce it if asked.
- f. Any illegal drugs or drug paraphernalia will be turned over to an appropriate law enforcement agency and may result in criminal prosecution.

Required Testing

Pre-employment:

Some applicants must pass a drug test after receiving a conditional offer of employment and before beginning work. Refusal to submit to such testing will result in the rescission of the employment offer.

Positions considered "Safety Sensitive" either due to the nature of their role as someone who must operate heavy equipment during work hours, or a position requiring clinical or medical licensure and thereby in direct contact with members, or in the position of providing medical advice, will be subject to drug-testing, prior to hire as well as for probable cause, after employment.

"Safety Sensitive" Positions include, but may not be limited to, Facilities, RN's and Community Outreach.

Reasonable suspicion

Employees are subject to reasonable suspicion testing based on (but not limited to) observations by the supervision of apparent workplace drug or alcohol use, possession or impairment. HR, the supervisor or the executive department head should be consulted before sending an employee for testing. All levels of supervision making this decision must use the

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Observation Checklist to document specific observations and behaviors that create a reasonable suspicion that the person is under the influence of illegal drugs or alcohol. If the results of the Observation Checklist indicate further action is justified, the manager or supervisor should confront the employee with the documentation with another member of management. *Under no circumstances will the employee be allowed to drive himself or herself to the testing facility. A member of supervision/management must escort the employee; the supervisor/manager will make arrangements for the employee to be transported home.*

Post-accident:

Employees are subject to testing when they cause or contribute to accidents that seriously damage a GCHP vehicle, machinery, equipment or property or result in an injury to themselves or another employee requiring offsite medical attention and there is reasonable suspicion the employee was impaired by drugs or alcohol at the time of the accident. In these instances, the investigation and subsequent testing must take place within two hours following the accident, if not sooner. *Under no circumstances will the employee be allowed to drive himself or herself to the testing facility.*

Follow-up:

Employees who have tested positive, or otherwise violated this policy, are subject to discipline, up to and including discharge. Depending on the circumstances and the employee's work history/record, GCHP may offer an employee who violates this policy or tests positive the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms. If the employee either does not complete the rehabilitation program or tests positive after completing the rehabilitation program, the employee will be subject to immediate discharge from employment.

Collection and Testing Procedures:

Employees subject to alcohol testing should be driven to a GCHP-designated facility and directed to provide breath specimens. Breath specimens will be tested by trained technicians using federally approved breath alcohol testing devices capable of producing printed results that identify the employee. If an employee's breath alcohol concentration is .04 or more, a second breath specimen should be tested approximately 20 minutes later. The results of the second test should be determinative. Alcohol tests may, however, be a breath, blood or saliva test, at the Plan's discretion. For purposes of this policy, test results generated by law enforcement or medical providers may be considered by the Plan as work rule violations.

Applicants and employees subject to drug testing should be driven to a GCHP-designated medical facility and directed to provide urine specimens. Applicants and employees will provide specimens in private. If there is reasonable suspicion that the applicant or employee is submitting altered, adulterated or substitute specimens, another form of testing will be used. Collected specimens will be split into two specimens, one for immediate testing, and one to be preserved for subsequent testing, if necessary. Collected specimens will be sent to a federally certified laboratory and tested for evidence of marijuana, cocaine, opiates, amphetamines, PCP, benzodiazepines, methadone, methaqualone and propoxyphene use. (Where indicated,

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specimens may be tested for other illegal drugs.) The laboratory should screen all specimens applying industry standard testing procedures and protocols and confirm all positive screens. There must be a chain of custody from the time specimens are collected through testing and storage.

The laboratory will transmit all positive drug test results to a medical review officer (MRO) retained by GCHP, who will offer persons with positive results a reasonable opportunity to rebut or explain the results. Individuals with positive test results may also ask the MRO to have their split specimen sent to another federally certified laboratory to be tested at the applicant's or employee's own expense. Such requests must be made within 72 hours of notice of test results. If the second facility fails to find any evidence of drug use in the split specimen, the employee or applicant will be treated as passing the test. In no event should a positive test result be communicated to GCHP until such time that the MRO has confirmed the test to be positive.

Consequences:

Applicants who refuse to cooperate in a drug test or who test positive will not be hired and will not be allowed to reapply/retest in the future.

Employees who refuse to cooperate in required tests or who use, possess, buy, sell, manufacture or dispense an illegal drug in violation of this policy will be subject to discipline, up to and including termination. *If the employee refuses to be tested, yet the Plan believes he or she is impaired, under no circumstances will the employee be allowed to drive himself or herself home.*

Employees will be paid for time spent in alcohol or drug testing and then suspended pending the results of the drug or alcohol test. After the results of the test are received, a date and time will be scheduled to discuss the results of the test; this meeting will include a member of management/supervision, and HR. Should the results prove to be negative, the employee will receive back pay for the times/days of suspension.

Confidentiality:

Information and records relating to positive test results, drug and alcohol dependencies, and legitimate medical explanations provided to the MRO should be kept confidential to the extent required by law and maintained in secure files separate from normal personnel files. Such records and information may be disclosed among managers and supervisors on a need-to-know basis only and may also be disclosed when relevant to a grievance, charge, claim or other legal proceeding initiated by or on behalf of an employee or applicant.

Inspections:

In accordance with applicable law, GCHP reserves the right to inspect all portions of its premises for drugs, alcohol or other contraband. All employees and visitors may be asked to cooperate in inspections of their persons, work areas and property that might conceal a drug,

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alcohol or other contraband. Employees who possess such contraband or refuse to cooperate in such inspections are subject to appropriate discipline, up to and including termination.

Crimes Involving Drugs:

GCHP prohibits all employees, including employees performing work under government contracts, from manufacturing, distributing, dispensing, possessing or using an illegal drug in or on Plan premises or while conducting Plan business. GCHP employees are also prohibited from misusing legally prescribed or over-the-counter (OTC) drugs. Law enforcement personnel should be notified, as appropriate, when criminal activity is suspected.

GCHP does not desire to intrude into the private lives of its employees, but recognizes that employees' off-the-job involvement with drugs and alcohol may have an impact on the workplace. Therefore, GCHP reserves the right to take appropriate disciplinary action for drug use, sale or distribution while off Plan premises. All employees who are convicted of, plead guilty to or are sentenced for a crime involving an illegal drug are required to report the conviction, plea or sentence to HR within five days. Failure to comply will result in automatic discharge. Cooperation in complying may result in suspension without pay to allow management to review the nature of the charges and the employee's past record with GCHP.

Definitions:

"Plan premises" includes all buildings, offices, facilities, grounds, parking lots, lockers, places and vehicles owned, leased or managed by GCHP or on any site on which the Plan is conducting business.

"Illegal drug" means a substance whose use or possession is controlled by federal law but that is not being used or possessed under the supervision of a licensed health care professional. (Controlled substances are listed in Schedules I-V of 21 C.F.R. Part 1308.)

"Refuse to cooperate" means to obstruct the collection or testing process; to submit an altered, adulterated or substitute sample; to fail to show up for a scheduled test; to refuse to complete the requested drug testing forms; or to fail to promptly provide specimen(s) for testing when directed to do so, without a valid medical basis for the failure. Employees who leave the scene of an accident without justifiable explanation prior to submission to drug and alcohol testing will also be considered to have refused to cooperate and will automatically be subject to discharge.

"Under the influence of alcohol" means an alcohol concentration equal to or greater than .04.

"Under the influence of drugs" means a confirmed positive test result for illegal drug use per this policy. In addition, it means the misuse of legal drugs (prescription and possibly OTC) when there is not a valid prescription from a physician for the lawful use of a drug in the course of medical treatment (containers must include the patient's name, the name of the substance, quantity/amount to be taken and the period of authorization).

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Reasonable Suspicion and Post-Accident Testing Protocol:

- a. The employee will be advised when GCHP believes that there is reasonable suspicion that he or she is affected by illegal drugs or alcohol and that this test is being offered to confirm or deny this suspicion.
- b. The employee will be transported to any one of the Plan's contracted testing facilities (e.g., health services, prompt care or the emergency department). One member of management or a designated attendant will accompany the employee. *Under no circumstances will the employee be allowed to drive himself or herself to the testing facility.*
- c. Prior to leaving for the testing facility, supervision/management will contact the testing facility to inform it that a staff member from GCHP will be arriving and will need a drug or alcohol test completed.
- d. The employee to be tested must present a photo ID (i.e., a driver's license or state ID card) to the testing facility staff before the specimen can be obtained. Ensure that the employee brings the photo ID with him or her when leaving GCHP premises. Prior to transport to the testing facility, the employee should be given reasonable time—not to exceed 15 minutes—to secure photo ID in the Plan of a GCHP representative.
- e. The employee to be tested must sign a consent form provided by the testing facility. Refusal to sign is addressed under the "Consequences" section of this document.
- f. A GCHP representative must sign as a witness to the collection procedure, along with the tested employee.
- g. After returning to the Plan or when leaving the testing facility, the supervisor/manager must make arrangements to transport the person home (unless testing results are immediate). Under no circumstances will the tested employee be allowed to drive himself or herself home.

Enforcement:

The HR department is responsible for policy interpretation, administration and enforcement.

SUBJECT: HEALTH & SAFETY	POLICY:# 3-2
POLICY: SMOKING POLICY:	EFFECTIVE: 12/01/2015

PURPOSE:

To ensure that GCHP provides a smoke-free environment for its employees, members, vendors, and visitors. This policy relates to all work areas at all times, including before and after normal working hours.

POLICY:

GCHP is invested in the health and well-being of its employees, visitors and members. In order to provide the cleanest possible environment, free from smoke or like unhealthy inhaling, GCHP prohibits smoking inside Plan premises. Employees, visitors and members are permitted to smoke in “Smoking Designated” areas, outside and away from the facility.”

SCOPE:

This policy applies to all employees, members, vendors, and visitors.

GUIDELINES

The use of tobacco products including but not limited to cigarettes, cigars, pipes, and smokeless tobacco is prohibited inside any of the organization’s locations. The use of tobacco products will be allowed in Plan-designated areas outside any facility.

In the event odors of an unpleasant nature are detected on the employee, or their clothing, employees may be asked to leave the premises and return as quickly as possible with a clean change of clothing.

Employees will be asked to clock out during their time away from work.

Outside of paid rest breaks, non-exempt employees will NOT receive financial compensation for their time away from work using the smoking areas.

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SUBJECT: HEALTH & SAFETY	POLICY:# 3-3
POLICY: WORKPLACE VIOLENCE	EFFECTIVE: 12/01/2015

PURPOSE:

This policy will provide direction and clarification for action to be taken in the event anyone in contact with GCHP employees displays potential for violent actions, or abusive behavior.

POLICY:

In order to ensure a violence-free environment for all employees, members, physicians and visitors to GCHP facilities, GCHP has established a policy to heighten awareness, establish guidelines and maximize Plan security.

SCOPE:

This policy applies to all GCHP employees, members, visitors, physicians or vendors who have occasion to be on GCHP property or employee locations.

GUIDELINES

The safety and security of all employees is of primary importance at GCHP. Threats, stalking, threatening and abusive behavior, or acts of violence against employees, visitors, customers [members], and/or Plan facilities or property by anyone on Plan property, on a Plan-controlled site, or in connection with Plan employment or Plan business will not be tolerated (even those made in jest). Violations of this policy will lead to corrective action up to and including termination and/or referral to appropriate law enforcement agencies for arrest and prosecution. GCHP reserves the right to take any necessary legal action to protect its employees.

Any person who makes threats, stalks, exhibits threatening behavior, or engages in violent acts on Plan premises, on a Plan-controlled site, or in connection with Plan employment or Plan business shall be removed from the premises as quickly as safety permits and shall remain off Plan premises pending the outcome of an investigation. Following investigation, the organization will initiate an immediate and appropriate response. This response may include but is not limited to suspension and/or termination of any business relationship, reassignment of job duties, suspension or termination of employment, and/or civil or criminal prosecution of the person or persons involved.

All employees are responsible for notifying management of any threats that they witness or receive or that they are told another person witnessed or received. Even without a specific threat, all employees should report any behavior they have witnessed that they regard as potentially threatening or violent or that could endanger the health or safety of a team member when the behavior has been carried out on Plan premises, on a Plan-controlled site, or is connected to Plan employment or Plan business. Employees are responsible for making this report regardless of the relationship between the individual who initiated the threatening behavior and the person or persons being threatened. The organization understands the

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sensitivity of the information requested and has developed confidentiality procedures that recognize and respect the privacy of the reporting employee.

Possession of Inappropriate Items:

Employees shall not possess the following instruments at a worksite or on GCHP property, including parking lots, unless employed in an official capacity with full-permit which requires the use of such equipment (e.g. Security Guard)

Firearms:

Any type of firearms.

Explosives:

Any type of explosives or ammunition.

Fixed Knives:

Fixed blade knives.

Folding Knives:

Folding knives with blades over 3.5 inches.

Weapons:

Illegal weapons such as defined in Section 12020 of the California Penal Code.

Disciplinary Action:

GCHP shall take appropriate disciplinary action, up to and including termination of employment, against an employee violating this policy.

SUBJECT: BUSINESS PRACTICES	POLICY:#4-1
POLICY: ACCEPTING GIFTS	EFFECTIVE: 12/01/2015

PURPOSE:

GCHP believes that all decisions involving Plan activity, policy making, vendor relationships, employee interaction, hiring and termination should be made based upon the Plan Code of Ethics and Code of Conduct. To that end, GCHP requires that all employees refrain from accepting any gifts related to work of greater value than \$49.99, with a cumulative annual amount of no greater than \$460.00.

POLICY:

GCHP requires that all employees who are offered any opportunity to receive a product, travel, computer system, beverage or any such item deemed to be for personal use and not received through the purchasing department for work purposes, greater than \$49.99 in value be declined.

SCOPE:

This policy applies to any employee dealing with outside vendors, and/or the ability to hire and/or terminate employees. All such employees must adhere to the financial guidelines of this policy.

GENERAL:

Employees are discouraged from accepting gifts from any outside vendor, citizen, or organization except for gifts of food that are shared among other employees and that retail for less than \$49.99. Employees shall adhere to the Fair Political Practices Commission (FPPC) rules for accepting and reporting gifts.

Employees who receive such items shall notify the Human Resources Department for review for appropriate action.

SUBJECT: BUSINESS PRACTICES	POLICY:#4-2
POLICY: VEHICLE USE	EFFECTIVE: 12/01/2015

PURPOSE:

GCHP employs individuals who must utilize motorized vehicles and/or automobiles while working for the Plan, either on Plan premises, or in the course of meeting their job responsibilities. To ensure that all employees comply with all state and local driving requirements, OSHA safety standards and Plan insurance coverage GCHP has developed the following policy.

POLICY:

It is the policy of GCHP that maximum safety requirements be met and maintained for any employees who utilize Plan owned motor vehicles and/or employ automobiles on GCHP business as a part of their work-day.

SCOPE:

This policy applies to all employees who use Plan owned automobiles/vehicle or employee owned automobiles/vehicles for Plan purposes.

GENERAL:

Use of GCHP Equipment/Automobile:

An employee shall use no GCHP-owned equipment, automobiles, instruments, supplies, machines, or any other item that is the property of the GCHP for non-work purposes, unless the CEO approves in advance. No employee shall allow any unauthorized person to rent, borrow, or use any GCHP property.

GCHP-owned vehicles are to be used only by employees who have valid driver’s licenses and insurance certificates for travel on work-related business.

Valid California Driver’s License and Certificate of Insurance:

Prior to using a personal vehicle on work-related business, employees must obtain and provide a copy of their California driver’s license and a copy of a Certificate of Insurance on the form provided by GCHP which evidences that the employee has comprehensive automobile liability insurance or business automobile liability insurance in an adequate amount. Should the employee be in their own vehicle when in an accident while performing GCHP business, for claims processing the employee’s own insurance provider is primary and GCHP’s insurance provider is secondary. Any change in an employee’s drivers’ license or insurance status must be reported immediately to Human Resources, and failure to do so is grounds for disciplinary action up to and including termination.

Pull Program Releases:

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

At hire, employees must complete and sign the California Department of Motor Vehicles Pull Program release form. Any employee who has not signed a release shall not be eligible to drive on GCHP business.

Satisfactory Driving Record:

Employees who utilize GCHP-owned vehicles or their own personal vehicle in the performance of their duties must maintain a valid California driver's license at all times, have a satisfactory driving record, and must maintain their automobile insurance. A satisfactory driving record is considered 4 or fewer points in the California system. Employees with more than 4 points on their driving record will undergo an assessment to determine eligibility to continue driving on GCHP business.

Complying with Traffic Regulations and Legal Requirements:

Employees must comply with all traffic regulations, laws, and ordinances while engaged in driving on work-related business. This includes using only hands-free mobile devices when driving, and no communications device may be used while driving to write, send, or read an electronics-based communication. Further, Employees who drive on work-related business shall use and ensure that all passengers use available safety belts in the vehicles being operated. Passengers shall ride only in those positions of a vehicle designed for the carrying of passengers.

Department of Motor Vehicles Pull Program:

GCHP participates in the State of California Department of Motor Vehicles (DMV) Pull Notice Program. Under this program the State sends GCHP driving records of all employees on an ongoing basis. Human Resources reviews the driving records of those employees who drive as part of their condition of employment and will take appropriate action should any of the driving records indicate any of the following: DUI, suspended license, or other serious driving offense (i.e., reckless driving, etc.)

Vehicle Accidents:

When an accident occurs on the job involving one or more vehicles, employees should take the following steps:

Scene:

Secure the scene of the accident.

Move Vehicles:

Move any involved vehicles out of the right of way, if possible.

Emergency Response:

Call 911 for emergency services if someone appears to be injured or asks that 911 be called.

Manager:

Contact your manager immediately, if communication devices are available.

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Driver Information:

Exchange driver information and give the other driver a business card.

Personal Information:

Obtain the names, phone numbers, addresses, and e-mail addresses of any vehicle occupants, or observers of the accident.

Police Report:

Get the number of the police report that will be filed if the police respond to the accident.

Statements:

Do not make any statements concerning the assumption of liability. Give out only the required information.

Pictures:

Take pictures of the damage and all relevant aspects of the accident (the area where accident occurred, objects blocking view, etc.). If a camera is not immediately available, write down all of the relevant information.

Insurance and Legal Requirements:

Follow any insurance and legal requirements, such as immediately notifying your insurance Plan or the State of California's Department of Motor Vehicles.

Failure to comply with this policy may result in disciplinary action, up to and including possible termination.

SUBJECT: BUSINESS PRACTICES	POLICY:# 4-3
POLICY: ELECTRONIC SYSTEMS USE	EFFECTIVE: 07/01/2015

PURPOSE:

GCHP employees are required to use electronic systems as a part of their day-to-day work tools. In order to ensure HIPAA confidentiality as well as GCHP integrity, GCHP has established the following processes and procedures to ensure compliance and confidentiality.

POLICY:

GCHP is a non-profit, state funded organization, providing health-care benefits to individuals who participate in Medicare, Medicaid and Medi-Cal health benefits. In order to ensure complete confidentiality and integrity of information it is a priority that specific standards and levels of confidentiality be maintained. GCHP has implemented the following policies and practices to maintain the degree of security necessary to perform the responsibilities of their function.

SCOPE:

This policy applies to all employees of GCHP.

GENERAL:

Definitions:

Electronic systems are defined as all hardware, software, and other electronic communication or data processing devices owned, leased, or contracted for by GCHP and available for official use, by employees. This use includes, but is not limited to, electronic mail, voice mail, calendaring, and systems such as the internet.

Public Disclosure:

Employees who use electronic systems and/or tools provided by GCHP do not have a right of privacy in such uses. Under the Public Records Act, e-mail messages and information stored in work computers and other electronic systems are public records subject to disclosure to the public, or they can be subpoenaed. In addition, GCHP reserve the right to review, audit, and disclose all matters sent over and/or stored in work systems at any time without advance notice. The Chief Executive Officer or his designee retains the right to enter and/or retrieve an employee's electronic communication system, data files, logs and programs used on GCHP-owned electronic systems. Security features provided by the electronic communication system, such as, passwords, access codes, or delete functions, shall not prevent authorized employees from accessing stored electronic communications. Deletion of e-mail messages or files may not fully eliminate the message from the system.

Serial Meetings:

In accordance with the Brown Act (Gov. Code section 54950 *et seq.*), employees must take care to ensure that electronic systems are not used to transmit, either all-at-once or serially,

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legislative officials' positions on matters of GCHP business to a majority of any body of elected officials.

Use During Normal Business Hours:

GCHP electronic systems are provided for the purposes of conducting business. Except for brief, occasional, necessary or emergency use, the electronic systems shall not be utilized for personal use during normal business hours. Use of non-GCHP software, including games or entertainment software, is considered an improper use of these electronic systems. Employees shall not conduct personal or private business including purchase of goods or services via GCHP's internet connection.

Such uses are prohibited at all times during normal business hours or outside of normal business hours.

Account Access:

Employees shall not attempt to gain access to another employee's personal file of electronic mail messages without the latter's express written permission or permission from the manager.

Prohibited Use:

The electronic mail and other electronic systems shall not be used in a way that may be disruptive, offensive to others, harmful to morale, violate GCHP's policies and procedures, or violate laws. These electronic systems shall not be used to solicit or proselytize others for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations. Improper use includes any display or messages that are derogatory, defamatory, obscene, violent, or offensive to employees or the public and/or any messages that are of a sexual or discriminatory nature, including, but not limited to, slurs, offensive jokes, or other offensive language of disparagement of others based on their protected status, including, but not limited to race, national origin, sex, sexual orientation, age, disability, or religious beliefs.

Policy Compliance:

Employees are required to comply with all operational guidelines developed by GCHP. Such guidelines will address operational standards such as: message retention, schedule, copyright issues, use of passwords, system availability, back-up procedures, etc.

Incidental Use:

Incidental and occasional personal use of electronic mail is permitted within GCHP, but the messages will be treated no differently from other messages and will remain the property of GCHP as to review and auditing procedures. All personal use shall be done outside of normal working hours.

Personal Messages:

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

Employees who use GCHP's electronic mail system to send or receive personal or private messages must remove such messages from the system no later than 30 days after receiving or sending. Employees have no right of privacy to any email, whether personal or business related, in GCHP's computers.

Internet Use:

Occasional personal access to the internet may be permitted. Such personal use shall only be permitted if it does not interfere with or delay the employee's work or interfere with regular GCHP business and shall comply with all provisions herein. All use of the internet may be periodically reviewed by the Plan.

Other Prohibited Uses:

In addition to other prohibited uses, employees shall not:

- *Install:* Install programs on computer system (including but not limited to virus checking and screen savers) without the prior written consent of information technology staff.

Copy: Copy programs for personal use.

- *Disclose:* Disclose an account password or otherwise make the account available to others.
- *Infringe:* Infringe on others' access and use of computers, including but not limited to:
 - *Excessive Messages:* Send excessive messages, either locally or offsite.
 - *Unauthorized System Modification:* Unauthorized modification of system facilities, operating systems, or disk partitions.
 - *Crashing the Network:* Attempt to crash or tie up a computer or network.
 - *Damaging:* Damage or vandalize computing facilities, equipment, software, or computer files.

Intentionally Developing or Using Bad Programs:

Use of programs that disrupt other computer users, intentionally developing bad programs, access private or restricted portions of the system, and/or damage system software or hardware components, is prohibited.

Installing:

Install or use a modem on GCHP-owned or leased computers without the prior written consent of the information technology staff is prohibited.

Attorney-members Privileged Communication:

Forwarding or reproducing communications marked attorney-members privileged or confidential without the prior consent of the Chief Executive Officer and/or GCHP Attorney is prohibited.

Federal or State Laws:

Violating any federal, state, or local law in the use of GCHP information systems is prohibited.

Public Records:

All permanent business records, including those stored on paper and electronic media, may be governed by the mandatory public disclosure requirements of the Public Records Act (Government Code section 6250 *et seq.*), and the limited exceptions thereto. If a draft record is retained, it may become a public record subject to disclosure unless it is subject to an exception under the Public Records Act.

Permanent Records:

All permanent records, whether stored on paper or electronic media, shall not be destroyed unless prior written authorization is obtained and only in compliance with GCHP's document retention policy.

Public Records Requests:

Public Records requests shall be handled in accordance with Government Code section 6250 *et seq.*

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Media Disclosure:

GCHP reserves the right for any reason to access and disclose all messages and other information sent or received by electronic means or stored on electronic media via GCHP equipment.

Plan Rights:

GCHP has the right to delete or retain any or all messages or other information sent or received by electronic means or stored on electronic media via GCHP equipment by an employee who is no longer employed by GCHP.

Intellectual Property Rights:

No employee shall violate any copyright, software license, or other online information (including, but not limited to, text images, icons, programs, etc.) whether created by GCHP or any other person or entity.

Failure to comply with the guidelines of this policy may result in disciplinary action, up to and including termination.

SUBJECT: BUSINESS PRACTICES	POLICY:# 4-4
POLICY: CONFIDENTIALITY	EFFECTIVE: 07/01/2015

PURPOSE:

GCHP’s driving purpose is to provide effective and reliable health care to eligible citizens of the State of California. To ensure that all participants of GCHP receive high quality care in a confidential manner and all employees’ personal PII information is maintained in a confidential manner, GCHP is committed to ensuring absolute protection of confidential information.

POLICY:

The public and other parties with whom we do business entrust the GCHP with important information relating to their businesses and persons. It is GCHP’s policy to follow state and federal regulations in that all information considered confidential will not be disclosed to external parties or to employees without a “need to know.” If there is a question of whether certain information is considered confidential, the employee should first check with his/her immediate supervisor. This policy is intended to alert employees to the need for discretion at all times and is not intended to inhibit normal business communications.

SCOPE:

This policy applies to all employees of GCHP.

GENERAL:

Protecting Information:

Employees have access to a variety of sensitive and confidential information by virtue of their job assignment. Employees must comply with any measures and policies that GCHP institutes regarding confidential information and privacy, including those required by applicable laws. Employees must also protect that information from disclosure to anyone, except where that disclosure is required by their jobs. When GCHP makes it possible to access or use confidential information from a remote location, employees shall follow the policies and procedures for doing so, and shall not store such information at the remote location. Writing about confidential information for non-work-related business in e-mails, on websites, on social networking sites, in chat rooms, or in blogs is expressly prohibited, as well as verbally communicating such information in person, over the phone, or in any other manner. Additionally GCHP logos may not be used in any of these forums.

Confidential Information:

Confidential information shall include but may not be limited to any of the following:

- Passwords and access codes
- Individual employment records
- Citizen lists, personal information, or histories
- Financial statements
- Computer programs and object and source codes
- Systems and their documentation

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

- Other non-public business and technical information, whether related to past, present, or future programs and services.

Penalties for Disclosing Confidential Information:

Employees who disclose confidential information are subject to disciplinary action up to and including dismissal from employment.

PURPOSE:

GCHP is a non-profit organization, working in alliance with a volunteer Commission as well as members of the community, county and state officials. The structure of GCHP requires that employees of the organization attend periodic and regularly scheduled public meetings. This policy is designed to outline the responsibilities and potential compensation for attendance at such meetings.

POLICY:

GCHP employees are from time-to-time expected to attend public meetings as a part of their job responsibilities. This policy outlines the expectations and compensation due for those employees who are required to attend as well as those employees who choose to voluntarily participate in public meetings.

SCOPE:

This policy applies to all employees who attend public meetings.

GENERAL:

Only employees who are authorized by their immediate supervisor to attend a public meeting of GCHP shall be allowed to attend on work time and be compensated for such time.

Should a meeting be held after normal working hours, employees may attend and will not receive compensation for those hours unless they are specifically directed by their supervisor that their attendance at such meeting is required.

The policies in this manual are intended for all employees of GCHP. The organization reserves the right to revise, change, or terminate policies or procedures at any time, with or without notice.

SUBJECT: BUSINESS PRACTICES	POLICY:#4-10
POLICY: EMPLOYEE REQUIRED SIGNATURE FORMS	EFFECTIVE: 12/01/2015

PURPOSE:

To provide initial clarity to all employees and specifically new hires when they become employees of GCHP regarding an overview of GCHP policies and procedures as well as the importance and maintenance of confidentiality.

POLICY:

It is the policy of GCHP that all employees will read, understand and sign the acknowledgment documents at their New Hire Orientation.

SCOPE:

Applies to all employees of GCHP.

GENERAL:

Two forms will be presented to New Hire employees. It is expected that all employees will read, acknowledge understanding and sign these forms.

At the time of hire, employees will be counseled on Confidentiality as well as receive an Employee Handbook which provides supporting information and general clarifications regarding the Policies and Procedures contained in this manual.

All Employees will be provided with and required to review and execute the following forms:

- Employee Acknowledgements
- Confidential Information Agreement.



**Gold Coast
Health Plan**SM
A Public Entity



Quality Improvement Committee Report

3rd Quarter 2015

C. Albert Reeves, MD, CMO

www.goldcoasthealthplan.org

Quality Improvement Projects

1. Diabetic Retinal Eye Exam Member Incentive – HEDIS
2. Cervical Cancer Screening – reminder letters – HEDIS
3. Children and Adolescents Access to primary care providers member incentive – HEDIS
4. Postpartum Exam member incentive – HEDIS
5. Medication Management in People on Persistent Medications – HEDIS
6. Focus Groups – CAHPS Satisfaction Improvement

California Performance Improvement Project (PIP) Transition Plan

- DHCS retired the statewide QIP on readmissions
- DHCS will now require each plan to do 2 Performance Improvement Projects (PIP):
 - The first PIP from a list of 4 proscribed topics – the QI Committee decided to select immunizations of 2 year olds
 - The 2nd PIP – to be plan specific but approved by DHCS – to be provided to DHCS by January 2016

Quality Improvement Activities

Facility Site Reviews – Initial and Interim:

GCHP is required to monitor providers for the adequacy of their offices, physical access and medical records.

Initial and Periodic FSRs with PARS Completed during the 3rd Quarter 2015

Initial FSRs with PARS Completed	Periodic FSRs with PARS Completed	FSRs) with CAPS	Number of CAPS Closed	Total Number FSRs and PARS Completed
9	5	0	0	14

Interim FSRs performed during 3rd Quarter 2015

Total Number of I-FSRs	Total Number of I-FSRs Approved	Total Number of Critical Element CAPs Served	Total Number of Critical Element CAPs Completed within 10 days	Total Number of Critical Element CAPs <u>not</u> Completed within 10 days
4	4	0	0	0

Quality Improvement Activities

Initial Health Assessment Monitoring:

Third Quarter 2015 IHA Medical Record Reviews

Number of Initial Facility Site Reviews	Number of Interim Facility Site Reviews	Number of Periodic Facility Site Reviews	Number of IHA MRRs Conducted	Number of Sites with no New Members During Audit Period	Number of Sites with Passing IHA Score Above 80%	Number of Sites with Score Below 80%
1	4	5	7	1	16	0

Quality Improvement Activities


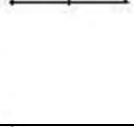



Potential Quality Issues (PQI) Reviews

- 38 cases total to date (2nd Q)
- Cases referred from:
 - Associate Medical Director - 2
 - Health Services – 20
 - Health Education – 0
 - Grievance and Appeals – 9
 - Utilization Management – 5
 - Other - 2



Gold Coast
Health PlanSM
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Quality Improvement Dashboard

Quality Improvement								
Legend: Green = Met or exceeded Benchmark Red = Did not meet Benchmark								
Measure	Description	Benchmark Source	Benchmark	2014*	2015 Q1	2015 Q2	Quarterly Trend 2014 - 2015 Q2	Interventions
Facility Site Audit (Medi-Cal) - Scoring	The overall percentage of applicable DHCS site audit criteria met.	DHCS/ Title 22	80%	99%	81%	93%		
Facility Site Audit (Medi-Cal) - Compliance	The percentage of providers that passed facility audits without or following completion of a corrective action plan.	DHCS/ Title 22	NA	100%	100%	100%		
Medical Record Quality Audit (Medi-Cal) - Scoring	The overall percentage of applicable DHCS medical record audit criteria met.	DHCS/ Title 22	80%	96%	72%	86%		
Medical Record Quality Audit (Medi-Cal) - Compliance	The percentage of providers that passed medical record audits without or following completion of a corrective action plan.	DHCS/ Title 22	NA	100%	50%	100%		
Coordination of Care	The overall percentage of applicable DHCS Coordination of Care criteria met as determined by medical record audits.	NA	Tracking	100%	76%	97%		




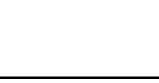
*2014 data available for Q2, Q3, and Q4 only. No Initial or Periodic FSR's or MRR's were required during 2014 Q1

Grievance & Appeals

Legend:

Green = Met or Exceeded Goal

Red = Did Not Meet Goal

Measure	Description	Compliance Source	Benchmark	2014*	2015 Q1	2015 Q2	Quarterly Trend 2014 Q2 - 2015 Q2	Interventions
Resolution Turnaround Times (TAT) Grievances	100% TAT within 30 calendar days	GCHP		81%	42%	70%		Impact of Balance Billing items still impacting results but improvement has been made during the quarter. Balance Billing items will not be counted as grievances as of 7/1/15 to be consistent with the other COHS. Anticipate being back in compliance by the end of Q3.
Post Service TAR Provider Appeals Processing Time - Resolution	The percentage of provider appeals processed within 30 business days from receipt.	GCHP		100%	100%	100%		
Provider Grievances: Complaint, Appeal, or Inquiry	Timely resolution of provider grievances	GCHP		NA	16%	60%		Transitioned 2nd level appeals still impacting results but improvement has been made during the quarter. Senior G&A Specialist position added to provide additional resources as of Q3. Anticipate being back in compliance by the end of Q3.
Monitoring of Complaints	Member complaints are monitored at a minimum of every six months to assess for trends/outliers	GCHP	Monitoring	NA	100%	100%		
*2014 data available for Q2, Q3 and Q4 only.								

Pharmacy

Legend:
Green = Met or Exceeded Goal
Red = Did Not Meet Goal

Measure	Description	Responsible Department	Compliance Source	Benchmark	2015 Q1	2015 Q2	Quarterly Trend 2015	Interventions
PA Accuracy	All prior authorization requests were decided in accordance with GCHP clinical criteria.	Pharmacy	DHCS Contract	100%	97.83%	97.75%	↘	Weekly meetings with the PBM to clarify criteria and expectations for the decisions. Any approvals that the plan believes should have been denied, will remain and not be overturned. Any denials that the plan believes should have been approved are overturned and the member and physician made aware of the approval.
PA Timeliness	All prior authorization requests were completed within 1 business day.	Pharmacy	DHCS Contract	100%	100%	100%	↗	
Appropriate Decision Language on PA	All denied prior authorization requests contained appropriate and specific rationale for the denial	Pharmacy	DHCS Contract	100%	94.93%	97.50%	↗	GCHP is reviewing the denial language that is sent out and making revisions to the pre-set language as needed; this is an annual exercise and will continue going forward. Existing interventions include a second review of the language for all spelling, punctuation and grammar checks.
Annual Review of all UM Criteria	The P&T committee must review all utilization management criteria at least annually.	Pharmacy	GCHP	Met	NA	NA	•	
Review of New FDA Approved Drugs	The P&T committee must review all new FDA approved drugs and/or all drugs added to the Medi-Cal FFS Contract Drug List.	Pharmacy	DHCS Contract	Met	Met	Met	• •	

Medical Advisory Committee: Audits, Utilization Management and Clinical Support

Legend:
Green = Met or Exceeded Benchmark
Red = Did Not Meet Benchmark

Health Services

UM Authorization Processing Time

Measure	Description	Responsible Department	Benchmark Source	Benchmark	2014*	2015 Q1	2015 Q2	Quarterly Trend 2014 - 2015 Q2	Interventions
Turn around time for standard prior authorization	Percentage of requests processed ≤ 5 working days from receipt of information necessary to make the determination.	Health Services	NCQA; contract, Title 22	95%	96%	100%	98%		
Turn around time for expedited prior authorization	Percentage of authorizations processed within 3 days of receiving the request	Health Services	NCQA; contract, Title 22	95%	NR	100%	99%		
Turn around time for post service	Percentage of decisions made within 30 calendar days of receipt of request (NCQA, contract, Title 22)	Health Services	NCQA; contract, Title 22	95%	NR	98%	97%		

*2014 data available for Q3 and Q4 only.

Delegation Oversight : Assessment of Delegated Quality Activities

Legend:

Green = Met or Exceeded Benchmark

Red = Did Not Meet Benchmark

Measure	Description	Benchmark Source	Benchmark	2014	2015 Q1	2015 Q2	Quarterly Trend 2014 - 2015 Q2	Interventions
Delegation of UM	Number required & percentage of current delegates assessed	10-87128 Exhibit A, Attachment 5; NCQA Standard UM 15	DHCS Contract	100% ¹	NA	100%		
Delegation of CR	Number required & percentage of current delegates assessed	Exhibit A, Attachment 4; NCQA Standard CR 9	DHCS Contract 10-87128	100% ²	100%	100%		
Delegation of QI	Number required & percentage of current delegates assessed	10-87128 Exhibit A, Attachment 4; NCQA Standard QI 12	DHCS Contract	100% ³	NA	NA		
Delegation of RR	Number required & percentage of current delegates assessed	10-87128 Exhibit A, Attachment 4; NCQA Standard RR 7	DHCS Contract	100% ⁴	NA	NA		
Delegation of Claims	Number required & percentage of current delegates assessed	10-87128 Exhibit A, Attachment 8	DHCS Contract	100% ⁵	100%	100%		

¹2014 data available for Q2 and Q3 only.

²2014 data available for Q1 only.

³2014 data available for Q3 and Q4 only.

⁴2014 data available for Q2, Q3 and Q4 only.

Credentials

Legend:

Green = Met or Exceeded Benchmark

Red = Did Not Meet Benchmark

Measure	Description	Benchmark Source	Benchmark	2014*	2015 Q1	2015 Q2	Quarterly Trend 2014 - 2015 Q2	Interventions
Access Indicators								
Monitoring of Medicare/Medicaid sanctions	An OIG query is performed on every provider at the time of initial and re-credentialing	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	100%	100%	100%		
Monitoring of sanctions and limitations on licensure	An Medical Board of California (MBOC) query is performed on every provider at the time of initial and re-credentialing. Other state licensing boards are also queried as needed	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	100%	100%	100%		
Monitoring of Complaints	Member complaint data is considered during re-credentialing.	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	NA	NA	NA		
Monitoring of adverse events	Quality of Care concerns are reviewed at a minimum of every 6 months and are forwarded to Credentials/Peer Review Committee (CPRC) as indicated.	DHCS/ Title 22	Biannually	NA	100%	100%		
	HIPDB queries are performed within 180 days prior to the date of initial and re-credentialing	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	100%	100%	100%		
Timeliness of provider notification of credentialing decisions	Providers will be notified of the credentialing decision in writing within 60 days	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	100%	100%	100%		
Timeliness of verifications	All credentialing verifications are performed within 180 days prior to the credentialing date, as required	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	100%	100%	90%		GCHP Compliance changed the audit tool used by Credentialing from NCQA to ICE which requires audits within 180 days instead of the historical 365 days. Any historical files that were previously on a 365 day audit cycle will transition to a 180 days audit and be caught up over the next 2 quarters.
# of provider terminations for quality issues	Credentials/Peer Review Committee (CPRC) denial of a credentialing application for quality issues will cause termination of the provider from the network	DHCS/ Title 22	Standard met for 100% of files presented to CPRC	None for Q3 and Q4	None for Q1	None for Q2		

Credentials

Legend:
Green = Met or Exceeded Benchmark
Red = Did Not Meet Benchmark

Measure	Description	Benchmark Source	Benchmark	2014*	2015 Q1	2015 Q2	Quarterly Trend 2014 - 2015 Q2	Interventions
Service Indicators								
Timeliness of processing of initial applications	Initial applications will be processed within 90 days	DHCS/ Title 22	Standard met for 90% of applications received	100%	90%	90%		
Timeliness of processing of re-credentialing applications	Recredentialing applications will be processed within 90 days	DHCS/ Title 22	Standard met for 90% of applications received	100%	90%	100%		
Quality Indicators (under NMC purview)								
Timeliness of Physician Recredentialing	Percent of physicians recredentialled within 36 months of the last approval date	NCQA: CR Standards	Standard met for 90% of providers	90%	90%	90%		
Continuous Monitoring of Allied Providers	Percent of allied providers' expirable elements that are current	NA	Standard met for 90% of elements	100%	100%	100%		
Timeliness of Organization Reassessment	Percent of organizations reassessed within 36 months of the last assessment	NCQA: CR Standards	Standard met for 90% of providers	100%	100%	90%		

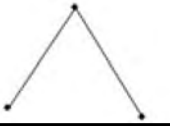
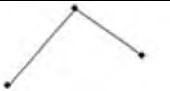
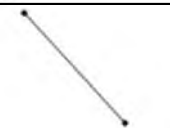
*2014 data available for Q3 and Q4 only.

Member Services

Legend:

Green = Met or Exceeded Goal

Red = Did Not Meet Goal

Measure	Description	Compliance Source	Benchmark	2014	2015 Q1	2015 Q2	Quarterly Trend * 2014 - 2015 Q2	Interventions
Call Center - Aggregate Average Speed of Answer (ASA)	Average Speed to Answer (in seconds)		<= 30 seconds	11.6	30.7	9.8		
Call Center - Aggregate Abandonment Rate	Percentage of aggregate Abandoned calls to Call Center		<= 5%	0.58%	1.47	0.57		
Call Center - Aggregate Call Center Call Volume	Monitored to ensure adequate staffing and identification of systemic issues.			114,678	31,393	30,369		

*Quarterly Trend for "Call Center - Aggregate Call Center Call Volume" incorporates volume counts for 2015 quarters only.

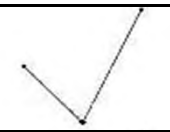
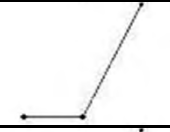


Cultural & Linguistics

Legend:

Green = Met or Exceeded Benchmark

Red = Did Not Meet Benchmark

NR = Not Reported

Measure	Description	Benchmark Source	Benchmark	2014*	2015 Q1	2015 Q2	Quarterly Trend 2014 - 2015 Q2	Interventions
Cultural & linguistic requirements	Number of languages provided per the total number of languages requested through GCHP and interpretation vendors.	DHCS/Title 22	NA	13	11	14		
Cultural & linguistic requirements	Total number of translation requests (Excluding American Sign Language)	DHCS/Title 23	NA	18	18	35		
Cultural & linguistic requirements	Total number of American Sign Language interpreter requests.	DHCS/Title 24	NA	38	29	46		
Cultural & linguistic requirements	Total number of telephonic calls for interpreter requests.	DHCS/Title 25	NA	309	497	580		

*2014 data available for Q3 and Q4 only.

Network Operation QI Dashboard - Access and Availability							
Legend:							
Green = Met or Exceeded Benchmark							
Red = Did Not Meet Benchmark							
Measure	Description	Benchmark Source	Benchmark	2015 Q1	2015 Q2	Quarterly Trend 2015	Interventions
Access to Network / Availability of Practitioners							
# & geographic distribution of PCPs	Network of PCPs located within 30 minutes or 10 miles of a member's residence to ensure each member has a PCP who is available and physically present at the service site for sufficient time to ensure access for assigned members upon member's request or when medically required and to personally manage the member on an on-going basis.	DHCS, Exhibit A, Attachment 6	Standard met for minimum 95% of members (per GeoAccess)	NA	NA		
# & geographic distribution of SCPs	Adequate numbers and types of specialists within the network through staffing, contracting, or referral to accommodate members' need for specialty care.	DHCS, Exhibit A, Attachment 6	Standard met for minimum 95% of members (per GeoAccess)	NA	NA		
Ratio of members to physicians	1:1200	DHCS, Exhibit A, Attachment 6	Standard met for 100% of members (per GeoAccess)	Met	Met		
Ratio of members to PCPs	1:2000	DHCS, Exhibit A, Attachment 6	Standard met for 100% of members (per GeoAccess)	Met	Met		
Acceptable driving times and/or distances to primary care sites	30 minutes or 10 miles of member's residence	DHCS, Exhibit A, Attachment 6	Standard met for minimum 95% of members (per GeoAccess)	NA	NA		

Network Operation QI Dashboard - Access and Availability

Legend:

Green = Met or Exceeded Benchmark

Red = Did Not Meet Benchmark

Measure	Description	Benchmark Source	Benchmark	2015 Q1	2015 Q2	Quarterly Trend 2015	Interventions
After Hours Access	Providers have answering machine or service for after-hours member calls	DHCS, Exhibit A, Attachment 9	Standard met for 100% of members	NA	NA		
	After-hours machine messages or service staff is in threshold languages	DHCS, Exhibit A, Attachment 9	Standard met for 100% of members	NA	NA		
	After-hours answering machine message or service includes instructions to call 911 or go to ER in the event of an emergency	DHCS, Exhibit A, Attachment 9	Standard met for 100% of members	NA	NA		
Time Elapsed Standards	Urgent Care appointments for services that do not require prior authorization: within 48 hours of the request for appointment	DHCS, Exhibit A, Attachment 9	Standards met for minimum of 90% of providers	NA	NA		
	Non-urgent appointments for primary care: within 10 business days of the request for appointment	DHCS, Exhibit A, Attachment 9		NA	NA		
	Non-urgent appointments with specialist physicians: within 15 business days of the request for appointment	DHCS, Exhibit A, Attachment 9		NA	NA		
	Non-urgent appointments for ancillary services for the diagnosis or treatment of injury, illness, or other health condition: within 15 business days of the request for appointment	DHCS, Exhibit A, Attachment 9		NA	NA		
Appointment Availability	Availability of appointments within CenCal Health's standards by type of encounter	DHCS, § 7.5.4	Standards met for minimum of 95% of providers	NA	NA		
Provider Surveys	Measure provider satisfaction	GCHP	Satisfaction expressed in each of 6 areas for 80% of providers	NA	NA		

Network Operation QI Dashboard - Access and Availability							
Legend:							
Green = Met or Exceeded Benchmark							
Red = Did Not Meet Benchmark							
Measure	Description	Benchmark Source	Benchmark	2015 Q1	2015 Q2	Quarterly Trend 2015	Interventions
Provider Training	Number of new PCPs / Providers receiving orientation within 10 days of contracting (Note: Provider is offered an orientation within 10 days, but may be completed within 30 days, or if provider declines training, a declination req'd)	DHCS Exhibit A, Attachment 7	100% within 10 days of contracting	Met	Met		
Provider Visits	Number of Provider Services Representative provider visits	GCHP	Department goal = 100/quarter (400/year)	Met	Not Met		Provider Site Visits were not met due to one of the PR External Reps being out of office for 3 weeks and ICD-10 preparation (e.g. testing and training)

Clinical Practice & Preventative Health Guidelines

Legend:

Green = Met or Exceeded Benchmark

Red = Did Not Meet Benchmark

Measure	Description	Responsible Department	Compliance Source	Benchmark	2014	2015
Clinical Practice						
Clinical Practice Guideline Adoption	Development and/or adoption of non-preventive clinical practice guidelines for the provision of acute and chronic medical services every two years.	ACMO	DHCS/ Title 22	Approval by Committee		Approved by MAC 1/29/2015
Clinical Practice Guideline Distribution	Distribution of non-preventive clinical practice guidelines for the provision of acute and chronic medical services to applicable practitioners every two years.	ACMO	DHCS/ Title 22	Distribution to Applicable Providers		Distributed to MAC 7/30/2015
Preventive Services Guideline Adoption	Development and/or adoption of preventive guidelines every two years.	Health Education	DHCS/ Title 22	Approval by Committee	Approved by MAC 7/24/2014	Approved by MAC 7/30/2015
Preventive Services Guideline Distribution	Distribution of preventive guidelines every two years.	Health Education	DHCS/ Title 22	Distribution to Applicable Providers		Distributed to MAC 7/30/2015

Pharmacy and Therapeutics

Pharmacy Benefit Manager (PBM) Oversight

Reviewed all denials and 10% of approvals

- 97.75% appropriate decision
- 100% timely decision
- 95% appropriate denial language

Pharmacy and Therapeutics

Pharmacy Inter-Rater Reliability (IRR)

IRR Review

- 3 pharmacists with the PBM doing prior authorizations are tested
- 100% compliance



Pharmacy and Therapeutics

Newly Approved Drugs and Formulary Management

P&T Committee reviews all drugs newly approved by the FDA

- 7 drugs reviewed
- Approved 6 drugs due to significant clinical advantages. All require a prior authorization
- 6 existing drugs with new dosage forms - 1 added
- 15 brand name drugs were removed due to new generics now available.

Credentials/Peer Review

Monitoring of Medical Board of California (MBC) Actions against GCHP providers

- The Credentialing Office continues to monitor providers for their Medical Board status.
- The 3 providers included in my last report continue to be monitored.

Credentials/Peer Review

Peer Review Referral:

- 5 Highly rated PQI cases or cases of concern that resulted in a letter to the provider were presented.
- Case 1 – delay in diagnosis and treatment involving multiple providers – letters to the provider groups resulted in a review of procedures and improved processes.
- Case 2 – delay in diagnosis and treatment – not yet resolved.

Credentials/Peer Review

Peer Review Referral:

- Case 3 – possible equipment failure resulting in a poor member outcome – equipment was completely evaluated and found not to be defective, it was determined that the poor outcome was related to the member’s disease processes.
- Case 4 – missed diagnosis and delay in treatment – acknowledged by the provider group or facility and the treating provider was counseled and educated.
- Case 5 – failure to provide continuity of care at discharge – reviewed by the facility and led to revised discharge procedures at that facility.

Credentials/Peer Review

Committee Actions

- Recredentialed 7 providers
- Newly credentialed 42 providers
- Credentialed 5 facilities
- GCHP Physician Executives or reviewers - 5

GCHP Credentialing and Recredentialing Internal Audits

Just as the GCHP Compliance Office does audits of our delegates who credential they also audit the procedures at the Plan.

3 findings:

- Credentialing Verification – item closed (old item previously resolved)
- Recredentialing Cycle Length – item closed (processes have already been changed)
- Notification to authorities of actions taken against a provider – lacked a policy for 805.1 reports (this has been added to the Credentialing Policy)

Medical Advisory

Approved Health Plan Policies:

- Decision Making Resource Guidelines
- Home Enteral Nutrition Guidelines
- Immunization Guideline – approved the updated Advisory Committee on Immunization Practices (ACIP) Guidelines
- Nursing Facility Guidelines
- Preventive Services Guidelines
- Utilization Management Guidelines

Health Education and Outreach

Events:

- Health Education is now providing Diabetes Education Classes as part of the disease management program. These are 4 part education series and are given in English and Spanish.
- The department is now preparing and testing the questions for the state required Group Needs Assessment.

Grievance and Appeals

Grievance and Appeals Department

2nd Quarter 2015 – total grievances - 462

- Administrative Grievances – 428
 - Billing – 263 (going forward this will be removed as a grievance)
 - Provider Disputes – 157
 - Accessibility – 3
 - Quality of Service - 5
- Clinical Grievances – 34
 - Quality of Care - 23
 - Accessibility - 4
 - Denials/Refusals (clinical appeals) - 3
 - Coverage - 2
 - Other – (eligibility and quality of service) - 2

Grievance for Quality of Care (QOC)

Total Quality of Care Grievances – 23

- Delay in care – 13
- Inappropriate provider care – 7
- Poor provider/staff attitude - 1
- Inappropriate care – 1
- Inappropriate ancillary care – 1

10 QOC Grievances were referred to quality as PQI's and were reviewed and investigated.

State Fair Hearings – 5

(2 withdrawn, 2 dismissed and 1 denied)

Network Planning

Provider to Member Ratios:

Required – PCP 1:2000, Total Physicians 1:1200

GCHP August Ratios;

PCP – 1:819

Total Physicians – 1:136

Provider Access Survey – in process

Provider Satisfaction Survey – in process

GeoAccess Software Purchased – in testing

Member Services

Call Center Statistics – 2nd Quarter

- 10,123 Average calls per month
- Average Speed to Answer (less than 30 sec)
 - Compliant in April, May and June
- Abandonment Rate (less than 5%) – Compliant

Although the metrics were met the speed to answer and abandonment rates were up in June due to staff turnover at the call center.

Utilization Management

Statistics: See the current Health Services Report for the November 16 meeting:

- Denial Rate – 2.8%
- Appeals for 2nd Quarter – 6
 - Upheld – 3
 - Overturned – 3
- Beacon Mental Health Utilization Q 2
- Average unique utilizers – 3530/mo
- Average increased utilization 18%/mo

Compliance - Delegation Oversight

On June 9, 2015 an oversight audit was done on Clinicas del Camino real for the specialty contract utilization management:

- There were 13 findings and a corrective action plan was issued
- 2 items were removed
- 11 remain open
- A 6 month follow-up audit will be conducted on 12/15/15.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Purpose:

The Credentialing Program of Gold Coast Health Plan (GCHP) shall be comprehensive to ensure that its practitioners and providers meet the standards of professional licensure and certification. The process enables GCHP to recruit and retain a quality network of practitioners and providers to serve its members and ensure ongoing access to care. It consistently and periodically assesses and evaluates a practitioner’s or provider’s ability to deliver quality care between credentialing and recredentialing cycles, and it emphasizes and supports a practitioner’s and provider’s ability to successfully manage the health care of Plan Members in a cost-effective manner.

The Credentialing Program enables GCHP to ensure that all practitioners and providers are continuously in compliance with the Centers for Medicare and Medicaid Services (CMS) requirements, the Department of Health Care Services (DHCS) or designee requirements, GCHP policies and procedures, and any other applicable regulatory or accreditation entity’s requirements and/or standards.

The GCHP Credentialing and Recredentialing standards shall be reviewed by clinical peers that are members of the GCHP’s Credentials / Peer Review Committee.

Policy:

The Provider Credentialing Policy is one aspect of GCHP’s Quality Improvement Program. Through this policy, GCHP ensures that practitioners, providers and organizational providers meet basic qualifications before delivering care to members and verifies the qualifications of said providers on an ongoing basis. In addition, this policy ensures a consistent, rigorous, and fair process for evaluating and credentialing providers.

Definitions:

American Board of Medical Specialties (ABMS): An National Committee for Quality Assurance (NCQA) approved source for verification of Board Certification.

American Medical Association (AMA): An NCQA approved source for verification of various MD credentials, including, but not limited to: Medical License, DEA certificate, education and training, board certification, sanction activity.

American Osteopathic Association (AOA): An NCQA approved source for verification of various DO credentials, included, but not limited to: Medical License, DEA certificate, education and training, board certification, sanction activity.

CAQH: Council for Affordable Quality Healthcare; Manages the Universal Credentialing Initiative by which a practitioner can submit a single application to one central database to



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

meet the needs of all of the health plans and Networks participating in the CAQH effort. Practitioners may easily update their information online or via fax anytime, and will confirm once each quarter that the data on file is complete and accurate. CAQH is a coalition of more than 20 of America's largest health plans and Networks and three principal health plan associations working together to help improve the healthcare experience for consumers and physicians. There is no cost for CAQH participation for the practitioners. The health plans pay a cost to access the information.

Clean Practitioner or Provider: A practitioner or provider who fully meets the standards, guidelines, and/or criteria for network participation.

CMS: Centers for Medicare and Medicaid Services headquartered in Baltimore, MD; under the direction and oversight of the U.S. Department of Health and Human Services; Social Security Act, Titles 18, 19, and 21.

Credentialing: A part of Gold Coast Health's Quality Assessment and Improvement Program which verifies credentials with the issuer of the credential or other recognized monitoring organization in order to evaluate a provider's qualifications, affiliations, competency, and to monitor the quality of medical services provided.

Credentials / Peer Review Committee: This committee is responsible for the credentialing and recredentialing all healthcare providers as verification of a provider's professional qualifications. All credentialing and recredentialing are performed in accordance with GCHP's guidelines and standards.

Credentialing Process: Includes both the credentialing and recredentialing of independently licensed practitioners and/or organizational providers; initial credentialing is conducted prior to a practitioner or provider being presented to the Credentialing Committee for approval; recredentialing is conducted within three (3) years of the initial credentialing process

Delegated Credentialing: Occurs when the credentialing functions of a managed care organization or other organization have been outsourced or contracted out to be performed by another capable organization.

Educational Commission for Foreign Medical Graduates (ECFMG): An organization that certifies providers who have graduated from a medical school in another country. ECFMG verifies each provider's diploma with the medical school prior to issuing certification.

Facility-based Provider: A provider who renders services to GCHP's members only as a result of the member being directed to a hospital, freestanding facility, or other inpatient setting. Examples of this type of provider are hospitalist, pathologists, radiologists, anesthesiologists, neonatologists, and emergency room physicians. The Facility is responsible for credentialing these providers.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Free-Standing Facilities: A health care facility that is physically, organizationally, and financially separate from a hospital and whose primary purpose is to provide immediate or short-term medical care on an outpatient basis. Examples of this type of facility include but not limited to Mammography centers, urgent care centers, surgical centers, and ambulatory. GCHP assesses these facilities as Organization Providers

Gemini Diversified Services (GDS): This is the Credentials Verification Organization (CVO) that has contracted with GCHP as its agent to verify primary source documentation of credentials of all provider applicants wishing to join GCHP’s network to Serve Medi-Cal beneficiaries in Ventura County.

Gold Coast Health Plan (GCHP): Is an independent public entity governed by the Ventura County Medi-Cal Managed Care Commission and are dedicated to serving our members. The commission is comprised of locally appointed officials, Providers, hospitals, clinics, the county healthcare agency and consumer advocates. Our Member-first focus center on the delivery of exceptional service to our beneficiaries by enhancing the quality of healthcare, providing greater access and improving member’s choice.

Independent Relationship: An independent relationship exists between GCHP and a provider when GCHP directs its members to see a specific provider or group of providers. An Independent relationship is not synonymous with an independent contract.

Locum Tenens: A Latin phrase that means "to hold the place of, to substitute for," In layman’s terms, it means a temporary and/or covering practitioner.

Member: An individual residing in the Ventura County and eligible for GCHP services.

National Practitioners Data Bank (NPDB): An information clearinghouse established by Title IV of Public Law 99-660 (the Health Care Quality Improvement Act of 1986), to collect and release certain information related to the professional competence and conduct of physicians, dentists, and other health care providers. The U.S. Government established the Data Bank to enhance professional review efforts by making certain information concerning medical malpractice payments and adverse actions available to eligible entities and individuals.

Nationally Recognized Accrediting Entity / Body: An organization that sets national standards specifically governing healthcare quality assurance processes, utilization review, practitioner credentialing, as well as other areas covered in this document and provides accreditation to managed care health insurance plans pursuant to national standards. The following entities are examples of nationally recognized accrediting entities / bodies:



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- JCAHO: Joint Commission on Accreditation of Healthcare Organizations.
- NCQA: National Committee for Quality Assurance; an accrediting body overseeing a variety of health plan functions and ensures quality.

Network Practitioner: Accredited and/or verified person who has entered into a contractual agreement with GCHP to provide healthcare services to its members and follow all established plan policies and procedures.

Organizational Providers: Medical Organizational providers include: hospitals, home health agencies including infusion services providers, skilled nursing facilities, free standing surgical centers (of any type – gynecology and/or obstetrics - birthing centers, ophthalmology – laser surgery centers, urological surgery centers, cardiac surgery centers, orthopedic surgery centers, free standing hospice centers and rehabilitation facilities. Please note: By listing all types of organizational providers in no way imply that all said providers referenced are covered under GCHP benefit structure.

Primary Source Verification: The original source of a specific credential that can verify the accuracy of a qualification reported by an individual health care practitioner / provider. Examples include medical school, graduate medical education program, and state Medical Board. Primary Source Verification is currently being done by Gemini.

QIC: Quality Improvement Committee; Committee of GCHP that is comprised of both internal and external executive leadership team. Although credentialing decisions are not made to this committee, decisions may be reported.

Verification File: A provider’s complete credentialing application with all verification and documents gathered during the credentialing verification process, including quality improvement data furnished GCHP staff.

Type I Practitioners / Providers: Are practitioners / providers who have no issues with their Credentialing / Recredentialing file and who fully meets the standards, guidelines, and/or criteria for network participation.

Type II Practitioners / Providers: Are practitioners / providers whose Credentialing / Recredentialing file may not meet GCHP standards, guidelines, criteria and require the recommendations and further review from the Credentials / Peer Review Committee. (Examples: Malpractice claims over \$30,000, Restrictions on license, etc.)

180-Day Timeframe: To ensure that the Credentials / Peer Review Committee does not consider an applicant whose credentials may have changed since verification, GCHP and its staff will adhere to strict timeframes for the credentialing process. All verifications, attestations, and information released will be less than 180 days old at the time of the credentialing decision as per NCQA standards, with the exception of those designated by



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

NCQA as 365 (360) day time limited. For written verification, the 180-day limit begins with the date on the written verification from the entity that verified that particular credential. Unless otherwise stated, all verification timeframes in this policy are 180 days prior to the decision.

Office of the Inspector General (OIG): The Health and Human Services Office of Inspector General is responsible for excluding individuals and maintaining a sanctions list that identifies those practitioners and providers who have participated or engaged in certain impermissible, inappropriate, or illegal conduct to include, but not limited to fraudulent billing and misrepresentation of credentials. The OIG's List of Excluded individuals and Entities (LEIE) provides information on all individuals and entities currently excluded from participation in the Medicare, Medicaid, and all other Federal health care programs.

If identified billing practices are suspected to be potentially fraudulent or abusive, the **OIG's National Hotline** should be contacted at **1-800-HHS-TIPS (1-800-447-8477)** to report the activity.

Contacting the HHS OIG Hotline:

- By Phone: 1-800-HHS-TIPS (1-800-447-8477)
- By Fax: 1-800-223-8164
- By E-Mail: HHSTips@oig.hhs.gov
- By TTY: 1-800-377-4950

By Mail:

Office of Inspector General
Department of Health and Human Services
Attn: HOTLINE
330 Independence Ave., SW
Washington, DC 20201

Centers for Medicare & Medicaid Services (CMS): Suspicions of fraud or abuse may also be reported to Medicare's Customer Service Center at **1-800- MEDICARE (1-800-633-4227)**.

Procedure:

AUTHORITY AND RESPONSIBILITY

GCHP has organized the Quality Improvement Committee (QIC) to oversee all Quality Improvement Program Policies and Procedures and make recommendations to the full Board of Commissioners. In turn, GCHP's Board of Commissioners has also delegated credentialing to GCHP's Credentials / Peer Review Committee with facilitation and oversight by the GCHP Chief Medical Officer (CMO). GCHP's CMO and The Credentials /

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Peer Review Committee accepts the responsibility of administering the Credentialing Program and having oversight of operational activities, which include making the final decision, (i.e., approve, or denial) for all practitioners and providers regarding the suitability to provide care to Plan Members.. A summary report of each Credentials / Peer Review Committee meeting will be made to the Quality Improvement (QIC) and subsequently, to GCHP's Board of Commissioners by the CMO or designee.

Each Member of the Credentials / Peer Review Committee is responsible for maintaining an objective view of Credentialing review activities.

Composition:

The CMO is responsible for the oversight and operation of the Credentialing Program and serves as Chairperson, or may appoint a Chairperson, with equal qualifications. The CMO of GCHP, must review, approve, sign and date the Annual Credentialing Program each year.

The Credentials / Peer Review Committee consists of 8 voting members who serve two-year terms which may be renewed (there are no term limits). The Credentials / Peer Review committee is a peer-review body that includes participating practitioners who span a range of specialties, including primary care (i.e., family practice, internal medicine, pediatrics, general medicine, geriatrics, etc.) and specialty care. Members are nominated by the CMO and approved by the Board of Commissioners.

Responsibilities / Duties:

The CMO is responsible for:

1. Compliance with facility and medical records review required by DHCS.
2. Oversee the clinical quality of care. The review of complaints and grievances, the review and assessment of Potential Quality Issues submitted to the Quality Improvement Department and all other ongoing performance monitoring.
3. Recommend members for the Credentials / Peer Review Committee.
4. Refer significant quality of care issues to the Credentials / Peer Review Committee for review.
5. Assure the completeness of credentialing files.
6. Coordinate and follow-up on clinical quality of care recommendations by the Credentials / Peer Review and Quality Improvement Committees.
7. The review of the list of providers to be presented for review prior to the Credentials / Peer Review Committee meeting to determine if any of the candidates have clinical quality of care issues that may require review by the Credentials / Peer Review Committee. Classify credentialing files as Type I (clean) or Type II (Problem).

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

8. Report to the Quality Improvement Committee, Board of Commissioners and other appropriate authorities as required.
9. Approve a practitioner who fully meets the established criteria as a provisional practitioner between, Committee meeting.
10. Present candidates for initial credentialing and recredentialing to the Credentials / Peer Review Committee.
11. Ensure that proceedings of the Credentials / Peer Review Committee are recorded in the minutes of the Committee.
12. Communicating with practitioners regarding their credentialing status.
13. Assure the fairness of the credentialing process and facilitate the appeal and fair hearing process.

The Credentials / Peer Review Committee reviews and evaluates the qualifications of each provider applying to become a contracted provider or seeking recredentialing as a contracted provider. The Credentials / Peer Review Committee has been delegated authority to:

1. Review, and approve Type I Credentialing and Recredentialing practitioner list. Type I files will be presented to the Credentials / Peer Review Committee on a list of Type 1 files and presented as one group for approval. The CMO or designee will sign each file and the list will be documented in the minutes of the Credentials / Peer Review Committee.
2. Receive and review all Type II practitioners being Credentialed and Recredentialled who have been identified as problematic (e.g. Malpractice cases, licensure issues, quality concerns, missing documentation, etc.).
3. Review the quality of care findings resulting from GCHP's credentialing and quality monitoring and improvement activities.
4. Act as the final decision maker in regards to the initial and subsequent credentialing of providers based on clinical competency and/or professional conduct.
5. Annual Review of the Credentialing and Recredentialing policy and procedures.
6. Establish, implement and make recommendations to policies and procedures.
7. Other related responsibilities.

Quorum:

A quorum (majority of voting members present) shall be satisfactory for the valid transaction of business by the Credentials / Peer Review Committee, which meets at least quarterly and/or as deemed necessary by the Chairperson. With the consent in writing The Credentials / Peer Review Committee may meet and take action in a forum other than a face-to-face meeting. Any action taken must be with a quorum present and all proceedings

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

must be recorded and presented to the Committee at its next regularly scheduled meeting. Voting members include only the Committee Physicians. The Credentials / Peer Review Committee Chair votes only when there is a tie vote, in order to break a tie vote. If during a meeting, an exact Quorum is no longer met, the voting must cease. All meetings must be conducted in accordance with the Brown Act.

Minutes and Reports:

1. Complete and accurate minutes will be prepared and maintained for each meeting. Minutes will reflect the name of the Committee, the date and duration of the meeting, the members present and absent, and the names of guests or other representatives. The minutes will reflect decisions and recommendations, the status of activities in progress, and the implementation status of recommendations, when appropriate. Applicable reports and substantiating data will be appended for reporting purposes. The Credentials / Peer Review Committee will be responsible for reviewing minutes for accuracy. A summary report will be submitted to the Quality Improvement Committee (QIC), which in turn reports to the Board of Commissioners.
2. For each provider discussed, the minutes will identify the specialty and a summary of the discussion regarding that provider, the Credentials / Peer Review Committee recommendation, and the rationale for recommendation.
3. Minutes shall be securely retained electronically and manually.

Confidentiality, Immunity and Releases Policy:

All credentialing, peer review records and proceedings are included in the quality improvement process of GCHP and will be confidential in accordance with by Section 1157 of the California Evidence Code. It is the policy and procedure of GCHP to consider all credentialing and subsequently retained records as a result of the credentialing process as confidential. The mechanisms in effect to ensure the confidentiality of information collected in this process are as follows:

1. GCHP shall hold in confidence all data and information that it acquires in the exercise of its duties and functions as a review organization as recognized under California Statutes Section 1157.
2. Access to such documents will be restricted to: 1) The practitioner or provider being credentialed, pursuant to the requirements outlined in this document below titled "Erroneous, Incomplete or Illegible Information," 2) Committee Members, 3) Commissioners 4) GCHP Credentialing Staff, and 5) Gemini Diversified Services Inc. to conduct primary source verification 6) Other specific individuals as designated by the CMO, Committee, Commissioners and/or GCHP.

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

3. All Credentials / Peer Review Committee members, support staff and guests will be required to sign a confidentiality of information agreement annually in order to protect the peer review function. Any breach of confidentiality may be grounds for corrective action by the Credentials / Peer Review Committee.
4. Each Credentials / Peer Review Committee member will be immune, to the fullest extent provided by law from liability to applicant or providers for damages or other relief for any action taken or statements or recommendations made within the scope of the Credentials / Peer Review Committee duties exercised.
5. All Credentials / Peer Review Committee members will comply with GCHP policies for conflicts of interest.

Conflict of Interest:

All Voting Credentialing / Peer Review Committee members are required to sign a Conflict of Interest agreement before becoming a member. Committee members shall reveal any associations, conflicts of interest or potential conflicts of interest with any credentialing applicant to the committee chair prior to the consideration of a candidate. No person may participate in the review and evaluation of any professional practitioner or provider with whom he / she has been in a group practice, professional corporation, partnership, corporation, or similar entity whose primary activity is the practice of medicine or where judgment may be compromised. The Chairperson of the Credentialing Committee shall have the authority to excuse a voting member from the Credentialing Committee when a in conflict of interest exists.

NON DISCRIMINATORY PRACTICES

GCHP conducts each Credentials / Peer Review Committee meeting in a non-discriminatory manner. No provider shall be denied privileges with GCHP, have any corrective actions imposed, or have his / her privileges suspended or terminated solely on the basis of race, color, age, gender, marital status, sexual orientation, religious creed, ancestry, national origin, physical or mental disability, or the type of procedures or the patients in which the provider specializes.

A heterogeneous Committee will be maintained and all committee members responsible for credentialing decisions sign a statement affirming non-discrimination for credentialing decisions. **Quarterly audits** of practitioner grievances / complaints will also be conducted to determine if there are grievances / complaints alleging discrimination **and reported to the committee.**

In credentialing practitioners, GCHP shall not discriminate, in terms of participation, reimbursement, or indemnification, against any practitioner, prospective or existing, who is



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

acting within the scope of his or her license or certification under state law solely on the basis of the license or certification.

If a practitioner is declined privileges, the reason for denial by the Credentials / Peer Review Committee shall be communicated in writing within 60 calendar days of the Committee's final decision. This prohibition does not preclude GCHP from refusing to grant participation to a practitioner if there is no network need.

THE CREDENTIALING PROGRAM: PRACTITIONERS

Scope of Credentialing:

The scope of the Credentialing Program is comprehensive and includes all practitioners that have an active, current and valid license, have National Provider Identification (NPI) number and are Medi-Cal participating provider or in process of becoming participants.

Practitioners who will be credentialed and reviewed on an ongoing monitoring basis include:

1. Practitioners who have an independent relationship with GCHP at an outpatient setting. An independent relationship exists when GCHP selects and directs its members to see a specific practitioner or group of practitioners. An independent relationship is not synonymous with an independent contract. NCQA does not require the organization to credential some practitioners with whom it holds independent contracts.
2. Practitioners who see members outside the inpatient hospital setting or outside freestanding / ambulatory facilities.
3. Oral Surgeons who provide care under GCHP medical benefits.
4. Non-physician practitioners who have an independent relationship with GCHP, as defined above, and who provide care under the organization's medical benefits.
5. Hospital based practitioners who also have an independent relationship with GCHP and treat members in an outpatient setting.

Types of Practitioners to be Credentialed:

- Physicians (MD, DO)
- Anesthesiologists with pain-management practices
- Podiatrist (DPM)
- Chiropractors (DC)
- Oral Surgeons
- Osteopaths

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Non-physician Practitioners to be Credentialed:

- Nurse Practitioners
- Physician Assistants (PA)
- Registered Nurse Clinical Specialist (RNCS, CNS)
- Acupuncturist
- Nurse Midwives

Types of practitioner files audited (internally) **at least annually** to ensure ongoing compliance:

Medical Practitioners:

- Medical Doctors (MD)
- Osteopaths (DO)
- Podiatrists (DPM)
- Anesthesiologists with Pain Management Practices
- Nurse Practitioners (NP, PNP, ANP)
- Physician Assistants (PA)
- Nurse Midwives

On an ongoing basis Credentialing Coordinator or designee will audit files at the time of completion, prior to forwarding file to CMO or designee, to ensure accuracy and timeliness. The following items may be included in the criteria for audit:

1. Data Entry
2. Primary Source Verification, method and source
3. Timeliness of file completion
4. Accuracy of report received from Gemini
5. Practitioner Expirables are current and updated
6. Compliance with GCHP Credentialing policy Standards

On an annual basis, Credentialing Coordinator or designee shall perform an Annual Audit of files completed during the past 12 months using random sampling methodology and/or Roster Audit. At a minimum, this audit should provide a 90% rate on the above listed items; results are documented on checklist and/or report. In addition to Credentialing Coordinator audits, there will be at least an Annual Compliance Audit, done by Compliance Department using ICE Tool or any other applicable method.

Additional types of practitioners, not listed above, may also be credentialed and subject to the same policies and procedures, as those listed in this document, to ensure ongoing quality for the GCHP members. However, internal file reviews may be restricted to the practitioners listed above.

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Practitioners who do not need to be credentialed:

- Practitioners who practice exclusively within the inpatient setting and who provide care for GCHP members only as a result of members being directed to the hospital or another inpatient setting:
 - Pathologists
 - Radiologists
 - Anesthesiologists
 - Neonatologists
 - Perinatologists
 - Emergency Room Physicians
 - Hospitalists
 - Telemedicine Consultants
- Practitioners who practice exclusively within free-standing facilities and who provide care for GCHP members only as a result of members being directed to the facility:
 - Mammography Centers
 - Urgent-Care Centers
 - Surgi-Centers
 - Radiology Centers
- Covering practitioners (e.g., locum tenens). Locum tenens that do not have an independent relationship with the organization are outside NCQA’s scope of credentialing.
- Practitioners who do not provide care for members in a treatment setting (e.g., board-certified consultants).
- Rental network practitioners that are specifically for out-of-area care, and there are no incentives communicated to members; members have no obligation to seek care from rental network practitioners and may see and out-of-area practitioner.
- Telemedicine practitioners who have an independent relationship with the organization and who provide treatment services under the organization’s medical benefit.

Professional Criteria:

GCHP accepts professional practitioners into its network at its sole discretion based on the need for professional practitioners in certain specialties, geographic areas, or similar considerations.

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Each professional practitioner must meet minimum standards for participation in GCHP Network. These guidelines are intended to comply with GCHP, DHCS, or its designee, NCQA, or any other applicable regulatory and/or accreditation entities where applicable.

Minimum Standards for Participation include:

- A current and valid professional license to practice in California;
- Current and valid Federal DEA Certificate for practitioners with the authority to write prescriptions, as applicable for practice;
- Board certification or eligibility is a requirement for GCHP Physicians requesting network participation after **05/08/15**. The practitioner must have relevant education (Residency) in his / her practicing specialty. **New graduates must become board-certified within three (3) years from first opportunity to take the exam offered by the Board.** Board certification requirements may be waived upon review of the Credentials / Peer Review Committee if the practitioner has five (5) years of verified relevant work history and/or has unrestricted, current active privileges in the specialty area. Practitioners may be “grand parented” if the practitioner was initially credentialed by GCHP prior to **05/08/15**.
- Documentation showing provider is currently participating with Medi-Cal or are in the process and/or pending participation with Medi-Cal. Please note: Providers who are in the process of applying for Medi-Cal and/or pending will need to provide Department of Health Care Services (DHCS) Letter of Interest;
- Copy of the current Curriculum Vitae (CV) or detailed work history which must include month / year (Gaps or interruptions in work history 6 months or greater must be explained). CV or work history must cover the previous five years;
- Acceptable, current and valid malpractice insurance in the amount \$1 Million per incident and \$3 Million per aggregate per year or as determined satisfactory by the Credentials / Peer Review Committee.

Additional Requirements: CHDP, CPSP, and HIV / AIDS

- For some physician specialties there are additional credentialing pre-requisite requirements. For example pediatricians and family practice specialists who care for children should also be paneled by Children Health Disability Prevention Program (CHDP) to participate in the GCHP network.
- Obstetricians should be paneled by Comprehensive Perinatal Services Program (CPSP).
- HIV / AIDS specialist must document that they meet certain additional education and training requirements.

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

HIV / AIDS Education and Training Requirements:

If the provider has been identified as an HIV / AIDS Specialist the following additional criteria is verified prior to indicating this subspecialty in the provider listing:

- Provider is credentialed as an “HIV Specialist” by the American Academy of HIV Medicine;
- Is board certified, or has earned a Certificate of Added Qualification in the field of HIV Medicine granted by a member board of the American Board of Medical Specialties, should a member board of that organization establish board certification or a Certificate of Added Qualification in the field of HIV Medicine;
- Is board certified in the field of infectious diseases by a member board of the American Board of Medical Specialties and meets the following qualifications:
 1. In the immediately preceding 12 months has clinically managed medical care to a minimum of 25 patients who are infected with HIV; AND;
 2. In the immediately preceding 12 months has successfully completed a minimum of 15 hours of category one continuing medical education in the prevention of HIV infection, combined with diagnosis, treatment or both of HIV infected patients including a minimum of 5 hours related to antiretroviral therapy per year; or meets the following qualifications:
 - a) In the immediately preceding 24 months has clinically managed medical care to a minimum of 20 patients who are infected with HIV: and;
 - b) Has completed any of the following:
 - i. In the immediately preceding 12 months has obtained board certification or recertification in the field of infectious diseases from a member board of the American Board of Medical Specialties;
 - ii. In the immediately preceding 12 months has successfully completed a minimum of 30 hours of category (1) continuing medical education in the prevention of HIV infection, combined with diagnosis treatment or both, of HIV-infected patients;
 - iii. In the immediately preceding 12 months has successfully completed a minimum of 15 hours of category (1) continuing medical education in the prevention of HIV infection combined with diagnosis.

Quality of Practice Criteria:

- Professional practitioner(s) must demonstrate acceptable office site survey and medical record keeping practices which meet DHCS or its designee, NCQA, GCHP, or any other standards adopted by GCHP.

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- Professional practitioner(s) practice patterns must reflect a general adherence to established practice standards and protocols as adopted by GCHP.
- Professional practitioner(s) must maintain satisfactory performance in the area of practice quality indicators (i.e., clinical outcomes, performance measure outcomes, member satisfaction, etc.) established by GCHP.
- GCHP retains the right to approve / deny new practitioners / providers based on quality issues, and to terminate individual practitioners / providers for same. Termination of individual practitioners / providers for quality of care considerations shall be supported by documented records of noncompliance with specific expectations and requirements for practitioners / providers. GCHP has a prescribed system of appeals and fair hearings which must be followed.

Business Administrative Criteria:

- Professional practitioner(s) must maintain GCHP access standard requirements at the majority of the ambulatory service sites where a member may be seen.
- Professional practitioner(s) area of specialty must fill a network need as determined by GCHP. GCHP reserves the right to deny participation, on a case-by-case basis if need does not exist for a particular specialty and if such action is deemed in the best interest of the network.
- If a practitioner is denied inclusion in the network because of a lack of a business need, it will not be considered a denial of credentialing and will not be considered a denial for a quality reason. The practitioner will not have access to the credentialing appeal or fair hearing processes.

OB / GYN Provider PCP Delegation:

GCHP determines if Obstetrician and Gynecologist (OB / GYN) will be considered to be added as a full service Primary Care Provider. This applies to all Obstetricians and Gynecologist (OB / GYN) providers whether they are seeking a contract with GCHP, are currently contracted or they are contracted through a delegated group.

An Obstetrician and Gynecologist (OB / GYN) provider may be considered for delegation of PCP by approval of the GCHP Credentials / Peer Review Committee. This decision must be made by the GCHP Credentials / Peer Review committee even if the practitioner's credentialing has been done by a delegated entity. The practitioner must be able to substantiate the ability, and training in general medicine, as well as the ability to demonstrate on-going management of hypertension, diabetes, hyperlipidemia, gastrointestinal illness, cardiovascular disease, musculoskeletal disease, respiratory disease, renal disease, endocrinology and the majority of procedures outlined in the PCP scope of services.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Obstetrician and Gynecologist (OB / GYN) providers will need to attest to aforementioned criteria at a regularly scheduled meeting of the Credentials / Peer Review Committee for approval

INITIAL CREDENTIALING: PRACTITIONERS

Process and Requirements:

GCHP credentials all practitioners prior to being admitted into the GCHP network. The intent of the process is to validate and/or confirm credentials related to a prospective or participating practitioner by contacting the primary source of the issuing credential directly. All attestations and verification time limits, applicable in this Credentialing Program and referenced in this document, shall not exceed 180 calendar days of the Credentials / Peer Review Committee Meeting and/or Committee Decision.

Each practitioner must submit a legible and completed application on either a GCHP or CAQH application form. A signed and dated consent form, a signed attestation and all other required documentation as outlined below. The following information is obtained and verified according to the standards and utilizes sources listed under Initial Credentialing:

Application includes the following information:

- Reasons for inability to perform the essential functions of the position, with or without accommodation.
- Lack of present illegal drug use.
- History of loss of license and/or felony conviction.
- History of loss or limitation of privileges or disciplinary actions.
- Current malpractice insurance coverage.
- Attestation as to the correctness and completeness of the application.
- Copy of the current and valid license or license number for the participating practitioner.
- Copy of the current and valid DEA / CDS Certificate, if applicable.
- Copy of the medical malpractice policy face sheet, or completed liability information section on the application inclusive of policy number, effective dates of coverage, and coverage amounts.
- Copy of the board certificate and highest level of education; proof of education, training and competency in specialty for which practitioner is seeking participation status in the GCHP network.
- Copy of the current Curriculum Vitae (CV) or detailed work history which must include month / year (Gaps or interruptions in work history 6 months or greater must be explained). CV or work history must cover the previous five years.
- Documentation showing provider is currently participating with Medi-Cal or are in the process and/or pending participation with Medi-cal. Please note:



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Providers who are in the process of applying for Medi-Cal and/or pending will need to provide Department of Health Care Services (DHCS) Letter of Interest.

- Practitioner explanation of any adverse actions including 1) Any limitation in ability to perform the functions of the position, with or without accommodation; 2) History of loss of license and/or felony convictions; 3) History of loss or limitation of privileges or disciplinary activity; Any malpractice history, either reported or non-reported to the NPDB or other regulatory bodies.

The application will be provided to the Credentialing Coordinator **or designee** of GCHP. Upon receipt of the application the Credentialing staff will:

- Prepare and send a letter to the applicant reviewing the application process. Included in the letter will be **Addendum to California Participating Physician Application** indicating that the applicant will have the right to review information in the file and correct erroneous information. Practitioners will have the ability to review information obtained in the credentialing process. (References, recommendations, or other peer-review protected information is excluded). The practitioner will also be informed of the process of submitting a request to review the file in writing to the Credentialing Coordinator **or designee**.
- The Credentialing Coordinator or designee will also notify the Quality Improvement Office of the new application in order for the QI Office to initiate a Facility Site Review (FSR). The credentials file will be reviewed by GCHP Credentialing Coordinator or designee for completeness and accuracy.
- The FSR must be completed and satisfactory before the application will be considered complete and ready to be reviewed by the Chairman of the Credentials / Peer Review Committee.
- If the application is incomplete, the Credentialing Coordinator or designed staff will request that the applicant provide the additional missing information required. If the required information is not received within 30 calendar days, GCHP Staff will inform the applicant that the application is incomplete and request the needed information. If the required information is not received within 60 calendar days of the initial receipt of the application, GCHP will consider the application withdrawn. If an application has been withdrawn and the applicant wishes to apply a new application must be submitted to GCHP.

Primary Source Verification:

The GCHP credentialing staff, along with Gemini Diversified Services, Inc. will conduct primary source verification as required by the most current and applicable CMS, DHCS or its designee, NCQA, and other GCHP adopted guidelines. GCHP accepts letters, telephone calls, faxes, computer printouts, and/or online viewing of information as acceptable sources of verification with appropriate reference documentation (i.e., the name



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

of the person who provided verification, the date of the call, and the verifier's name). The information must be accurate and current.

Verbal verifications documented in credentialing files are dated and signed by the credentialing staff or Gemini Diversified Services, Inc. employee who receives the information-noting source and date. Written verifications are received in the form of letters or documented review of latest cumulative reports released by primary sources. Internet verifications may be obtained from any CMS, DHCS or its designee, NCQA, and/or GCHP-approved web-site source.

To meet verification standards, all credentials must be valid at the time of the Credentials / Peer Review Committee's decision per Table VII-A below and the specific time limits as set forth by CMS, DHCS or its designee, NCQA, GCHP and any other applicable regulatory and/or accreditation entities:

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Table VII-A:

Primary Source Information:	Acceptable Sources:
<p>** Credential: License ** Verification Time Limit: 180 calendar days*</p> <p>Must confirm that practitioners hold a valid, current state license or certification, which must be in effect at the time of the Committee's decision; must verify licenses or certification as applicable in each state where practitioners provide care for plan members; verification <u>must come directly from the state licensing or certification agency</u>; if the plan uses the Internet to verify state licensure or certification, the Web site must be from the appropriate state licensing agency.</p> <p>Copy of verification must be signed and dated by verifier (electronic signature / date is acceptable)</p>	<p>** State Agency</p>
<p>** Credential: DEA or CDS Certificate ** Verification Time Limit: 180 calendar days *</p> <p>Must be effective at the time of the credentialing decision; must be verified in each state in which the practitioner cares for plan members.</p> <p>Copy of verification must be signed and dated by verifier (electronic signature / date is acceptable)</p>	<p>** A copy of the DEA or CDS certificate ** Documented visual inspection of the original certificate ** Confirmation with the DEA or CDS Agency ** Entry in the National Technical Information Service (NTIS) database ** Entry in the American Medical Association (AMA) Physician Master File ** Confirmation from the state pharmaceutical licensing agency where applicable</p>

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

<p>** Credential: Education and Training</p> <p>** Verification Time Limit: None for graduation from medical or professional school and/or completion of residency.</p> <p>The organization must verify the highest of the three levels of education and training obtained by the practitioner.</p> <ol style="list-style-type: none"> 1. Graduation from medical or professional school 2. Residency, if appropriate 3. Board certification, Required with exception of providers who were grandfathered or <p>Printout from state licensing agency's Web site: The plan may use a dated printout of the licensing agency's Web site in lieu of a letter or other written notice as long as the site states that the agency verifies education and training with primary sources and indicates that this information is current; NCQA does not require the plan to obtain written confirmation from the licensing board if there is a state statute that requires the licensing board to obtain verification of education and training directly from the institution; the plan must include a copy of the relevant state statute as proof</p> <p>Note: If a practitioner's education has not changed during the recredentialing cycle, the previous education verification will stand and not be re-verified.</p> <p>Copy of verification must be signed and dated by verifier (electronic signature / date is acceptable)</p>	<p>Graduation from medical school : (MD, DO)</p> <ul style="list-style-type: none"> ** Medical School ** AMA Physician Master File ** American Osteopathic Association (AOA) Official Osteopathic Physician Profile Report or AOA Educational Commission for Foreign Medical Graduates (ECFMG) for international medical graduates licensed after 1986. ** Association of schools of the health professional, if the association performs primary source verification. At least annually, the organization must obtain written confirmation from the association that it performs primary source verification. ** State licensing agency, if the state agency performs primary-source verification. At least annually, the organization must obtain written confirmation from the State-licensing agency that it performs primary source verification. ** Sealed transcripts: If a practitioner submits transcripts to the organization that are in the institution's sealed envelope with an unbroken institution seal, NCQA accepts this as primary- source verification if the organization provides evidence that it inspected the contents of the envelope and confirmed that transcript shows that the practitioner completed (graduated from) the appropriate training program. <p>Note: If the practitioner states that education and training were completed through the AMA's Fifth Pathway program, the organization must confirm it through primary-source verification from the AMA</p>
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Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

<p>** Credential: Board Certification</p> <p>** Verification Time Limit: 180 calendar days*</p> <p>Is not required, but must be verified if practitioner lists it on the application. If practitioner is board certified, verifying board certification fully meets standards for education and training.</p> <p>Verifies if applicable. Must be verified through one of the following sources: AMA, ABMS, ABA, AOA or AAMC.</p> <p>Copy of verification must be signed and dated by verifier (electronic signature / date is acceptable)</p> <p>** Credential: Hospital Privileges</p> <p>** Type of Privileging: Full, Active (or equivalent status).</p> <p>Verification must be completed prior to presentation to GCHP's Credentials / Peer Review Committee.</p> <p>** Credential: State and Federal (Medicaid and Medicare Sanctions, Restrictions on Licensure or Limitations on scope of practice, Exclusions and limitations related to fraud and abuse and Opt In / Opt Out status</p> <p>** Verification Time Limits: 180 cal. days of Credentials / Peer Review Committee Meeting</p> <p>The OIG and the Opt In / Opt Out listing must be queried for sanctions and limitations prior to presenting a practitioner to the Committee for review and a decision</p> <p>Copy of verification must be signed and dated by verifier (electronic signature / date is acceptable)</p> <p>Please refer to the applicable CMS, DHCS or its designee, NCQA, standards for required for non- doctors of medicine and osteopathy. Also, please refer to GCHP'S Credentialing Policies and Procedures</p>	<p>Please refer to the applicable CMS, DHCS or its designee, and NCQA standards required for non-doctors of medicine and osteopathy. Also, please refer to GCHP's Credentialing Policies and Procedures. (MD, DO) board certification:</p> <ul style="list-style-type: none"> ** ABMS or its member boards, or an official ABMS Display Agent, where a dated certificate of primary-source authenticity has been provided. ** AMA Physician Master File. ** AOA Official Osteopathic Physician Profile Report or AOA Physician Master File. ** Appropriate Specialty board State licensing agency, if the state agency performs primary-source verification of board status. At least annually, the organization must obtain written confirmation from the state-licensing agency that it performs primary- source verification. <p>Please refer to the applicable CMS, DHCS or its designee, NCQA standards for required for non-doctors of medicine and osteopathy. Also, please refer to GCHP's Credentialing Policies and Procedures.</p> <ul style="list-style-type: none"> ** Contact the hospital identified on the practitioner's application and use the hospital roster, fax, or other mode to confirm privileges <p>Sources for Licensure Sanctions: Physicians:</p> <ul style="list-style-type: none"> ** Appropriate state agencies ** Federation of State Medical Boards (FSMB) ** Healthcare Integrity and Protection Databank (HIPDB) ** National Practitioner Databank (NPDB) <p>Non-physician behavioral healthcare professionals:</p> <ul style="list-style-type: none"> ** Appropriate state agency ** HIPDB ** State licensure or certification board <p>Sources for Medicare / Medicaid Sanctions</p> <ul style="list-style-type: none"> ** AMA Physician Master File entry ** Federal Employees Health Benefits Plan (FEHB) Program department record, published by the Office of Personnel Management, Office of the Inspector General ** FSMB ** HIPDB ** List of Excluded Individuals and Entities (maintained by OIG), available over the Internet ** Medicare and Medicaid Sanctions and Reinstatement Report, distributed to federally contracting organizations ** NPDB ** State Medicaid agency or intermediary and the Medicare intermediary. ** Medicare Opt-Out Report, through direct query to CMS
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Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

**180-Day Timeframe:* To ensure that the Credentials / Peer Review Committee does not consider an applicant whose credentials may have changed since verification, GCHP and its staff will adhere to strict timeframes for the credentialing process. All verifications, attestations, and information released will be less than 180 days old at the time of the credentialing decision as per NCQA standards, with the exception of those designated by NCQA as 365 (360) day time limited. For written verification, the 180- day limit begins with the date on the written verification from the entity that verified that particular credential. Unless otherwise stated, all verification timeframes in this policy are 180 days prior to the decision.

Other Documentation required on all or some practitioners:

- Facility Site Review and Medical Record Review;
- Some providers may need to satisfy CHDP, CPSP or HIV / AIDS requirements during Credentialing and Recredentialing. Refer to section titled “Additional Requirements”.

PROVISIONAL CREDENTIALING

GCHP CMO or designee can on an as needed basis and when in the interest of members make practitioners available prior to completion of the entire initial credentialing process. In this case, GCHP will provisionally credential practitioners who are applying to the organization for the first time. A practitioner may only be provisionally credentialed once. A practitioner must fully meet all criteria as a clean practitioner to be eligible for provisional credentialing. All required PSVs, application, and signature requirements, along with required documentation as outlined in Section VII-A of this document will be conducted prior to presentation to the Credential / Peer review Chairperson.

Practitioners that have been provisionally credentialed will be presented to the Credentials / Peer Review Committee within the 60 calendar day period after the Credentials / Peer Review Chairperson’s approval of the provisional practitioner.

RECREREDENTIALING: PRACTITIONERS

GCHP recredentials all practitioners within three (3) years of their last credentialing or recredentialing date. The intent of the process is to identify any changes that may affect a practitioner's ability to perform the services that s / he is under contract to provide.

All application requirements detailed in Section: VII-A are applicable to the recredentialing process. All verification time frames detailed in Table: VII-A are applicable to the recredentialing process.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Each practitioner must complete and sign the GCHP or CAQH Recredentialing Application that includes the professional questions and attestation that the information given is correct and gives GCHP the right to verify the information. The following information is obtained and verified according to the standards and utilize the sources listed under Initial Credentialing:

- State licenses (unrestricted, current and valid)
- DEA / CDS certificate (if applicable)
- Additional Education, (if applicable)
- Board certification
- Hospital affiliations / status of clinical privileges
- Malpractice coverage
- Malpractice claims
- Sanction information
- Documentation showing Medi-Cal participation

The recredentialing process shall include performance-monitoring information. Sources of such information may include one or more of the following:

- Member grievances / complaints
- Member and Practitioner / Provider satisfaction surveys
- Utilization Management
- Risk Management
- Quality improvement activities, performance quality measures, quality deficiencies, and/or trending patterns
- Facility Site Review Assessment
- Medical Record Keeping Practice / Treatment Assessments

After a practitioner has been credentialed, GCHP shall not prohibit or otherwise restrict any participating (or nonparticipating) practitioner, acting within the lawful scope of practice, from advising, or advocating on behalf of, a member who is a patient about:

1. The patient's health status, medical care, or treatment options (including any alternative treatments that may be self-administered), including the provision of sufficient information to provide an opportunity for the patient to decide among all relevant treatment options;
2. The risks, benefits, and consequences of treatment or non-treatment;
3. The opportunity for the individual to refuse treatment and/or express preferences about future treatment decisions.

Participating practitioners must provide information regarding treatment options, including the option of no treatment, in a culturally competent manner. They must ensure that



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

enrollees with disabilities have effective communication regarding treatment options and/or decisions with participants throughout the health system.

Handling Credentialing Issues

Each provider’s credentialing file is reviewed by Gold Coast Health Credentialing Coordinator for completeness and accuracy based on Credentialing Criteria prior to presentation to the CMO. Any file identified with exceptions or potential exceptions is referred to the CMO or designee, to evaluate and request additional information, as needed. If further information is needed, either the Credentialing Coordinator or CMO or designee will gather the additional information for the credentials file and for presentation to the Chairman of the Credentials / Peer Review Committee.

A. If any one of the following issues are identified, Credentialing staff will forward the credentialing file or active provider file to the CMO or designee for review and if verified will be cause for immediate denial of an application or summary suspension as a provider for GCHP:

- No license or a revocation of the provider’s license to practice medicine in the State of California;
- A sanction that disallows participation in the Medicare and Medicaid programs;
- A condition that is identified that would suggest that care by the provider would present a danger to a member;
- Any verified evidence that the practitioner intentionally lied or made a misstatement on the application;
- No current malpractice coverage.

B. If any one of the following issues are identified for a practitioner who is initially applying to be a provider for GCHP, the Credentialing Staff will forward the credentialing file to the CMO or designee for review and if verified action on the application will be held until the conclusion of the legal proceedings or in the case of an unsatisfactory facility site review, the identified problems are resolved:

- A pending felony charge;
- A pending criminal charge involving any criminal activity related to the practitioner’s practice;
- Any pending action by the licensing board of the practitioner that could result in revocation or limitation of the practitioner’s license to practice;
- Any pending criminal charge relating to a sex offense;
- An unsatisfactory Facility Site Review necessitating a Corrective Action Plan.

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

C. If any of the following issues are identified for a practitioner who is being considered for recredentialing the committee may temporarily extend the practitioners credentials until the practitioner has had due legal process or has had the opportunity to resolve a FSR Corrective Action Plan, or the practitioner may be suspended because of the seriousness of the accusation:

- A pending felony charge;
- A pending criminal charge involving any criminal activity relate to the practitioner’s practice;
- Any Pending action by the licensing board of the practitioner that could result in revocation or limitation of the practitioner’s license to practice;
- Any pending criminal charge relating to a sex offense;
- An unsatisfactory Facility Site Review necessitating a Corrective Action Plan.

Committee Decisions:

When a new credentials file or a recredentials file is complete it will be presented to the Credentials / Peer Review Committee as a Type I or Type II file. Type I files will be approved as **a** group unless a committee member wishes to discuss an individual practitioner on the Type I list. The Type II files will be considered by the Committee.

Factors to be considered by the Credentials / Peer Review Committee:

- Past history of actions taken by a licensing body;
- Past history of actions taken by a medical facility;
- Past history of medical malpractice claims, judgments, and/or payments;
- Personal issues affecting the practitioner’s ability to treat Plan Members;
- Access needs of the Health Plan;
- History of grievances and complaints by Plan Members – for recredentialing;
- Reviews submitted to the Credentials / Peer Review Committee by the Quality Improvement Committee as a result of the peer review process – for recredentialing;
- Peer review issues referred to the Credentials / Peer Review Committee and verified and rated as significant PQI’s;
- History of the practitioner failing to abide by the policies of the Health Plan including failing to meet the standard quality indicators such as HEDIS Metrics and access requirements – for recredentialing;
- Facility Site Review findings – for recredentialing.

These factors will be taken into account as a whole for use by the Credential / Peer Review Committee in determining if a practitioner will be credentialed or recredentialed and to determine the services that the practitioner may provide to Plan Members.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Please Note: A practitioner will receive one of the following designations from the Committee:

A	Approved without reservation
B	Approved with reservation (follow up within 3,6,9,12 months)
C	Not approved because of insufficient data
D	Not approved (final decision)

ONGOING MONITORING

GCHP staff monitors practitioner sanctions, grievances / complaints and quality issues between credentialing cycles and takes appropriate action(s) against practitioners when it identifies occurrences of poor quality. **Site review staff investigates all member complaints within sixty (60) calendar days of receiving the complaint related to the quality of practitioner office sites per QI policy QI-016 Contract Compliance Monitoring Site Audits and Medical Records Review. A full assessment of the complaint is conducted, corrective actions developed and implemented and follow-up visits are conducted to evaluate the effectiveness of corrective actions until deficient offices become compliant.** GCHP acts on important quality and safety issues in a timely manner by reporting such occurrences at Quarterly Credentials / Peer Review meetings or as needed. If an occurrence requires urgent attention, the CMO or designee will address it immediately; engage the Committee if necessary, and appropriate action(s) will be taken to ensure quality. If the CMO determines that there is an immediate danger to the provision of care by a provider; the CMO or designee may summarily suspend for a period of 14 days. On an ongoing monitoring basis, GCHP collects and takes appropriate intervention and/or action by:

Collecting and reviewing Medicare and Medicaid sanctions:

- GCHP staff and/or Gemini will review sanction information within 30 calendar days of being posted on the OIG Report Website.

Collecting and reviewing sanctions or limitations on licensure:

- GCHP staff and/or Gemini will review sanction information within 30 calendar days of release. In areas where reporting entities do not publish sanction information on a set schedule, GCHP and/or Gemini will query for this information at least every six months.

Collecting and reviewing grievances / complaints:

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- Member Complaints / Grievances: The CMO or designee will review a report of Member complaints / grievances quarterly and at year end. If an unusually large number of grievances, as defined in the criteria below are filed against a Provider, the CMO or designee will review copies of the actual grievance documentation and will make a determination as to whether the grievance materials should be submitted to the Credentials / Peer Review Committee at the next regularly scheduled meeting.

Criteria for Referral Physicians with no linked Members:

- If three or more grievances are filed against any GCHP Physician with no linked Members in any given year, the practitioner will be presented to the Credentials / Peer Review Committee as noted above for their consideration

Criteria for Primary Care Physicians with linked Members:

- During any quarter, if the rate of grievances filed against any Primary Care Physician is greater than a rate of three (3) grievances per 1,200 Members months per year annualized, then the Provider will be presented to the Credentials / Peer Review Committee as noted above for their consideration. Member's complaints, PQI's will also be reviewed at the time of recredentialing and issues addressed between recredentialing cycles will be part of the recredentialing review process.

Collecting and reviewing information from identified adverse events:

- GCHP staff monitors for adverse events at least every six months to determine if there is evidence of poor quality that could affect the health and safety of the members. Depending on the nature of the adverse event, GCHP will implement actions and/or interventions based on its policies and procedures when instances of poor quality are identified.

Medical Board of California Monitoring:

- Medical Board of California: The "Hot Sheet" website report is run monthly. This report is a summary of disciplinary matter for the Medical Board of California, the Physician Assistant Committee, Board of Podiatric Medicine, and the Board of Psychology. The practitioners on the report are matched against GCHP's Provider Network Database by Credentialing Coordinator or designee. If a match is found the information is reviewed by the CMO or designee, and when appropriate submitted to the Credentials / Peer Review Committee for follow-up review and recommendations.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- Verify that State License Renewal occurs with no restrictions at license expiration date: Reports of expired license are run monthly by Credentialing Coordinator or designee. Staff will verify at the State licensure Board website that the license of each practitioner on the report has been renewed and is free of any sanctions or limitations. If a license is found not to have been renewed or has sanctions or limitations placed against it, the information will be reviewed by the CMO or designee and when appropriate submitted to Credentials / Peer Review Committee for review and recommendations.

HIV / AIDs Specialist Board Certification Status

- Verify that HIV / AIDs Specialist Board Certification status will be run monthly by Credentialing Coordinator or designee. Staff will verify at the following website that the credential is current: www.aahivm.org. If a certification has been found not to have been renewed or has sanctions or limitations placed against it, the information will be reviewed by the CMO or designee, and when appropriate submitted to Credentials / Peer Review Committee for review.

Potential Quality Issues (PQIs):

Refer to Potential Quality Issue Investigation

PRACTITIONER RIGHTS:

To Correct Erroneous Information

GCHP's policies do not preclude practitioners' rights to review and correct erroneous information obtained and used to evaluate their credentialing application from outside primary sources. Such information could include, but is not limited to malpractice insurance carriers, state licensing boards, etc., with the exception of references, recommendations, or other peer-review protected information, if applicable. GCHP is not required to reveal the source of information if the information was not obtained to meet organizational credentialing verification requirements or if the law prohibits disclosure.

Practitioners / Providers have the right to correct erroneous information obtained during the credentialing process within fifteen (15) days of notification of discrepancy. Practitioner / Providers may submit in writing to the Credentialing Department any Corrections or an explanation of discrepancies by mail, fax, or email. Practitioners / Providers are notified of this right to correct erroneous information during the credentialing process via Addendum to California Participating Physician Application, email and/or letter, requesting for additional information. Upon receipt of notification we will document information accordingly.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

Right To Review Information

GCHP ensures that practitioners can access their own information obtained by GCHP during the credentialing process and used to support their credentialing application. Practitioners shall be notified in writing of this right via one or more of the following methods:

- Applications
- Contracts
- Practitioner and/or Provider manuals
- Provider Newsletters
- Mail
- Email
- Fax
- Website
- Other Suitable Method analyzing

To Be Informed Of Application Status

GCHP's policy is to notify a practitioner of his / her application status upon request. The process allows for phone calls, emails, letters, or faxes from practitioners. If either the credentialing staff or another department receives a request it shall be responded to within 72 hours of receipt. If another department receives a request, it will be routed to the Credentialing Department within (10) business day for follow-up and resolution by the Credentialing staff within 72 hours of initial receipt.

The Credentialing Department staff can advise the practitioner, once key information is verified, of the following information via phone or in writing, if requested by the practitioner:

- The date the application was received;
- The status of the application – pending for additional information, etc.;
- The date the application is tentatively scheduled to be presented to the Committee;
- Answer any questions the practitioner may ask.

Prior to disclosing any confidential practitioner information via phone, the following must be verified by the Credentialing staff and confirmed by the practitioner or designee listed on Credentialing Application (i.e. providers credentialing coordinator, office manager or any authorized person practitioner designates):

- Practitioner's full name;



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- Practitioner’s primary office location;
- Practitioner date of birth;
- The name, city and state of the school the practitioner graduated.

To Be Notified Of His / her Rights

Each prospective and existing practitioner has the right to be notified of the aforementioned rights and will be notified via one of the methods listed under “Right to Review Information” described above.

FILE RETENTION

Credentialing files shall be retained for at least seven years. Credentialing files are considered protected and confidential. Each practitioner has an electronic file in the QI directory and/or with Gemini. File cabinets containing practitioner files shall be locked and/or secured at all times. Staff utilizing practitioner files shall ensure file will be secured, as practical or business appropriate, after normal business hours.

DELEGATED CREDENTIALING:

Delegation is the formal process by which a managed care organization (MCO) such as GCHP, gives another entity (e.g. an Independent Practice Association (IPA), Credentials Verification Organization (CVO), hospital, medical group, or mental health provider) the authority to perform credentialing functions on its behalf. If any functions are delegated, the MCO, i.e. GCHP (i) would be responsible and accountable for assuring its members that the same standards of participation are maintained throughout its provider network; (ii) retains the right to approve, suspend, or terminate all providers and sites of care; (iii) and ensures that a consistent and equitable process is used throughout its network by requiring:

- That the delegated entity adheres to at least the same criteria policies and procedures. GCHP will evaluate the delegated entity’s capacity to perform the delegated activates prior to delegation;
- A mutually agreed upon document, which may be a contract, letter, memorandum of understanding, or other document, which clearly defines the performance expectations for GCHP and the delegated entity. This document will define GCHP’s and the delegate’s specific duties, responsibilities, activities, reporting requirements, and identifies how GCHP will monitor and evaluate the delegate’s performance. This mutually agreed upon document will also specify the remedies available to GCHP, including (but not limited to) revocation of the delegation if the delegate does not fulfill its obligations;



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- GCHP staff to audit the delegate’s files on an annual basis to evaluate whether the delegated entity’s activities are being conducted in accordance with GCHP expectations and NCQA standards. The only exception to the oversight requirements is when GCHP delegates to an entity that is NCQA Certified for Credentialing or accredited by NCQA. GCHP does not need to conduct an annual audit or evaluation and may assume that the delegate is carrying out responsibilities in accordance with NCQA standards;
- If monitoring reveals deficiencies in the delegate’s credentialing and recredentialing processes, GCHP will work with the delegate to set priorities and correct the problems. If serious problems cannot be corrected, GCHP will revoke the delegation arrangement;
- That GCHP retains the right, based on quality issues, to approve, to suspend or terminate providers;
- Functions performed by vendors that do not involve decision-making (i.e. data collection as may be performed by a CVO) are not delegated functions, as defined in this section.

Reporting to Medical Board of California (MBOC), National Practitioner Data Bank (NPDB) and Healthcare Integrity and Protection Data Bank (HIPDB):

805 Reports to Medical Board of California

Actions Requiring Reports

An 805 Report is filed with the MBOC whenever any of the following actions taken by the Plan and/or its Credentials / Peer Review Committee, involving a physician, podiatrist or other allied provider become final:

1. The practitioner's application for the GCHP Provider status is denied or rejected for a medical disciplinary cause or reason;
2. The practitioner's GCHP Provider status is terminated or revoked for a medical disciplinary cause or reason;
3. Restrictions are imposed or voluntarily accepted on the practitioner's authority to provide care to GCHP Members for a cumulative total of thirty (30) days or more for any twelve (12) month period, for a medical disciplinary cause or reason;
4. The practitioner resigns or takes a leave of absence from GCHP Provider status following notice of an impending investigation based on information indicating a medical disciplinary cause or reason; or
5. A summary suspension remains in effect in excess of fourteen (14) days.

Timeframe for filing an 805 Report

Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

- a. Resignation or Leave of Absence:
An 805 Report is filed within fifteen (15) days after the effective date of resignation or leave of absence.
- b. Denial, Termination or Restriction:
An 805 Report is filed within fifteen (15) days after the conclusion of all of the proceedings under GCHP Policy, Fair Hearing Processes for Adverse Decisions if a denial, termination or restriction results from such proceedings.
- c. Summary Suspension:
An 805 Report is filed within fifteen (15) days following the imposition of summary suspension, if the summary suspension remains in effect for a period in excess of fourteen (14) days.

805.1 Reports to the Medical Board of California

An 805.1 report will be filed with the Medical Board of California when a final decision or recommendation has been made by the Credentials / Peer Review Committee. The 805.1 reports will need to be filed for the following 4 reasons:

1. Incompetence, or gross or repeated deviation from the standard of care involving death or serious bodily injury to one or more patients, to the extent or in such a manner as to be dangerous or injurious to any person or to the public;
2. The use of, or prescribing for or administering to himself or herself of any controlled substance, any dangerous drug (as specified), or alcoholic beverages, to the extent or in such a manner as to be dangerous or injurious to the licentiate, any other person, or the public, or to the extent that the licentiate's ability to practice safely is impaired by that use;
3. Repeated acts of clearly excessive prescribing, furnishing, or administering of controlled substances or repeated of prescribing, dispensing, or furnishing of controlled substances without a good faith effort prior examination of the patient and the medical reason therefore (note that in no event shall a physician or surgeon who is lawfully treating intractable pain be reported for excessive prescribing, and if a report is made, the licensing board must promptly review any such report to ensure these standards are properly applied); and
4. Sexual misconduct with one or more patients during a course of treatment or an examination.

These 4 reasons do not have to go to the fair hearing procedure before the 805.1 form is filled out and submitted to the MBC. The proposed action must be given to the practitioner within 15 days after the Credentials / Peer Review Committee makes the recommendation or final decision.



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

NPDB / HIPDB Reports

Actions Requiring Reports:

An NPDPI / HIPDB Report is filed whenever any of the following actions, taken by the Plan - the Credentials / Peer Review, involving a Physician, Podiatrist or other licensed clinical practitioners become final:

1. An Action that is based on the practitioner's professional competence or professional conduct which adversely affects or could adversely affect the health or welfare of a patient when that action adversely affects the practitioner's authority to provide care to GCHP Members for more than thirty (30) calendar days;
2. Acceptance of the practitioner's surrender for restriction of authority to provide care to GCHP Members while under investigation for possible professional incompetence or improper professional conduct or in return for not conducting an investigation or professional review action.

Timeframe for filing an NPDB / HIPDB Report

An NPDB / HIPDB Report is filed within fifteen (15) calendar days from the date the adverse action was taken or authority to provide care to GCHP Members is voluntarily surrendered.

Fair Hearing Rights

Except in the event of a summary suspension in effect less than thirty one (31) calendar days or a surrender or restriction of authority to provide care to GCHP Members as provided below, an NPDB / HIPDB Report is filed after the Plan Provider has had the opportunity to either waive or exhaust his / her fair Hearing rights in accordance with GCHP Policy, Fair Hearing Process for Adverse Decisions.

Additional Reports

An NPDB / HIPDB Report is filed when any revision is made to a previously reported adverse action.

Attachments:

N/A



Title: Provider Credentialing Policy	Policy Number: QI-025
Department: Quality Improvement	Effective Date: 05/08/15
CEO Approved:	Revised: 09/24/15

References:

- National Committee for Quality Assurance “Standards and Guidelines for the Accreditation of Managed Care Organizations”
- Standards for Credentialing and Recredentialing
- CR Standards
- MMCD Policy Letter 02-03
- Combined previous policies: 01-006, 01-007, 01-008, 01-009, 01-011, 01-012, 01-013,01-014,01-015,01-017,01-020.
- **QI Policy QI-016 Contract Compliance Monitoring Site Audits and Medical Records Review**

Revision History:

Review Date	Revised Date	Approved By
03/19/15		PRC
05/18/15		DHCS
05/05/15		Ruth Watson (Interim CEO)



Title: Credentialing for Organizational Providers	Policy Number: QI-005
Department: Quality Improvement	Effective Date: 01/27/11
CEO Approved:	Revised: 09/18/14

Purpose:

This policy is to describe the process of initial credentialing and re-credentialing of contracted organizational providers.

Policy:

Gold Coast Health Plan conducts initial assessments and re-assessments of organizational providers to evaluate and confirm that the organizational provider has met all regulatory and quality requirements as set forth by Gold Coast Health Plan policies and procedures, DHCS, NCQA standards, and any other applicable regulatory entities. Organizational providers will be re-assessed within three (3) years of the last assessment date.

Gold Coast Health Plan will credential and re-credential:

- Hospitals
- Skilled Nursing Facilities
- Free-Standing Surgical Centers
- Home Health Agencies/Hospice Providers
- Acute Rehabilitation Facilities

Definitions:

N/A

Procedure:

Each organizational provider must meet minimum standards for participation with Gold Coast Health Plan. These guidelines are intended to comply with regulatory and accreditation standards established by DHCS or its designee, NCQA, Gold Coast Health Plan, and the laws of California. The Gold Coast Health Plan standards for participation include:

- A copy of the current valid State License
- A copy of the current Liability Insurance Coverage face sheet
- A copy of the documentation of accreditation status
- Verification of current Medi-Cal license number
- The provider is in good standing with State and Federal regulatory bodies and complies with all federal, state, local, city and county laws and regulations currently in effect or later enacted by these agencies as relates to services rendered to members.

Title: Credentialing for Organizational Providers	Policy Number:
Department: Quality Improvement	Effective Date:
CEO Approved:	Revised:

The credentialing staff will review the application. Verification of the required information stated above will be completed. Primary source verification is not required; however, the status must be verified other than by an attestation by the organizational provider. A copy of the license, accreditation report or a letter from the regulatory and accrediting bodies regarding the status of the provider is acceptable. The credentialing staff may verify the information from other sources (e.g., verify accreditation by searching the list of accredited organizations on the accrediting body’s website, verify licensure status with the state licensing agency).

The requirements for the types of organizational providers are as follows:

1. Hospitals

- All Hospitals must be accredited by an acceptable accrediting organization.
- Copy of current accreditation by an acceptable accrediting organization
Acceptable accrediting organizations for hospitals are The Joint Commission (TJC) or Det Norske Veritas Healthcare (DNV)
- A copy of the valid State License
- A copy of the current Liability Insurance Coverage face sheet
- Verification of current Medi-Cal License Number

2. Skilled Nursing Facilities/Long Term Care Facilities

- Accreditation by an acceptable accrediting organization or a survey report or letter from CMS or the California State Department of Public Health that, within the last 3 years, the organization has been reviewed and passed inspection.
(Acceptable accrediting organizations are - TJC, Commission on Accreditation of Rehabilitation Facilities (CARF) or Continuing Care Accreditation Commission (CCAC), Accreditation Association for Ambulatory Health Care (AAAHC)
- Copy of valid State License
- Copy of current Liability Insurance Coverage face sheet
- Verification of current Medi-Cal License Number.



Title: Credentialing for Organizational Providers	Policy Number:
Department: Quality Improvement	Effective Date:
CEO Approved:	Revised:

3. Free-Standing Surgical Center

- All Free-Standing Surgical Centers must be accredited by an acceptable accrediting organization
- Copy of a current TJC, American Association for Accreditation of Ambulatory Surgical Facilities (AAAASF), Accreditation Association for Ambulatory Health care (AAAHC), Institute for Medical Quality (IMQ)
- Copy of valid State License
- Copy of current Liability Insurance Coverage face sheet
- Verification of current Medi-Cal License Number

4. Home Health agencies/Hospice Providers:

- Accreditation by an acceptable accrediting organization or a survey report or letter from CMS or the California State Department of Public Health that, within the last 3 years, the organization has been reviewed and passed inspection
- Copy of a current TJC, Community Health accreditation Program (CHAP), Accreditation Commission for Home Care, Inc. (ACHC), or the Continuing Care Accreditation Commission (CCAC)
- Copy of valid State License
- Copy of current Liability Insurance Coverage face sheet
- Verification of current Medi-Cal License Number

5. Free-Standing Acute Rehabilitation Facilities:

- Accreditation by an acceptable accrediting organization or a survey report or letter from CMS or the California State Department of Public Health that, within the last 3 years, the organization has been reviewed and passed inspection.
- Copy of accreditation by TJC, or CARF
- Copy of valid State License
- Copy of current Liability Insurance Coverage face sheet
- Verification of current Medi-Cal License Number

Non-Accredited Organizational Providers:

- Gold Coast Health Plan may substitute a CMS or State Review in Lieu of the required site visit. The CMS or state review may not be greater than three



Title: Credentialing for Organizational Providers	Policy Number:
Department: Quality Improvement	Effective Date:
CEO Approved:	Revised:

years old at the time of verification. Gold Coast Health Plan will obtain the survey report or letter from CMS or the state, from either the provider or the agency stating that the facility was reviewed and passed. Non-Accreditation substitution is not applicable to Hospitals or Free-Standing Surgical Centers, as they are required to be accredited by an acceptable accrediting organization.

Attachments:

Organizational Provider Application



Title: Credentialing for Organizational Providers	Policy Number:
Department: Quality Improvement	Effective Date:
CEO Approved:	Revised:

HHA MEDICARE CERTIFICATION EXCEPTION FORM

*Only Non Medicare certified Home Care agencies should complete this form.
All questions must be answered. Completion of this form doesn't guarantee acceptance to plan.*

Home Care Agency Name: _____

1. Indicate the number of hours and days per week the agency is available to serve clients.

Hours per day: _____ Days per week: _____

2. List all states and years this agency has been in business.

State: _____ Year(s): _____ - _____

State: _____ Year(s): _____ - _____

State: _____ Year(s): _____ - _____

3. Indicate the number of clients you have served:

This year: _____

Last year: _____

Two years ago: _____

4. Indicate the number of agency employees in each category.

Registered Nurses (RN): _____

Licensed Practical Nurses (LPN): _____

Personal Care Assistants (PCA): _____

Other _____: _____

5. Indicate percentage of your clients, in the past year through present, who primarily received **personal care assistant (PCA)** or **home health aide** services rather than skilled nursing services.

_____ %

6. Give reason(s) this home care agency has not pursued/been granted Medicare (CMS) certification.

Title: Credentialing for Organizational Providers	Policy Number:
Department: Quality Improvement	Effective Date:
CEO Approved:	Revised:

FACILITY CREDENTIALING APPLICATION LANGUAGES

- Please check all languages spoken by facility staff fluently enough to treat patients/clients who speak only that language.
- If none of these languages are spoken at your facility, check "None of These."
- Indicate if Sign Language and/or an Interpreter Service is available at your facility.

<input type="checkbox"/>	AFRIKAANS	<input type="checkbox"/>	HILIGAYNON	<input type="checkbox"/>	OROMO
<input type="checkbox"/>	AKAN	<input type="checkbox"/>	HINDI	<input type="checkbox"/>	PAKASTANI
<input type="checkbox"/>	AMHARIC	<input type="checkbox"/>	HINDU	<input type="checkbox"/>	PERSIAN
<input type="checkbox"/>	ARABIC	<input type="checkbox"/>	HMONG	<input type="checkbox"/>	POLISH
<input type="checkbox"/>	ARABIC NORTH LEVAN	<input type="checkbox"/>	HUNGARIAN	<input type="checkbox"/>	PORTUGUESE
<input type="checkbox"/>	ARMENIAN	<input type="checkbox"/>	IBO OF NIGERIA	<input type="checkbox"/>	PUNJABI
<input type="checkbox"/>	ASSAMESE	<input type="checkbox"/>	ICELANDIC	<input type="checkbox"/>	ROMANIAN
<input type="checkbox"/>	BENGA	<input type="checkbox"/>	INDONESIAN	<input type="checkbox"/>	RUSSIAN
<input type="checkbox"/>	BENGLI	<input type="checkbox"/>	IOLOCANO	<input type="checkbox"/>	SERBIAN
<input type="checkbox"/>	BOSNIAN	<input type="checkbox"/>	ITALIAN	<input type="checkbox"/>	SINDHI
<input type="checkbox"/>	BULGARIAN	<input type="checkbox"/>	KANNADA	<input type="checkbox"/>	SINHALA
<input type="checkbox"/>	BURMESE	<input type="checkbox"/>	KAREN	<input type="checkbox"/>	SLAVIC
<input type="checkbox"/>	CAMBODIAN	<input type="checkbox"/>	KASHMIRI	<input type="checkbox"/>	SLOVENIAN
<input type="checkbox"/>	CANTONESE	<input type="checkbox"/>	KISII	<input type="checkbox"/>	SOMALI
<input type="checkbox"/>	CHILEAN	<input type="checkbox"/>	KISWAHILI	<input type="checkbox"/>	SPANISH
<input type="checkbox"/>	CHINESE	<input type="checkbox"/>	KONKANI	<input type="checkbox"/>	SWAHILI
<input type="checkbox"/>	CHINESE MANDARIN	<input type="checkbox"/>	KOREAN	<input type="checkbox"/>	SWEDISH
<input type="checkbox"/>	CROATIAN	<input type="checkbox"/>	KUNIAN	<input type="checkbox"/>	TAGALOG
<input type="checkbox"/>	CZECH	<input type="checkbox"/>	KURDISH	<input type="checkbox"/>	TAIWANESE
<input type="checkbox"/>	DANISH	<input type="checkbox"/>	LATIAN	<input type="checkbox"/>	TAMIL
<input type="checkbox"/>	DUTCH	<input type="checkbox"/>	LAOTIAN	<input type="checkbox"/>	TELUGU
<input type="checkbox"/>	EGYPTIAN	<input type="checkbox"/>	LATVIAN	<input type="checkbox"/>	THAI
<input type="checkbox"/>	ESAN	<input type="checkbox"/>	LIINGALA	<input type="checkbox"/>	TIGRIGNA
<input type="checkbox"/>	ESTONIAN	<input type="checkbox"/>	LITHUANIAN	<input type="checkbox"/>	TSWANA
<input type="checkbox"/>	FARSI	<input type="checkbox"/>	LUGANDA	<input type="checkbox"/>	TURKISH
<input type="checkbox"/>	FILIPINO	<input type="checkbox"/>	LUO	<input type="checkbox"/>	TURKMEN
<input type="checkbox"/>	FINNISH	<input type="checkbox"/>	MALAY	<input type="checkbox"/>	UKRANIAN
<input type="checkbox"/>	FLEMISH	<input type="checkbox"/>	MALAYALAM	<input type="checkbox"/>	URDU
<input type="checkbox"/>	FRENCH	<input type="checkbox"/>	MANDARI	<input type="checkbox"/>	VIETNAMESE
<input type="checkbox"/>	GERMAN	<input type="checkbox"/>	MANDINKA	<input type="checkbox"/>	WELSH
<input type="checkbox"/>	GREEK	<input type="checkbox"/>	MARATHI	<input type="checkbox"/>	WOLOF
<input type="checkbox"/>	GUJARATI	<input type="checkbox"/>	NEPALI	<input type="checkbox"/>	YIDDISH
<input type="checkbox"/>	HAITIAN CREOLE FRENCH	<input type="checkbox"/>	NORWEGIAN	<input type="checkbox"/>	YORUBA
<input type="checkbox"/>	HEBREW	<input type="checkbox"/>	OJIBWE	<input type="checkbox"/>	NONE OF THESE

AMERICAN SIGN LANGUAGE INTERPRETER SERVICE UTILIZED BY FACILITY

Facility Name: _____ TIN: _____



Title: Credentialing for Organizational Providers	Policy Number:
Department: Quality Improvement	Effective Date:
CEO Approved:	Revised:

References:

N/A

Revision History:

Review Date	Revised Date	Approved By
01/27/11		Charles Cho, MD (CMO)
01/27/11		Earl Greenia (CEO)
10/29/14		PRC
01/05/15		DHCS
01/05/15		Ruth Watson, (COO, Interim CEO)



AGENDA ITEM 4.a.

TO: Gold Coast Health Plan Commission

FROM: Dale Villani, CEO

DATE: November 16, 2015

RE: CEO Update

GOVERNMENT RELATIONS:

1115 Waiver Renewal

On October 31, 2015, the Department of Health Care Services (DHCS) reached a conceptual agreement with the Centers for Medicare and Medicaid Services (CMS). The total federal funding for the waiver renewal is \$6.2 billion. The original request submitted to CMS was for \$17 billion. Several major provisions of the original request were removed, such as: managed care incentives, maternity care, and workforce training. An extension for the existing “Bridge to Reform” waiver was granted through December 31, 2015, while the Special Terms and Conditions of the new waiver are finalized.

The new waiver agreement revolves around the following core principles:

- Global Payment Program (GPP) for services to the uninsured in designated public hospital systems (DPH). The GPP converts existing Disproportionate Share Hospital (DSH) and Safety Net Care Pool (SNCP) uncompensated care funding – which is hospital-focused and cost-based- to a system focused on value and improved care delivery. The funding of the GPP will include five years of the DSH funding that otherwise would have been allocated to DPHs along with \$236 million in initial federal funding for one year of the SNCP component. SNCP component funding for years two through five would be subject to an independent assessment of uncompensated care.
- Delivery system transformation and alignment incentive program for DPHs and district / municipal hospitals (DMPH), known as PRIME (Public Hospital Redesign and Incentives in Medi-Cal). The federal funding of PRIME for the DPHs is a total of \$3.2655 billion over the five years of the waiver, which includes \$700 million for each of the first three years, \$630 million in year four, and \$535.5 million in year five. The federal funding for the DMPHs is a total of \$466.5 million over the five years of the Waiver, which includes \$100 million for each of the first three years, \$90 million in year

four, and \$76.5 million in year five.

- Dental transformation incentive program. The funding of this program is \$750 million in total funding over five years.
- Whole Person Care Pilot (WPC) program which would be a county-based, voluntary program to target providing more integrated care for high-risk, vulnerable populations. The funding of this program would be up to \$1.5 billion in federal funds over five years.
- Independent assessment of access to care and network adequacy for Medi-Cal managed care beneficiaries.
- Independent studies of uncompensated care and hospital financing.

DHCS will provide further details once the negotiations have been finalized with CMS.

State of Reform Health Policy Conference

On Friday, November 6, 2015, GCHP's Government Affairs Policy Analyst participated in the first annual State of Reform Health Policy Conference in Los Angeles. The goal of the conference was to provide a framework for the discussion of the most pressing challenges facing health care today. Topics included were challenges and opportunities for Medi-Cal, cost drivers in health care, and a Q&A with California State Senator Ed Hernandez, Chair of the Senate Health Committee. Senator Hernandez announced he would be introducing several mental health related bills along with a bill related to an all payer database during the upcoming legislative session. Senator Hernandez said negotiations were currently taking place regarding the Managed Care Organization (MCO) tax. A possible solution to obtain the needed funding, the existing MCO tax generates, was to increase cigarette taxes. SB 2x-14 was introduced during the special legislative session that would statutorily allow for cigarette taxes to be increased. A two-thirds vote is needed to pass the bill.

ATTACHMENTS

COMPLIANCE REPORT 2015

Category		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Calendar Year Total
Hotline														
A confidential telephone and web-based process to collect info on compliance, ethics, and FWA	Referrals *one referral can be sent to multiple referral agencies*	5	4	9	4	6	2	1	4	9				44
Hotline Referral *FWA	Department of Health Care Services Program Integrity Unit / A&I	0	0	0	0	0	0	1	0	2				3
Hotline Referral *FWA	Department of Justice	0	0	0	0	0	0	0	0	0				0
Hotline Referral	Internal Department (i.e. Grievance & Appeals, Customer Services etc.)	5	4	9	4	6	2	0	4	6				40
Hotline Referral	External Agency (i.e. HSA)	0	0	0	0	0	0	0	0	0				0
Hotline Referral	Other * Legal, HR, DHCS (Division outside of PIU i.e. eligibility, note to reporter), etc.	0	1	0	0	0	0	0	0	1				2
Delegation Oversight	Delegated Entities	8	8	8	8	8	8	8	8	8				72
The committee's function is to ensure that delegated activities of subcontracted entities are in compliance with standards set forth from GCHP contract with DHCS and all applicable regulations	Reporting Requirements Reviewed **	72	57	47	70	66	55	72	74	53				566
	Audits conducted	3	0	2	1	1	1	2	0	1				11
Delegation Oversight	Letters of Non-Compliance	0	0	0	2	1	1	1	1	2				8
Delegation Oversight	Corrective Action Plan(s) Issued to Delegates	1	1	1	1	1	1	1	0	0				7
Audits	Total	0	2	0	0	0	0	0	0	0				0
External regulatory entities evaluate GCHP compliance with contractual obligations.	Medical Loss Ratio Evaluation performed by DMHC via interagency agreement with DHCS	0	0	0	0	0	0	0	0	0				0
	DHCS Facility Site Review & Medical Records Review *Audit was conducted in 2013*	0	0	0	0	0	0	0	0	0				0
	HEDIS Compliance Audit (HSAG)	0	1	0	0	0	0	0	0	0				1
	DHCS Member Rights and Program Integrity Monitoring Review *Review was conducted in 2014*	0	0	0	0	0	0	0	0	0				0
	DHCS Medical Audit *Audit was conducted in 2014*	0	1	0	0	0	0	0	0	0				1
Fraud, Waste & Abuse	Total Investigations	5	4	9	4	6	2	1	4	9				44
The Fraud Waste and Abuse Prevention process is intended to prevent, detect, investigate, report and resolve suspected and /or actual FWA in GCHP daily operations and interactions, whether internal or external.	Investigations of Providers	0	0	0	0	1	0	0	0	1				2
	Investigations of Members	5	4	9	4	5	2	1	4	8				42
	Investigations of Other Entities	0	0	0	0	0	0	0	0	0				0
	Fulfillment of DHCS/DOJ or other agency Claims Detail report Requests	0	0	0	0	0	0	0	0	0				0

Category		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Calendar Year Total
HIPAA	Referrals	2	4	2	1	1	1	1	0	1				13
Appropriate safeguards, including administrative policies and procedures, to protect the confidentiality of health information and ensure compliance with HIPAA regulatory requirements.	State Notification	1	4	2	1	1	1	1	0	1				12
	Federal Notification	0	4	0	0	0	0	0	0	0				4
	Member Notification	0	1	0	2	1	0	0	0	0				4
	HIPAA Internal Audits Conducted	1	0	0	0	0	0	0	1	0				2
**														
Training	Training Sessions	12	4	9	3	12	151	39	8	17				255
Staff are informed of the GCHP's Code of conduct, Fraud Waste and Abuse Prevention Program, and HIPAA	Fraud, Waste & Abuse Prevention	4	1	3	1	4	73	19	4	7				116
	Fraud, Waste & Abuse Prevention (Member Orientations)	0	1	0	0	0	0	0	0	1				2
	Code of Conduct	4	1	3	1	4	5	1	1	1				21
	HIPAA (Individual Training)	4	1	3	1	4	73	19	4	7				116
	HIPAA (Department Training)	0	0	0	0	0	0	0	0	1				1

** Reporting Requirements are defined by functions delegated and contract terms. Revised contracts, amendments or new requirements from DHCS may require additional requirements from subcontractors as a result the number is fluid

** Audits- Please note multiple audits have been conducted on the Plan, however many occurred in 2012 and 2013 and will be visible on the annual comparison dashboard

** This report is intended to provide a high level overview of certain components of the compliance department and does not include/reflect functions the department is responsible for on a daily basis.

^^Training Sessions: 5 new employees, along with 68 yearly training.



AGENDA ITEM 4.b.

TO: Gold Coast Health Plan Commission

FROM: Patricia Mowlavi, CFO

DATE: November 16, 2015

RE: CFO Update

Overall Performance – For the three months ending September 30, 2015, the Plan’s gain in unrestricted net assets was approximately \$16.3 million compared to the \$3.6 million budget. The favorable variance included a \$3.9 million retroactive revenue rate adjustment received in September, for July through December 2013. Also contributing to the variance was higher than expected Adult Expansion (AE) membership growth and lower than anticipated health care and administrative costs.

Tangible Net Equity – Favorable operating results contributed to a Tangible Net Equity (TNE) level of approximately \$123.4 million, which exceeded both the budget of \$83.6 million by \$39.8 million and the State minimum required TNE amount of \$21.8 million by \$101.6 million. September’s TNE was 533% of the State required TNE, excluding the \$7.2 million County of Ventura lines of credit (LOC). The sharp rise in the TNE multiple reflects an increase in capitated arrangements which are excluded from the required TNE calculation.

Affordable Care Act (ACA) 1202 – Increased Payment to Primary Care Providers
GCHP continues communications encouraging eligible providers to send documentation required for ACA 1202 payment and has seen a recent increase in W 9’s received. Another major provider has recently submitted attestations. GCHP will make payments through the end of the calendar year for this program.

Assembly Bill (AB) 85 - Inter Governmental Transfer (IGT)

The FY 2013-14 IGT was received and paid in early October. IGTs are a valuable opportunity to attract federal funding, in support of Medi-Cal.

ACA Adult Expansion (AE)

At the inception of the AE in January 2014, Department of Health Care Services (DHCS) assumed the population would be higher risk and set rates accordingly. Since that time, DHCS has reduced rates three times (2% in July 2014, 20% in January 2015 and 23% in July 2015) which reflects the lower than expected utilization for this population. As members learn to navigate the program, utilization has been increasing and DHCS continues to analyze and

evaluate data. GCHP has maximized provider payments, as permitted by the program, to include reimbursement for non-contract services. Most recently, new increased AE Enhancement rates were established, effective November 2015. However, even with the increased utilization and increased enhanced payments, a reserve for revenue rate reductions is required to achieve the Centers for Medicare & Medicaid Services (CMS) mandated medical loss ratio of 85%.

GCHP reflects the rate reduction reserve in the revenue section of the financial statements. The repayment of this portion of the reserve is anticipated after July 2016. The reserve for rate reduction also includes the expected refund of AE rate overpayments. GCHP intends to refund the overpaid rates in January 2016, per guidance from DHCS. Due to DHCS system issues, DHCS has been paying at the July 2014 rates and not at the published January 2015 and July 2015 rates.

Investment Committee

Plan is in the process of scheduling the next investment meeting before year end to review maturities, review investment allocations and cash needs for the coming year.

ATTACHMENTS

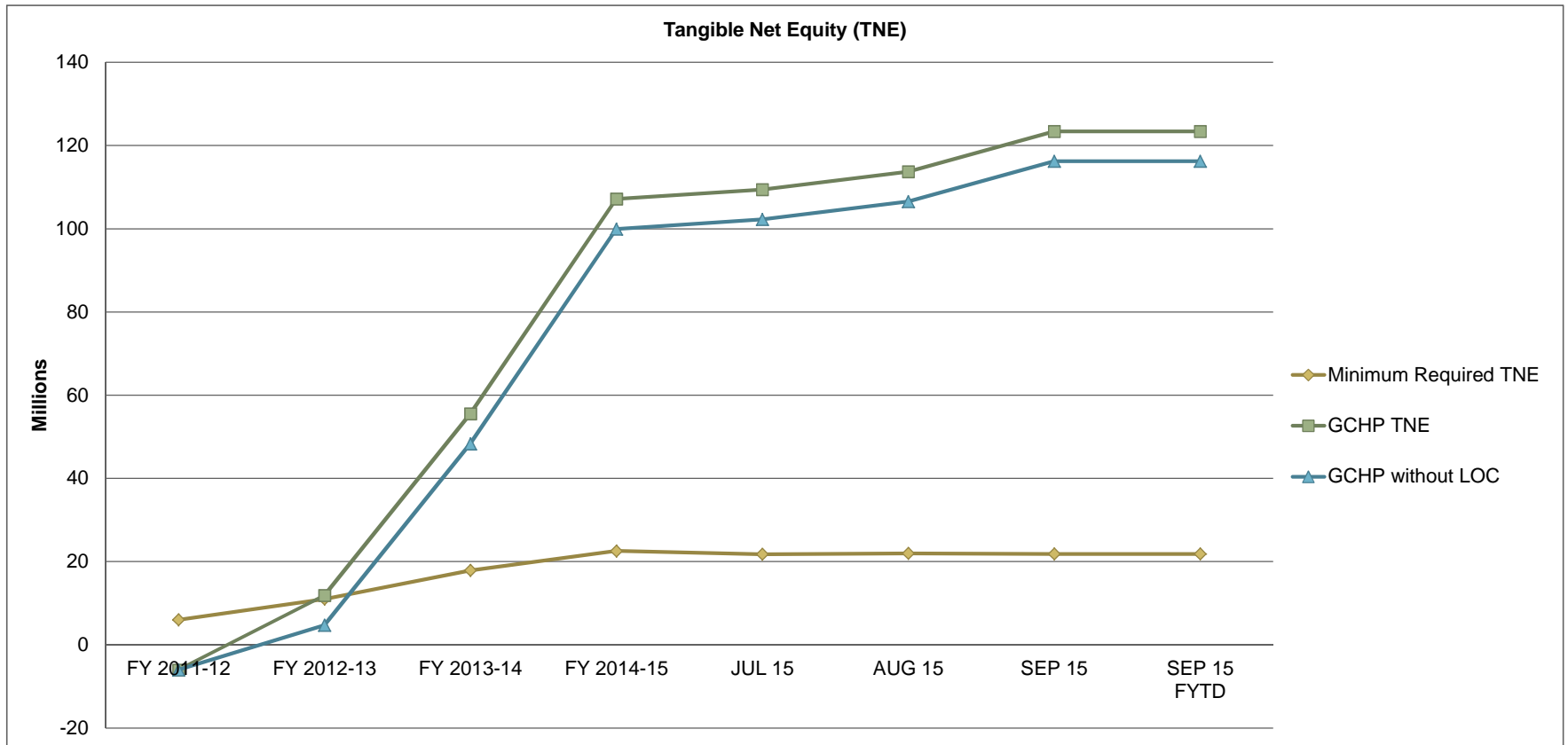
**GOLD COAST HEALTH PLAN
FINANCIAL RESULTS SUMMARY**

Description	AUDITED*	AUDITED*	AUDITED	UNAUDITED	FY 2015-16				Budget Comparison		
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	JUL 15	AUG 15	SEP 15	SEP 15 FYTD	Budget FYTD	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
Member Months	1,258,189	1,223,895	1,553,660	2,130,979	189,314	193,867	194,875	578,056	574,816	3,240	0.6 %
Revenue	304,635,932	315,119,611	402,701,476	596,219,281	49,905,030	55,401,591	57,991,214	163,297,835	156,058,292	7,239,543	4.6 %
<i>pppm</i>	242.12	257.47	259.20	279.79	263.61	285.77	297.58	282.49	271.49	11.00	4.1 %
Health Care Costs	287,353,672	280,382,704	327,305,832	509,183,268	44,669,495	47,843,013	45,332,729	137,845,237	141,992,530	4,147,293	2.9 %
<i>pppm</i>	228.39	229.09	210.67	238.94	235.95	246.78	232.62	238.46	247.02	8.56	3.5 %
% of Revenue	94.3%	89.0%	81.3%	85.4%	89.5%	86.4%	78.2%	84.4%	91.0%	6.6 %	7.2 %
Admin Exp	18,891,320	24,013,927	31,751,533	35,425,960	2,944,855	3,242,001	2,977,361	9,164,217	10,419,883	1,255,666	12.1 %
<i>pppm</i>	15.01	19.62	20.44	16.62	15.56	16.72	15.28	15.85	18.13	2.27	12.5 %
% of Revenue	6.2%	7.6%	7.9%	5.9%	5.9%	5.9%	5.1%	5.6%	6.7%	1.1 %	15.9 %
Total Increase / (Decrease) in Unrestricted Net Assets	(1,609,063)	10,722,980	43,644,110	51,610,053	2,290,680	4,316,578	9,681,123	16,288,381	3,637,626	12,650,756	347.8 %
<i>pppm</i>	(1.28)	8.76	28.09	24.22	12.10	22.27	49.68	28.18	6.33	21.85	345.3 %
% of Revenue	-0.5%	3.4%	10.8%	8.7%	4.6%	7.8%	16.7%	10.0%	2.3%	7.6%	327.9 %
YTD											
100% TNE	16,769,368	16,138,440	17,867,986	22,556,530	21,780,703	21,953,653	21,819,072	21,819,072	23,426,220	(1,607,148)	(6.9)%
% TNE Required	36%	68%	100%	100%	100%	100%	100%	100%	100%	100%	
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	21,780,703	21,953,653	21,819,072	21,819,072	23,426,220	(1,607,148)	(6.9)%
GCHP TNE	(6,031,881)	11,891,099	55,535,211	107,145,264	109,435,944	113,752,522	123,433,646	123,433,646	83,616,534	39,817,112	47.6 %
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	87,655,241	91,798,869	101,614,573	101,614,573	60,190,313	41,424,260	68.8 %
% of Required TNE level			311%	475%	502%	518%	566%	566%	357%		
% of Required TNE level (excluding \$7.2 million LOC)			271%	443%	469%	485%	533%	533%	326%		

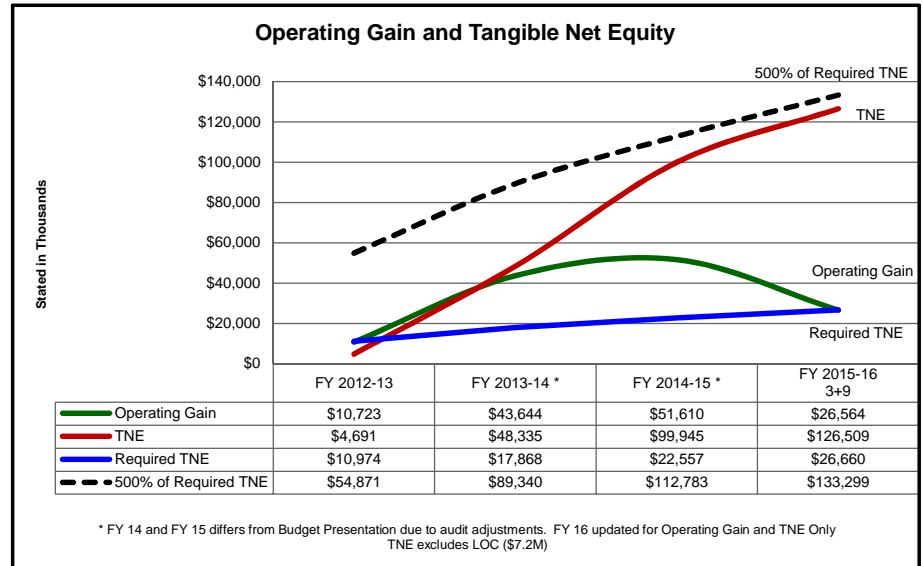
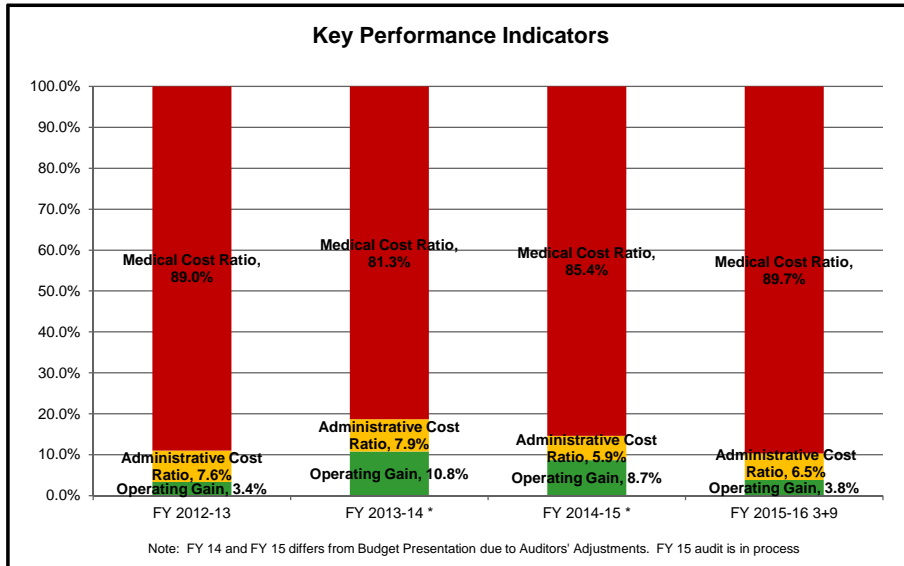
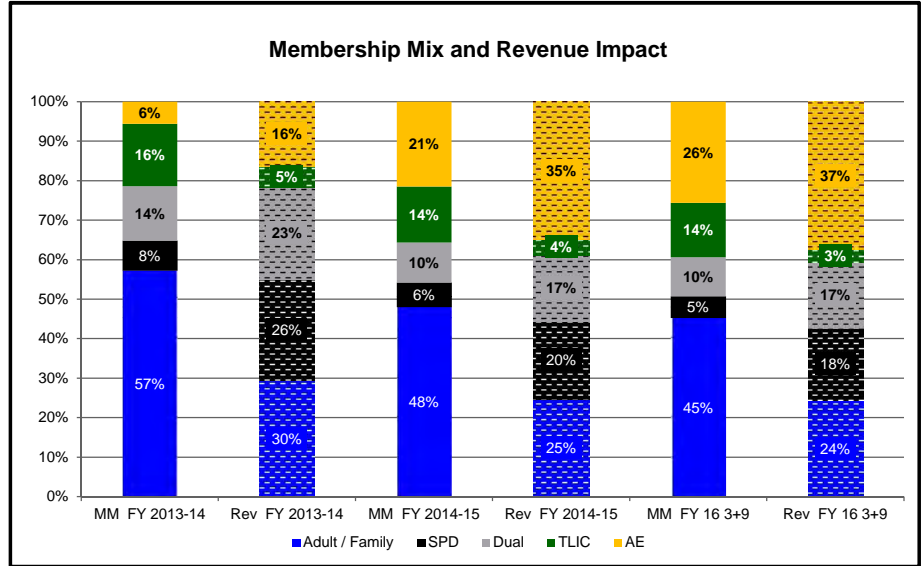
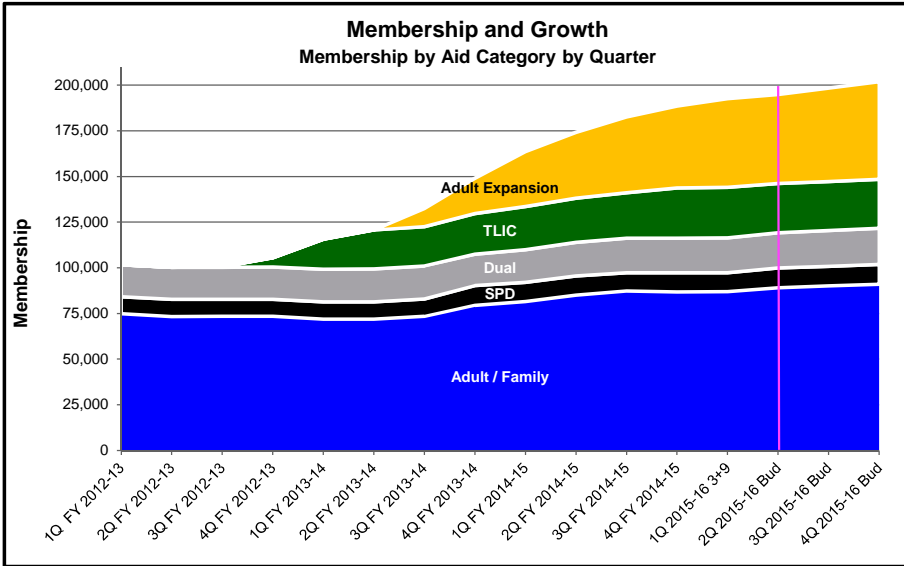
Note: TNE amount includes \$7.2 million related to the Lines of Credit (LOC) from Ventura County.

* Audited amounts reflect financial adjustments made by auditors, but exclude presentation reclassifications without P&L impact (i.e. reporting package kept the same).

**GOLD COAST HEALTH PLAN
TANGIBLE NET EQUITY (TNE) CHART**



**FINANCIAL PERFORMANCE DASHBOARD
FOR MONTH ENDING SEPTEMBER 30, 2015**



Note: 3+9 indicates 3 months of actual results followed by 9 months of forecasts

AGENDA ITEM 4.c.

To: Gold Coast Health Plan Commission

From: Ruth Watson, Chief Operating Officer

Date: November 16, 2015

Re: COO Update

OPERATIONS UPDATE

Membership Update – November 2015

Gold Coast Health Plan (GCHP) had a net membership increase of 2,006 this month, bringing the total number of members to 198,863 as of November 1, 2015. GCHP’s membership has increased by 80,351 or 67.8% since January 2014. The cumulative new membership since January 1, 2014 is summarized as follows:

Aid Code	# of New Members
L1 – Low Income Health Plan (LIHP)	2,298
M1 – Adult Expansion	47,527
7U – CalFresh Adults	2,395
7W – CalFresh Children	628
7S – Parents of 7Ws	354
Traditional Medi-Cal	27,149
Total New Membership 01/01/14 – 11/01/15	80,351

Members assigned to a M1 aid code continues to increase. All other Medi-Cal Expansion aid codes decreased either due to re-determination into other aid codes or loss of coverage. GCHP had 76 potential new members transitioning from Covered CA as of November 1, 2015; 46 were identified as new to GCHP on the November eligibility file from DHCS.

	15-Jul	15-Aug	15-Sep	15-Oct	15-Nov	15-Dec
L1	3,218	3,039	2,698	2,515	2,298	0
M1	40,948	42,465	44,260	46,138	47,527	0
7U	2,918	2,766	2,654	2,525	2,395	0
7W	770	746	733	682	628	0
7S	355	380	360	354	354	0

	15-Jan	15-Feb	15-Mar	15-Apr	15-May	15-Jun
L1	6,508	6,128	4,965	4,102	3,908	3,413
M1	30,107	31,203	34,350	35,582	37,519	39,283
7U	3,390	3,342	3,236	3,162	3,083	2,986
7W	872	872	856	831	813	781
7S	478	442	396	381	379	353

	14-Jul	14-Aug	14-Sep	14-Oct	14-Nov	14-Dec
L1	7,839	7,726	7,568	7,443	7,289	6,972
M1	15,606	18,585	21,944	23,569	24,060	27,176
7U	3,453	3,400	3,368	3,312	3,254	3,204
7W	667	624	606	296	599	589
7S	4	4	5	11	14	15

	14-Jan	14-Feb	14-Mar	14-Apr	14-May	14-Jun
L1	7,618	8,083	8,154	8,134	8,118	7,975
M1	183	1,550	2,482	4,514	7,279	10,910
7U	0	0	1,741	3,584	3,680	3,515
7W	0	0	0	684	714	691
7S	0	0	0	0	0	3

AB 85 Capacity Tracking – VCMC has a total of 30,118 Adult Expansion members assigned to them as of November 2015. VCMC’s target enrollment is 65,765 and is currently at 45.8% of the enrollment target.

September 2015 Operations Summary

Claims Inventory – ended September with an inventory of 11,484; this equates to Days Receipt on Hand (DROH) of 1.5 compared to a DROH goal of 5. GCHP received approximately 7,800 claims per day in September. Monthly claim receipts from October 2014 through September 2015 are as follows:

Month	Total Claims Received	Receipts per Day
September 2015	164,510	7,834
August 2015	152,840	7,278
July 2015	162,237	7,374
June 2015	171,806	7,809
May 2015	160,992	8,050
April 2015	146,198	6,645
March 2015	152,948	6,952
February 2015	130,559	6,528
January 2015	127,517	6,376
December 2014	128,087	6,099

November 2014	111,182	6,177
October 2014	134,274	5,838

Claims Turnaround Time (TAT) – the regulatory requirement of processing 90% of clean claims within 30 calendar days was met in September with a result of 99.2%.

Claims Processing Accuracy – the financial accuracy goal of 98% or higher was met in September with a result of 99.93%; procedural accuracy exceeded the goal of 97% in September at 99.99%.

Call Volume – call volume remained below 10,000 calls during September; the number of calls received in September was 9,743. The 12-month average is 9,917 calls per month.

Average Speed to Answer (ASA) – as discussed during the September Commission meeting, the ASA was impacted during July and August due to significant staffing issues which occurred at the Xerox Call Center during the summer. Metrics returned to normal in September following the implementation of a Corrective Action Plan. The combined ASA result (Member, Provider and Spanish lines) for September was 16.8 seconds versus the Service Level Agreement (SLA) goal of 30 seconds or less.

Abandonment Rate – the abandonment rate was also impacted by the staffing issues during the summer but returned to normal in September. The combined result for September was 0.65% compared to a goal of 5% or less.

Average Call Length – the combined result of 7.81 minutes in September was above the goal of 7.0 minutes.

Grievance and Appeals – GCHP received 11 member grievances and 50 provider grievances (related to claim payment disputes) during September. The number of member grievances received per 1,000 members was 0.06.

Type of Member Grievances	Number of Grievances
Accessibility – Lack of PCP Availability	2
Quality of Care	7
Quality of Service	1
Balance Billing	1
Total Member Grievances	11

There was 1 clinical appeal in September that was upheld. There was 1 State Fair Hearing that was approved in September.

Member Orientation Meetings – Attendance at Member Orientation meetings has continued to decline since the early part of the year. A total of 148 members (114 English, 34 Spanish)

plus 22 County Employees / Others attended meetings in the first nine month of 2015. GCHP continues to include an informational flyer in each new member packet to make members aware of this opportunity to learn more about GCHP and their Medi-Cal benefits. We are looking into other options to promote this meeting to increase attendance.

Behavioral Health Treatment (BHT) Transition – The transition of BHT services from the regional centers to managed care plans is still scheduled for February 2016. GCHP members currently receiving BHT services at the regional center will be transitioned over a six-month period based on month of birth. GCHP will provide members with 60-day and 30-day notices of this transition beginning in December 2015. DHCS has provided data which indicates there are 391 BHT beneficiaries in Ventura County currently receiving treatment at the regional center.

Noteworthy Activities – Operations continues to lead or be involved in the following projects:

- ICD-10 Implementation – the compliance date of October 1, 2015 has come and gone and GCHP is successfully receiving and processing authorizations and claims in the ICD-10 format. GCHP is monitoring claim submissions to determine if any providers are having difficulty submitting claims correctly and providing immediate feedback to any impacted provider. We have put processes in place to refer escalated issues to Network Operations so provider issues can be addressed quickly.
- ASO Consultant Services RFP – GCHP received bids from three firms. Review of bid results and scoring has been completed. GCHP will bring the top candidate(s) in for an in-person presentation with a goal of bringing a recommendation to the Commission in January.
- Fraud, Waste and Abuse – GCHP will be launching a project aimed at identifying fraud, waste and abuse for certain claim types. The project will involve sending an Explanation of Benefits letter to members requesting them to contact GCHP's Fraud Hotline if they did not receive the services indicated in the letter.
- IVR Optimization – GCHP is reviewing the IVR set-up to identify changes that will focus on improving the customer experience for both members and providers.

Attachments

Membership Update
PCP Auto Assignment
Claims Metrics
Call Center Metrics
G&A Metrics

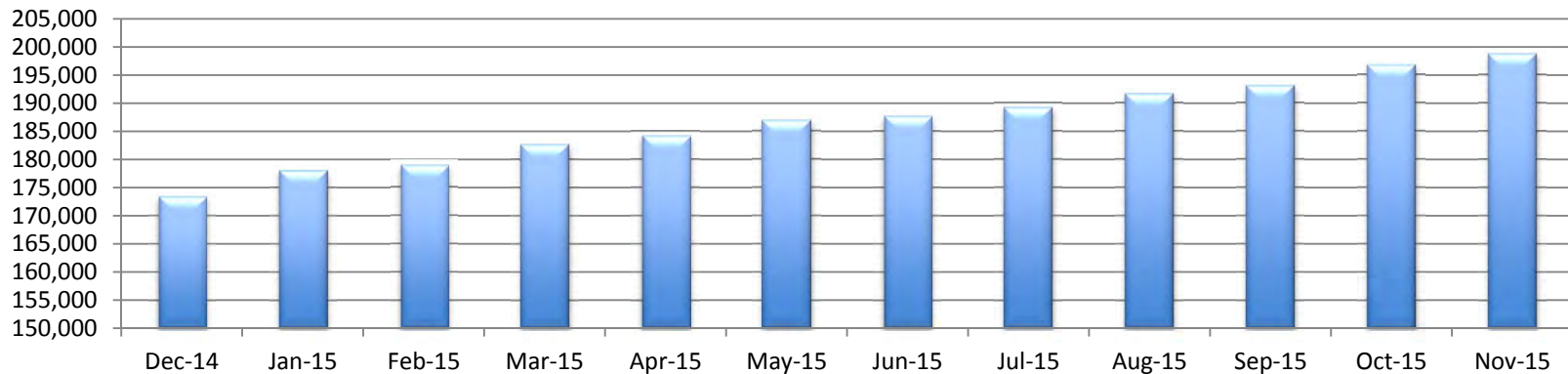
ATTACHMENTS

GCHP Membership

Total Membership as of November 1, 2015 – 198,863

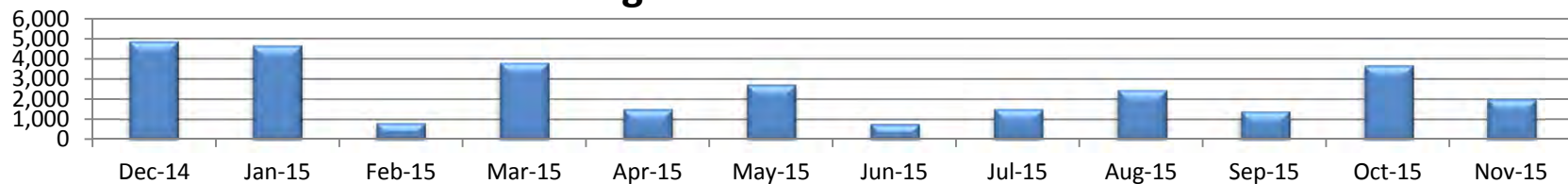
New Members Added Since January 2014 – 80,351

GCHP Membership Increase December 2014 - November 2015

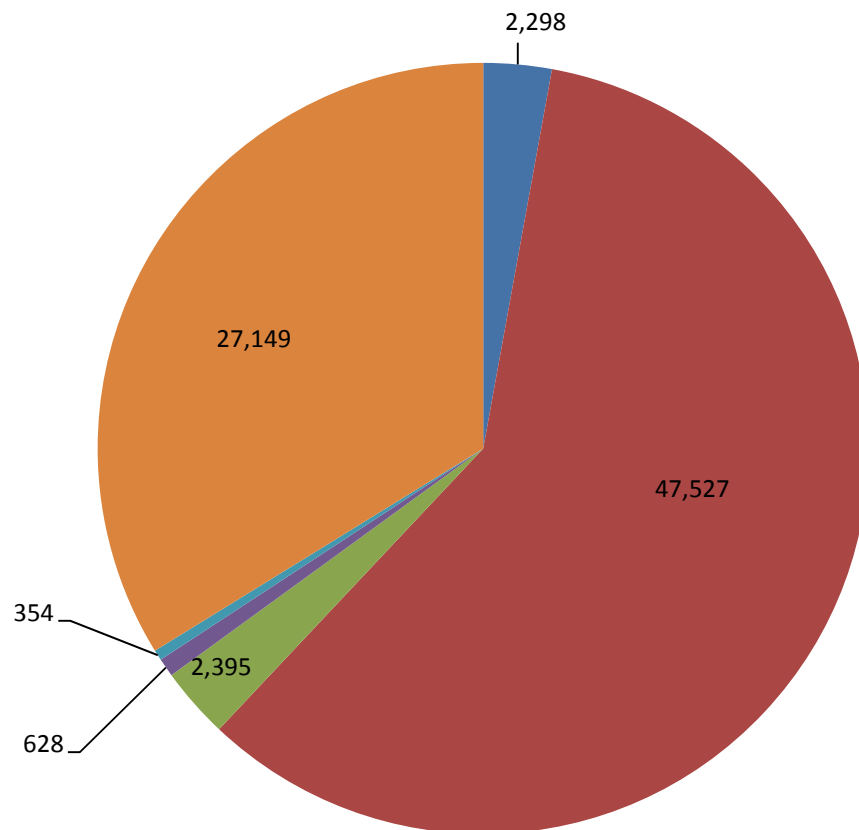


	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Active Membership	173,505	178,163	178,984	182,795	184,306	187,029	187,801	189,321	191,783	193,195	196,857	198,863

Change from Prior Month



Membership Growth



GCHP New Membership Breakdown

- L1 - Low Income Health Plan - 2.86%
- M1 - Medi-Cal Expansion - 59.15%
- 7U - CalFresh Adults - 2.98%
- 7W - CalFresh Children - 0.78%
- 7S - Parents of 7Ws - 0.44%
- Traditional Medi-Cal - 33.79%

GCHP Auto Assignment by PCP / Clinic as of November 1, 2015

	Nov-15		Oct-15		Sep-15		Aug-15		Jul-15		Jun-15	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
AB85 Eligible	1,075		996		1,350		1,159		1,312		1,519	
VCMC	806	74.98%	747	75.00%	1,012	74.96%	869	74.98%	984	75.00%	1,139	74.98%
Balance	269	25.02%	249	25.00%	338	25.04%	290	25.02%	328	25.00%	380	25.02%
Regular Eligible	1,008		1,011		1,141		1,023		891		1,455	
Regular + AB85 Balance	1,277		1,260		1,479		1,313		1,219		1,835	
Clinicas	268	20.99%	259	20.56%	275	18.59%	265	20.18%	372	30.52%	458	24.96%
CMH	176	13.78%	144	11.43%	161	10.89%	138	10.51%	156	12.80%	203	11.06%
Independent	26	2.04%	38	3.02%	46	3.11%	30	2.28%	29	2.38%	55	3.00%
VCMC	807	63.19%	819	65.00%	997	67.41%	880	67.02%	662	54.31%	1,119	60.98%
Total Assigned	2,083		2,007		2,491		2,182		2,203		2,974	
Clinicas	268	12.87%	259	12.90%	275	11.04%	265	12.14%	372	16.89%	458	15.40%
CMH	176	8.45%	144	7.17%	161	6.46%	138	6.32%	156	7.08%	203	6.83%
Independent	26	1.25%	38	1.89%	46	1.85%	30	1.37%	29	1.32%	55	1.85%
VCMC	1,613	77.44%	1,566	78.03%	2,009	80.65%	1,749	80.16%	1,646	74.72%	2,258	75.92%

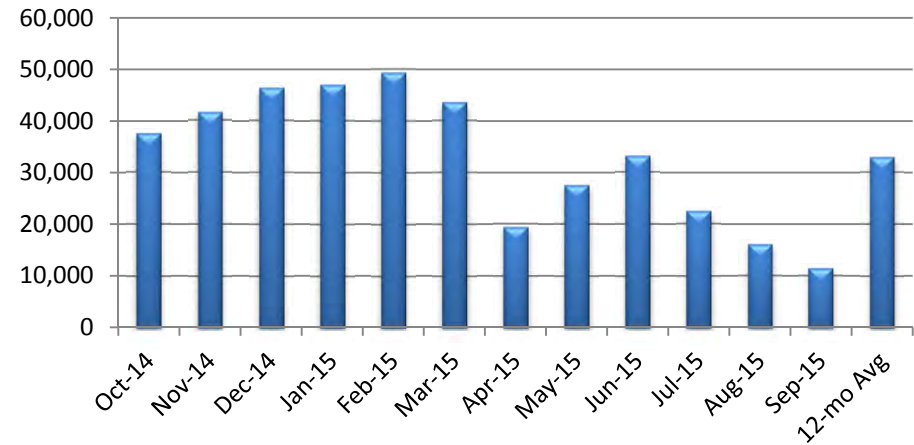
Auto Assignment Process

- 75% of eligible Adult Expansion (AE) members (M1 & 7U) are assigned to the County as required by AB 85
- The remaining 25% are combined with the regular eligible members and assigned using the standard auto assignment process, i.e., 3:1 for safety net providers and 1:1 for all others
- The County's overall auto assignment results will be higher than 75% since they receive 75% of the AE members plus a 3:1 ratio of all other unassigned members
- VCMC's target enrollment is 65,765
 - VCMC has 30,118 assigned Adult Expansion members as of November 1, 2015 and is currently at 44.8% of capacity

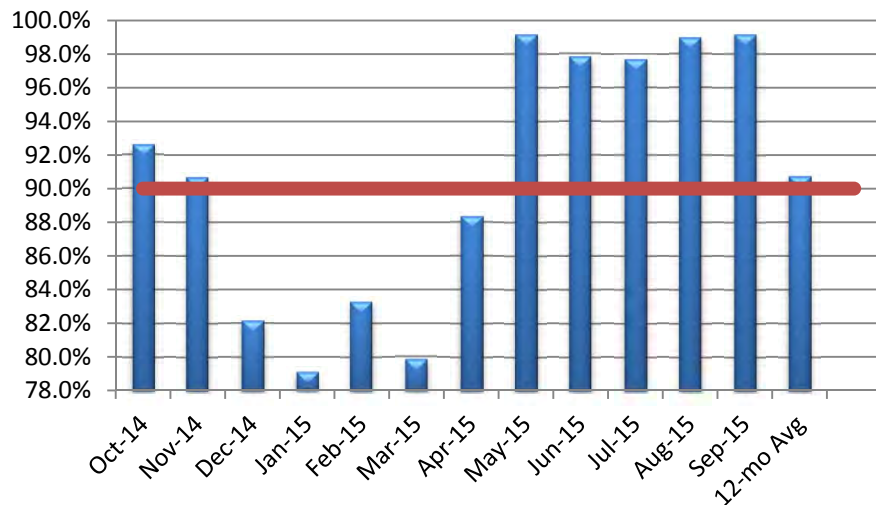
GCHP Claims Metrics – September 2015

- The 30 Day Turnaround Time (TAT) remained in compliance at 99.2%
- Ending Inventory was 11,484 which equates to a Days Receipt on Hand (DROH) of 1.5 days vs a DROH goal of 5 days
- Service Level Agreements for Financial Accuracy (99.93%) and Procedural Accuracy (99.99%) were both met in September

Ending Inventory

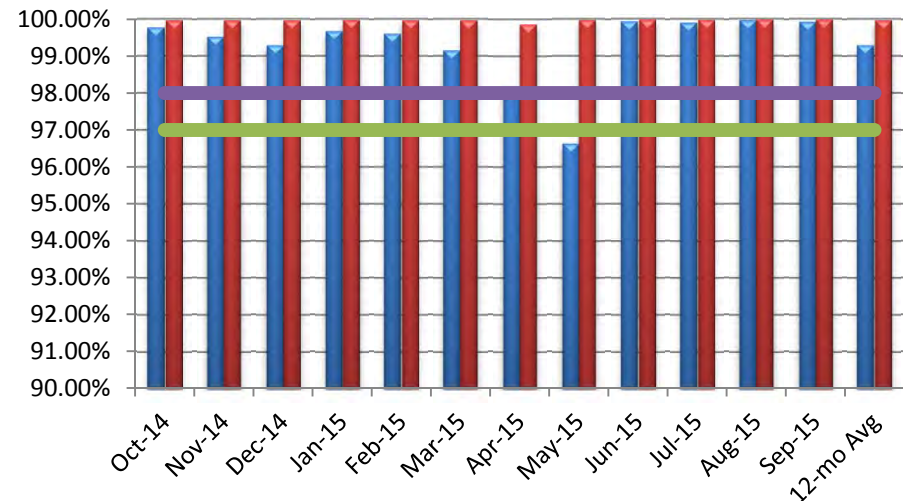


Clean Claims Processed within 30 Calendar Days



Regulatory requirement – 90% of clean claims must be processed within 30 calendar days

Financial and Procedural Accuracy

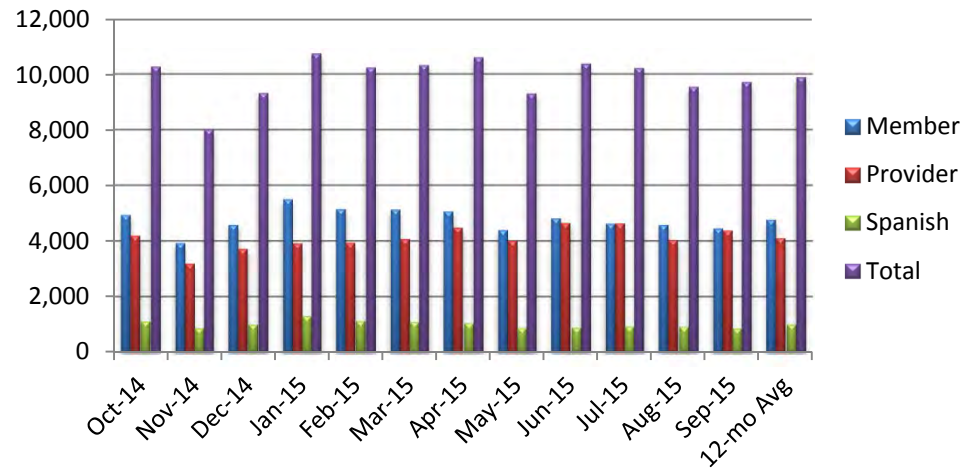


Financial Accuracy – 98% or higher
Procedural Accuracy – 97% or higher

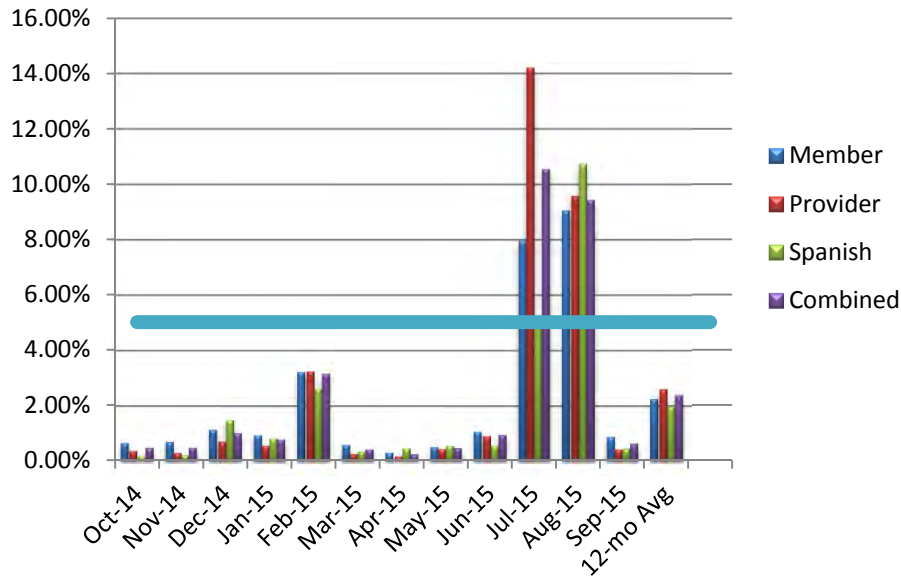
GCHP Call Center Metrics – September 2015

- Call volume remained below 10,000 for the 2nd month; GCHP received 9,743 calls during the month
- ASA and Abandonment Rate were back in compliance!

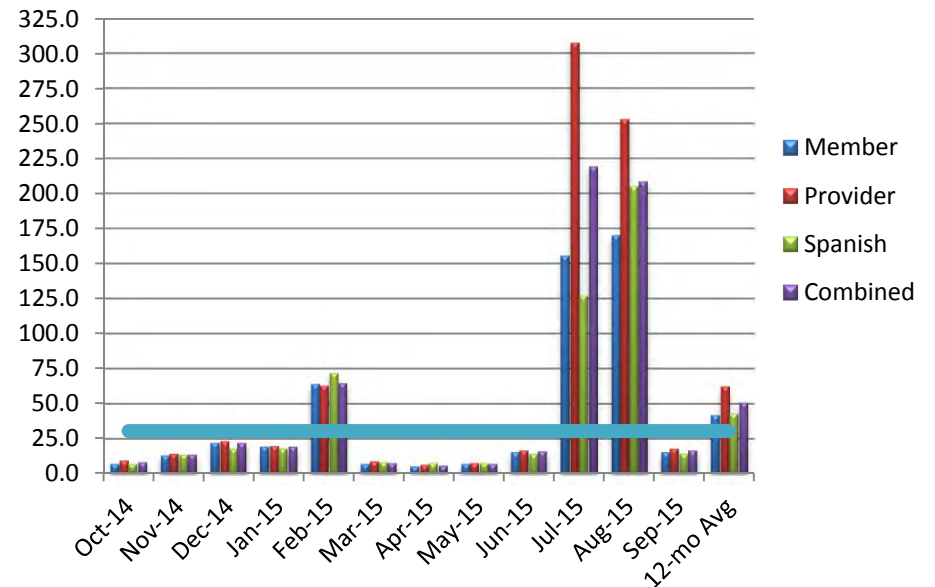
Call Center Volume



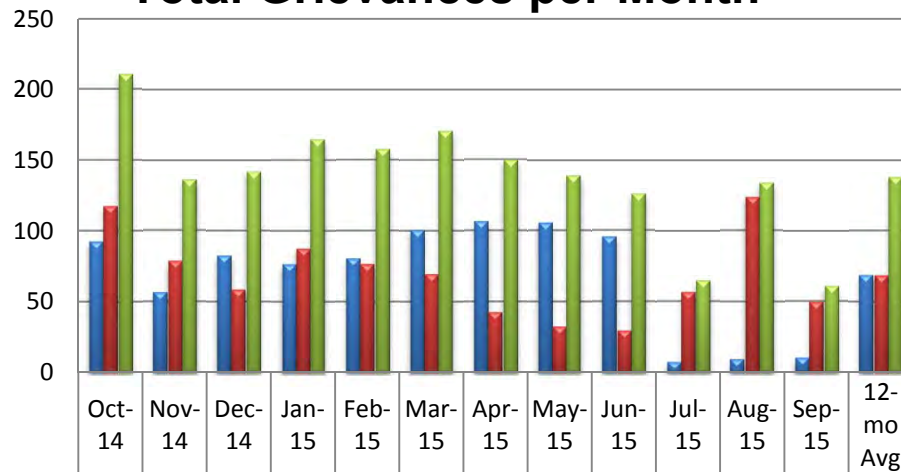
Abandonment Rate (goal is 5% or less)



Average Speed of Answer (ASA) (goal is 30 seconds or less)



Total Grievances per Month

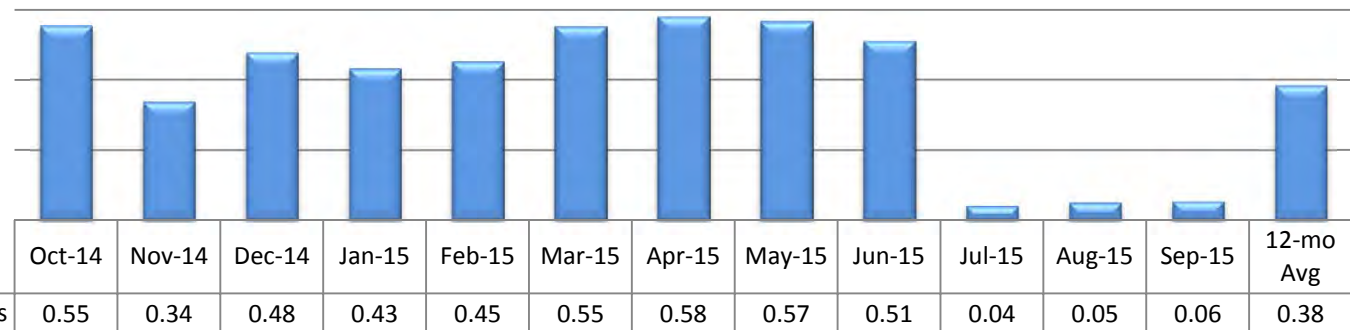


	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	12-mo Avg
Member	93	57	83	77	81	101	107	106	96	8	10	11	69
Provider	118	79	59	88	77	70	43	33	30	57	124	50	69
Combined	211	136	142	165	158	171	150	139	126	65	134	61	138

GCHP Grievance & Appeals Metrics – September 2015

- GCHP received a total of 61 grievances during September (11 member and 50 provider) which is the equivalent of 0.06 grievances per 1,000 members
- GCHP's 12-month average for grievances is 138 but is skewed due to the inclusion of balance billing until July 2015

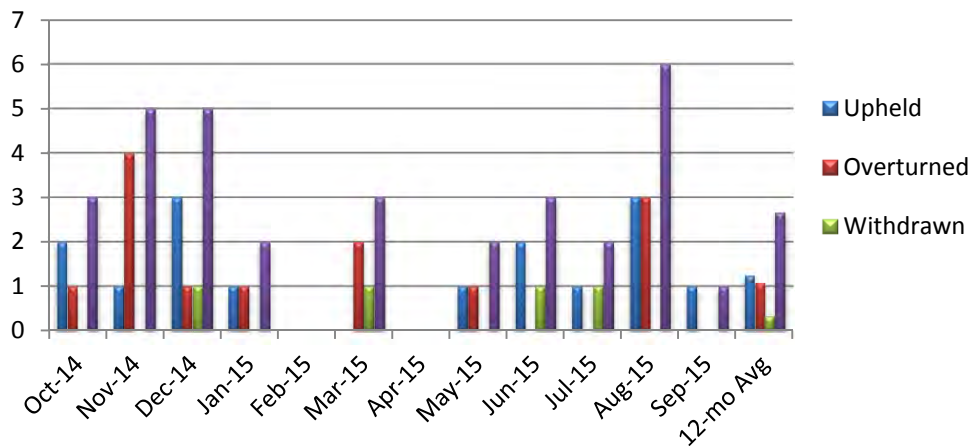
Member Grievances per 1000 Members



	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	12-mo Avg
Membership Count	167,598	168,640	173,505	178,163	178,984	182,795	184,306	187,029	187,801	189,321	193,185	196,857	182,349
Total Member Grievances Filed	93	57	83	77	81	101	107	106	96	8	10	11	69

* Balance billing removed as a grievance type as of July 2015

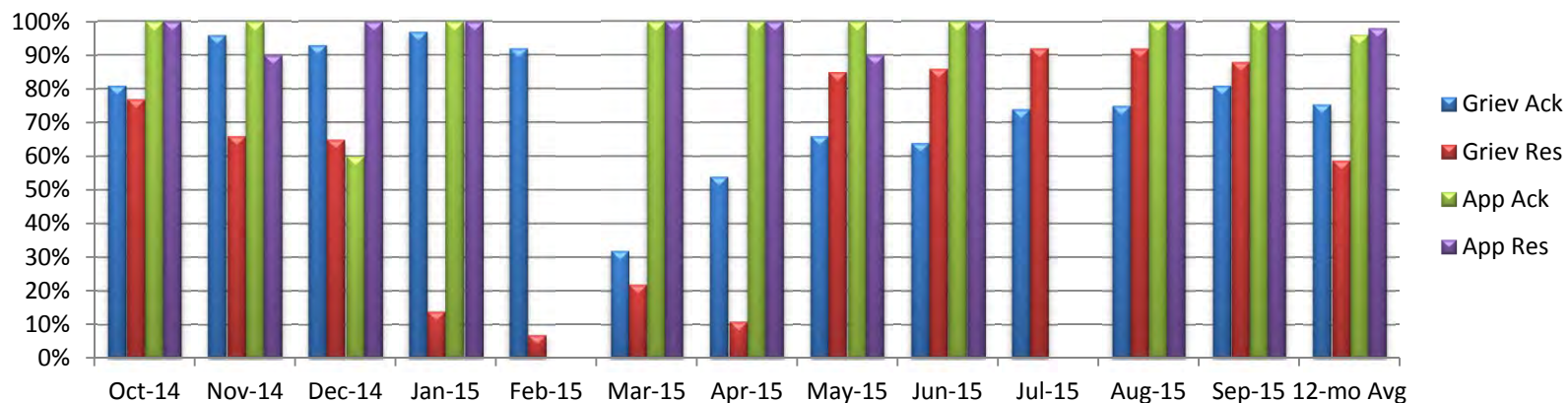
Total Clinical Appeals per Month



GCHP Grievance & Appeals Metrics – September 2015

- GCHP resolved 6 clinical appeals in August; 3 were upheld and 3 were overturned
- GCHP's 12-month average for clinical appeals is 2.8
- Turnaround time for acknowledgement and resolution are not within goal as GCHP is receiving some grievances that were initially sent to Xerox outside of the timeframes to meet compliance

G&A Acknowledgement and Resolution TAT



Goal:

Acknowledgement - 100% within 5 days

Resolution - 100% within 30 days



AGENDA ITEM 4.d.

TO: Gold Coast Health Plan Commission

FROM: Melissa Scrymgeour, CIO

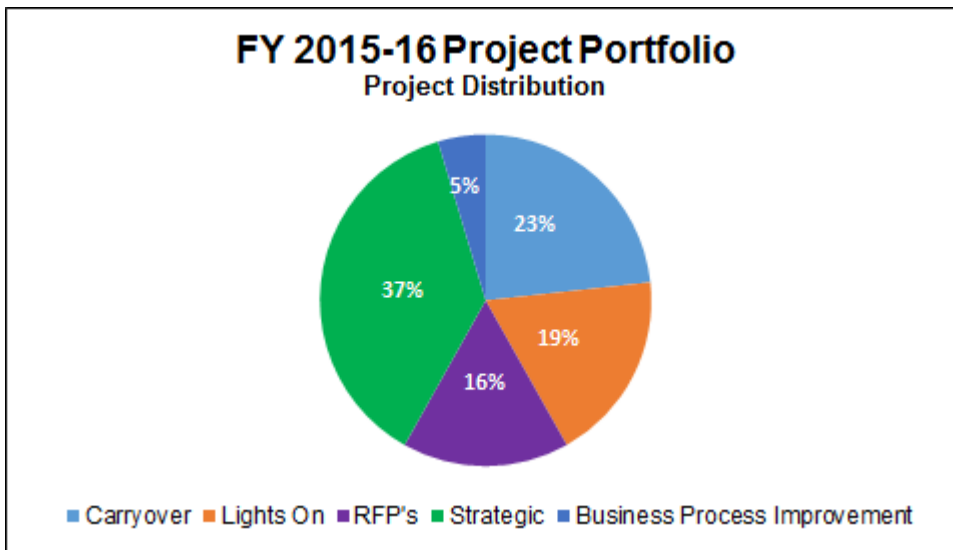
DATE: November 16, 2015

RE: CIO Update

Project Management Office (PMO)

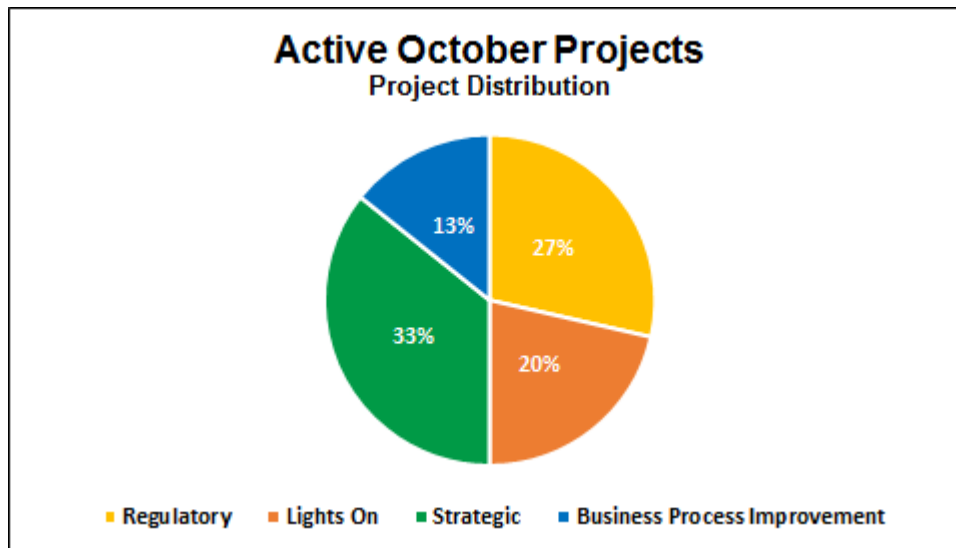
The FY 2015-16 Project Portfolio consists of the following 43 approved initiatives as of October 2015:

- Ten (10) active carryover projects from FY 2014-15.
- Seven (7) Requests for Proposals (RFP) for new systems, services, and/or strategic consulting support.
- Eight (8) “Lights On” projects, including software and server upgrades, as well as office expansion and reconfiguration.
- Sixteen (16) projects supporting GCHP strategic tenants around quality, provider network maintenance, member, provider and community engagement, communications, finance, administrative services, and technology and analytics.
- Two (2) Business Process Improvement initiatives to evaluate and improve operational processes for covered benefits and services. Another initiative addresses Member satisfaction through focus groups.



PMO Project Activity Highlights through October 2015

- ICD-10 transition occurred on October 1, 2015. All impacted systems are ICD-10 compliant and the Plan is successfully processing claims and medical service authorizations using ICD-10 codes.
- Closed Provider Mapping Software project.
- Completed Member Satisfaction Focus Groups - results pending.
- Kicked off the Microsoft SQL2014 Server Upgrade project.
- Kicked off SharePoint Implementation-Phase 1 project
- Completed MedHOK Software 3.1 upgrade.
- CORE-HIPAA/ACA Administrative Simplification Rules: Project is in the final testing phase and on track to complete user acceptance testing in November.
- Encounter Data Improvement Program: All trading partners are in production for encounter submissions using the 837 format.



Upcoming PMO Portfolio Activity:

- ICD-10 Transition: Complete post-implementation monitoring and close out project.
- CORE-HIPAA / ACA Administrative Simplification Rules: Complete remaining development tasks and testing activities in preparation for go-live in December 2015.
- Disease Management Program: Launch Diabetes DM program the week of November 1, 2015 and close project.
- Complete and close Provider Capitation and Rebasing Phase 2 project.
- Relaunch two projects which have been on hold due to resource constraints:
 - Provider Data Management Optimization (PDMO): Now Phased
 - Provider Data Remediation & Process Improvement
 - Managed Care Provider Data Improvement Project (MCPDIP)
 - ACS Data Extract Optimization-Phases 1 & 2

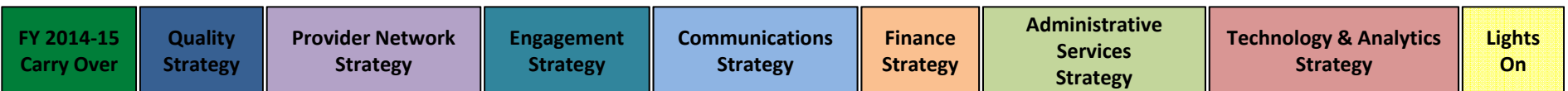
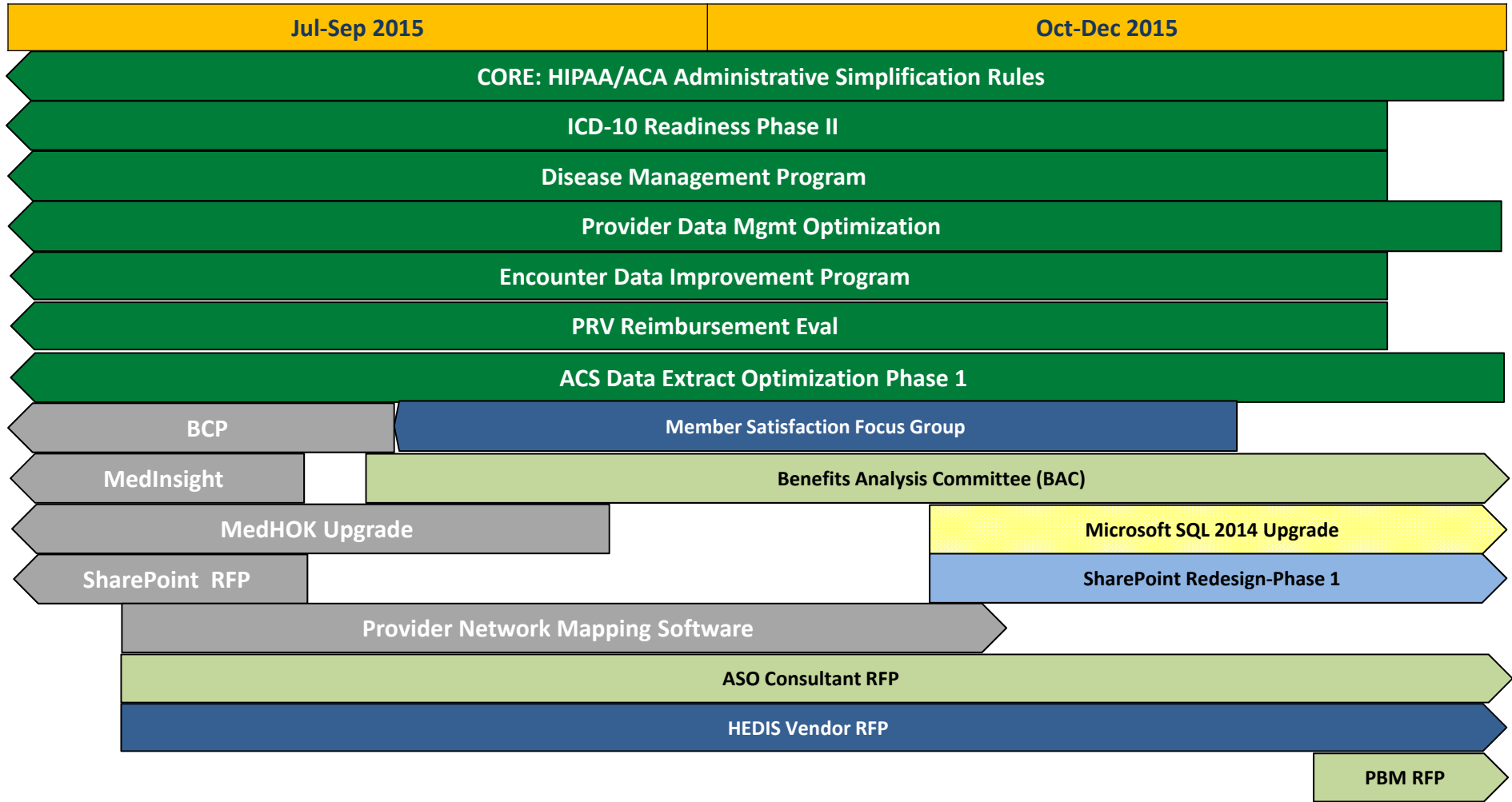
Attachments

Active Projects - October 2015
Project Portfolio
Project Descriptions
IT Metrics

ATTACHMENTS

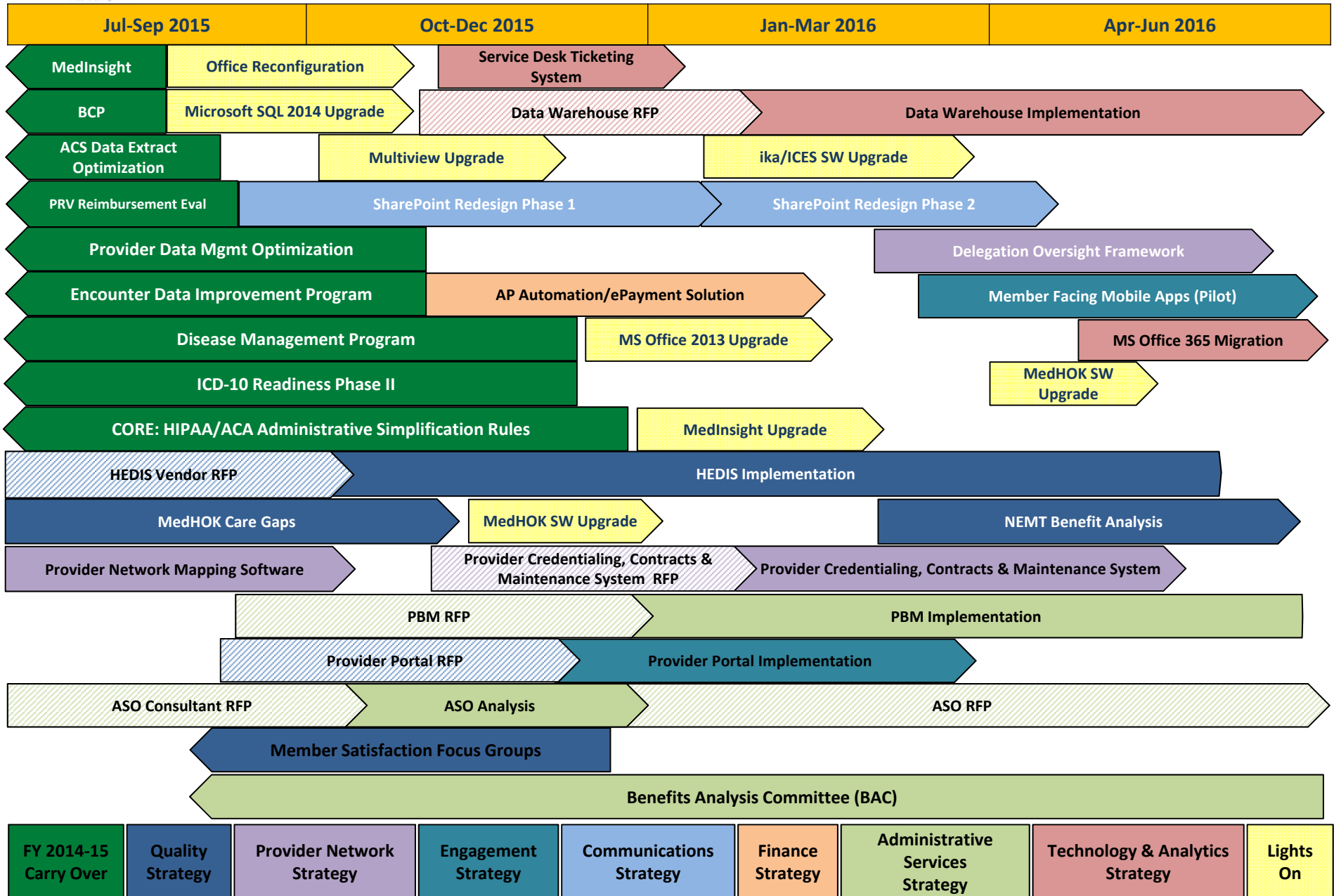


GCHP FY 2015-16 Active Projects - October 2015





GCHP FY 2015-16 Project Portfolio



FY 2015-16 GCHP Projects:

- **Healthcare Effectiveness Data and Information Set (HEDIS) Vendor Request for Proposal (RFP) and Implementation:** RFP and possible implementation of new HEDIS solution.
- **Care Gaps Implementation:** Implement Care Gaps module for member care coordination.
- **Provider Network Mapping Software:** Implement geographic mapping tool to analyze the GCHP health care network for optimized accessibility.
- **Provider Portal RFP and Implementation:** RFP and possible implementation of new provider portal.
- **Administrative Services Organization (ASO) Consultant RFP, Analysis and ASO RFP:** RFP for a consultant to help analyze and evaluate the GCHP core administrative services model, make recommendations, and support the ASO RFP process.
- **Pharmacy Benefits Manager (PBM) RFP and Implementation:** RFP and possible implementation of new PBM.
- **Provider Credentialing, Contracts and Maintenance System RFP & Implementation:** RFP and implementation of new system(s) to manage, support and optimize provider credentialing, contracting, and maintenance processes.
- **Non-Emergency Medical Benefit (NEMT) Analysis:** Analyze and evaluate alternatives to existing NEMT benefit.
- **SharePoint Redesign Phases 1 and 2:** Complete SharePoint environment redesign and deployment, including a GCHP intranet.
- **Accounts Payable (AP) Automation/ePayment Solution:** Evaluate and implement a solution to automate and streamline AP processes.
- **Data Warehouse RFP & Implementation:** RFP and implementation of an enterprise data warehouse for optimized reporting and analytics.
- **Service Desk Ticketing System:** Implement solution to track, manage, and help streamline support of desktop and application issues.
- **Delegation Oversight Framework:** Institute standard delegation and oversight requirements, policies, and procedures for establishing provider contracts.
- **Member Facing Mobile Apps Pilot:** Analyze member engagement needs and pilot mobile communication apps.

- **Office Reconfiguration:** Office expansion project which will include the reconfiguration of the current location, in addition to acquiring new office space to accommodate growth and future expansion.
- **Microsoft SQL 2014 Upgrade:** Version upgrade and landscape redesign of GCHP SQL server environment.
- **Multiview Upgrade:** Software version upgrade for Multiview financial system.
- **Microsoft Office 2013 Upgrade:** Upgrade all employee machines to Microsoft Office 2013.
- **Ika/ICES Upgrade:** Software version upgrade for Xerox/ACS core administration processing and claims editing systems.
- **MedHOK Upgrade:** Software version upgrade for MedHOK medical management system.
- **MedInsight Upgrade:** Software version upgrade for MedInsight Business Intelligence (BI) tool; includes transition to hosted solution.
- **Member Satisfaction Focus Groups:** Conduct and analysis results of member focus groups to improve the Plan services.
- **Benefits Analysis Committee (BAC):** Thorough evaluation, impact analysis, remediation (as appropriate) of process and systems, and development of a tool to manage the covered benefits and services.



AGENDA ITEM 4.e.

TO: Gold Coast Health Plan Commission

FROM: Nancy Wharfield, Associate CMO

DATE: November 16, 2015

RE: CMO / Health Services Update

HEALTH SERVICES UPDATE

Utilization data in the Health Services monthly update to the Commission is based on paid claims compiled by date of service and is lagged by 3 months to allow for partial run out of claims data. Claims data is complete at approximately 6 months. While incomplete, a 3 month lagged snapshot allows us to see an estimate of utilization without waiting for a more complete 6 month report. Administrative days are included in these calculations. Dual eligible members, Skilled Nursing Facility (SNF), and Long Term Care (LTC) data is not included in this presentation.

Utilization Summary

Inpatient utilization metrics for YTD 2015 are slightly improved compared with CY 2014. Emergency Department (ED) utilization / 1000 members is slightly higher for YTD 2015 (467 ER visits / 1000 members) compared to CY 2014 (463 visits / 1000 members).

Benchmark: The September 17, 2015 DHCS Medi-Cal Managed Care Performance Dashboard reported 36 ER visits / **1000 member months** statewide for all managed care plans for October 2013 – September 2014. GCHP ER utilization / **1000 member months** for the same period was 38.

Utilization Per 1000		
	2014	2015 YTD (Jan – Jul)
Inpatient		
Bed days/1000	224	206
Admits/1000	51	48
Average LOS	4.4	4.3
ED Utilization		
ED Cases / 1000	463	467

* Data from MedInsight 10/23/14. Data excludes Duals, LTC and SNF.

Total Volume:		
	2014 Total	2015 YTD (Jan – Jul)
Inpatient		
Bed days	30,403	19,980
Admissions	6,912	4,635
ED Utilization		
ED Cases	62,788	45,169

* Data from MedInsight 10/23/14. Data excludes Duals, LTC and SNF.

Monthly Averages		
	2014	2015 YTD (Jan – Jul)
Inpatient		
Bed days	2,534	2,854
Admissions	576	662
ED Utilization		
ED Cases	5,232	6,453

* Data from MedInsight 10/23/14. Data excludes Duals, LTC and SNF.

Top Admitting Diagnoses

Pregnancy related diagnoses overshadow all other diagnoses for CY 2014 and YTD CY 2015. Pneumonia and sepsis were also top diagnoses for CY 2014 and 2015. When pregnancy is excluded, sepsis, appendicitis, pneumonia, and pancreatitis comprise approximately half of the remaining diagnoses for both CY 2014 and CY 2015 YTD.

Please refer to Attachment A: Top 10 Dx Including/Excluding Pregnancy at the end of this section.

Authorization Requests

Requests for outpatient service continue to outnumber requests for inpatient service. Outpatient service requests for YTD CY 2015 were 205 / 1000 members compared to 213 / 1000 members for CY 2014. Requests for inpatient service for YTD 2015 are 62 / 1000 members compared to 71 / 1000 members for CY 2014.

Please refer to Attachment B: Authorization Trends at the end of this section.

Readmission Rate

The readmission rate has remained between 9.5% and 10.5% since the 3rd quarter of 2013 and below 10% for CY 2015 YTD.

Benchmark: The weighted average for the HEDIS 2013 All Cause Readmission Rate from

the February 2014 Medi-Cal Managed Care Performance Dashboard is approximately 14.5%.

Please refer to Attachment C: Readmission Rate at the end of this section.

Clinical Grievances and Appeals

For CY 2014, the average number of clinical grievances/quarter was 30. For CY 2015 YTD, the average number of clinical grievances/quarter is 33.

Benchmark: For Q3 2015, 79% of all GCHP grievances were about quality issues and 17% were about access. The September 17, 2015 Medi-Cal Managed Care Performance Dashboard reports 38 % of Q1 2015 grievances statewide were about quality issues and 16% were about access.

Clinical Grievances

	2014	2015
Q1	22	41
Q2	34	34
Q3	32	24
Q4	31	

Appeals

Quarter	Total	Upheld	Partial Overturn	Overtured
2014				
Q1	10	8 (80%)	-	2 (20%)
Q2	3	2 (67%)	-	1 (33%)
Q3	10	6 (60%)	-	4 (40%)
Q4	12	5 (42%)	1 (8%)	6 (50%)
2015				
Q1	4	1 (25%)		3 (75%)
Q2	6	3 (50%)		3 (50%)
Q3	8	4 (50%)		4 (50%)

Denial Rate

Denial rate is calculated by dividing all not medically necessary denials by all requests for service. Denials for duplicate requests, member ineligibility, rescinded requests, other health coverage, or CCS approved case are not included in this calculation.

The average denial rate for calendar year 2013 was 3.66% and for 2014 was 3.34%. The average denial for CY 2015 YTD is 3.14%.

Please refer to Attachment D: Denial Rate at the end of this section.

Care Delivery Spotlight

Pregnancy related admissions constitute a little over half of GCHP top inpatient diagnoses.

In CY 2014, there were over 2,400 deliveries for GCHP members averaging approximately 7 babies/day. About 32% of these deliveries were by Cesarean section. The US National Center for Health Data reports a 33% Cesarean section rate for California in 2011. The California Office of Statewide Health Planning and Development (OSHPD) reported the Cesarean section rate range for Ventura county hospitals to be 23 – 34% in 2011.

Many NICU stays are carved out to California Children's Services (CCS). For cases that were not carved out to CCS, GCHP had 46 NICU admissions for 2014. Of these, 36 (78%) were for neonatal abstinence.

Please refer to Attachment E: Care Delivery Spotlight at the end of this section.

Attachments

Attachment A: Top Diagnoses Including and Excluding Pregnancy

Attachment B: Monthly and Quarterly Authorization Trends

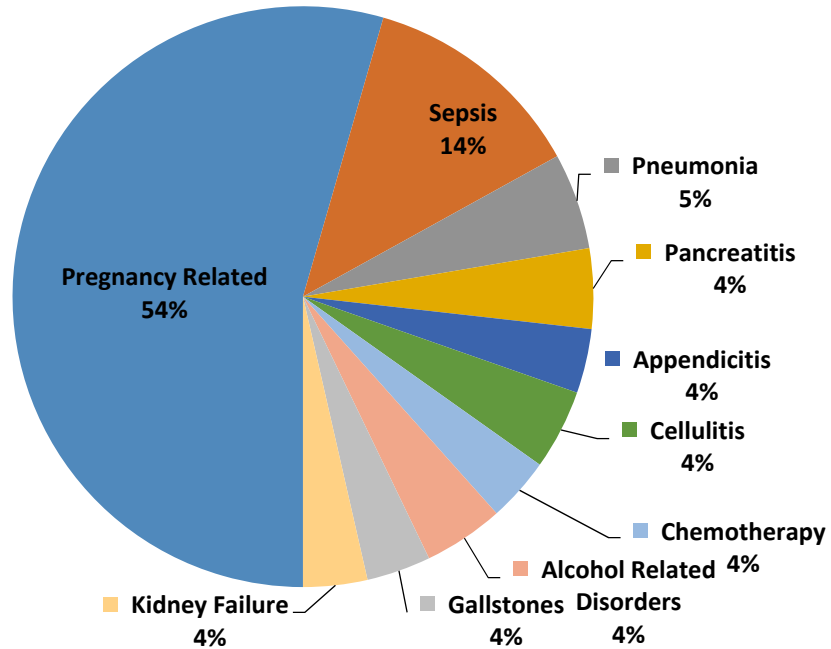
Attachment C: Readmission Rate

Attachment D: Denial Rate

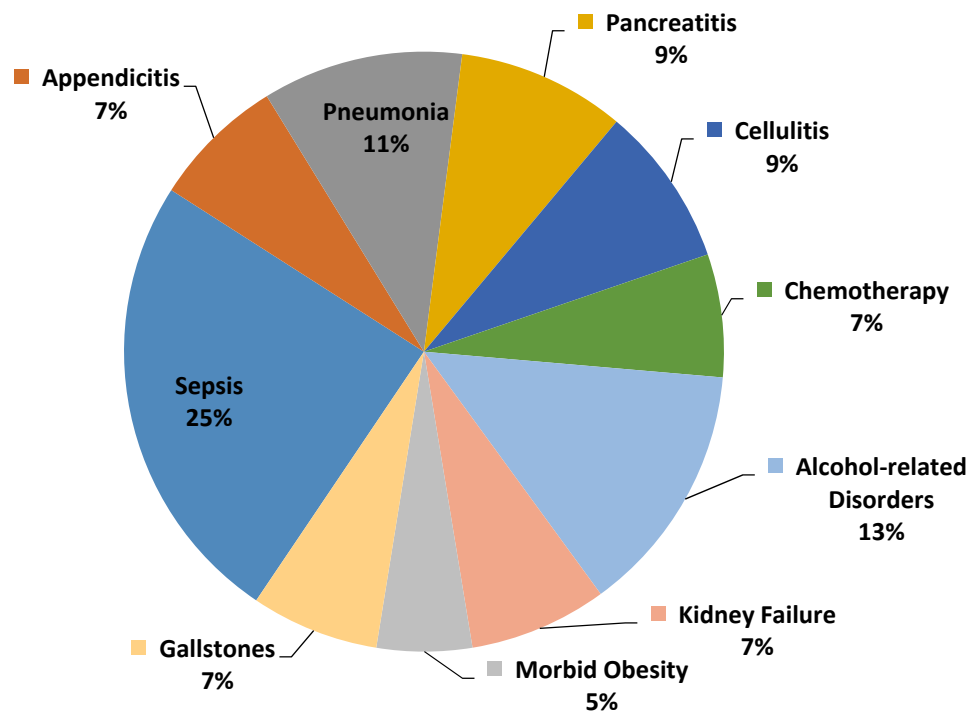
Attachment E: Care Delivery Spotlight

ATTACHMENTS

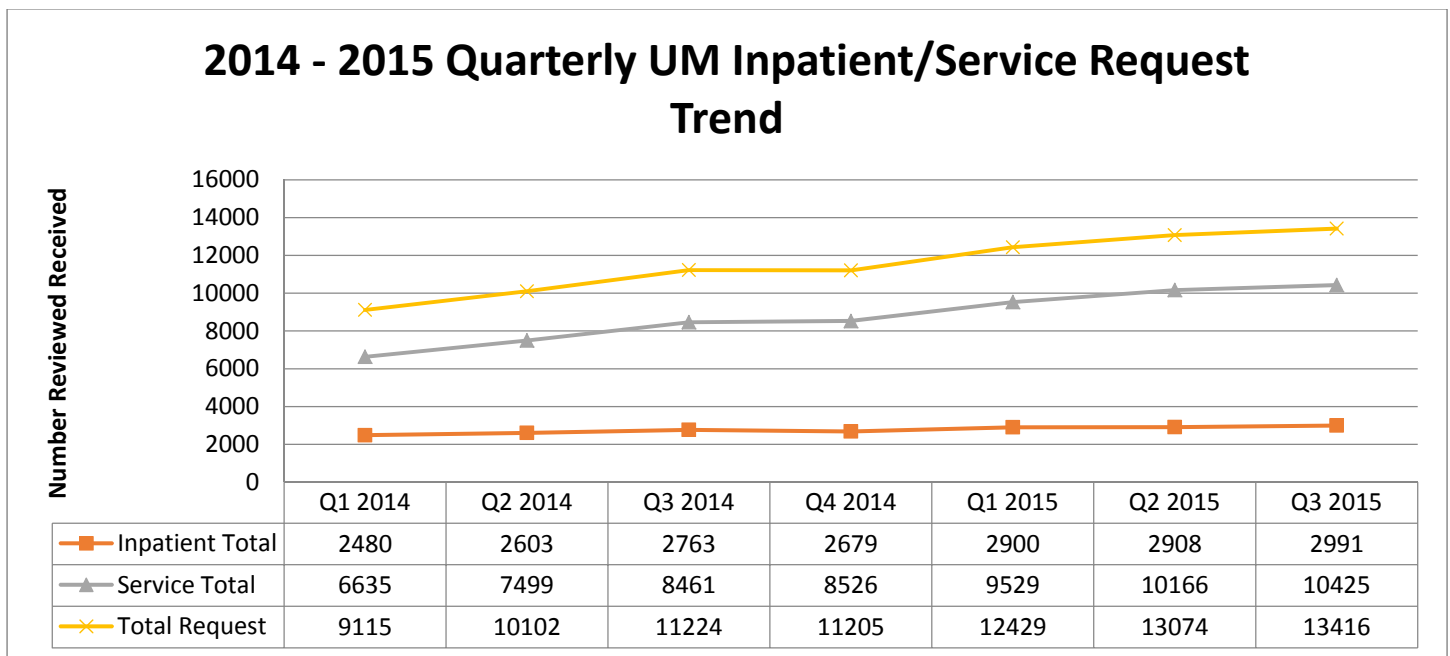
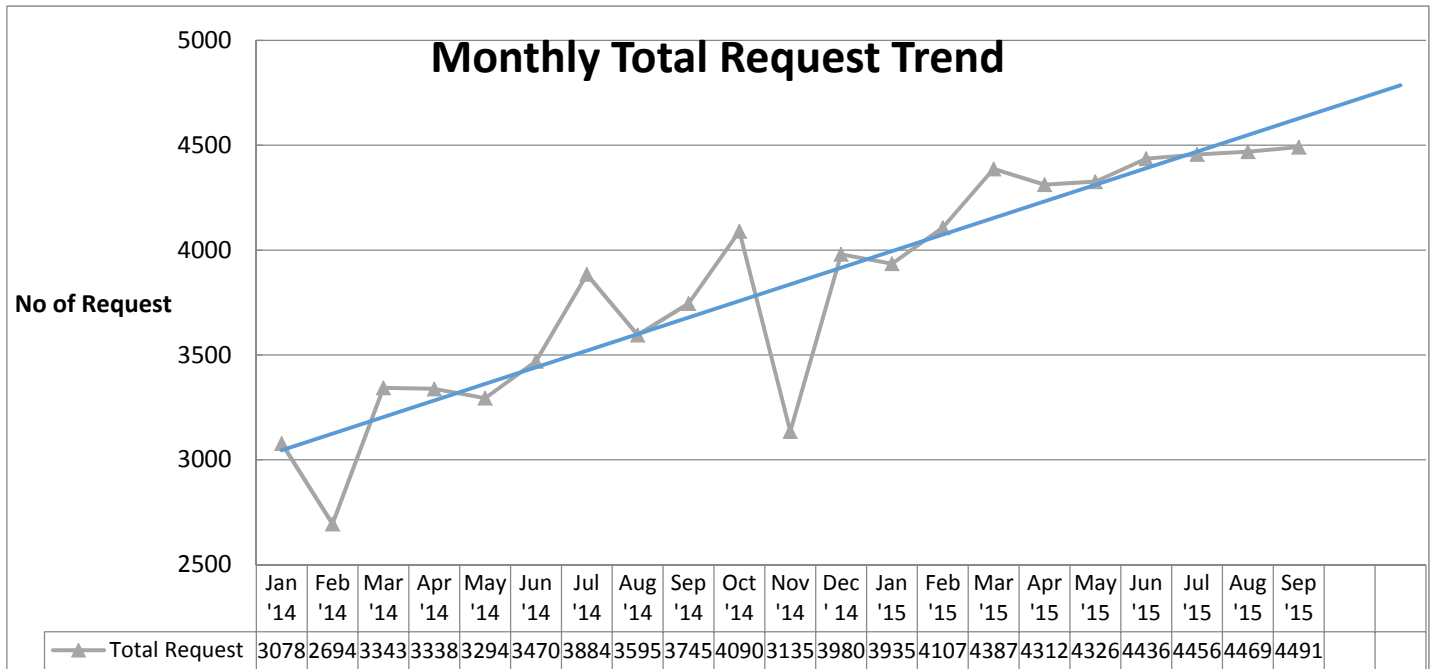
Top 10 Diagnoses Including Pregnancy January 2015 - September 2015



Top 10 Diagnoses Excluding Pregnancy January 2015 - September 2015



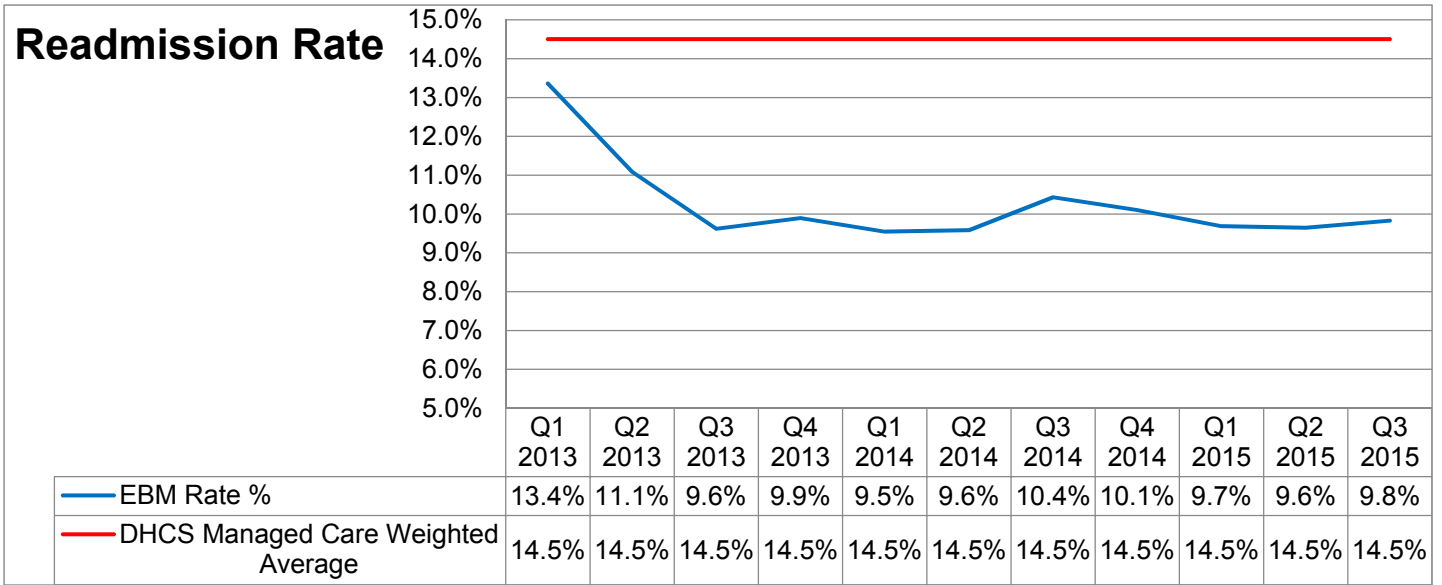
ATTACHMENT B



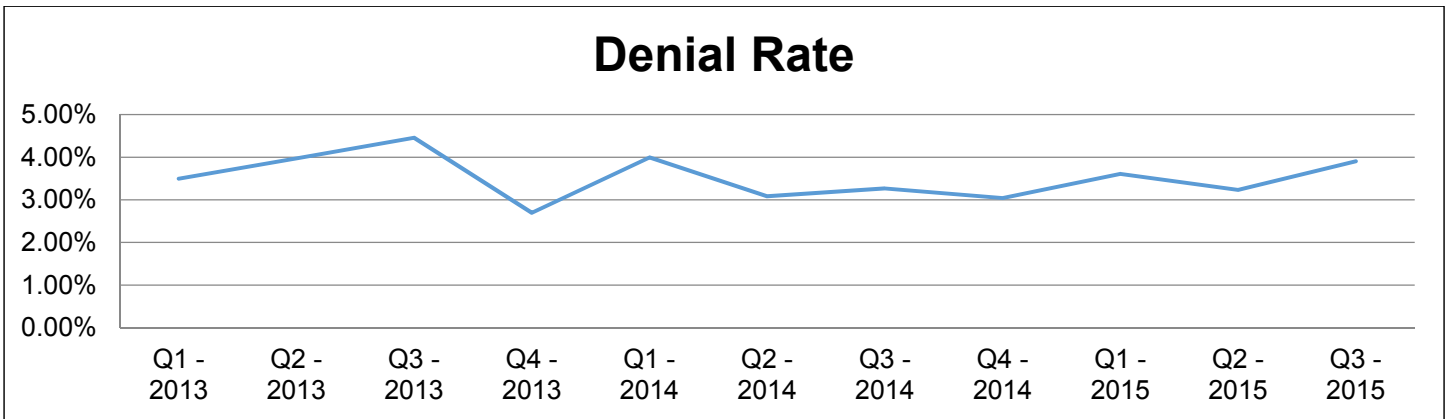
Increase comparison from 2014 Quarter to 2015 Quarter in Percentage

	Q1	Q2	Q3				
Inpatient Request	16.94%	11.72%	8.25%				
Service Request	43.62%	35.56%	23.21%				
Total Request	36.36%	29.42%	19.53%				

ATTACHMENT C

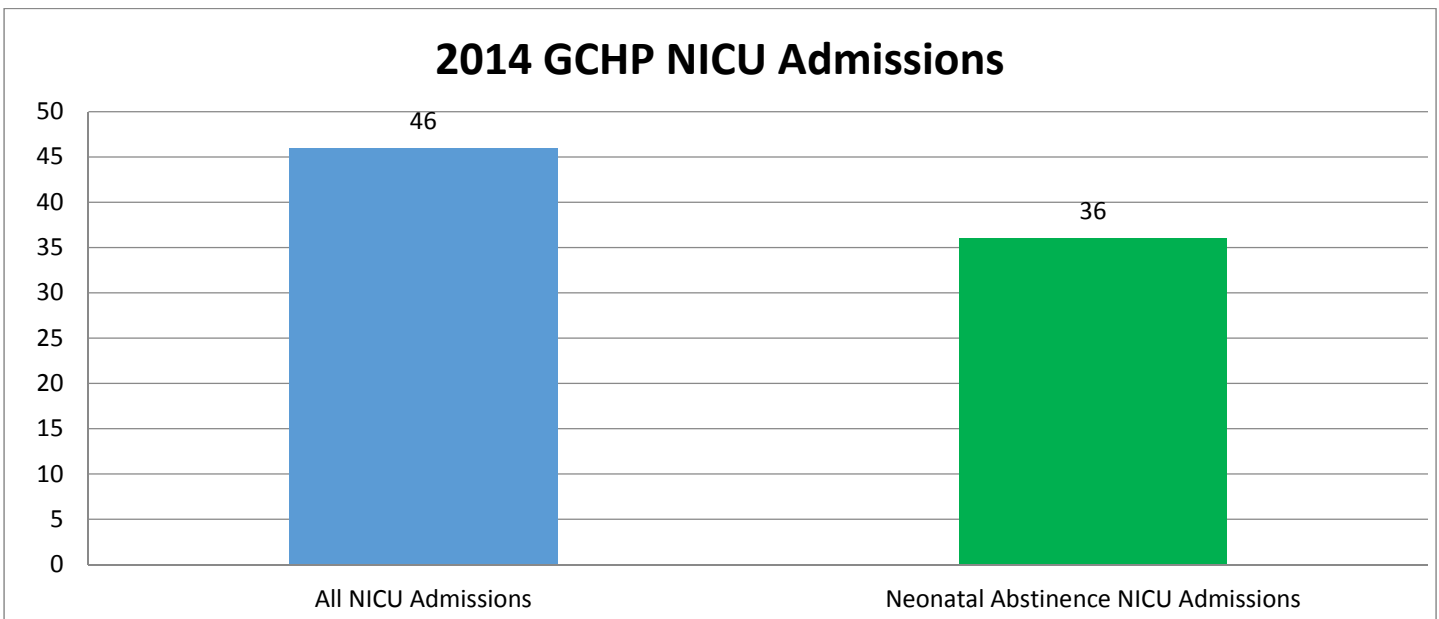
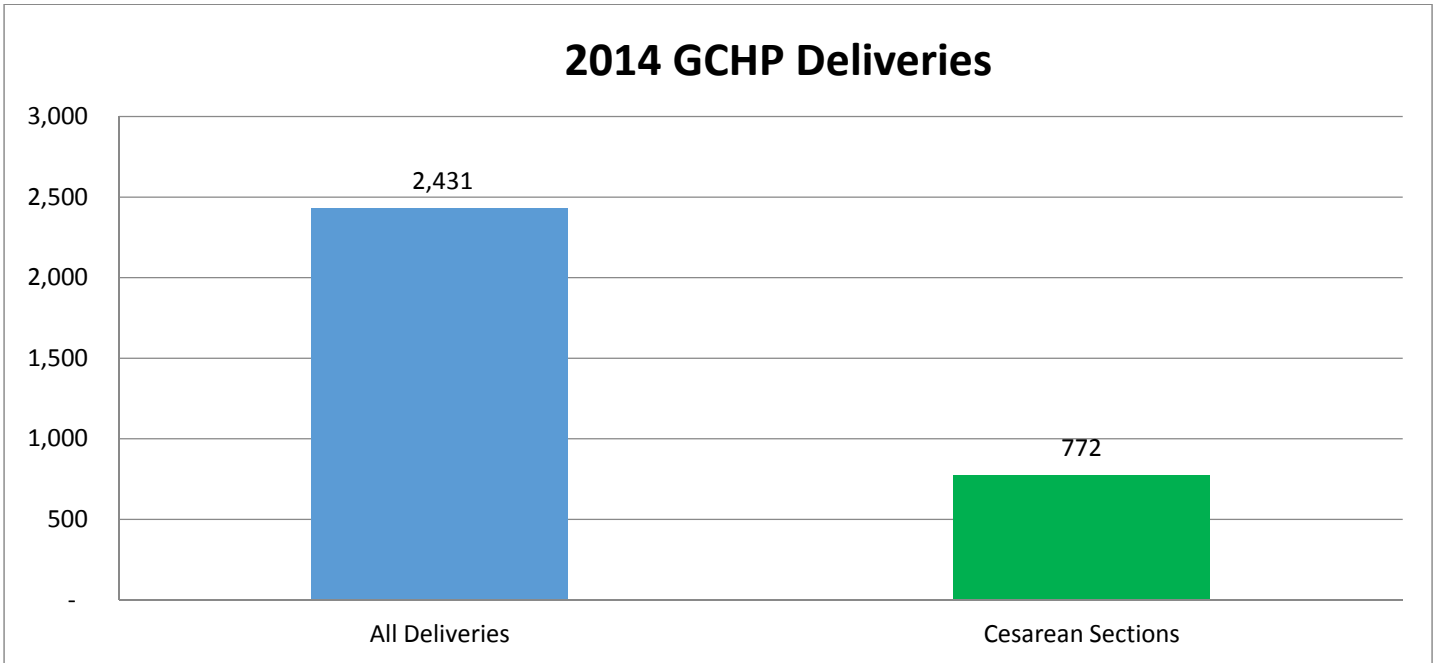


ATTACHMENT D



ATTACHMENT E

CARE DELIVERY SPOTLIGHT





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MEMORANDUM

To: HON. CHAIR AND MEMBERS OF THE COMMISSION
GOLD COAST HEALTH PLAN

From: SCOTT CAMPBELL, GENERAL COUNSEL

Date: November 16, 2015

Re: PROPER RELATIONSHIP BETWEEN AND AMONG BOARD MEMBERS,
CEO AND STAFF

INTRODUCTION

Most public agencies in California, including 97%¹ of cities, operate under the system of local government commonly known as the “Council-Manager,” “Board-Manager” or “Commission-CEO” form of government, under which the power structure of the entity is shared between and among the elected or appointed governing body on the one hand, and a professional manager or chief executive, on the other.

And California is not unique in this respect. The first city to adopt a Council-Manager form of government was Staunton, Virginia over one hundred years ago, and since then more than 3,500 cities with populations more than 2,500 people use the form.² In California, many public entities have adopted an ordinance or other regulation with language regarding the “proper” role of the elected official in the day-to-day operations of the government. An example is shown here:

“The [governing body] and its members shall deal with the administrative services of the [public agency] only through the [manager], **except for the purpose of inquiry**. Neither the [governing body] nor any member thereof shall give orders to any subordinate of the [manager].”³

Thus, the dichotomy is set up: the manager is in charge of administering the government, while the governing body is generally prohibited from “giving orders” to public employees and, ostensibly, from contacting them in any way “except for the purposes of inquiry.”

For special districts in California, comparable statutes provide similar guidance.

¹ According to the League of California Cities, 470 out of California’s 485 cities employ the council-manager form of government. www.cacities.org/cm.

² “Taking Stock of the Council-Manager Form at 100” Svava and Nelson, *Public Management Magazine*, Aug. 2008.

³ Language taken from San Jacinto Municipal Code § 2.12.070 (emphasis added).



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For example, community services districts are governed by the following:

“... a governing body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies *which is the responsibility of the district's general manager.*”⁴

And:

“The general manager shall be responsible for all of the following:

(a) The implementation of the policies established by the board of directors for the operation of the district.

(b) The appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system established by the board of directors.

(c) The supervision of the district's facilities and services.

(d) The supervision of the district's finances.”⁵

But what exactly does that mean? This memo examines the legal authority and practical applications of the Governing Body-Manager form of government in California, and offers suggested best practices for elected officials and staff to ensure the smooth and successful operation of local government.

THE LEGAL FRAMEWORK

California law establishes the general parameters for the Council-Manager form of city government⁶ and Governing Body-Manager form of government for special districts.⁷ City charters and municipal codes usually describe the roles and authority of the city manager and the council.

Gold Coast Health Plan has adopted a set of “Amended and Restated Bylaws for the Operation of the Ventura County Organized Health System” (approved October 24, 2011, the “Bylaws”). Article VIII of the Bylaws provides that:

⁴ Cal. Gov. Code § 61040(a) (emphasis added).
⁵ Cal. Gov. Code § 61051.
⁶ Cal. Gov. Code § 34851 *et seq.*
⁷ Cal. Gov. Code §§ 61040(a) and 61051.



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“The CEO shall have the responsibility for day to day operations, consistent with the authority conferred by the VCOMMCC. The CEO is responsible for coordinating all activities of the County Organized Health System.”

And further, that the “CEO shall ... direct the planning, organization, and operation of *all services and facilities*” and shall “[a]ppoint and supervise an executive management staff, *and such other individuals* as are necessary for operations...”⁸ Thus, the CEO has been delegated authority by the Commission to implement the Commission’s policies and supervise the day to day operations of the Plan. Commissioners should be cognizant of this delegation when dealing with the CEO and staff.

Under a Governing Body-Manager form of government, the manager holds office at the pleasure of the governing body.⁹ The manager generally hires and fires all other public employees, with the exception of the general counsel or city attorney.¹⁰ Governing Body members should realize that, while the body can fire the manager at will, the body does not have hiring or direct supervising authority over staff.

The policy behind the Governing Body-Manager form of government is based on the principle of separation of powers, which ensures that the governing body and manager can perform their duties without unnecessary interference from one another. More importantly, this separation of powers makes clear to staff that they are accountable only to the manager. This gives employees the certainty of having just one ultimate boss, the manager, as opposed to the entire Governing Body.

The job of the Governing Body, then, is to legislate and to create the vision and set forth the policies that should guide the manager’s work. The largest trade group of city managers and administrators in the world has characterized the Governing Body’s role as follows:

The [Governing Body] is the community’s governing and policymaking body. Power is centralized in the elected council which, for example, approves the budget and determines the tax rate. The council also focuses on the community’s goals, major projects, and such long-term considerations as community growth land use development, capital improvement and financing, and strategic planning. The council hires a professional manager to implement the

⁸ Bylaws, Art. VIII, subs. (a) and (c) p. 13 of 15 (emphasis added).

⁹ Cal. Gov. Code §§ 36506 and 61040.

¹⁰ Cal. Gov. Code § 34856.



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administrative responsibilities related to these goals and supervises the manager's performance.¹¹

BEST PRACTICES

Practically speaking then, what do the legal authorities cited above suggest for the manner in which board members manage their relationships with the manager and staff, and vice versa?

Principally, all involved should have a thorough knowledge and clear understanding of the rules. Even with a clear understanding of the applicable rules, though, the sometimes rough-and-tumble day-to-day reality of local government can make it difficult to remember the reasons for the dominance of the Council-Manager form of government in the first place. Studies show that Council-Manager agencies are more likely than other forms of government “to have greater efficiency, sounder finances, and stronger management performance. They have greater representation of minority groups in staff positions. Council-Manager [agencies] are more likely to pursue long-term goals, use strategic planning, base service delivery on need and other professional standards, have ethics codes and boards, integrate management functions, and adopt innovative management practices.”¹²

With an eye to such positive outcomes, then, and in light of the legal authorities discussed above, here are some specific scenarios occasionally encountered by board members and their managers and staffs, along with suggested best practices for dealing with the particular challenge identified:

*The following are hypothetical examples with practice tip recommendations. These examples are fictional scenarios and are not intended to represent any actual situations.*¹³

¹¹ “Council-Manager Form of Government – Frequently Asked Questions” International City Managers Association brochure.
http://icma.org/en/icma/knowledge_network/documents/kn/Document/2705/CouncilManager_Form_of_Government_Frequently_Asked_Questions_brochure

¹² Keene, Nalbandian, et al “How Professionals Can Add Value to Their Communities and Organizations” *Public Management Magazine*, March 2007, 32–39.

¹³ These scenarios were featured in a *Western Cities Magazine* article published Dec. 2004, 11–13. “Best Practices for Promoting Good Relationships Between Your City Council and Staff”



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1. CRITICIZE THE PROJECT OR THE PROCESS, NOT THE PERSON.

Example:

During a manager presentation on a project at a board meeting, board member A tells the manager that she is a vote away from losing her job.

Best Practice:

Disassociating a particular agency project with the person who is the face of it is a difficult but necessary task. Telling a manager that you are firing them because you don't like the project is not conducive to making the person see your side of the issue. Criticizing the person instead of the project only serves to lower the morale within the staff, thereby decreasing productivity. It also makes staff less loyal to the greater agency cause because they are inevitably thinking of their own exit strategy should their boss have to leave.

2. DO NOT PUBLICLY CRITICIZE AGENCY STAFF.

Example:

Staff has presented a budget update in which they have had to make some unpopular budget cuts in order to balance the budget. These cuts will undeniably increase the time it takes to serve constituents. Board member B publicly condemns the staff for deciding to take these steps in order to balance the budget.

Best Practice:

Staff are the experts when it comes to running the day to day aspects of the agency. Further, staff receive ongoing training to learn how to improve their administrative functions. Criticizing the staff publicly for making the difficult decisions they must make in order to keep the agency running is not a good way to promote a good relationship between the two. Undermining the staff's knowledge in public serves no other purpose than to create public distrust toward all of government. Private constructive criticism of staff work will render more positive and effective results.



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3. **DO NOT MISTAKE PARTISANSHIP FOR ADVOCACY. THERE IS A DIFFERENCE BETWEEN MAKING POLICY AND THE DAY TO DAY BUSINESS OF AN AGENCY.**

Example:

A neighborhood requests the city to place more stop signs in their neighborhood. Staff recommends that stop signs are not a practical solution, as the neighborhood's problem has more to do with lack of traffic enforcement than traffic flow. Knowing that approving the stop signs would gain favor with neighborhood leaders, Council member C votes to approve the stop signs.

Best Practice:

Sometimes, a board member will have the impulse to take sides on an issue instead of forging ahead with the politically unfavorable but sound, advice of the staff. Resist the urge to do so. A staff's mission is to present the facts and make recommendations, keeping the agency's best interest in mind. Continuously siding with your constituency for political advantage puts undue stress on staff. You might get what you want (favorable public opinion) in the short run, but in the long run, you are jeopardizing the agency's ability to recruit and keep good staff and are also creating a city without a clear vision of where it is heading.

4. **REMEMBER THAT YOU ARE PART OF A TEAM – DON'T ASK A STAFF MEMBER TO RESEARCH AN ISSUE FOR YOU AND THEN SPRING IT ON THE OTHER BOARD MEMBERS.**

Example:

Two days before a board meeting, Board member D asks staff to prepare a report regarding an item that is on the consent calendar for the next board meeting. At the board meeting, Board member D surprisingly takes that item off the consent calendar and proposes a discussion on the matter. The other members do not have enough information to base an opinion on the matter, making them look incompetent to the public. Staff is reprimanded for not providing the information to all Board members.

Best Practice:

A level playing field is critically important and a newly elected Board member will surely undermine him or herself by not remembering that they are part of



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a team. Making sure that everyone has the same information ensures that all Board members are prepared to discuss the matter should the need arise. It also prevents discord between staff and Board members who feel like they've been ambushed by their lack of information.

5. DON'T LEAVE STAFF VULNERABLE TO PUBLIC ATTACKS.

Example:

Agency X receives several requests for past staff employee personnel evaluations under the California Public Records Act. Agency staff do not want their records to be subject to disclosure.

Best Practice:

Remember that you are part of a team. Any attack on one branch of local government is an attack on the whole institution. By defending staff in the face of an attack you not only preserve their dignity but also preserve the staff's trust in you. Additionally, call on your legal counsel to advise on the legal parameters and rules that may protect the agency and its staff from an unwarranted invasion of privacy into confidential personnel actions.

CONCLUSION

With over 100 years of longevity and documented benefits to the body politic, the Council/Board/Commission-Manager form of local government is likely to be the system under which most elected officials and their staffs function for years to come. Recognizing the tensions that can exist within a system meant to produce the most public good and remembering the rules as they apply to our day-to-day work in our service to our constituencies is likely the best way to ensure that the public good does indeed come to fruition.

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