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Joint Meeting of the
Ventura County Medi-Cal Managed Care Commission (VCMMCC)
dba Gold Coast Health Plan and the Compliance Oversight Committee

Regular Meeting
Monday June 26, 2023 2:00 p.m.
Due to the public health emergency, the Community Room at Gold Coast Health Plan is currently closed to the public.
The meeting is being held virtually pursuant to AB 361.
Members of the public can participate using the Conference Call Number below.

Conference Call Number: 1-805-324-7279
Conference ID Number: 387 112 519#

Para interpretación al español, por favor llame al: 1-805-322-1542 clave: 1234

Due to the declared state of emergency wherein social distancing measures have been imposed or recommended, this meeting is being held pursuant to AB 361.

AGENDA

CLERK ANNOUNCEMENT

All public is welcome to call into the conference call number listed on this agenda and follow along for all items listed in Open Session by opening the GCHP website and going to ***About Us > Ventura Country Medi-Cal Managed Care Commission > Scroll down to Commission Meeting Agenda Packets and Minutes***

CALL TO ORDER

INTERPRETER ANNOUNCEMENT

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMMCC) and Committee doing business as Gold Coast Health Plan (GCHP) on the agenda.

Persons wishing to address VCMMCC and Committee are limited to three (3) minutes unless the Chair of the Commission extends time for good cause shown. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission and Committee.

Members of the public may call in, using the numbers above, or can submit public comments to the Commission and Committee via email by sending an email to ask@goldchp.org. If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Regular Commission meeting minutes of May 22, 2023, and special meeting minutes of June 12, 2023

Staff: Maddie Gutierrez, MMC Clerk to the Commission

RECOMMENDATION: Approve the Regular Meeting Minutes of May 22, 2023 and Special Meeting Minutes of June 12, 2023.

2. Findings to Continue to Hold Remote Teleconference/Virtual Commission and Committee Meetings Pursuant to Assembly Bill 361.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: It is recommended that the Committee and Commission should make the findings and determine that teleconferencing under AB361 will promote and protect the public's health, safety and welfare.

RECOMMENDATION: Receive and file the presentation.

3. Additional Funding - Pajaro Consulting – SOW #01

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: GCHP staff recommends the Commission approve adding $150,000 to this agreement for a total amount of $398,050. These funds have been budgeted in our new fiscal budget.

FORMAL ACTION

4. Fiscal Year 2022 -2023 Audit Plan

Staff: Nick Liguori, Chief Executive Officer
Moss Adams Representatives

RECOMMENDATION: The Plan requests that the Commission receive and file the presentation.

5. Contract Approval – Electronic Data Interchange Software

Staff: Alan Torres, Chief Information Officer

RECOMMENDATION: It is staff's and Executive Finance Committee's recommendation that Ventura County Medi-Cal Managed Care Commission waive any irregularities in Edifec's proposal and authorize the CEO to execute a contract with Edifecs Inc., to include the additional work in SOW 2 above subject to non-material terms to be agreed upon and acceptable to the CEO and General Counsel. The term of the contract will be 12 months of implementation and 5 years of production commencing July 1, 2023, and expiring on June 30, 2029, for an amount not to exceed $8.3M.

6. May 2023 Financials

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Staff requests that the Commission approve the May 2023 financial package.

7. Approval of 2023/2024 GCHP Budget

Staff: Nick Liguori, Chief Executive Officer, & GCHP Executive Team

RECOMMENDATION: Staff requests that the Commission approve the 2023/2024 budget as presented.

REPORTS

8. Chief Executive Officer (CEO) Report

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

9. Chief Medical Officer (CMO) Report

Staff: Felix L. Nunez ,M.D., Chief Medical Officer

RECOMMENDATION: Receive and file the report.

10. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report

ADJOURNMENT

Date and location of the next meeting to be determined at the July 24, 2023, special Commission Meeting.

b

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on http://goldcoasthealthplan.org. Materials related to an agenda item submitted to the Committee after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Commission.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Monday prior to the meeting by 1:00 p.m. to enable the Clerk of the Commission to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Maddie Gutierrez, MMC, Clerk for the Commission

DATE: June 26, 2023

SUBJECT: Regular Commission Meeting Minutes of May 22, 2023, and Special meeting minutes of June 12, 2023

RECOMMENDATION:

Approve the minutes.

ATTACHMENT:

Copy of Minutes for the May 22, 2023, Regular Commission Meeting and June 12, 2023 Special Commission Meeting.

Ventura County Medi-Cal Managed Care Commission (VCMMCC)
Commission Meeting
Regular Meeting via Teleconference

May 22, 2023

CALL TO ORDER

Committee Chair Dee Pupa called the meeting to order at 2:05 pm in person and via teleconference. The Clerk of the Board was in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

INTERPRETER ANNOUNCEMENT

Lourdes Campbell, interpreter, gave her announcement for non-English speakers.

ROLL CALL

Present: Commissioners Shawn Atin, Allison Blaze, M.D., James Corwin, Melissa Livingston, Supervisor Vianey Lopez, and Dee Pupa

Absent: Commissioners Anwar Abbas, Laura Espinosa, Anna Monroy, Sara Sanchez, Jennifer Swenson, and Scott Underwood, D.O.

Attending the meeting for GCHP were Nick Liguori, Chief Executive Officer, Alan Torres, Chief Information Officer, CPPO Erik Cho, Marlen Torres, Executive Director, Strategy and External Affairs, Paul Aguilar, Executive Director, Human Resources, Michael Murguia, Executive Director of Human Resources, Felix Nunez, M.D., Chief Medical Officer, Robert Franco, Chief Compliance Officer, Ted Bagley, Chief Diversity Officer, Susana Enriquez-Euyoque, Leeann Habte, and Rich Egger of BBK Law.

Also in attendance were the following GCHP Staff: Anna Sproule, Veronica Estrada, Kent Ichida, Adriana Sandoval, Nicole Kanter, Lisbet Hernandez, Lucy Marrero, Lupe Gonzalez, David Tovar, Victoria Warner, Kim Timmerman, Michael Mitchell, Pauline Preciado, Jeff Yarges, Josephine Gallella, Alison Armstrong, Carol Barrios, Shivani Pillay, Lupe Harrion, Marco Robles, Luis Aguilar, and Lorraine Carrillo.

Guests: Susan Arcidiacono, Kyle Edrington, GCHP Consultant, and Tracy Gallagher, from Supervisor Lopez office.

Commissioner Laura Espinosa arrived at 2:07 p.m.

PUBLIC COMMENT

None.

Commissioner Scott Underwood, D.O., arrived at 2:10 p.m.

CONSENT

1. Resolution 2023-003 thanking Dr. Nancy Wharfield for her service to Gold Coast Health Plan (GCHP)

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Staff requests that the Commission approve Resolution 2023-003

CEO Nick Liguori stated that Dr. Nancy Wharfield, CMO, has provided 11 years of service to Gold Coast Health Plan. She has made quite an impact in the organization and to members. She has overseen a large Health Services department. He noted that all her colleagues have expressed gratitude for her services.

Commissioner Pupa expressed her gratitude and appreciation for her dedication to GCHP. Commissioner Espinosa wished Dr. Wharfield well in her retirement. She noted that Dr. Wharfield has been involved with GCHP since the beginning. She thanked her for her service to the community.

Dr. Wharfield stated it has been her pleasure and honor to work with the Team.

Commissioner Espinosa motioned to approve Consent item1. Commissioner Pupa seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Laura Espinosa, Melissa Livingston (on agenda item 2 only), Supervisor Vianey Lopez, Dee Pupa, and Scott Underwood, D.O.

NOES: None.

ABSENT: Commissioners Anna Monroy, Sara Sanchez, and Jennifer Swenson.

The clerk declared the motion carried

2. Approval of Ventura County Medi-Cal Managed Care Regular Commission meeting minutes of April 24, 2023

Staff: Maddie Gutierrez, MMC Clerk to the Commission

RECOMMENDATION: Approve the Regular Meeting Minutes of April 24, 2023.

3. Findings to Continue to Hold Remote Teleconference/Virtual Commission and Committee Meetings Pursuant to Assembly Bill 361.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: It is recommended that the Committee and Commission should make the findings and determine that teleconferencing under AB361 will promote and protect the public's health, safety, and welfare.

Commissioner Livingston motioned to approve Consent items 2 and 3. Commissioner Corwin seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Laura Espinosa, Melissa Livingston (on agenda item 2 only), Supervisor Vianey Lopez, Dee Pupa, and Scott Underwood, D.O.

NOES: None.

ABSENT: Commissioners Anna Monroy, Sara Sanchez, and Jennifer Swenson.

The clerk declared the motion carried.

PRESENTATIONS

4. Discussion of 2023-2024 Budget

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the presentation.

CEO Nick Liguori reviewed the budget timeline for 2023/2024. He noted there had been a team-based approach to the budget. CEO Liguori stated that there had been discussion of the budget with the Executive Finance Committee, as well as individual meetings with the Committee. Members. These 1:1 meetings were held in order to answer any questions and review detailed information with members. The final budget will be presented at the June 26th Commission meeting for approval.

CEO Liguori stated there will be a mid-year reforecast and budget performance review in January 2024. CEO Liguori reviewed the topics related to the budget that would be presented today.

It is the goal of the organization to develop goals, plans and strategies that will meet the Plan's mission and make a positive impact for members. CEO Liguori reviewed the financial basis of the 2023-2024 budget. He then introduced Kyle Edrington, who has been a GCHP consultant since late 2018. Mr. Edrington reviewed three main themes:

- Appropriate revenue projections
- Expense
- What opportunities for advocacy efforts with the State to better inform capitation revenue (internal policies and contracts)

The challenge is capitation rates which are determined by DHCS, and Mercer have been the same/similar for the last 15 years. The pandemic caused changes. In the past, capitation rates were built on historical data. The pandemic caused data to be unclear. In the past there were 5% increases per year. Now, DHCS and Mercer will determine the new normal due to recent history. Mr. Edrington noted that there will be a change in enrollment now that the Public Health Emergency is over. We anticipate changes in revenue. Redetermination will cause scrutiny. We rely on rates and are trying to approximate what will happen before it does. We will try to determine potential adjustments and rates will decrease. There is a downward projection on rates by 3.7%. Enhanced funding will end. We will know more in October, but he noted a reduction is coming. There is a decline in utilization expense. The expense side of projection estimates are leveling. There are many unknowns. We must be a good partner with DHCS. The Plan needs to have credibility with the state in order to develop trust. We need to track insights.

Commissioner Pupa stated the margin in IBNR is winding down. She asked what the margin was. Mr. Edrington responded the provision for margin in reserve estimates has been 10% for the Plan. The size of the margin is independent. We need to wait for redetermination. The best estimate is close to $20 million, which relieves $2.5 million per month until depleted.

Commissioner Espinosa asked CEO Liguori if managed healthcare plans are not allowed to recruit for members. CEO Liguori responded that she was correct. Commissioner Espinosa asked how we know Kaiser members are healthier. CEO Liguori stated that We know that Kaiser members are healthier because we have access to their claims, and it is analyzed. Commissioner Pupa stated the original enrollment to Kaiser came through Healthy Families which is a younger population with less needs.

CEO Liguori stated membership will drop due to redetermination and loss of members to Kaiser, but it will also grow due to 2024 the full scope of Medi-Cal coverage for ages 26 through 49 who do not have satisfactory immigration status. Eligibility will begin next year, and enrollment will happen over time. He noted rate surplus has grown. Approximately 25,000 members are known as the top10% and they account for 85% of

our costs. Over two-thirds of these members have ben with GCP since 2015 and will remain eligible for Medi-Cal. Commissioner Pupa was grateful for the potential mix of loss of members and retention of some. CEO Liguori stated approximately 7,000Kaiser members are healthy. Commissioner Espinosa asked if 7,000 was the max. CEO Liguori stated it could be higher. Commissioner Espinosa asked if there was a limit. Marlen Torres, Executive Director of Strategy & External Affairs replied no more than 10%. CEO Liguori noted it is still changing.

CEO Liguori moved onto Managing "Free" Surplus. He reviewed the current reserve guidelines and "Free" surplus. He noted that two-thirds of "Free" surplus was recorded in the latest 5-month period of FY 2022-23 (December – April). CEO Liguori stated that GCHP Management is developing a policy to govern future spend down of "free surplus" and it will be reviewed in June. He stated the rough estimate is $160 million - $170 million and will deploy to assist members in most need. He stated we need $20 million to modernize the Plan, and we are working toward D-SNP. GCHP proposes to deploy $95 million in funds in the next 2-3 years.

Chief Medical Officer, Felix L. Nunez, M.D. reviewed comprehensive plan to achieve a sustained high quality health plan. CMO Nunez stated quality is a major driver and is the focus of the organization. We are working on data analytics and use resources to provide analysis and give direction. He reviewed hybrid measures. We are heading in a positive direction, but still have a long way to go. Investments are beginning to show a positive impact. Administrative measures show a huge investment in analytic data. CMO Nunez stated there are seven measures total; three did not improve, but four did. There was overall improvement in five out of seven measures. There is a positive momentum in the improvement of measures. We have achieved 75-90% for all hybrid measures. Our goals are achievable. Commissioner Pupa stated success is based on provider performance. CMO Nunez stated care needs to be accessible.

CPPO Erik Cho stated we are working to detail data. We need to incentivize; we need to have easier access for our members. We are working with transportation to have more readily access to members as well. CPPO Cho stated we have adapted quality efforts. We need to take big steps forward. GCHP has created a program with funding levels that catalyze increased action, partnership, and progress. We are creating a Quality Incentive Pool, and funding will be available over two years (2023-2025). We are aggressive in rolling out this program. He noted there is currently significant funding, and the program framework will be standard across our network. We intent to make a major investment with the money available to use now.

CPPO Cho reviewed GCHP's Quality Incentive Pool and Program. He noted there are four buckets: grants and other funding types which will be determined, Incentives for operational integration, incentives for data integration, and incentives for MCAS performance. We will create a program that ensures focus on measures but not lose sight of any measures. We want general improvement overall. We will concentrate on some, to move above minimum performance level and go to high improvement.

CPPO Cho stated there is $25million for access and practice transformation. This will also go out over 2-3 years. It is important to get the funding rolled out. Commissioner Livingston asked about ECM and CalAIM partnership. We are expanding ECM access and will go through the County and through additional providers. We are moving to see where specifics can be met.

Marlen Torres, Executive Director of Strategy & External Affairs, reviewed why member engagement matters. Ms. Torres has attended Quality Talks held by MCQA. They discuss where quality is headed, innovative approaches. She noted there is a Veteran Affairs Pilot Program, which focuses on member engagement. The focus is that the more the member is engaged the result is higher quality and needs are addressed. We need to know how to engage the top 10% members. We need to personalize their care. If the member is engaged, they tend to follow medical direction and take their prescriptions consistently. We need to partner with our providers as well. Ms. Torres noted that Community Health Workers will support members. We will need to improve member incentives and transportation is imperative.

CPPO Cho reviewed the Wellth Pilot. Wellth drives health engagement, medication management, and adherence and closure of key care gaps. This leads to greater health equity and a decrease in high-cost utilization. CPPO Cho stated we need interaction daily with members. This is a daily check in, and the incentive is $1.00 per day if they check in. There can also be additional incentives. We will start with 15,000 members for initial enrollment in the pilot. We are currently waiting for DHCS approval. They have 60 days to review the contract and we hope to start in early July. Results in 6 months, then a review at 9 months.

Supervisor Lopez asked if there was a Spanish component. CPPO Cho responded yes. Commissioner Livingston stated there is advocacy around food and medicine. She asked if we are looking into that part. CPPO Cho stated we need to get more meals out to members per DHCS. He noted that statewide number for medically supported foods are low. CMO Nunez stated we need to find a way to identify members can be challenging. There is a nutrition component in Wellth. We have brought in additional staff who focus on nutrition.

Ms. Torres gave an update on redetermination. There is outreach via various communication methods – radio, newspaper, website information and community events. We are in the process of getting our RVR approval from DHCS. We plan to launch an RFP to support redetermination efforts. Disenrollment will begin in July. DHCS released information for a monthly dashboard. There is also a Kaiser nationwide tracker which will be monitored.

Commissioner Espinosa thanks Ms. Torres for the update. She stated GCHP, HAS, and MICOP were prominent at a Santa Paula event.

CEO Liguori closed with acknowledging the efforts and hard work of the Team. He stated that future materials will include scenario modeling, detailed staffing budget, fee surplus and investment policy.

Commissioner Pupa stated she was grateful of the efforts and looking out for the best interest of the community.

Supervisor Lopez motioned to approve agenda item 4. Commissioner Corwin seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Laura Espinosa, Melissa Livingston (on agenda item 2 only), Supervisor Vianey Lopez, Dee Pupa, and Scott Underwood, D.O.

NOES: None.

ABSENT: Commissioners Anna Monroy, Sara Sanchez, and Jennifer Swenson.

The clerk declared the motion carried.

FORMAL ACTION

5. Contract Approval – Reeder & Associates – Chief Financial Officer Recruitment

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: It is the Plan's recommendation to approve the Reeder & Associates contract.

Executive Director of Human Resources, Michael Murguia, stated we have begun the search for a Chief Financial Officer. There is a competitive market – we have stopped the initial search with Morgan Consulting. Reeder & Associates is a new contract. Fees are almost identical to the initial proposal. We will need to transfer fees from Morgan Consulting to Reeder & Associates.

Commissioner Espinosa asked if the $130,000 was in addition to the approved amount. Mr. Murguia responded no. There is no cost, these are replacement fees. Commissioner Espinosa stated that in the packet there is expansion of critical skills, with great criteria. She asked if Reeder is aware of the skills needed at GCHP. She also added that it is important to have local candidates. Mr. Murguia stated the criteria was passed onto Reeder. We are open to local candidates, but we want the best qualified.

Commissioner Atin motioned to approve agenda item 5. Commissioner Espinosa seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Laura Espinosa, Melissa Livingston (on agenda item 2 only), Supervisor Vianey Lopez, Dee Pupa, and Scott Underwood, D.O.

NOES: None.

ABSENT: Commissioners Anna Monroy, Sara Sanchez, and Jennifer Swenson.

The clerk declared the motion carried.

6. April 2023 Financials

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Staff requests that the Commission approve the April 2023 financial package.

CEO Liguori noted the April 2023 net gain was $14.1 million. FYTD net gain is $149.3 million. TNE is 983% of minimum required. YTD Medical loss ratio is 75.4%, and YTD Administrative expense ratio is 7.4%

Next year our medical loss ratio spend for next fiscal year is 6%. He noted that non-utilizers will redetermine out. Additional investments for modernizing the health plan will continue to be efficient. There will be a reduction in conservative reserves. We will release funds over time and will have the right target for claims. CEO Liguori stated that this report is similar to the past few months.

Commissioner Pupa stated most plans have shown improvement in TNE. She has asked for current GCHP status in TNE. We are not alone in the surplus arena. Commissioner Corwin stated is the same case for non-Medi-Cal plans as well. He noted that some point things will change. Commissioner Atin stated 75% as a loss ratio is low. He would like to know other plans TNE numbers. Commissioner Livingston stated she would like to see a comparison on the admin rate.

Commissioner Atin motioned to approve agenda item 6. Commissioner Espinosa seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Laura Espinosa, Melissa Livingston (on agenda item 2 only), Supervisor Vianey Lopez, Dee Pupa, and Scott Underwood, D.O.

NOES: None.

ABSENT: Commissioners Anna Monroy, Sara Sanchez, and Jennifer Swenson.

The clerk declared the motion carried.

Commissioner Pupa stated that in the interest of time if none of the Commissioners opposed the approval of agenda items 7 through 9 in order to move to Closed Session.

REPORTS

7. Chief Executive Officer (CEO) Report

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

8. Chief Medical Officer (CMO) Report

Staff: Felix Nunez, M.D, Chief Medical Officer

RECOMMENDATION: Receive and file the report.

9. Human Resources (H.R.) Report

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

Commissioner Corwin motioned to approve agenda items 7 through 9. Commissioner Abbas seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Dee Pupa, and Scott Underwood, D.O.

NOES: None.

ABSENT: Commissioners Anna Monroy, Sara Sanchez, and Jennifer Swenson.

The clerk declared the motion carried.

The Commission moved to Closed Session at 4:51 p.m.

CLOSED SESSION

10. PUBLIC EMPLOYMENT
Title: Chief Financial Officer

11. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

ADJOURNMENT

Rich Egger, Esq. stated there was no reportable action.
The meeting was adjourned at 5:29 p.m.

Approved:

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Maddie Gutierrez, MMC
Clerk to the Commission

Ventura County Medi-Cal Managed Care Commission (VCMMCC)

Commission Meeting

Special Meeting via Teleconference

June 12, 2023

CALL TO ORDER

Committee Chair Dee Pupa called the meeting to order at 2:04 pm via teleconference. The Clerk of the Board was in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

INTERPRETER ANNOUNCEMENT

Lourdes Campbell, interpreter, gave her announcement for non-English speakers.

ROLL CALL

Present: Commissioners Anwar Abbas, James Corwin, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, and Sara Sanchez.

Absent: Commissioners Shawn Atin, Allison Blaze, M.D., Laura Espinosa, Jennifer Swenson and Scott Underwood, D.O.

Attending the meeting for GCHP were Nick Liguori, Chief Executive Officer, Alan Torres, Chief Information Officer, CPPO Erik Cho, Marlen Torres, Executive Director, Strategy and External Affairs, Paul Aguilar, Executive Director, Human Resources, Felix Nunez, M.D., Chief Medical Officer, Robert Franco, Chief Compliance Officer, Susana Enriquez-Euyoque, and Scott Campbell, General Counsel.

Also in attendance were the following GCHP Staff: Anna Sproule, Lisbet Hernandez, Michael Mitchell, Vicki Wrighster, Marco Robles, Shivani Pillay, Lupe Harrion, and Alison Armstrong.

PUBLIC COMMENT

None.

CONSENT

1. **Findings to Continue to Hold Remote Teleconference/Virtual Commission and Committee Meetings Pursuant to Assembly Bill 361.**

   STAFF: Scott Campbell, General Counsel

   RECOMMENDATION: It is recommended that the Committee and Commission should make the findings and determine that teleconferencing under AB361 will promote and protect the public's health, safety, and welfare.

Commissioner Abbas motioned to approve Consent item 1. Commissioner Monroy seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, James Corwin, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, and Sara Sanchez..

NOES: None.

ABSENT: Commissioners Shawn Atin, Allison Blaze, M.D., Laura Espinosa, Jennifer Swenson and Scott Underwood, D.O.

The clerk declared the motion carried.

ADJOURNMENT

The meeting was adjourned at 2:07 p.m.

Approved:

_____

Maddie Gutierrez, MMC

Clerk to the Commission

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AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission and Compliance Oversight Committee

FROM: Scott Campbell, General Counsel

DATE: June 26, 2023

SUBJECT: **Findings to Continue to Hold Remote Teleconference/Virtual Commission and Committee Meetings Pursuant to Assembly Bill 361**

SUMMARY/RECOMMENDATION:

At their May 22, 2023, joint meeting, the Ventura County Medi-Cal Managed Care Commission ("Commission") dba as Gold Coast Health Plan ("Plan") and the Compliance Oversight Committee ("Committee") adopted findings to continue to meet remotely pursuant to Assembly Bill 361. To continue this practice, it is required, that the Commission and Committee determine that they have considered the facts of the COVID-19 state of emergency in deciding to continue to have teleconference meetings under AB 361 and that state officials have imposed or recommended measures to promote social distancing in connection with COVID-19 and that as a result of these considerations and findings, meeting in person or pursuant to traditional teleconferencing rules would impose risks to the health or safety of attendees and that teleconference meetings under AB 361 should continue.

BACKGROUND/DISCUSSION:

Traditionally, the Brown Act allows for teleconference or virtual meetings, provided that the physical locations of the legislative body's members joining by teleconference are posted on the agenda, that those locations are open to the public and that a quorum of the members is located within its jurisdiction. AB 361 provides an exception to these procedures in order to allow for fully virtual meetings during, and after proclaimed emergencies, including the COVID-19 pandemic. Now that the state and county state of emergency declarations are over, the Commission and Committee may continue to meet remotely pursuant to AB 361 if it makes both of the following findings:

- The Commission and Committee have reconsidered the circumstances of the prior states of emergencies; and
- State officials continue to impose or recommend measures to promote social distancing.

COVID-19 continues to present a threat to the health and safety of Commission and Committee members, and its personnel. Although vaccines are now widely available, many people in the State and County are still not fully vaccinated and remain susceptible to infection and the vaccinations have not proven successful in stemming the spread of COVID-19. Additionally, several Commissioners and Committee members attend meetings in medical facilities or offices and allowing members of the public to attend meetings at these posted locations when they may not be vaccinated would pose a threat to the health or safety of attendees. Further, on February 3, 2023, a new set of non-emergency COVID-19 prevention regulations were issued by Cal/OSHA which carry over some of the same requirements imposed by earlier regulations, including social distancing measures. These new measures will continue to be imposed, unless changed, until February 3, 2025. Thus, facts supporting the continued findings exist.

As such, it is recommended that the Committee and Commission should make the findings and determine that teleconferencing under AB 361 will promote and protect the public's health, safety and welfare.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

The Commission and Committee will have to follow the Brown Act provisions that existed prior to the COVID-19 pandemic.

FOLLOW UP ACTION:

That the Commission and Committee make the findings under AB361 at their joint special meeting of July 24, 2023, meeting.

ATTACHMENT:

None.

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AGENDA ITEM NO. 3 CORRECTED

TO: Ventura County Medi-Cal Managed Care Commission

From: Michael Murguia, Executive Director, Human Resources

Date: June 26, 2023

Subject Additional Funding - Pajaro Consulting – SOW #01

SUMMARY:

The Plan requires additional funding in the amount of $150,000 for Pajaro Consulting, SOW #01

BACKGROUND/DISCUSSION:

Pajaro Consulting was contracted (SOW #01) to provide support for Gold Coast Health Plan ("GCHP") Leadership's capabilities with the development and use of comprehensive and detailed work plans, performance measurement tools and techniques, and policies and practices of ongoing operational performance review to assist meeting the Commission's approved goal of implementing a Model of Care program. Don Harbart, the principal of Pajaro, has proven valuable in assisting in the coordination, planning, and implementation of far greater capabilities in this important scope of work. While major progress has been made in create a goals-enabled, performance-driven Leadership Team and organization. Don has more than delivered in organizing our goals and project plans on goal progress. We still have more work to do to complete this progress especially in the goal area of the Model of Care and Provider Quality Incentives.

This request enables GCHP to retain Pajaro Consulting for 20 hours per week through December 31, 2023.

FISCAL IMPACT:

Table 1: Pajaro Consulting SOW #01 Total Contract Value

Statement of Work #4	Amount	Period	Budgeted
SOW #01 current funding	$248,050	8/22/2023 – 6/30/23	Yes
SOW #01 additional funding needed	$150,000	7/1/2023 – 12/31/23	Yes
Total amount	**$398,050**		

RECOMMENDATION:

GCHP staff recommends the Commission approve adding $150,000 to this agreement for a total amount of $398,050 These funds have been budgeted in our new fiscal budget.

If the Commission desires to review this contract, it is available at Gold Coast Health Plan's Finance Department.

AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 26, 2023

SUBJECT: Fiscal Year 2022-2023 Audit Plan

SUMMARY:

Moss Adams will be presenting the audit plan for Gold Coast Health Plan ("Plan") for the year ending June 30, 2023.

RECOMMENDATION:

The Plan requests that the Commission receive and file the presentation.

ATTACHMENTS:

Audit Entrance Presentation

MOSSADAMS

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

2023 AUDIT PLANNING

Discussion with Management and the Ventura County Medi-Cal Managed Care Commission

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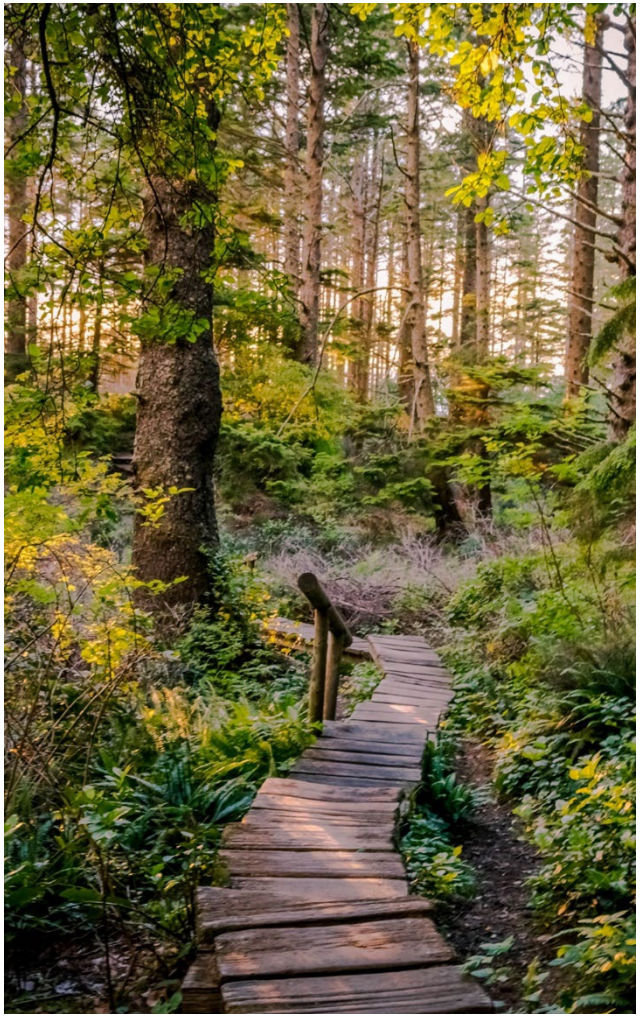
Agenda

1. Your Service Team
2. Scope of Services
3. Auditor's Responsibilities in a Financial Statement Audit
4. Significant Risks Identified
5. Risks Discussion
6. Consideration of Fraud
7. Prior Year Report to Management
8. Audit Timeline
9. Audit Deliverables
10. Expectations
11. Documents Containing Audited Financial Statements and Auditor's Report
12. Recent Accounting Developments
13. About Moss Adams
14. Executive Session



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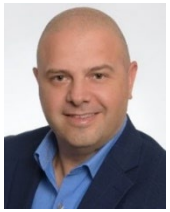
Your Service Team



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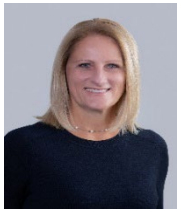

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Audit Manager

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(949) 517-9431

Scope of Services

Relationships between Moss Adams and Gold Coast Health Plan:

Attest Services

- Annual financial statement audit for the year ending June 30, 2023.

Nonattest Services

- Consulting services associated with Adaptive Insights financial and budgeting solution.
- Assist management with drafting the financial statements for the year ending June 30, 2023.

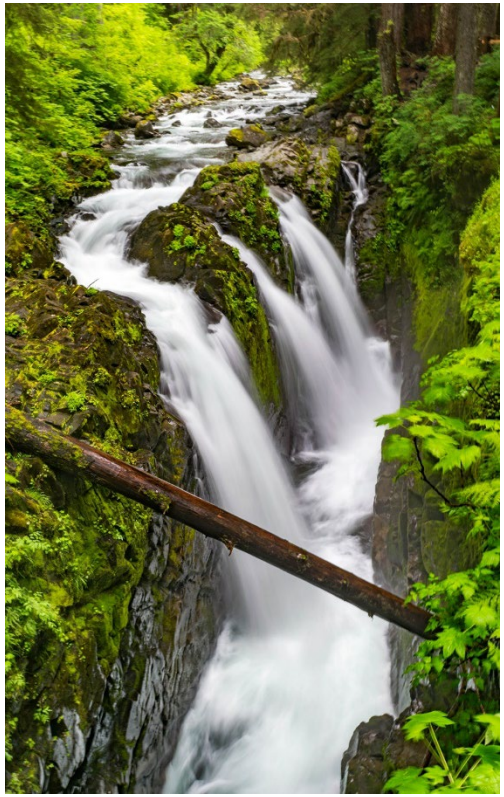
Auditor's Responsibilities in a Financial Statement Audit

- Auditor is responsible for:
  - forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles
  - performing an audit in accordance with generally accepted auditing standards issued by the AICPA
  - communicating significant matters, as defined by professional standards, arising during the audit that are relevant to you
  - when applicable, communicating particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement
- The audit of the financial statements doesn't relieve management or you of your responsibilities.
- The auditor is not responsible for designing procedures for the purpose of identifying other matters to communicate to you.

Significant Risks Identified

During the planning of the audit, we have identified the following significant risks:

Significant Risks	Procedures
Capitation Revenue Recognition	We will test internal controls around revenue recognition, vouch membership and rates to supporting documentation, and reconcile revenue recognized to monthly cash payments from the State of California.
Medical Claims Liability	We will test internal controls over the claims process, perform a lookback analysis on the prior year medical claims liability estimate, review the actuarial specialist's model and report, and perform analytical procedures around the current year estimate.
Management Override of Controls	We will perform inquiries of accounting and operational personnel, perform risk assessment procedures, and test risk-based manual journal entry selections.



Risks Discussion

1. What are your views regarding:
   - Gold Coast Health Plan's objectives, strategies and business risks that may result in material misstatements
   - Significant communications between the entity and regulators
   - Attitudes, awareness, and actions concerning
     - Gold Coast Health Plan's internal control and importance
     - How those charged with governance oversee the effectiveness of internal control
     - Detection or the possibility of fraud
     - Other matters relevant to the audit
2. Do you have any areas of concern?

Return to Agenda

Consideration of Fraud in a Financial Statement Audit

Auditor's responsibility: Obtain reasonable assurance the financial statements as a whole are free from material misstatement – whether caused by fraud or error

	**Procedures to address the risk of fraud**	Engagement team discussion
	**Identify the risks of material misstatement due to fraud**	• Perform procedures to address identified risks • Inherent limitation of an audit
	**Unavoidable risk exists that some material misstatements may not be detected**	

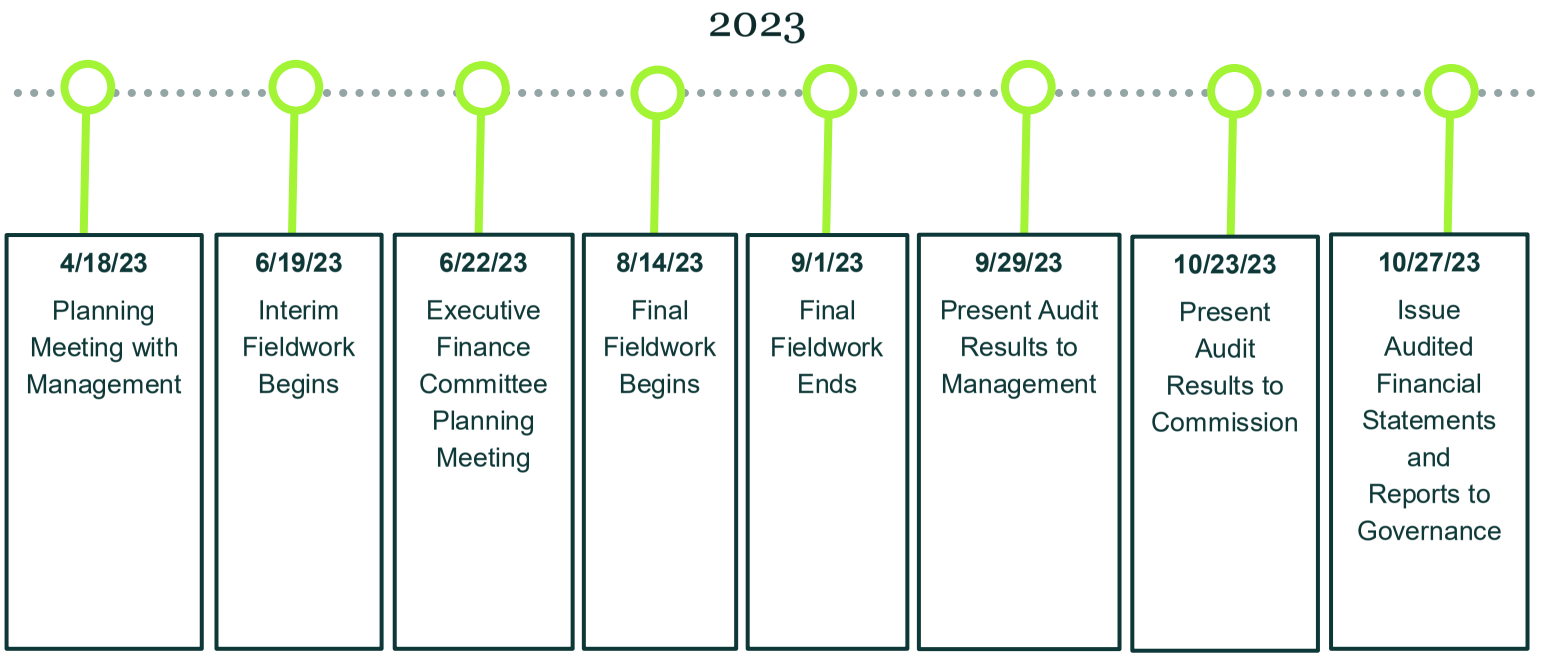
Prior Year Report to Management

During the prior year audit we noted the following significant deficiency:

Conduent, Inc.
Claims Processing

Conduent, Inc. did not complete an audit of Health Solutions Plus information technology or claims processing controls or produce a System and Organization Controls (SOC-1) report.

Audit Timeline



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Audit Deliverables

Report of Independent Auditors

on financial statements for the year ended June 30, 2023

Report to Management

(communicating internal control related matters identified in an audit)

Report to Those Charged With Governance

(communicating required matters and other matters of interest)

Return to Agenda

Expectations

Client will:

- Have no significant adjusting journal entries after beginning of field work.
- Close books and records before beginning of field work.
- Provide auditor requested information in CAP schedule by requested due dates.

Moss Adams will:

- Communicate proposed adjustments with management when identified.
- Communicate control deficiencies with management when identified.
- Discuss any additional fees over estimate in engagement letter with management.

Return to Agenda

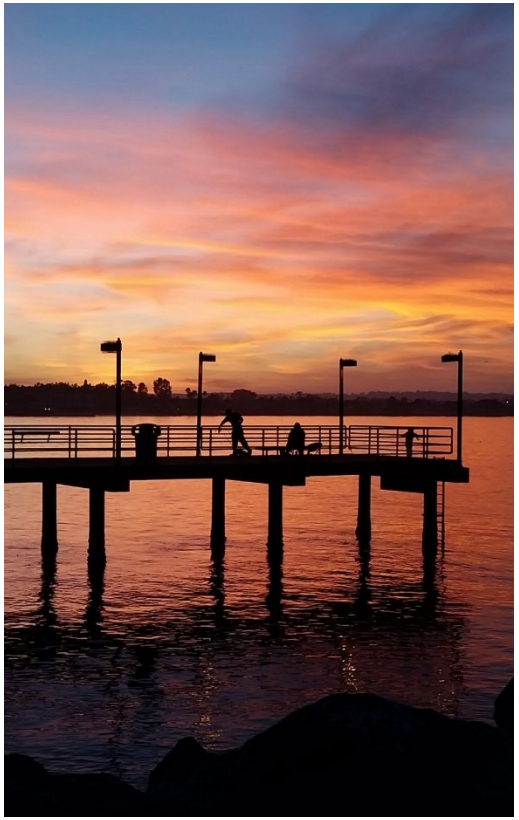
Documents Containing Audited Financial Statements and Independent Auditor's Report

Our responsibility under generally accepted auditing standards.

Request for advance notification when you intend to include audited financial statements and the independent auditor's report in a document.

Arrangements to obtain the other information prior to report issuance.

Recent Accounting Developments



New Accounting Standards

GASB 96

Subscription-Based Information Technology Arrangements

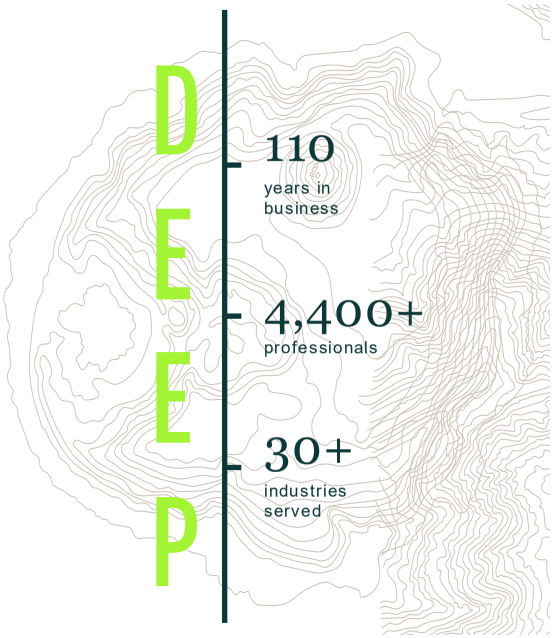
- Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users
  - Defines a SBITA as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction
  - Establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability
  - Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
  - Requires note disclosures regarding a SBITA
- Based on the standards established in Statement No. 87, *Leases*.
- Effective for fiscal years beginning after June 15, 2022.

About Moss Adams

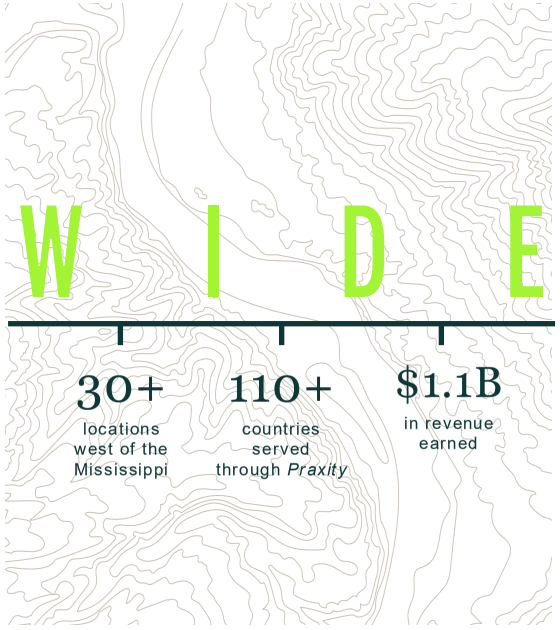
Moss Adams is a full-service firm, offering a portfolio of tax, assurance, consulting, and individual and institutional wealth management services to clients all over the world.

We're primarily focused on helping US-based middle-market companies, and our professionals are focused by the industry they support.

Our annual revenue in 2022 was $1.1 billion, and our bench of more than 4,400 professionals continues to grow rapidly every year.



Crater Lake—
A monument to perseverance, America's deepest lake filled to 1,949 feet over 720 years.



Grand Canyon—
At 277 miles long and up to 18 miles wide, this icon serves as a testament to determination and time.

Data as of January 2023

Expertise

National Health Care Industry Group

Health care is one of our firm's largest and most successful industry groups. For more than 45 years, we've recognized the value of having dedicated industry professionals. Unlike many of our competitors, our Health Care Group includes 100% industry-focused professionals who specialize in navigating the complexities of today's health care landscape.

Our team supports a wide range of clients from individual clinics to health systems, from surgery centers to long-term care facilities, and from ancillary health care providers to private equity firms investing in the health care sector.

D

4,100+
health care clients

E

220+
health care professionals firm-wide

E

30
health care partners

P

Participation in 50+ national, regional, and state health care industry events

Crater Lake—
A monument to perseverance, North America's deepest lake filled to 1,949 feet over 720 years.

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Health Plans, Insurance & Risk-Bearing Organizations

In today's health care landscape, managed care risk-bearing organizations (RBOs) come in many different forms including health plans, accountable care organizations, independent physician associations, and integrated delivery networks.

We serve the needs of over 230 clients ranging in size and structure from large, billion-dollar member insurers to small, captive insurers. In addition to tax and assurance services, we also focus on operational and systems infrastructure, and our services and knowledge of the insurance managed care market have been used for numerous litigation matters involving payers and providers. There's opportunity for fresh approaches due to mounting financial pressures affecting profitability, increased federal and state regulations, and shifting patient populations.

WHO WE SERVE:

Self-funded medical professional liability insurance	Captive Insurers	Exclusive Provider Organizations
Risk Pools	Self-insured Pools	TPAs
Medicare Advantage Plans	Medicaid Health Plans	ACOs
CCOs	Knox-Keene Plans	Dental Plans
HMOs	Stock Insurance Companies (public & private)	Insurance Exchanges

Better Together: Moss Adams & Gold Coast Health Plan

Top Audit Firm

recognized by *Best's Review* as a *Top Audit Firm* ranked by Loss Reserves and Health Loss Reserves for Property/Casualty and Health Insurance consecutively since 2018

230+

insurance company clients ranging in premiums from $15M to $5B annually

Health Care Consulting

Audit and tax are vital. But you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all emerging needs—both now and in the future.

Health Care Consulting

COST REIMBURSEMENT

- Medicare & Medicaid
- Provider-Based Licensure & Certification
- Medical Education
- Uncompensated Care
- Wage Index Reviews
- Contract Compliance

STRATEGY & INTEGRATION

- Provider Risk Analysis, Contracting, & Operational Design
- M&A Support
- Feasibility Studies
- Market Intelligence & Benchmarking
- Strategic Planning & Implementation
- Managed Care Assessment & Negotiation
- Service Line Enhancement & Analyses

GOVERNMENT COMPLIANCE

- Regulatory Compliance
- Coding Validation
- Coding Department Redesign
- EHR Internal Controls
- Corporate Compliance

INFORMATION TECHNOLOGY

- HIPAA Security & Privacy
- Network Security & Penetration Testing
- Disaster Recovery Planning
- PCI DSS Audits
- SOC Pre-Audit Gap Analysis & Readiness
- SOC Audits

OPERATIONAL IMPROVEMENT

- Revenue Cycle Enhancement
- Claims Recovery
- Litigation Support
- Employer Health Benefits
- Lean Consulting
- Operational Assessments & Process Improvement
- Valuations
- Performance Improvement

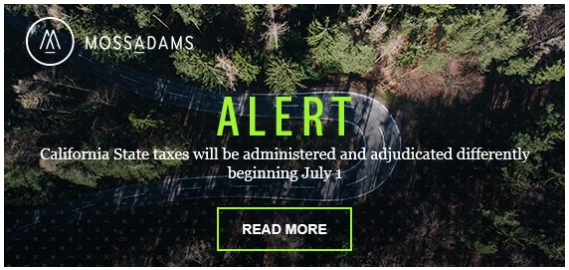
Insights and Resources

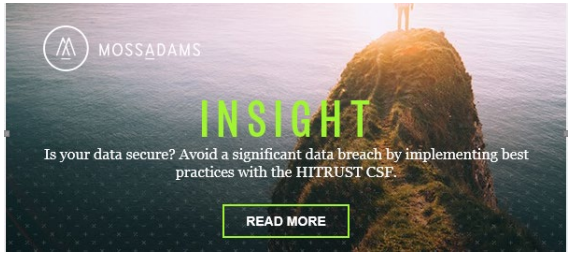
In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and are presented in the format that fits your life.

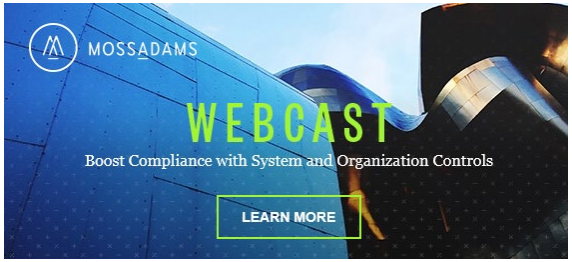
We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.







SAVE THE DATE

2023 Executive Health Care Conference

Nov. 1-3, 2023 | JW Marriott Resort & Spa | Las Vegas

The conference will kick off with our second annual Women's Health Care Leadership Forum Nov. 1, 2023, followed by our main event on Nov. 2–3, 2023

Keynote Speakers

Donna Brazile

Chris Christie

Daniel Kraft, MD

Bradford Koles, Jr.

Scan this QR code with your camera app on iOS and most Android devices.

Visit mossadams.com/HCC2023

Better Together: Moss Adams & Gold Coast Health Plan

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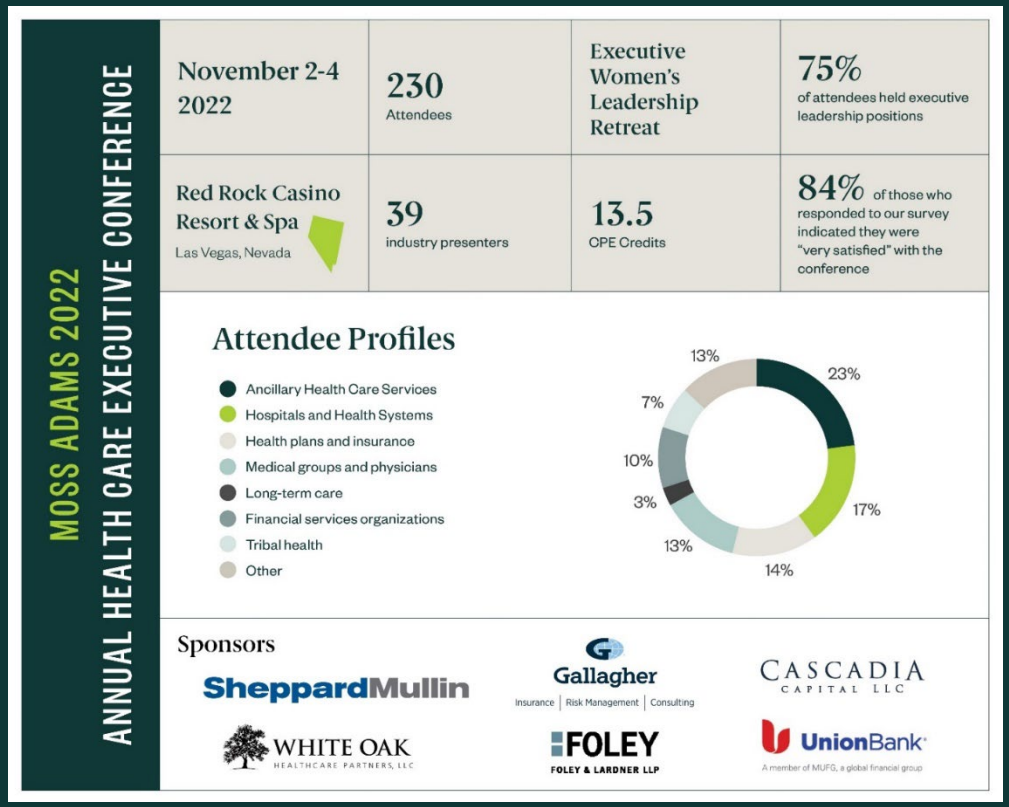
Why attend the 2023 Executive Health Care Conference? Check out highlights from 2022

- Topics affecting the health care continuum
- Networking opportunities among executives
- See sessions from 2022



Better Together: Moss Adams & Gold Coast Health Plan

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Executive Session

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THANK YOU

AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Manager Care Commission

FROM: Alan Torres, Chief Information Officer

DATE: June 26, 2023

SUBJECT: Contract Approval – Electronic Data Interchange Software

BACKGROUND/DISCUSSION:

Project Background

By this request, GCHP staff is asking that the Commission award a competitively bid contract for Electronic Data Interchange Software (EDI) that will support claims processing efficiencies with an enhanced provider and member experience. Following the health plan industry's standard practice of regularly evaluating capabilities and performance against the nationwide market of system and service providers, GCHP began a comprehensive procurement of technologies and services, (reference the initiative list below in table 1). GCHP intends to implement these solutions by July 1, 2024. The Commission has authorized GCHP staff to undertake improvements throughout the Plan to improve medical care and outcomes and become a leader in the delivery of health care services to members.

The specific initiative relative to this request was to survey the marketplace through a competitive bidding process (RFP 1) for a new EDI infrastructure which will help transform GCHP. The solution will be expected to support and enhance the modernized capabilities of the new Health Edge Health Rules Core Administration system. EDI is the automated transfer of data in a specific format following specific data content rules between a health care provider and health care plan, or between DHCS and another health care plan. Some examples of types of EDI Documents exchanged in the healthcare industry are enrollments, claims, claim status and claim processing, benefit eligibility inquiries.

GCHP staff is recommending that Edifecs be awarded the contract. GCHP staff has meet with the current EDI software vendor, Conduent, and has explained the reasons why GCHP is migrating to a new EDI platform.

Table 1

RFP 1	EDI Services
RFP 2	Core Claims Processing Software
RFP 3	Medical Management Software
RFP 4	Provider and Member Portal Software
RFP 5	BPO (Claims Processing Services)
RFP 6	Mailroom and Claims Editing Services
RFP 7	Print and Fulfillment Services
RPF 8	Call Center Software/Technology

Procurement Background

Lead by GCHP's Executive team on November 1, 2022, staff issued a Request For Proposal, (RFP) for Electronic Data Interchange Software directly to the twelve, (12) vendors listed:

Edifecs	Gainwell
TransUnion	OptumInsight
Conduent	UST
Oracle	First Source
Accenture	Broad Path
Deloitte	Catalyst Solutions

Set forth below is the schedule utilized for the RFP.

Event	Date	Time (If applicable)
RFP Released	11/01/2022	
Intent to Propose Notification Due By	11/04/2022	5:00pm. PT
Questions Due	11/09/2022	5:00pm. PT
Questions Answered	11/16/2022	
Proposal Due Date	12/05/2022	5:00pm. PT
Short List Established and Contractual Discussions Begin	12/19/2022	
Short List –Solution Review	01/09/2023	Scheduled for the week of the 1/09/2023

GCHP received three (3) responsive proposals. A cross functional evaluation team was formed with representation from IT, (2 team members), Operations, (1 team member), Provider Contracting, (1 team member) and Procurement, (1 team member) to evaluate the proposals. Using predetermined evaluation criteria and weights, the team scored each proposal from the RFP's qualitative and quantitative requirements.

The scoring results from the evaluation team are as follows:

Overall Scores (High to Low):

Vendor	Qualitative Score	Quantitative Score	Overall Score
Edifecs	40.59	18.80	59.39
Conduent	38.15	9.62	47.76
Deloitte	39.72	2.00	41.72

Contracting Discussions

The GCHP team determined that Edifecs was the clear leader and commenced contract discussions.

Key takeaways during the contracting discussions:

- Leveraged existing agreements and added in revised regulatory clauses in the Master License and Services Agreement
    - Specific additional language includes:
        - The right to perform services offshore
        - The DHCS Availability of Funds clause
        - DHCS Records and Audit language
        - DHCS Suspended, Excluded or Ineligible Employees language
        - Government Claims Act (Government Code Section 900)
        - California Public Records Act language
- Updated the Business Associate Agreement

Edifecs's Qualitative Value

Edifec's provides industry leading capabilities in the area of electronic data exchange. Health plans can more efficiently partner with providers and DHCS in real time to create a more connected, efficient experience across Medical and D-SNP lines of business. Edifec's makes it easier for payers to exchange and connect data, satisfy regulatory and member demands.

- Ensures EDI best practices that are also utilized by our sister plans
- Edifec's has DHCS regulatory edits included as part of the product
- Robust data tracking and visibility layer allowing easy on demand dashboarding
- Edifec's is already NCQA accredited and will provide best practices for us to achieve our NCQA accreditation goals
  The capability is highly configurable and requires less human intervention which drives efficiencies and lowers the operating costs

Contract Negotiations

As noted above, GCHP prioritized contract negotiations with Edifecs. Contractually, Edifecs agreed to the revised regulatory clauses and updated the BAA. The work contemplated by the RFP and upon which the scoring was performed is set forth in Statement of Work 1, described in the chart below. The total cost for this work is an amount not to exceed $6.8 million dollars. Conduent's bid for such services was $8.1 million dollars.

SOW 1 (Requirements of the RFP)
TMAAS – Base SaaS Platform
834 – Enrollment Transactions
837 – Claims & Encounter transactions

During discussions with Edifecs, after GCHP staff determined that it would recommend that the contract be awarded to Edifecs, GCHP and Edifecs discussed other enhanced services that GCHP will most likely require prior to the June 30, 2024, Operations of the Future "Go-Live Date". These additional services have been added to the contract and total an additional not to exceed amount of $1.5 million. They are set forth in the chart below.

SOW 2 Additional Implementation Services
270/271 – Eligibility Benefit Inquiry and Response
276/277 – Claim Status Inquiry and Response
278/278R – Authorization Request for Review and Response
820 – Capitation/Premium payment information
274 – Provider Directory
835 – Claim Payment/Remittance Advice
Business Operations Services

GCHP concluded negotiations on a contract that is acceptable to GCHP, and the Proposers will be notified of the recommendation to award the contract to Edifecs. GHCP is still working on the overall implementation plan and will determine if other services with Edifecs should be contracted

FISCAL IMPACT:

The total cost over the projected useful life of the 12-month implementation period and 5-year agreement (7/1/2023- 6/30/2029) is projected to not exceed $6.8M. The additional implementation labor cost to support SOW 2 listed above is projected to not exceed $1.5M, over the same period. The total cost of this contract is a not to exceed amount of $8.3 million, which is just $200,000 above the amount of Conduent's bid for the services covered by SOW 1 alone. The annual license fee includes a fixed annual increase of 5% per year.

RECOMMENDATION:

On June 12, 2023, the Executive Finance Committee recommended that the contract be awarded to Edifecs. It is staff's and Executive Finance Committee's recommendation that Ventura County Medi-Cal Managed Care Commission waive any irregularities in Edifec's proposal and authorize the CEO to execute a contract with Edifecs Inc., to include the additional work in SOW 2 above subject to non-material terms to be agreed upon and acceptable to the CEO and General Counsel. The term of the contract will be 12 months of implementation and 5 years of production commencing July 1, 2023, and expiring on June 30, 2029, for an amount not to exceed $8.3M.

If the Commission desires to review this contract, it is available at Gold Coast Health Plan's Finance Department.

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 26, 2023

SUBJECT: May 2023 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached May 2023 fiscal year-to-date ("FYTD") financial statements of Gold Coast Health Plan ("GCHP") for review and approval.

BACKGROUND/DISCUSSION:

The staff has prepared the May 2023 unaudited FYTD financial packages, including statements of financial position, statement of revenues and expenses, changes in net assets, statement of cash flows and schedule of investments and cash balances.

Financial Overview:

GCHP experienced gains of $27.1 million for May 2023. As of May 31st, GCHP is favorable to the budget estimates by $128.1 million. The favorability is due to medical expense estimates that are currently less than budget by $100.1 million, Non-Operating Gains (Interest Income) by $8.1 million and revenue favorable by $21.9 million.

Financial Report:

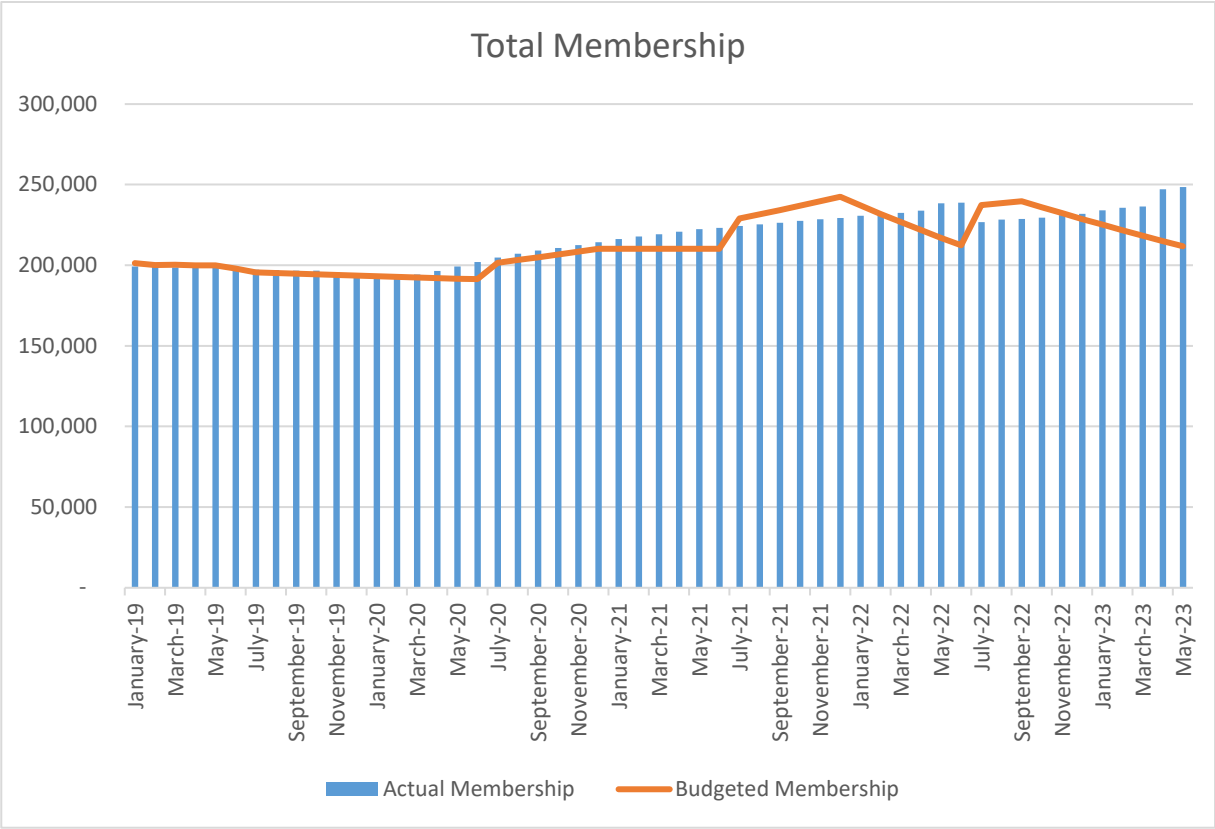
GCHP is reporting net gains of $27.1 million for the month of May 2023 respectively.

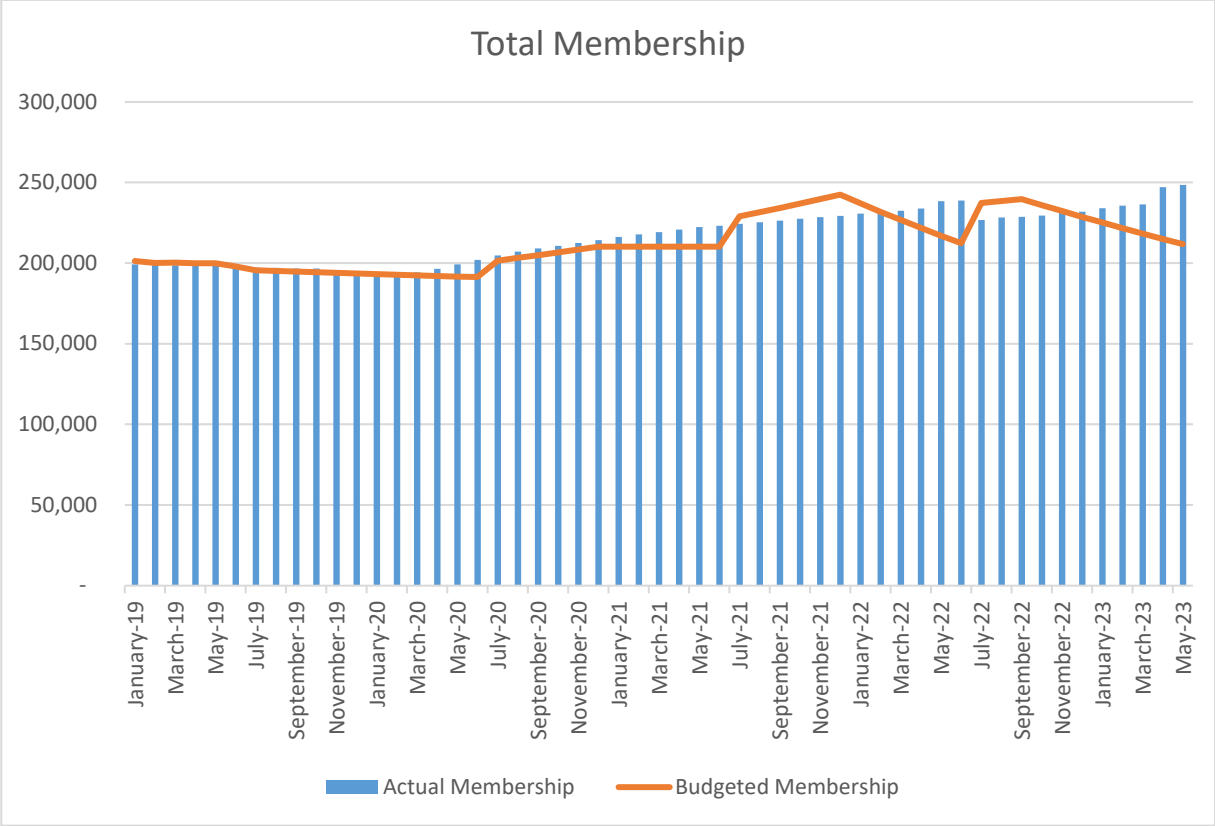
May 2023 FYTD Highlights:

1. Net gain of $176.4 million, a $128.1 million favorable budget variance.
2. FYTD net revenue is $924.4 million, $21.9 million higher than budget.
3. FYTD Cost of health care is $687.1 million, $100.1 million lower than budget.
4. The medical loss ratio is 74.3% of revenue, 12.9% under budget.
5. FYTD administrative expenses are $69.1 million, ($2.0) million higher than budget.
6. The administrative cost ratio is 7.5%, on budget.
7. Current membership for May 2023 is 253,266.

8. Tangible Net Equity is $353.0 million which represents approximately 156 days of operating expenses in reserve and 1083% of the required amount by the State.

Note: To improve comparative analysis, GCHP is reporting the budget on a flexible basis which allows for updated revenue and medical expense budget figures consistent with membership trends.





Revenue

FYTD Net Premium revenue is $924.4 million; $21.9 million and 2.4% favorable budget variance. Variance is primarily due to new CY2023 base rates ~$33.2 million and maternity revenue ~$0.4 million offset by unfavorable ECM risk corridor adjustment of ~($3.7) million not in budget, timing of incentive revenue budgeted of ~($8.0) million

Health Care Costs

FYTD Health care costs are $687.1 million; $100.1 million and 13.0% favorable budget variance. The primary driver is lower inpatient medical expenses. The moratorium on redeterminations due to the Public Health Emergency (PHE) has resulted in increased membership with a significant mix of members being low/non-utilizers of services which has led to less healthcare costs than what was anticipated when the budget was established a year ago.

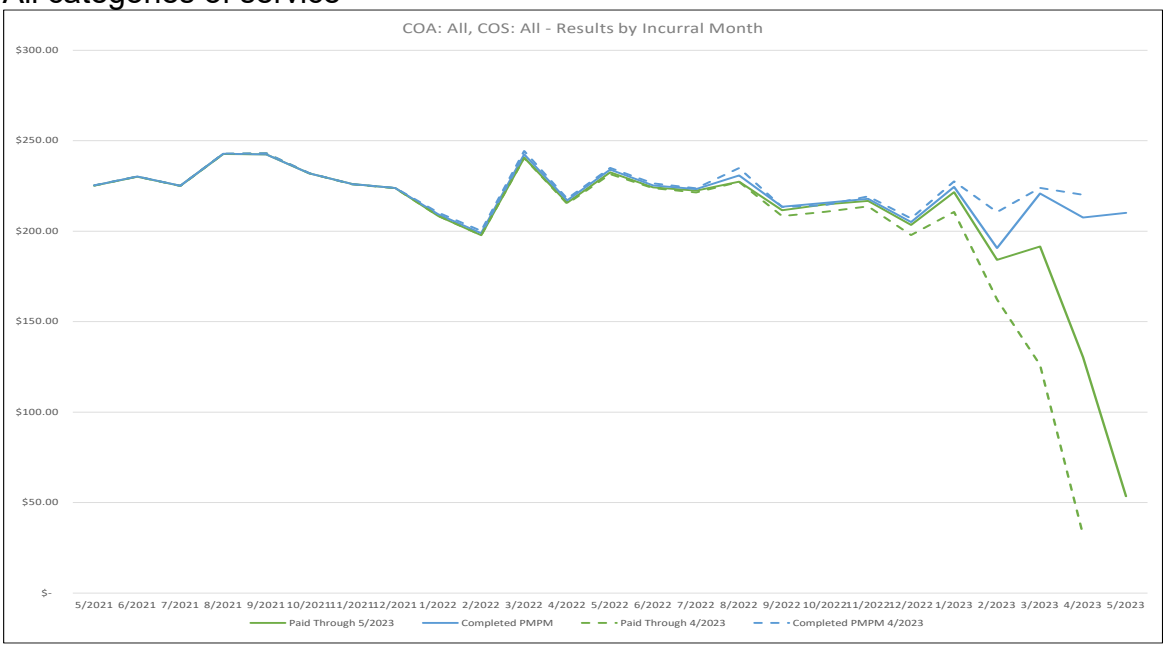
Due to the unknown impacts of the pandemic, the budget was established for CY2023 Medical Expenses projected based on FY20-21 (July 2020 – June 2021) RDT base data and CY21 experience respectively + estimated trend/prospective adjustment factors.

Trend factors consistent with RDT (2-4%) and projections based on COA/COS combinations getting back to CY2019 level where appropriate with the exception of mental health expenses (maintaining COVID levels in budget).

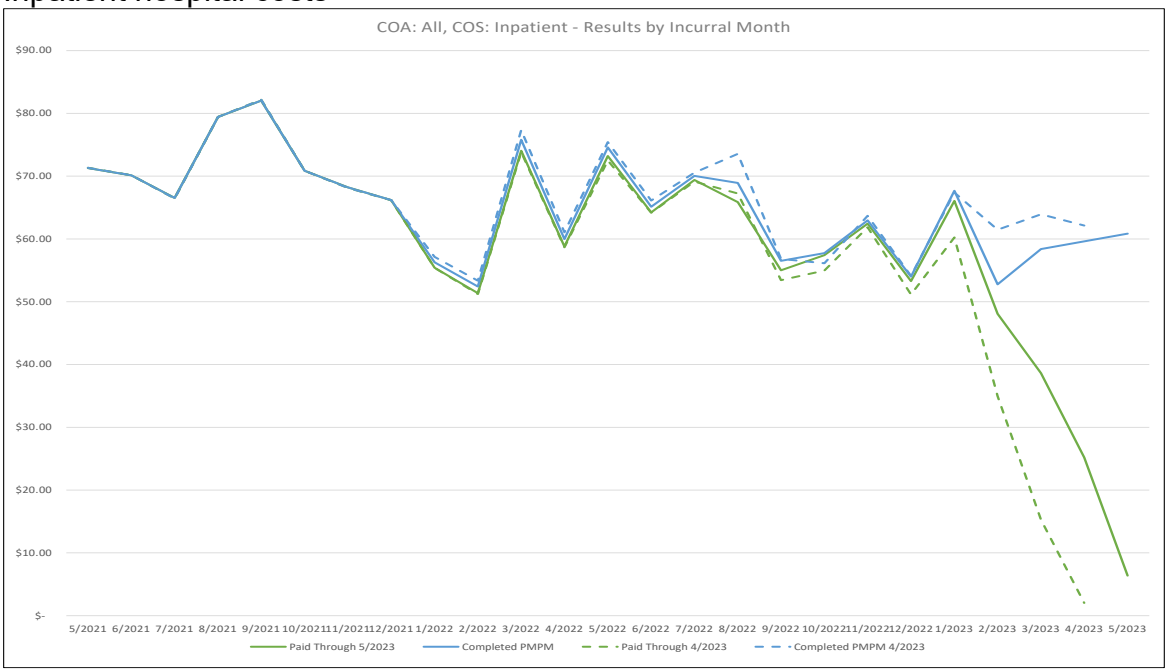
Medical expenses are calculated through a predictive model which examines the timing of claims receipt and claims payments. It is referred to as "Incurred but Not Paid" (IBNP) and is a liability on the balance sheet. On the balance sheet, this calculation is a combination of the Incurred but Not Reported and Claims Payable.

High level trends on a per member per month (PMPM) basis for the major categories of service are as follows:

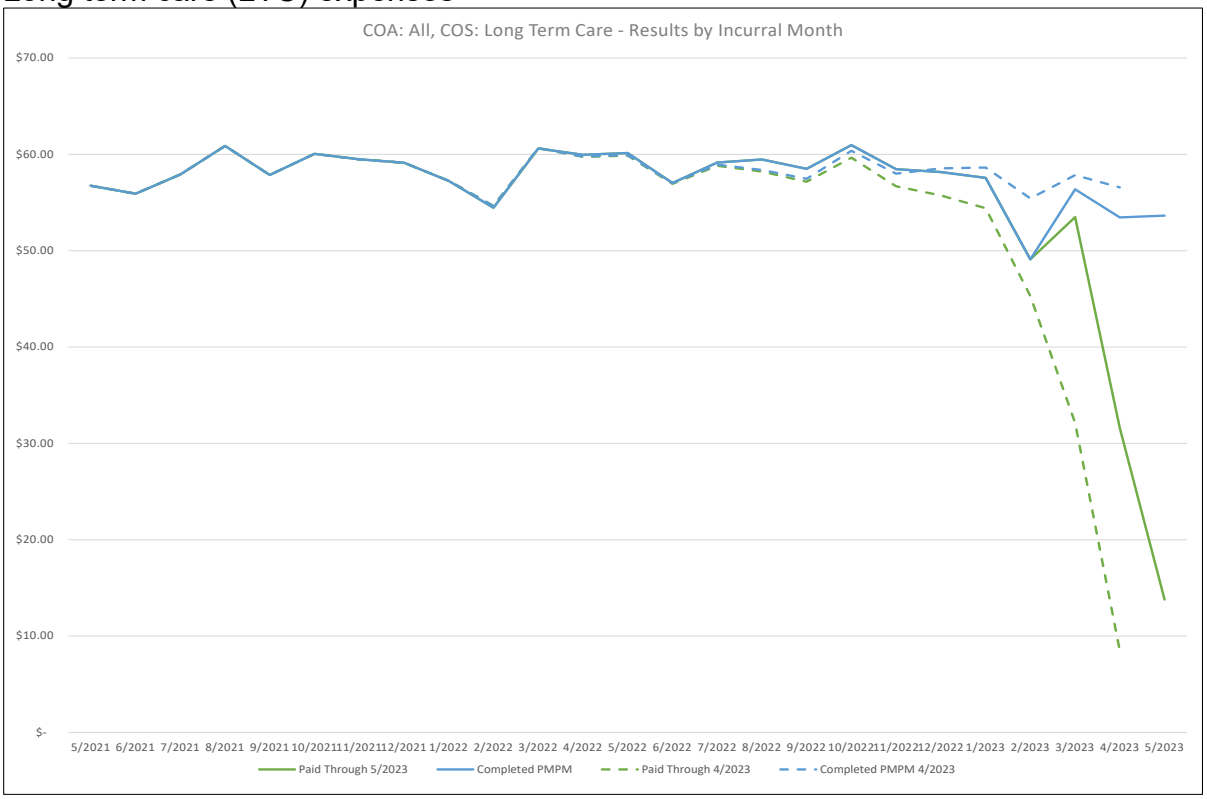
1. All categories of service



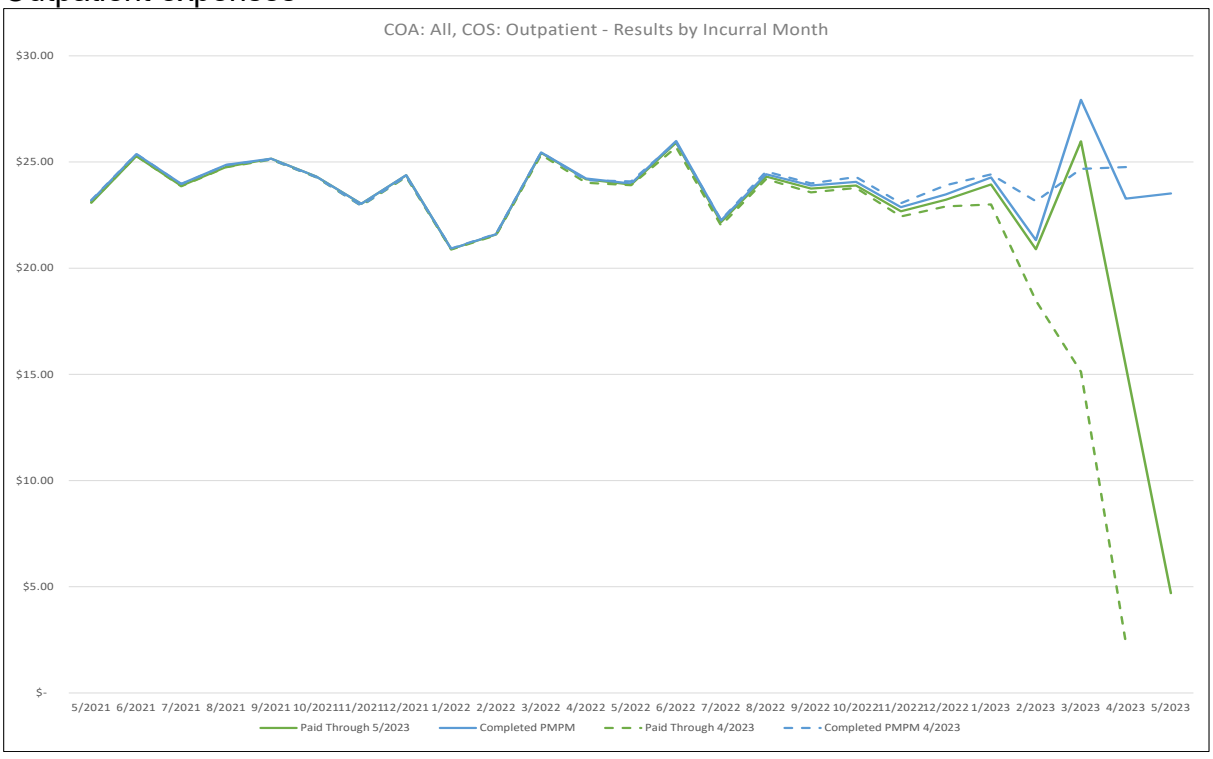
2. Inpatient hospital costs



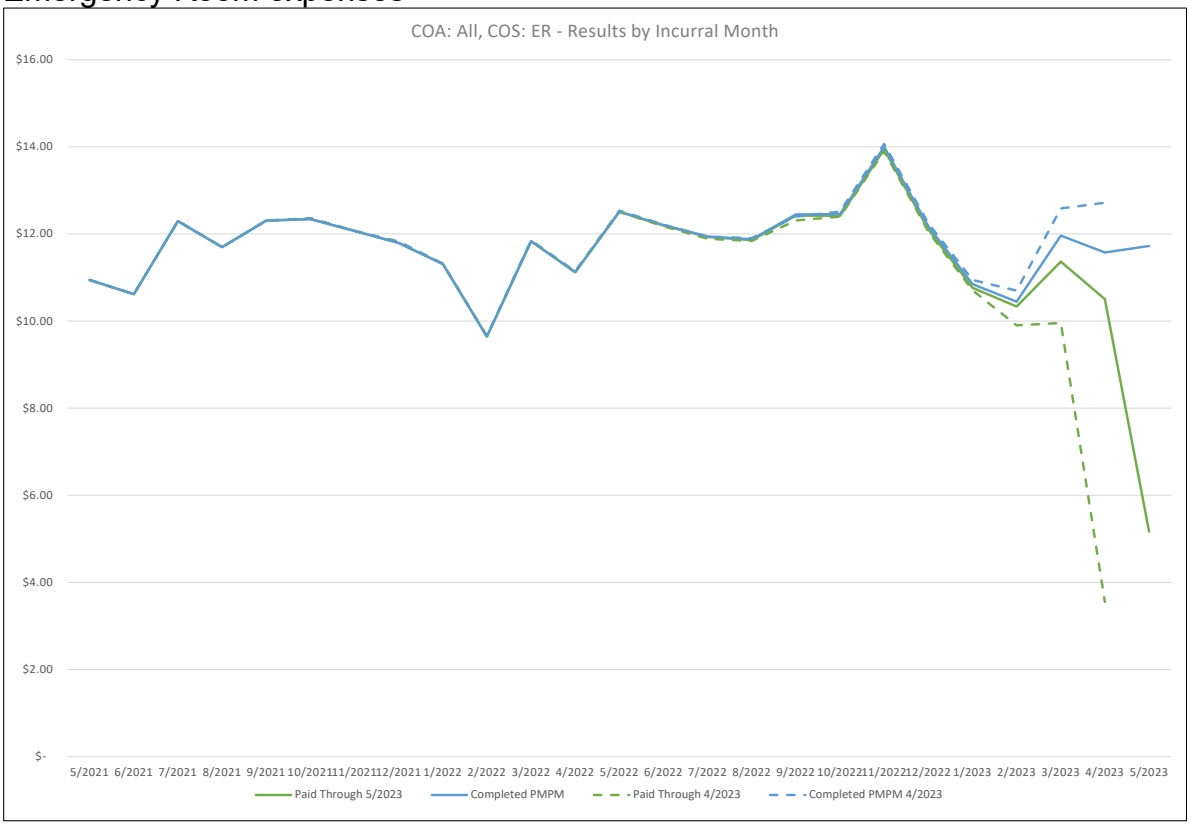
3. Long term care (LTC) expenses



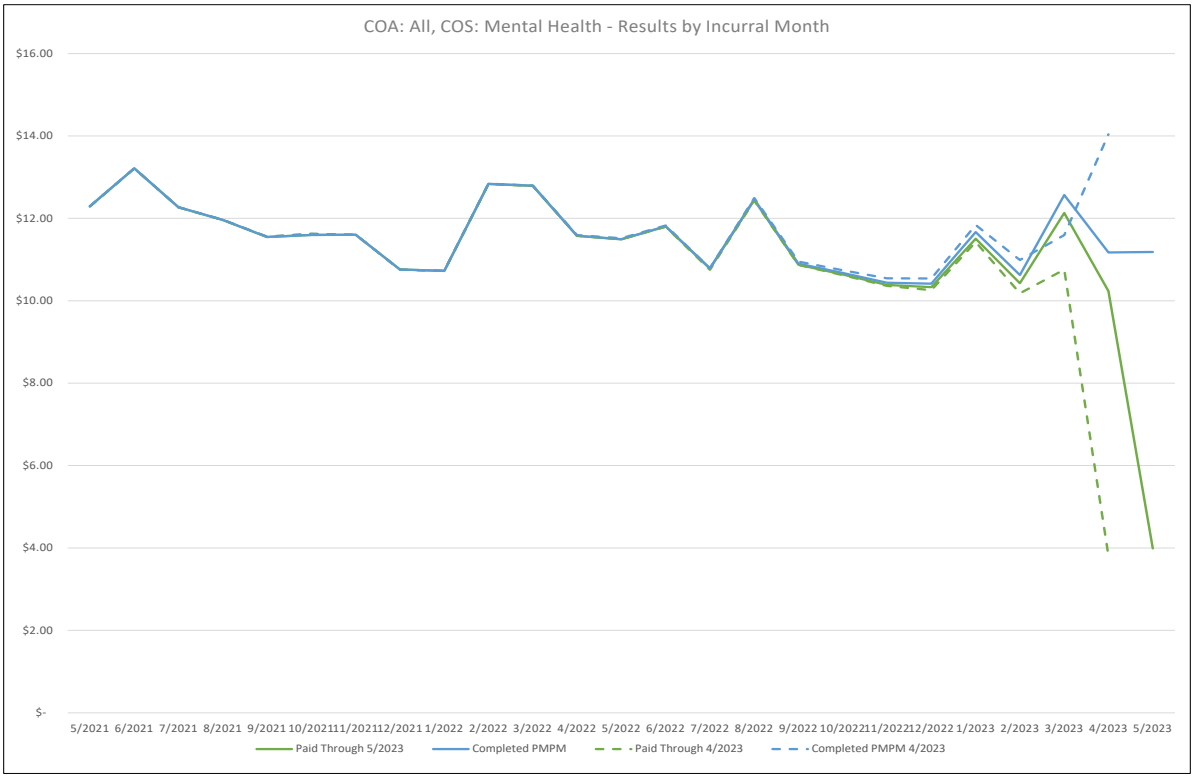
4. Outpatient expenses



5. Emergency Room expenses



6. Mental and behavioral health services



Administrative Expenses

The administrative expenses are currently running within amounts allocated to administration in the capitation revenue from the State. In addition, the ratio is comparable to other public health plans in California.

For the fiscal year to date through May 2023, administrative costs were $69.1 million, ($2) million and (3%) higher than budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 7.5% versus 7.4% for budget.

Cash and Short-Term Investment Portfolio

At May 31st the Plan had $433.1 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool $18.6 million; LAIF CA State $40.7 million; Cal Trust $35.8 million.

	Market Value* May 31, 2023	Account Type
Local Agency Investment Fund (LAIF)[1]	$ 40,693,939	investment
Ventura County Investment Pool[2]	$ 18,581,902	investment
CalTrust	$ 35,792,883	short-term investment
Bank of West	$ 310,046,425	money market account
Pacific Premier	$ 28,009,335	operating accounts
Mechanics Bank[3]	$ -	operating accounts
Petty Cash	$ 500	cash
Investments and monies held by GCHP	***$ 433,124,983***	

	May-23	FYTD 22-23
Local Agency Investment Fund (LAIF)		
Beginning Balance	$ 40,693,939	$ 40,269,787
Transfer of Funds from Ventura County Investment Pool	-	-
Quarterly Interest Received	-	424,152
Quarterly Interest Adjustment	-	-
Current Market Value	**$ 40,693,939**	**$ 40,693,939**
	-	-
Ventura County Investment Pool		
Beginning Balance	$ 18,581,902	$ 18,377,308
Transfer of funds to LAIF	-	-
Interest Received	-	204,594
Current Market Value	**$ 18,581,902**	**$ 18,581,902**

Medi-Cal Receivable

At May 31st the Plan had $111.0 million in Medi-Cal Receivables due from the DHCS.

RECOMMENDATION:

Staff requests that the Commission approve the May 2023 financial package.

CONCURRENCE:

N/A

ATTACHMENT:

May 2023 Financial Package

Gold Coast Health Plan℠
A Public Entity

FINANCIAL PACKAGE
For the month ended May 31, 2023

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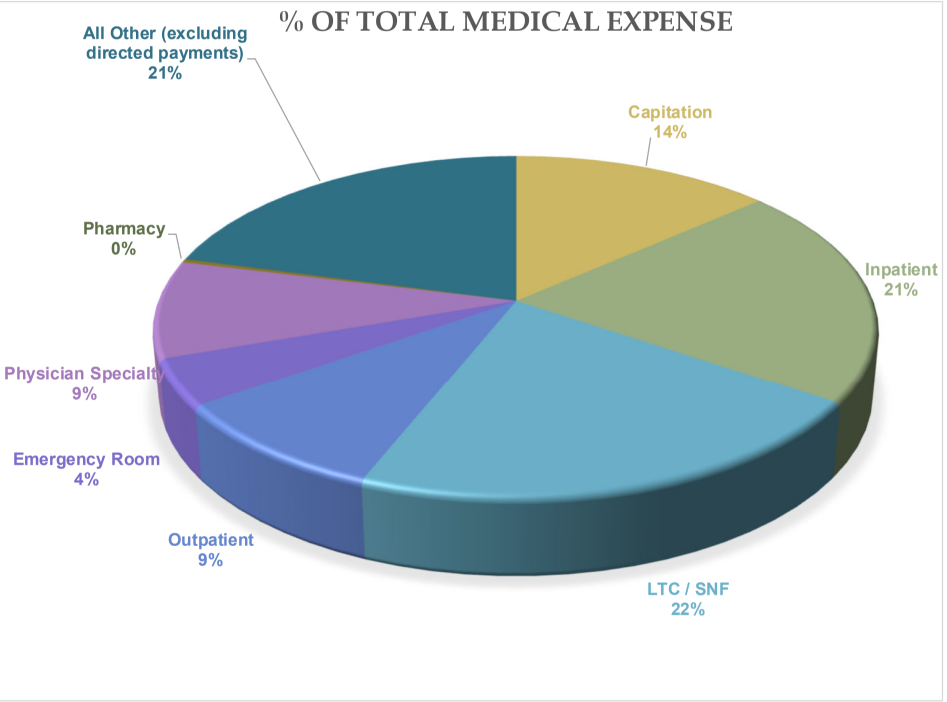
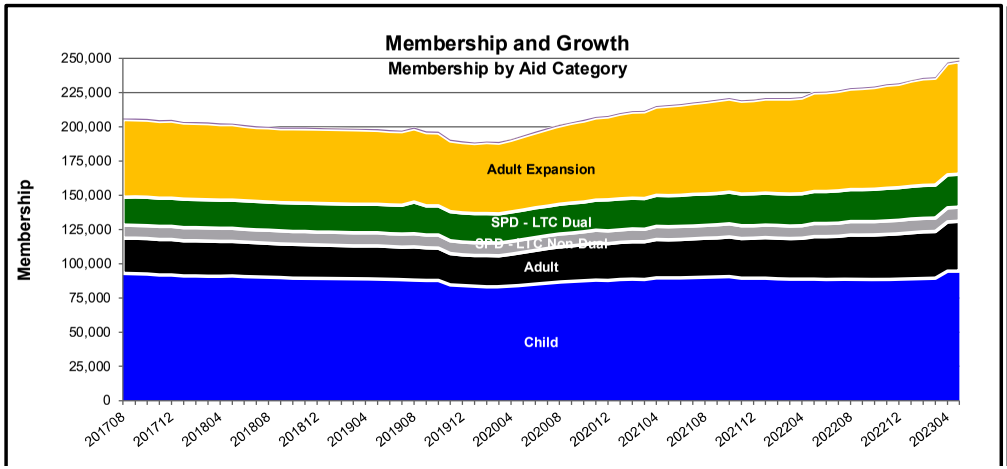
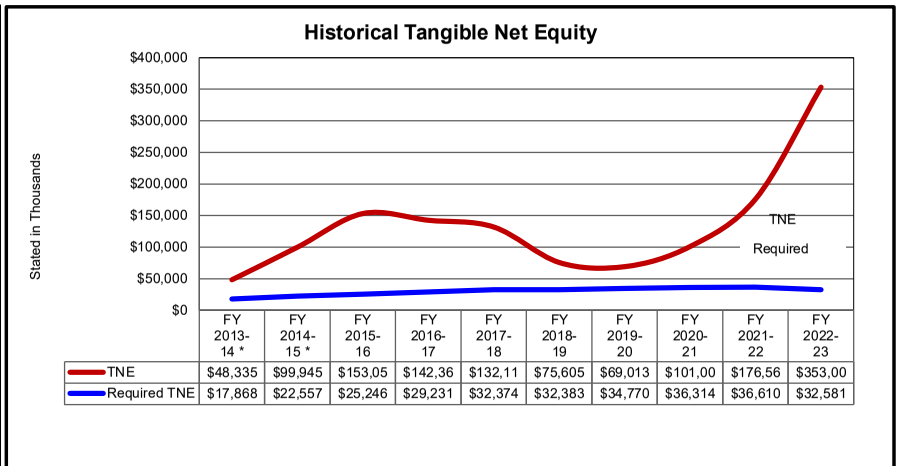
Gold Coast Health Plan
Executive Dashboard as of May 31, 2023

	FYTD 22/23 Budget*	FYTD 22/23 Actual	FYTD 21/22 Actual	FY 20/21 Actual
Average Enrollment	227,664	246,962	229,367	213,547
PMPM Revenue	$ 366.16	$ 340.27	$ 347.72	$ 358.22
Medical Expenses				
Capitation	$ 35.84	$ 34.27	$ 32.44	$ 34.03
Inpatient	$ 78.44	$ 53.13	$ 68.62	$ 66.52
LTC / SNF	$ 48.79	$ 54.55	$ 59.92	$ 55.42
Outpatient	$ 27.04	$ 23.13	$ 22.59	$ 23.16
Emergency Room	$ 12.68	$ 11.30	$ 10.80	$ 9.25
Physician Specialty	$ 27.48	$ 23.33	$ 22.49	$ 25.71
Provider incentives	$ 3.82	$ 0.72	$ -	$ -
Pharmacy	$ -	$ (0.17)	$ 29.71	$ 62.07
All Other *(excluding directed payments)*	$ 89.65	$ 52.66	$ 45.41	$ 43.20
Total Per Member Per Month	$ 323.74	$ 252.93	$ 291.97	$ 319.36
Medical Loss Ratio	87.2%	74.3%	86.9%	92.1%
Total Administrative Expenses	$ 67,056,517	$ 69,082,569	$ 53,680,738	$ 49,637,603
% of Revenue	7.4%	7.5%	5.6%	5.4%
TNE	$ 218,364,770	$ 353,003,772	$ 180,480,257	$ 100,999,994
Required TNE	$ 33,386,024	$ 32,581,333	$ 36,609,789	$ 36,313,908
% of Required	654%	1083%	493%	278%

** Flexible Budget (uses actual membership & member mix against budgeted rates)*







	FY 2013-14 *	FY 2014-15 *	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
TNE	$48,335	$99,945	$153,05	$142,36	$132,11	$75,605	$69,013	$101,00	$176,56	$353,00
Required TNE	$17,868	$22,557	$25,246	$29,231	$32,374	$32,383	$34,770	$36,314	$36,610	$32,581

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STATEMENT OF FINANCIAL POSITION

	05/31/23	04/30/23	03/31/23
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	**338,056,261**	**325,293,055**	**301,176,251**
Total Short-Term Investments	**95,068,724**	**94,973,035**	**94,771,491**
Medi-Cal Receivable	110,957,789	102,588,961	94,498,491
Interest Receivable	447,687	380,186	346,127
Provider Receivable	614,820	622,882	588,448
Other Receivables	11,261,435	169,509	126,993
Total Accounts Receivable	**123,281,731**	**103,761,538**	**95,560,060**
Total Prepaid Accounts	5,642,962	6,523,660	6,626,388
Total Other Current Assets	135,560	135,560	135,560
Total Current Assets	**562,185,239**	**530,686,848**	**498,269,750**
Total Fixed Assets	**5,750,513**	**5,889,376**	**6,002,484**
Total Assets	**$ 567,935,752**	**$ 536,576,224**	**$ 504,272,234**
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	$ 81,164,523	$ 95,816,024	$ 87,339,457
Claims Payable	21,814,015	11,710,588	12,638,276
Capitation Payable	9,867,457	7,283,431	8,523,112
Physician Payable	29,415,331	28,147,641	25,590,196
DHCS - Reserve for Capitation Recoup	13,250,190	29,078,645	28,496,136
Lease Payable- ROU	1,300,213	1,292,763	1,285,346
Accounts Payable	22,141,318	5,025,239	1,190,606
Accrued ACS	3,927,593	3,807,357	3,365,645
Accrued Provider Incentives/Reserve	3,879,679	8,675,154	8,577,469
Accrued Expenses	4,624,533	4,541,024	7,927,759
Accrued Payroll Expense	2,979,357	2,530,364	2,561,580
Total Current Liabilities	**210,179,128**	**205,815,691**	**187,495,582**
Long-Term Liabilities:			
Lease Payable - NonCurrent - ROU	4,752,851	4,866,742	4,980,137
Total Long-Term Liabilities	**4,752,851**	**4,866,742**	**4,980,137**
Total Liabilities	**214,931,980**	**210,682,433**	**192,475,719**
Net Assets:			
Beginning Net Assets	176,562,922	176,562,922	176,562,922
Total Increase / (Decrease in Unrestricted Net Assets)	176,440,850	149,330,869	135,233,592
Total Net Assets	**353,003,772**	**325,893,791**	**311,796,515**
Total Liabilities & Net Assets	**$ 567,935,752**	**$ 536,576,224**	**$ 504,272,234**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED May 31, 2023

	May 2023	May 2023 Year-To-Date		Variance	Variance	May 2023 Year-To-Date		Variance
	Actual	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	253,266	2,716,579	2,504,308	212,271	8%	PMPM - FYTD		
Revenue								
Premium	$ 95,793,935	$ 975,303,242	$ 982,316,719	$ (7,013,478)	-1%	$ 359.02	$ 392.25	$ (33.23)
Reserve for Cap Requirements	-	-	-	-	0%	-	-	-
Incentive Revenue	-	4,405,886	12,396,627	(7,990,741)	-64%	1.62	4.95	(3.33)
MCO Premium Tax	3,181,443	(55,331,134)	(92,244,672)	36,913,538	-40%	(20.37)	(36.83)	16.47
Total Net Premium	**98,975,378**	**924,377,994**	**902,468,674**	**21,909,320**	**2.4%**	**340.27**	**360.37**	**(20.09)**
Other Revenue:								
Miscellaneous Income	75	870	-	870	0%	0.00	-	0.00
Total Other Revenue	75	870	-	870	0%	0.00	-	0.00
Total Revenue	**98,975,453**	**924,378,864**	**902,468,674**	**21,910,190**	**2%**	**340.27**	**360.37**	**(20.09)**
Medical Expenses:								
Capitation								
PCP, Specialty, Kaiser, NEMT & Vision	9,218,362	89,855,620	89,772,266	(83,353)	0%	33.08	35.85	2.77
ECM	351,698	3,239,839	7,598,076	4,358,238	57%	1.19	3.03	1.84
Total Capitation	9,570,061	93,095,458	97,370,343	4,274,884	4%	34.27	38.88	1.57
FFS Claims Expenses:								
Inpatient	10,361,901	144,336,801	213,089,750	68,752,950	32%	53.13	85.09	31.96
LTC / SNF	15,475,229	148,195,652	132,545,505	(15,650,147)	-12%	54.55	52.93	(1.63)
Outpatient	6,689,622	62,843,834	73,445,525	10,601,690	14%	23.13	29.33	6.19
Laboratory and Radiology	753,186	8,503,038	8,754,661	251,623	3%	3.13	3.50	0.37
Directed Payments - Provider	2,655,100	29,195,296	22,446,633	(6,748,663)	-30%	10.75	8.96	(1.78)
Emergency Room	2,370,060	30,695,516	34,447,539	3,752,023	11%	11.30	13.76	2.46
Physician Specialty	6,098,853	63,370,624	74,653,030	11,282,407	15%	23.33	29.81	6.48
Primary Care Physician	2,719,678	24,578,799	27,761,824	3,183,025	11%	9.05	11.09	2.04
Home & Community Based Services	1,982,640	20,581,891	27,184,216	6,602,325	24%	7.58	10.85	3.28
Applied Behavioral Analysis/Mental Health Servic	2,816,259	29,799,663	32,897,848	3,098,186	9%	10.97	13.14	2.17
Pharmacy	-	(454,456)	-	454,456	0%	(0.17)	-	0.17
Adult Expansion Reserve	-	-	-	-	0%	-	-	-
Provider Reserve / Provider Incentives	81,998	1,962,341	10,378,859	8,416,519	81%	0.72	4.14	3.42
Other Medical Professional	163,593	3,054,848	4,233,380	1,178,532	28%	1.12	1.69	0.57
Other Medical Care		-	-	-	0%	-	-	-
Other Fee For Service	895,779	9,688,985	11,602,818	1,913,833	16%	3.57	4.63	1.07
Transportation	78,680	1,917,279	2,091,676	174,397	8%	0.71	0.84	0.13
Total Claims	53,142,576	578,270,110	675,533,264	97,263,155	14%	212.87	269.75	56.88
Medical & Care Management Expense	1,872,258	18,406,315	17,278,260	(1,128,055)	-7%	6.78	6.90	0.12
Reinsurance	304,373	1,586,375	996,387	(589,988)	-59%	0.58	0.40	(0.19)
Claims Recoveries	(200,680)	(4,266,183)	(3,944,230)	321,953	-8%	(1.57)	(1.57)	(0.00)
Sub-total	1,975,950	15,726,508	14,330,418	(1,396,090)	-10%	5.79	5.72	(0.07)
Total Cost of Health Care	**64,688,587**	**687,092,076**	**787,234,025**	**100,141,949**	**13%**	**252.93**	**314.35**	**59.59**
Contribution Margin	**34,286,866**	**237,286,789**	**115,234,650**	**122,052,139**	**106%**	**87.35**	**46.01**	**41.33**
General & Administrative Expenses:								
Salaries, Wages & Employee Benefits	3,874,181	38,905,992	34,195,377	(4,710,615)	-14%	14.32	13.65	(0.67)
Training, Conference & Travel	38,572	215,088	602,862	387,774	64%	0.08	0.24	0.16
Outside Services	2,465,769	26,071,306	25,364,834	(706,471)	-3%	9.60	10.13	0.53
Professional Services	323,223	4,717,489	4,491,674	(225,815)	-5%	1.74	1.79	0.06
Occupancy, Supplies, Insurance & Others	872,809	9,157,975	10,440,720	1,282,745	12%	3.37	4.17	0.80
Care Management Reclass to Medical	(1,853,858)	(18,271,049)	(17,278,260)	992,789	-6%	(6.73)	(6.90)	(0.17)
G&A Expenses	5,720,695	60,796,800	57,817,206	(2,979,594)	-5%	22.38	23.09	0.71
Project Portfolio	2,566,716	8,285,769	9,239,311	953,542	10%	3.05	3.69	0.64
Total G&A Expenses	**8,287,411**	**69,082,569**	**67,056,517**	**(2,026,052)**	**-3%**	**25.43**	**26.78**	**1.35**
Total Operating Gain / (Loss)	**25,999,455**	**168,204,220**	**48,178,133**	**120,026,087**	**249%**	**61.92**	**19.24**	**42.68**
Non Operating								
Revenues - Interest	1,110,526	8,236,630	147,766	8,088,864	5474%	3.03	0.06	2.97
Gain/(Loss) on Sale of Asset	-	-	-	-	0%	-	-	-
Total Non-Operating	**1,110,526**	**8,236,630**	**147,766**	**8,088,864**	**5474%**	**3.03**	**0.06**	**2.97**
Total Increase / (Decrease) in Unrestricted Net Assets	**$ 27,109,981**	**$ 176,440,850**	**$ 48,325,899**	**$ 128,114,951**	**265%**	**$ 64.95**	**$ 19.30**	**$ 45.65**

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STATEMENT OF CASH FLOWS	May 2023	FYTD 22-23
Cash Flows Provided By Operating Activities		
Net Income (Loss)	$ 27,109,981	$ 176,440,850
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	138,863	1,576,722
Disposal of fixed assets	-	-
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilites		
Accounts Receivable	(19,520,194)	(21,881,576)
Prepaid Expenses	880,698	(3,495,421)
Accrued Expense and Accounts Payable	(2,847,663)	8,263,306
Claims Payable	13,955,142	1,990,425
MCO Tax liablity	7,907,460	(5,750,880)
IBNR	(14,651,502)	(23,294,659)
Net Cash Provided by (Used in) Operating Activities	12,972,786	133,848,768
Cash Flow Provided By Investing Activities		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	(95,688)	(1,641,522)
Purchase of Property and Equipment	-	(237,534)
Net Cash (Used In) Provided by Investing Activities	(95,688)	(1,879,056)
Cash Flow Provided By Financing Activities		
Lease Payable - ROU	(113,891)	(1,193,307)
Net Cash Used In Financing Activities	(113,891)	(1,193,307)
Increase/(Decrease) in Cash and Cash Equivalents	12,763,206	130,776,406
Cash and Cash Equivalents, Beginning of Period	325,293,055	207,279,855
Cash and Cash Equivalents, End of Period	338,056,261	338,056,261

SCHEDULE OF INVESTMENTS AND CASH BALANCES

	Market Value* May 31, 2023	Account Type
Local Agency Investment Fund (LAIF)[1]	$ 40,693,939	investment
Ventura County Investment Pool[2]	$ 18,581,902	investment
CalTrust	$ 35,792,883	short-term investment
Bank of West	$ 310,046,425	money market account
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Mechanics Bank[3]	$ -	operating accounts
Petty Cash	$ 500	cash
Investments and monies held by GCHP	***$ 433,124,983***	

	May-23	FYTD 22-23
Local Agency Investment Fund (LAIF)		
Beginning Balance	$ 40,693,939	$ 40,269,787
Transfer of Funds from Ventura County Investment Pool	-	-
Quarterly Interest Received	-	424,152
Quarterly Interest Adjustment	-	-
Current Market Value	**$ 40,693,939**	**$ 40,693,939**
	-	-
Ventura County Investment Pool		
Beginning Balance	$ 18,581,902	$ 18,377,308
Transfer of funds to LAIF	-	-
Interest Received	-	204,594
Current Market Value	**$ 18,581,902**	**$ 18,581,902**
	-	-

**Source of valuation is monthly statements*

Notes:

[1] This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller. All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are

[2] The Ventura County Treasury Portfolio is for local public governments, agencies, and school districts within Ventura County. Steven Hintz, Ventura County Treasurer-Tax Collector, actively manages the pool by performing ongoing analysis of investment opportunities, and by planning, coordinating, and controlling the investment activities in accordance with the California Government Code and with the county's internal investment guidelines. This is done in order to meet cash flow needs and to ensure the safety and liquidity of all investments. Wells Fargo Bank N.A. serves as custodian for the pool's investments.

The Ventura County Treasury Portfolio provides safety of principal, liquidity and a competitive rate of return. Investments are comprised of securities that are very creditworthy, low risk and liquid. The pool's investment strategy is to maintain a very creditworthy, laddered portfolio that is sufficiently liquid in order to meet participants' cash flow needs. The portfolio is typically comprised of U.S. agency securities and high-quality short-term instruments, resulting in a relatively short-weighted average maturity. The pool's liquidity is further enhanced by its high percentage (60% to 70% or more) of holdings in securities that mature in 180 days

[3] These accounts are currently in the process of being closed and balances will be transferred to Pacific Premier Bank

Gold Coast Health Plan℠
A Public Entity

Integrity
Accountability
Collaboration
Trust
Respect

Financial Statements

May 2023

Nick Liguori
Chief Executive Officer

June 26, 2023

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711 East Daily Drive, Suite 106, Camarillo, CA 93010 www.goldcoasthealthplan.org

Financial Overview

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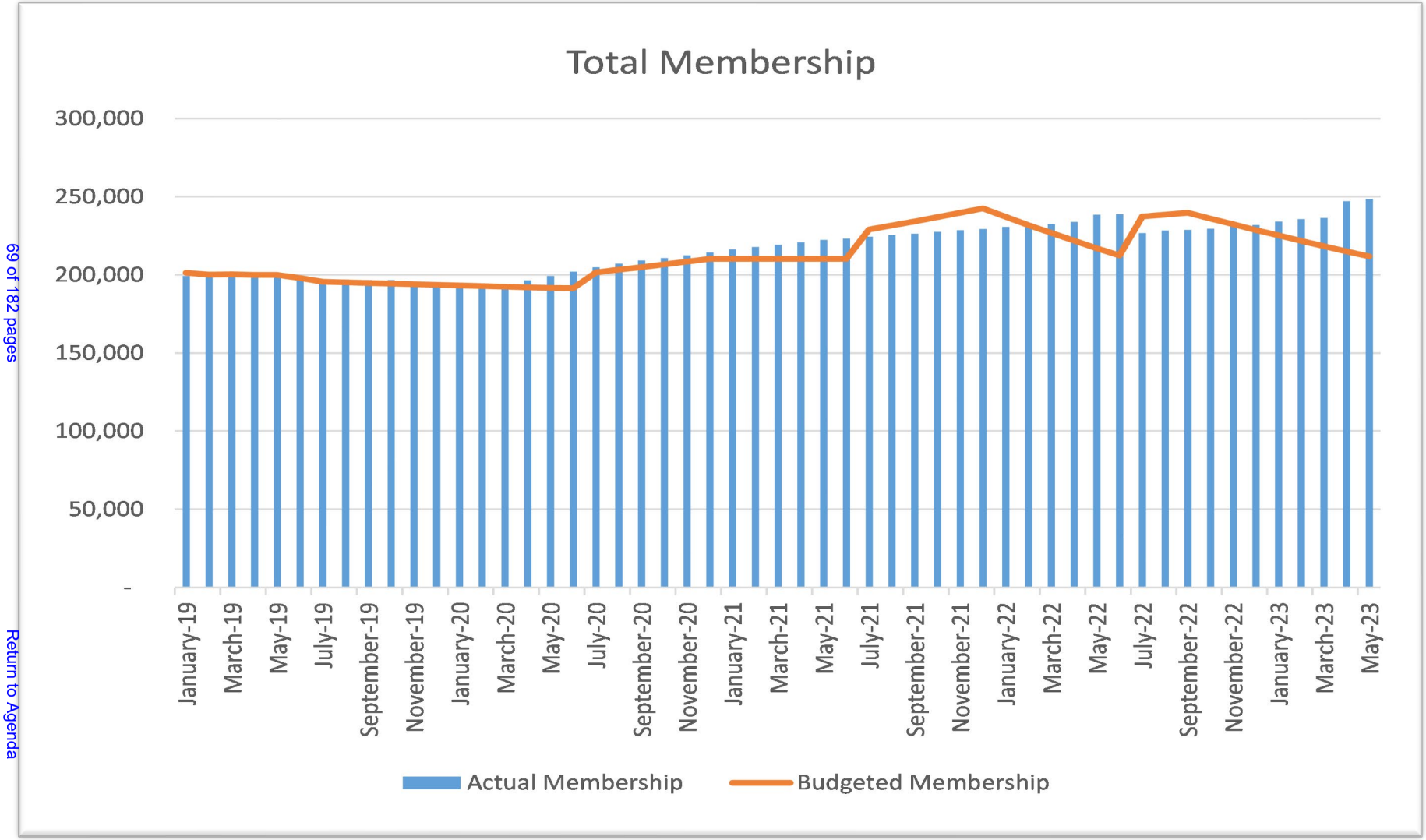
May-2023 NET GAIN $ 27.1M
SFY22-23 FYTD NET GAIN $176.4M

TNE is $353.0M and 1083% of the minimum required

YTD MEDICAL LOSS RATIO 74.3%

YTD ADMIN EXPENSE RATIO 7.5%

Membership Trends



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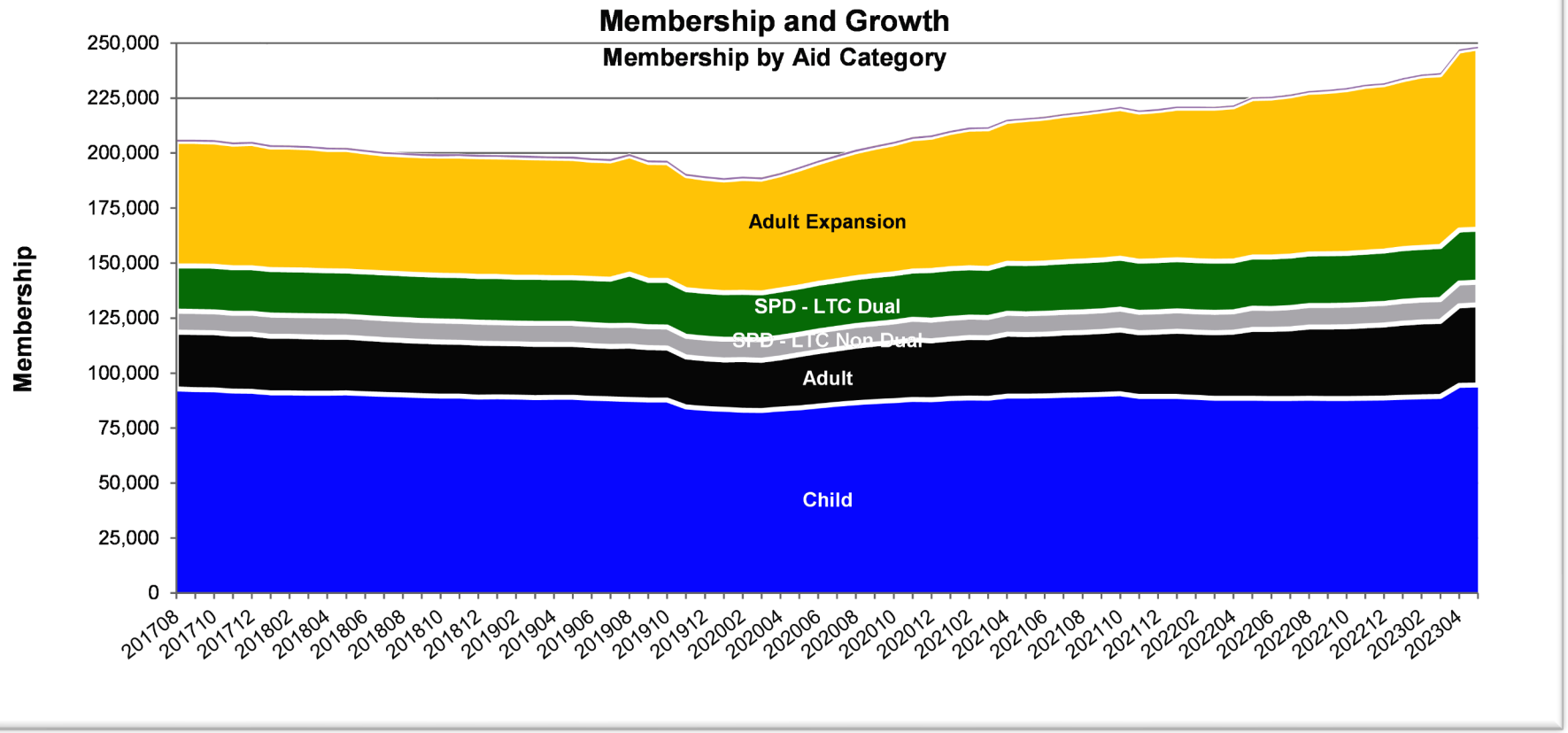
Membership Trends



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Revenue

FYTD net premium revenue is $924.4 million favorable to budget by $21.9 million primarily due to:

1. $33.2M CY2023 rates more favorable than budgeted
2. $0.4M- maternity supplemental revenue favorable to budget

Offset by:

3. $3.7M- ECM Risk Corridor adjustments not in budget
4. $8.0M- timing of vaccine incentives and CalAIM incentive receipts versus budget.

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Medical Expenses

FYTD Health care costs are $687.1 million, $100.1 million and 13% under budget.

Medical loss ratio is 74.3%, a 12.9% favorable budget variance.

Continuation of PHE through 2022 and pause on redeterminations has led to a significant increase in membership with a less acute total population as compared to how we budgeted our medical expenses for FY22-23.

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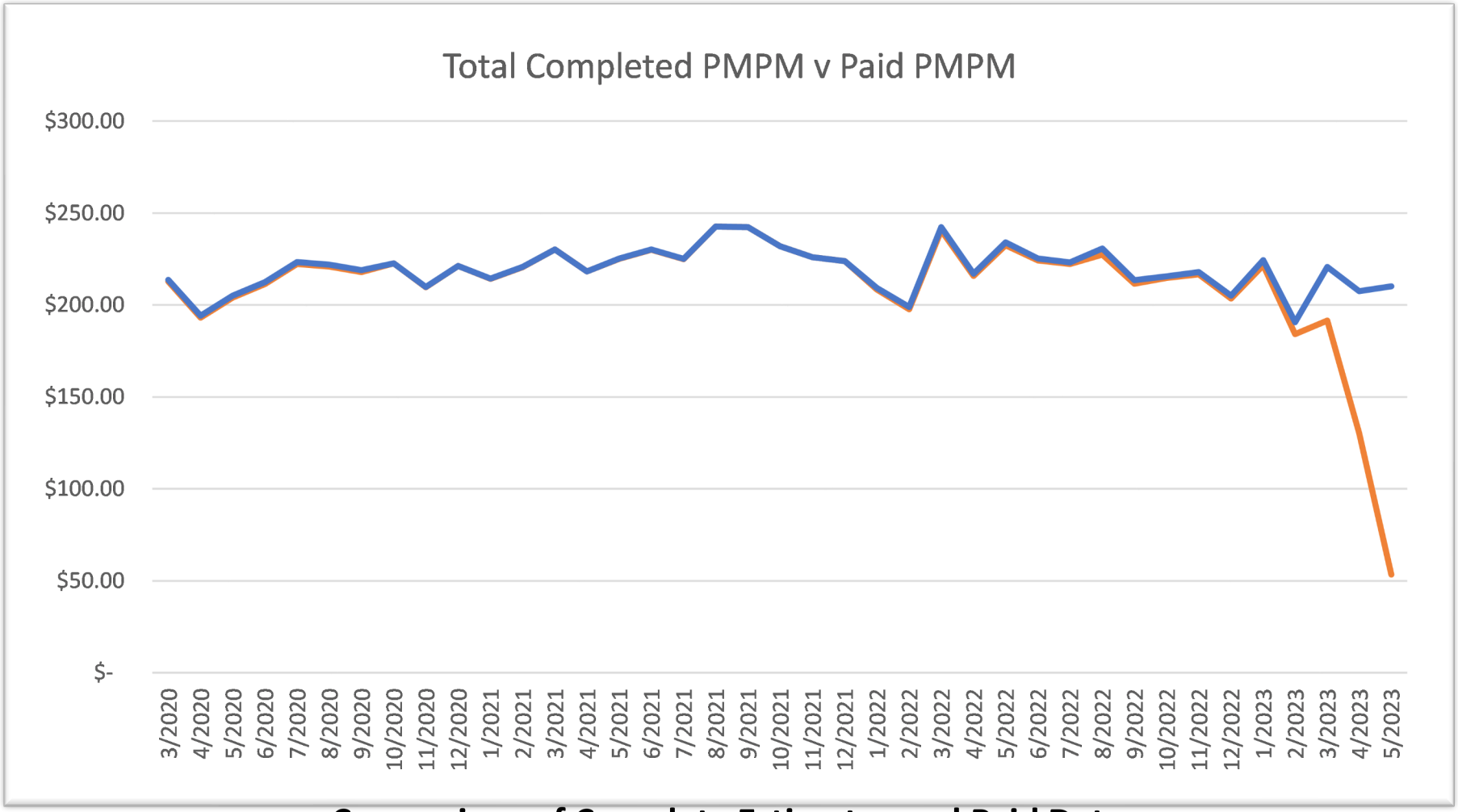
Medical Expense Reserve

Incurred But Not Paid (IBNP)



Comparison of Complete Estimates and Paid Data

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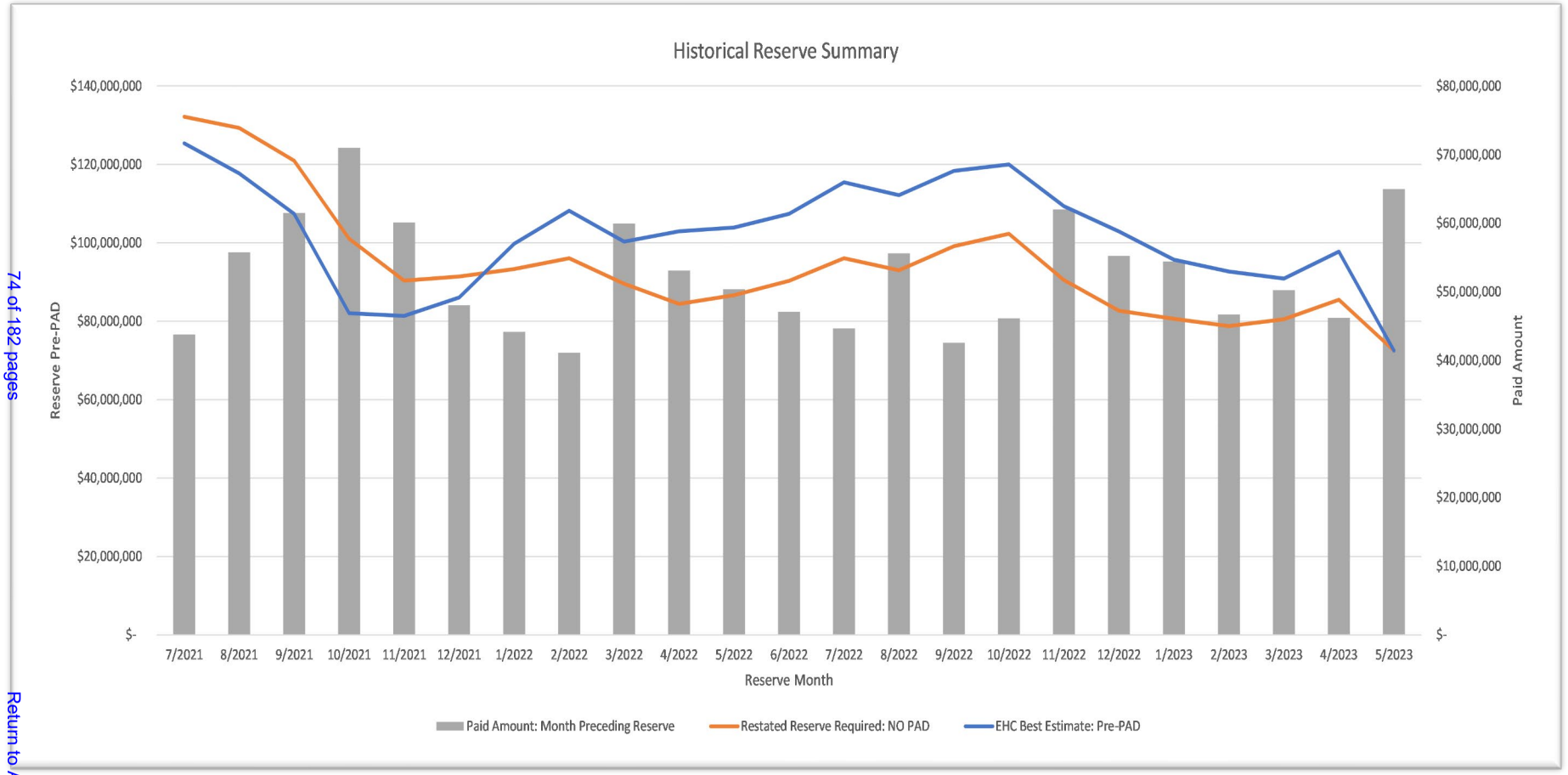
Medical Expense Reserve

Incurred But Not Paid (IBNP)



Overview of Historical Reserve and Reasonableness of IBNP Estimates

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Administrative Expenses

For the fiscal year-to-date period through May 2023, administrative costs were $69.1 million, ($2) million and (3%) higher than budget.

As a percentage of revenue, the administrative cost ratio (or ACR) was 7.5% versus 7.4% for budget.

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Financial Statement Summary

	April 2023	May 2023	FYTD Actual	FYTD Budget	Budget Variance
Net Capitation Revenue	$ 87,696,485	$ 98,975,378	$ 924,377,994	$ 902,468,674	$ 21,909,320
Health Care Costs	67,335,766	64,688,587	687,092,076	787,234,025	(100,141,949)
Medical Loss Ratio			**74.3%**	**87.2%**	
Administrative Expenses	7,379,910	8,287,411	69,082,569	67,056,517	2,026,052
Administrative Ratio			**7.3%**	**7.3%**	
Non-Operating Revenue/(Expense)	1,116,468	1,110,601	8,237,500	147,766	8,089,734
Total Increase/(Decrease) in Net Assets	$ 14,097,277	$ 27,109,981	$ 176,440,850	$ 48,325,899	$ 128,114,951
Cash and Investments		$ 433,124,985			
GCHP TNE		$ 353,003,772			
Required TNE		$ 32,581,333			
% of Required		**1083%**			

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Questions?

Staff requests the Commission approve the unaudited financial statements for May 2023.

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Gold Coast Health Plan℠
A Public Entity

Gold Coast Health Plan℠
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 26, 2023

SUBJECT: 2023/2024 GCHP Budget Approval

PowerPoint with Verbal Presentation

FY 2023-24 Budget Review
Ventura County Medi-Cal Managed Care Commission

June 26, 2023
Presented by the Gold Coast Health Plan Executive Team

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PRESENTATION SECTIONS

- Slide 3: FY 2022-23 Budget Performance Review
- Slides 4-9: FY 2023-24 Budget Summary
- Slides 10-14: TNE and “Free Surplus” Policy Proposal
- Slides 15-23: Staffing and Administrative Budget

The remaining slides (24-70) are from the May 15th Executive Finance Committee Meeting and provided here for your convenient reference.

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FY 2022-23 Review (April YTD)

Budget Item	Budget 2022-23	Actual 2022-23	Explanation
Enrollment	229,251	246,304	Enrollment is 7.4% higher than expected due to the continuation of the PHE (and continuous enrollment requirement) through July 2023 in Medi-Cal. Based on best available information at the time, Budget assumed the PHE would end in October 2022 with redetermination beginning at that time (vs the now known July 2023 date).
Revenue (Total Net Premium)	$814,012,556	$825,402,616	Revenue 1.4% higher due to enrollment exceeding expectations (see above) and MCO Premium Taxes being 30% lower than expected due to the timing of DHCS policy changes.
Total Cost of Health Care	$708,064,963	$622,403,489	Medical costs are 12% lower than expected due almost entirely to the continuation of the PHE and suspension of redetermination (see member analysis on pages 8/9).
General & Administrative Expenses	$60,784,742	$60,795,158	GCHP has managed almost exactly to the G&A budget (0.00017% difference). Personnel costs were slightly higher and project and implementation expenses were lower.

Budget Overview:

In FY 2023-24, GCHP is expected to experience a post-Public Health Emergency reset of business fundamentals that will significantly impact membership, revenue, medical costs (and risk profile), and margin and will require modern managed care capabilities and infrastructure to manage care/cost/quality going forward.

Net Income $ 23M (2.1%) | YE Membership 212k

TNE 1,000% of the minimum required | Spend down plan will aim to reduce this to ~700% over the 2023-2026 timeframe

YTD MEDICAL EXPENSE RATIO 88% (90.5% with care management costs)

YTD ADMIN EXPENSE RATIO 8.3%

Financial Scenarios

Management estimate of the 80% confidence range

Membership (conservative means lower)	212,340	Budget is based on a moderately successful redetermination (net 40,000 loss), 7,000 loss to Kaiser, and modest enrollment gains from 2024 expansion population.
Revenue	$1,072M	Aggregate revenue is based largely on membership development in 2023-24 and on downward premium rate pressure in CY 2024 (-3.7% rate decrease budgeted).
Medical Costs	$970M	Medical cost expectations are based on known and anticipated provider reimbursement rate increases, Quality Incentive funding, Access to Care grant funding, and increasing utilization trends. The unknowns include risk profile (mix) and utilization post redetermination, and the actual materialization of reimbursement increases in claims.
Net Income	$23M (2.1%)	

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Financial Scenarios

Management estimate of the 80% confidence range

Membership
(conservative means lower)

-3% ↓ Lower than expected

212,340

+5% ↑ Higher than expected

Budget is based on a moderately successful redetermination (net 40,000 loss), 7,000 loss to Kaiser, and modest enrollment gains from 2024 expansion population.

Revenue

-4% ↓ Lower than expected

$1,072M

+5% ↑ Higher than expected

Aggregate revenue is based largely on membership development in 2023-24 and on downward premium rate pressure in CY 2024 (-3.7% rate decrease budgeted).

Medical Costs

-5% ↓ Lower than expected

$970M

+2.5% ↑ Higher than expected

Medical cost expectations are based on known and anticipated provider reimbursement rate increases, Quality Incentive funding, Access to Care grant funding, and increasing utilization trends. The unknowns include risk profile (mix) and utilization post redetermination, and the actual materialization of reimbursement increases in claims.

Net Income

-$44M (4.3%)

Worst Case Expectation
Relatively Low Chances

$23M (2.1%)

$125M (11.1%)

Best Case Expectation
Relatively Low Chances

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MER Drivers – Accounting for every % of the increase in the Medical Expense Ratio

		FY 2022-23 YTD Through April	Projected FY 2023-24 Budget MLR
		75.1%	90.5%
Medical Loss Ratio Difference: FY 2022-23 YTD (Actual) to FY 2023-24 (Budget)			15.4%
Provider	*Provider Quality Incentive Program*		***2.2%***
	Provider Grant Program		***1.5%***
	Unit Cost (Contracted Reimbursement Rate Increases)		***2.0%***
	Sub-Capitation Contract Increases		***0.5%***
	Additional Provider Reimbursement Adjustments		***1.0%***
Member	*PHE Redetermination Acuity Impact (25k Top 10%)*		***2.1%***
	Utilization Trend (Return to Population Normal)		***0.6%***
Premium	*CY24 GCHP Premium Decrease (-3.7 CY 2024)*		***1.8%***
	CY24 GCHP Premium Withhold (1% of premium)		***0.4%***
Health Plan	*Care Management Increase*		***0.4%***
All Other	*All Other (e.g., differnces in reserve treatment in budget)*		***2.0%***

88% just Medi-Cal benefits without MLR qualifying care management costs

~$80M

TNE Comparison

- As of April 2023 YTD performance, GCHP had reserves of $325,893,791 (983% of required TNE).
- We forecast “free surplus” to grow by year end FY 2022-23 to ~$170M+.
- The proposed FY 2023-24 Budget includes a $23M net income addition to reserves.

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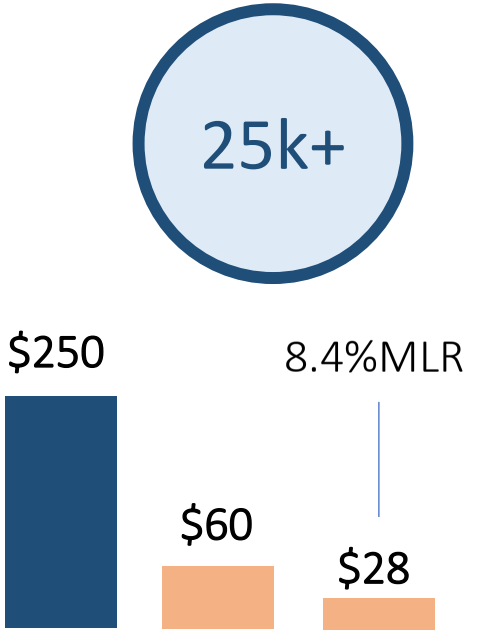
Tangible Net Equity by Medi-Cal Managed Care Plan

March 2023 should be available some time in June 2023

Non-Governmental Medi-Cal Plans not included - reserves are generally kept at parent

	December 2021	December 2022
CalOptima	1279%	1482%
San Francisco Health Plan	664%	1413%
Health Plan of San Mateo	839%	1268%
Health Plan of San Joaquin	789%	1220%
Central California Alliance for Health	1007%	1156%
CalViva Health	745%	838%
Partnership HealthPlan	677%	829%
Gold Coast Health Plan	351%	750%
IEHP	600%	712%
L.A. Care Health Plan	701%	690%
Alameda Alliance	532%	677%
CenCal Health	465%	666%
Santa Clara Family Health Plan	782%	640%
Kern Health Systems	491%	623%
Contra Costa Health Plan	665%	573%



More likely to disenroll

- >25k GCHP members are reported to have “other health insurance” by DHCS in the monthly enrollment roster.
- In addition to this being a COB concern now, we expect these individuals to likely disenroll through the redetermination process as we reasonably assess this group as being largely composed of those with employer coverage.
- Cost profile of these 25k: ~$60 PMPM over past 18 months, $28 over past 6 months
  - 84.2% margin off 8.4% MLR and admin
- Cost profile of GCHP overall: ~$240-260 PMPM range ($270PMPM without this group)

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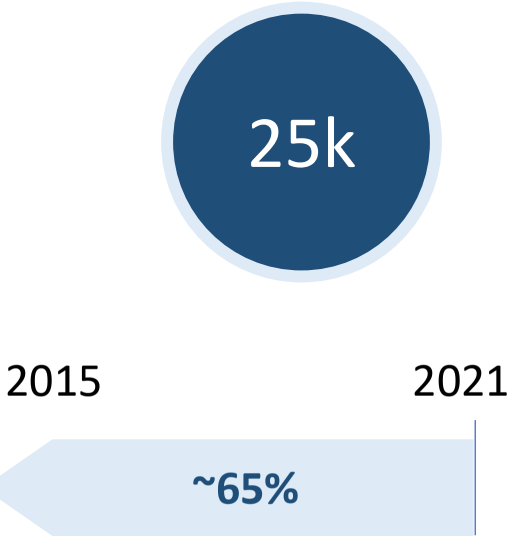

More likely to be retained

- ~25k GCHP members account for nearly all controllable medical expenses (referred to as the “Top 10%”).
- ~60% have 5+ chronic conditions.
- >60% have co-occurring behavioral health conditions. When accounting for under-diagnosis, this is likely significantly higher.
- ~2/3 have been with GCHP since 2015, or earlier.

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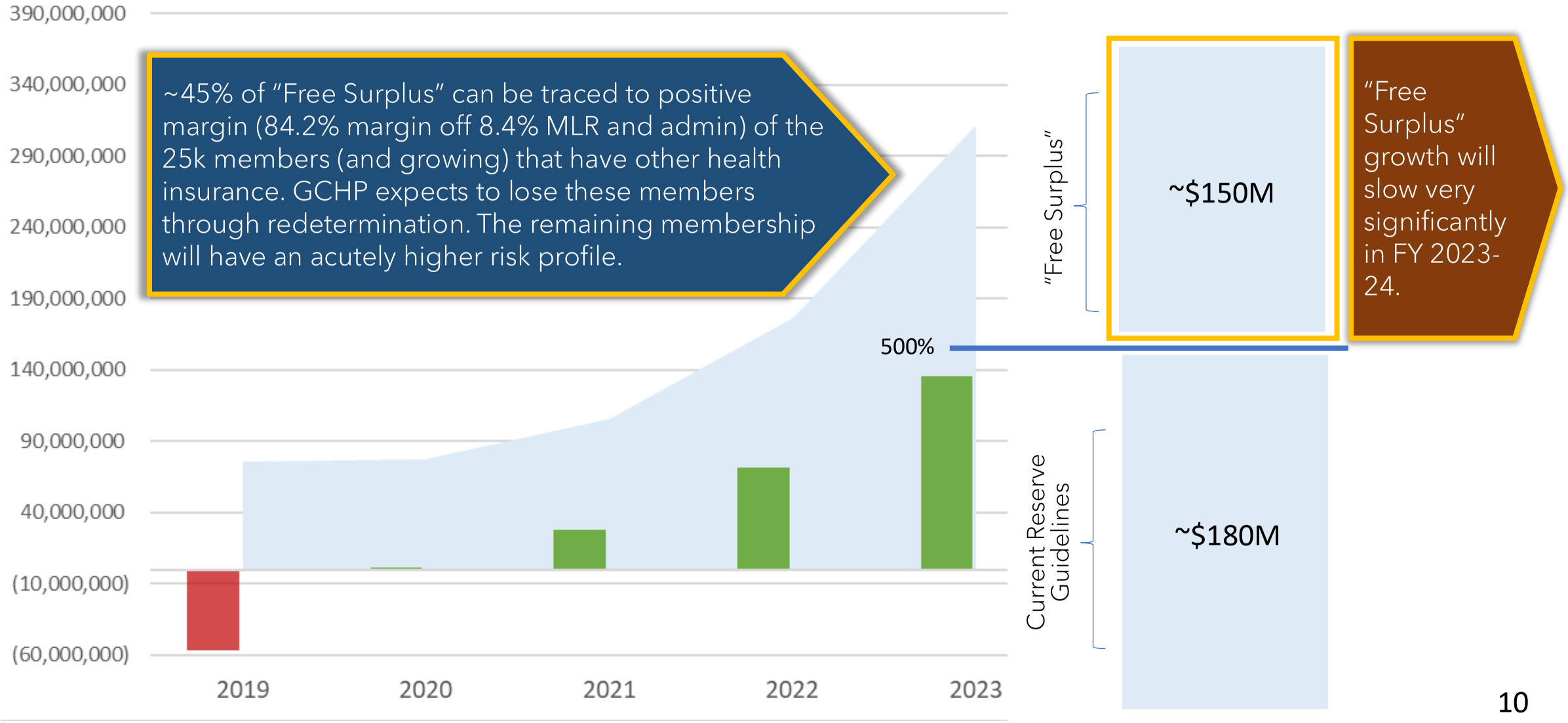
Current Reserve Guidelines and "Free" Surplus (as of April 2023)



TNE and "Free Surplus" Policy

1 500-700% TNE Target

The key principle behind this proposal (to increase from 500%) is that GCHP should take this unique opportunity to enable long-term planning for our programs and to ensure GCHP is the primary Medi-Cal operator for Ventura County well into the future.

- Medi-Cal and GCHP face uncertainty for the near term (PHE end, redetermination, rates, population acuity/ risks, CA budget).
- Set aside D-SNP reserves now, ensuring funding for one of biggest developments in GCHP's history (start up losses to be expected, major operational readiness investments needed).
- Providers must be adequately reimbursed and provided with substantial funding to improve access to care (and programs and services) and quality.

2 Managing Surplus *Today*

The main priority for managing "Free Surplus" above 700% (should the Committee support this level) is adequate, compliant, effective, equitable, and sustainable funding for the Ventura County healthcare delivery system (providers of care and services).

- For the past 10 months and ongoing, GCHP has been working to update provider reimbursement and to launch best-in-class quality/access funding programs.
- FY 2023-24 Budget includes $80M in increased funding for providers.
- A guiding principle is value: effective use of GCHP funds to improve access and quality in the delivery system. This spans reimbursement, programs for healthcare services, quality incentives, grants, etc.
- Compliance fundamentals: Corporate Integrity Agreement, commercially reasonable standards, FWA enablement, equity, and more.

3 Managing Surplus *2024-2026*

GCHP management proposes to engage with the Executive Finance Committee on a quarterly basis to monitor surplus (reporting and analysis) and to update/approve surplus deployment plans.

- Before the mid-year FY 2023-24 Budget Reforecast and review in January 2024, management will present a compliant broad-based plan to provide additional funding to providers that aims to achieve a breakeven result for FY 2023-24.
- Management will continue to develop plans aimed at a compliant reduction of "free surplus" in the 2024-2026 timeframe, including innovative ideas for investing in the healthcare deli very system.
- GCHP Management will consult and inform DHCS of plans to manage and spend down surplus in accordance with Medi-Cal goals.

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TNE and "Free Surplus" Policy

- GCHP management greatly values and respectfully requests Executive Finance Committee review and input to this policy as part of the budget process.
- GCHP management considers these main principles and core strategic objectives to be the basis for long-term reserve planning:

1) GCHP must maintain financial strength adequate to ensure long-term viability of the health plan and Mission success.

2) GCHP must compliantly meet the imperative to fund improvements in member health outcomes and member access to quality healthcare and equitable healthcare across the Ventura County Medi-Cal delivery system via quality incentives, grants, and other care/service program funding.

3) GCHP must compliantly do its part to ensure adequate and equitable funding of the Ventura County Medi-Cal deliver system of care (providers) and services (providers and community-based organizations).

4) All our efforts must align with our Mission to improve member health outcomes, member access to quality healthcare and equitable healthcare, and member experience with health, healthcare, and GCHP.

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TNE and "Free Surplus" Policy (continued)

- With these principles in mind, GCHP management recommends the following policy for reserve setting and excess surplus ("Free Surplus") deployment:

1) A target reserve range between 500% (est. $180M) - 700% (est. $230M) of TNE.
   - Management recommends this to prepare for a period of some uncertainty ahead (rates and risks). We recommend to revisit the policy, including loosening, on a twice-annual basis (at budget and reforecast) based on emerging information. The next review would be January 2024 for FY 2023-24 reforecast and budget review.
   - Management recommends establishing now the reserves needed for Dual SNP (January 2026) - $30-35M.
   - Management recommends to account now in reserves for non-recurring one-time costs (development and investments) that may be needed over the 2024-2026 period for D-SNP operational build out and operational readiness and for continuous improvement in modernizing operations and technologies - $20M.

2) Surplus exceeding 700% (presently this excess is ~$100M and growing) should be deployed in the following ways that prioritize adequate funding of providers (and community-based organizations) and improved access to and availability of quality healthcare and services for our members:
   - Priority 1: Adequate provider reimbursement rates (via permanent rate structures and short-term performance-focused increases/dividends).
   - Priority 2: Adequate funding of incentives, grants, and other program funding that support providers in their efforts to improve health outcomes and improve access to quality healthcare.
   - Priority 3: Adequate funding (including grants and incentives) of services and supports provided by providers and community-based organizations (e.g., care management services, community supports, data sharing).
   - Priority 4: Other long-term investments that the Commission approves as necessary to ensure enduring impact of GCHP in the areas of member health outcomes, member access to quality healthcare and equitable healthcare, and member experience with health, healthcare, and GCHP.

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TNE and "Free Surplus" Policy (continued)

PROPOSED REFORECAST FOR BUDGET FISCAL YEAR 2023-24:

- In the FY 2023-24 Budget, GCHP is deploying $80M in increased funding to the provider delivery system in the form of known and anticipated reimbursement rate increases, the launch of a major quality incentive program, and the launch of a major access/availability grant program.

- In addition (and based on emerging information in the year), GCHP will begin to deploy additional funds in the 2nd half of FY 2023-24 via a Budget Reforecast to be presented for recommendation by the Executive Finance Committee and for approval by the Commission. This will be in addition to the reimbursement increases and other funding already accounted for in the Budget ($80M). This can be tied to the goal of producing a Breakeven Net Income result for FY 2023-24 (the expected net income in the initial budget is $23M).

- GCHP Management proposes to continue to deploy substantial funding compliantly to providers (along with other member-focused, quality-focused investments) in the 2024-25-26 timeframe with the concurrent aims of reducing "free surplus" and improving member health outcomes, member access to quality healthcare and equitable healthcare, and member experience with health, healthcare, and GCHP.

Policy for Deployment of Surplus – 3+ Year Planning

"Free" Surplus

FREE SURPLUS DEFINITION: ABOVE 700% TNE REQUIREMENT

> 700% TNE: ~$100M

As of April 2023 (reports to be presented at the Commission May 22, 2023 meeting).

GCHP has not prepared a projection for YE results. However, at the current surplus trend GCHP could reasonably and roughly project $120M+ for YE "free surplus."

Plus the FY 2023-24 Budget assumes a contribution of an additional $23M margin.

Modernizing the Health Plan

Additional implementation costs of Commission approved "Operations of the Future" Plan and Portfolio

~$20M

D-SNP Financial and Operational Readiness

DHCS requirement to operate Medicare/Medi-Cal plan for low-income seniors

Initial "start up" losses + operational readiness + reserves

~$35M

Provider Quality Incentive Pool & Program

Quality Improvement Investment Funding to Providers → Quality is our Mission and GCHP should compliantly maximize the deployment of funds to incentive provider – and member – performance in access to quality healthcare

~$45M

Updating Provider Reimbursement Rates

GCHP proposes to continuously review and update all provider reimbursement rates

Financial impact and sustainability modelling will continue to be part of the analysis.

Proposed policy: Provider funding is the priority for additional "Free Surplus" deployment going forward. The principles of the "Free Surplus" deployment plan are to be reviewed by Executive Finance Committee on a quarterly basis.

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FY 2023-24 Budgeted Administrative Expense

- Comparative Staffing Data
- Service Program of Future
- Clinical Staffing – Qualifies as Medical Expense
- Operational Staffing

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Staffing Comparison

- Adequate resourcing of people/skills is an essential factor in meeting member and provider needs.
- Quality is a company-wide enterprise, requiring dedicated staffing everywhere – our Quality improvement efforts will under achieve without additional staff.
- We are currently under resourced relative to our Mission, our Improvement Plan, and the industry.
- GCHP management is doing its part to keep staff (95.5% retention); we need to bring more staff in to do the work.

BETTER RESOURCED

UNDER RESOURCED

Comparison of Staffing Levels: Medi-Cal Managed Care Plans and National Benchmarks

FTEs per 10,000 Medi-Cal Members

National survey of Medicaid Managed Care Plans (median)	26.4
Health Plan of San Mateo	23.7
San Francisco Health Plan	21.1
National survey of Medicaid Managed Care Plans (25th percentile)	26.4
Inland Empire Health Plan	19.8
Kern Health System	17.9
CalOptima	17.8
CenCal Health	14.5
Central California Alliance for Health	13.7
Partnership Health Plan	12.8
Gold Coast Health Plan	11.7
LA Care	8.4
Health Plan of San Juaquin	8.3

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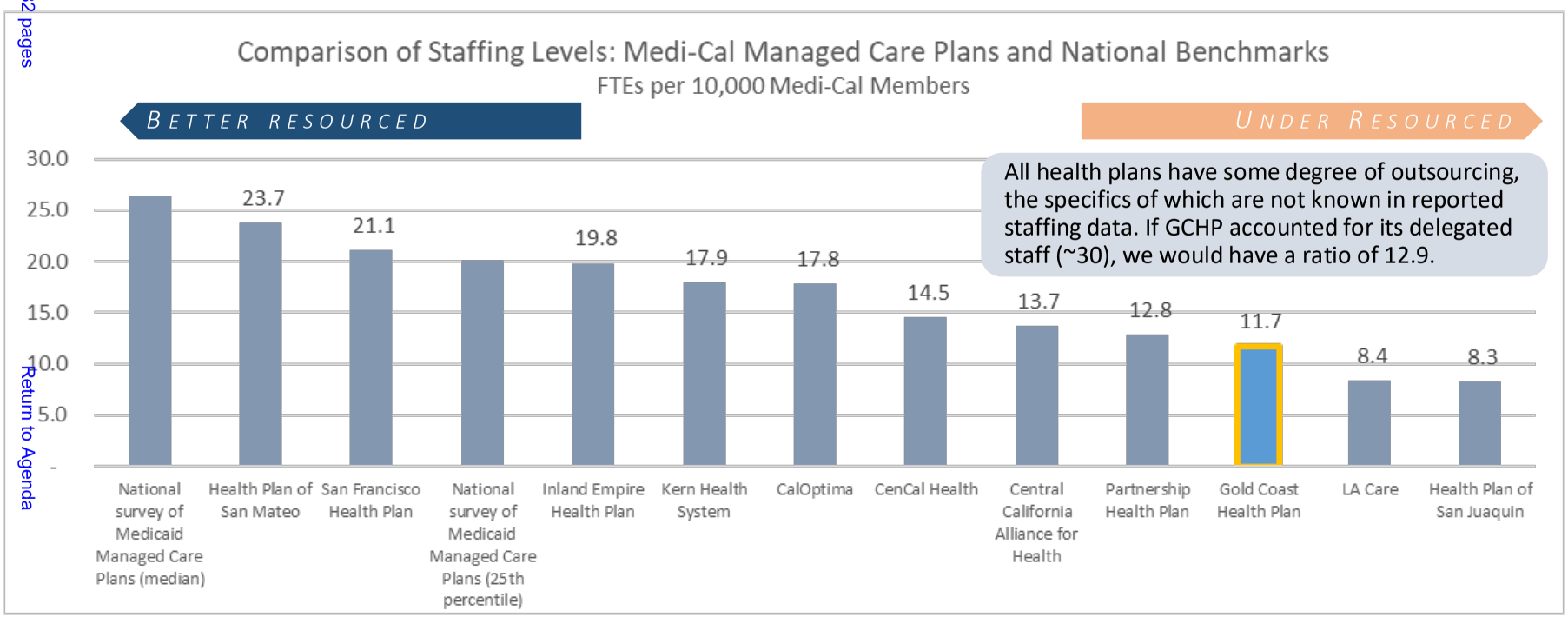

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Hiring Trends: Medi-Cal and Managed Care Industry run on resources, talent continues.

- 2022/23: ~15%+ increases (available MCP data);
- Quality Improvement (data, operations, joint plan-provider operations);
- Operational Oversight;
- Model of care; and
- Dual SNP.

Staffing Budget

- In the current fiscal year, GCHP proved to be highly effective in employee retention (95%).
- Recruitment of specialized industry talent is increasingly challenging due to competition in local and national industry.

- **Headcount investments in FY 2023-24 Budget focus on Quality Improvement Operations, Health Services, Behavioral Health, and Provider Network Operations.**

Gold Coast Health Plan - Budgeted Headcount Fiscal Year 2023-24

	FY 2022-23				FY 2023-23 BUDGET			
	As of May 30, 2023							
Function	Active Headcount	Open Requisitions	Forecasted Headcount YE 2022/23	% of Total Headcount	Added Headcount	Forecasted HC YE 2023/24	% of Total Headcount	Headcount Growth
Health Services and Quality	108	4	112	38.2%	16	128	35.9%	14.3%
Information Technology and Project Management O	51	1	52	17.7%	2	54	15.1%	3.8%
Policy & Programs (incl. Network Operations)	31	4	35	11.9%	11	46	12.9%	31.4%
Operations	25	4	29	9.9%	5	34	9.5%	17.2%
In-house Member and Provider Services	*N/Ap*	*N/Ap*	*N/Ap*	*N/Ap*	*25*	*25*	*7.0%*	*N/Ap*
Compliance and Oversight	15	2	17	5.8%	2	19	5.3%	11.8%
Finance (incl. Procurement)	12	3	15	5.1%	0	15	4.2%	0.0%
Human Resources and Facilities	12	0	12	4.1%	0	12	3.4%	0.0%
Executive Office	10	1	11	3.8%	2	13	3.6%	18.2%
Government Relations and Community Affairs	5	1	6	2.0%	1	7	2.0%	16.7%
Communications	4	0	4	1.4%	0	4	1.1%	0.0%
Grand Total (without In-house Services)					39	332		13.3%
Grand Total	**273**	**20**	**293**	**100.0%**	**64**	**357**		**21.8%**

GCHP Member/Provider Service Program of the Future

Gold Coast Health Plan will:

Build an in-house and community-based service program in FY 2023-24 to replace Conduent (contracted service ends June 2024). GCHP's service program will go live in the 2nd half of the FY 2023-24 fiscal year to optimize service capability ahead of switch-over.

Develop and successfully operate (1) a call center; (2) a community-deployed service team that will be embedded in provider offices and community events; and (3) satellite office(s).

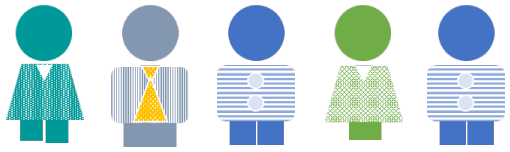
Deliver high quality service and member satisfaction at a lower cost than today. The primary measures of member satisfaction will be the Consumer Assessment of Healthcare Providers and Systems (CAHPS)* survey administered biennially by DHCS and interim GCHP-administered Voice of the Member surveys.

*The survey is designed by the federal Agency for Healthcare Research and Quality to "advance our scientific understanding of experience with healthcare." States are required to administer the survey on a biennial basis. Results are used by NCQA as a factor in overall health plan Quality performance (along with preventative care and treatment of conditions).

GCHP Member/Provider Service Program of the Future

Call Center Staffing Model – Integrated Member and Provider

- Initially, GCHP will bring in ***20 locally sourced call center personnel***, including call center representatives, team leads, and a manager. These will report to current GCHP leadership with some re-organization planned to provide intensive management supports to the development and readiness of the call center.
- Hiring, onboarding, training, and deployment is slated for the 2nd half of FY 2023-24 (January-June), with "go-live" of outbound calls in Apr-May 2024 timeframe. A job fair will be slated for November 2023 in support of local hiring and an in-person co-located operating model.
- Staffing is based on capacity vs demand analysis, using Conduent call activity reports.
- Consulting support may be needed to develop training materials, job aides, metrics.
- "Operations of the Future" RFP schedule includes CRM/telephony in Summer-Fall 2023



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Community-Based Service Team

- GCHP's service model will include service representatives deployed at provider offices and other community settings to provider service where our members need it.
- This Team will merge with existing GCHP community resources. ***5 locally sourced community-based service personnel will be added.***
- GCHP is re-evaluating a satellite "walk-in" location model (with focus on the Oxnard and Santa Paula areas).

Clinical and Health Services Staffing - MLR

- GCHP plans to enhance capabilities that directly impact member health and wellness.
  - Total of 26 positions to meet member health and service needs:
    - Care management
    - Quality Improvement
    - Integrated Care Teams
    - Pharmacy Services
    - Behavioral Health
    - Population Health Management
    - Utilization Management
- Nearly all the costs of these roles are accounted for by DHCS as medical expense and therefore part of our Medical Loss Ratio (MLR) rather than our administrative costs due to their impact on clinical services and quality.
- We have asked our auditors to provide a thorough review on what jobs will qualify as MLR. We will finalize our staffing plan based on this and will provide updates.

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Operational Staffing

- Total of 12 positions added to improve core operational capabilities:
  - Analytical and project management capabilities (1)
  - Compliance and the Corporate Integrity Agreement (2)
  - Operations and delegation oversight (5)
  - Provider network operations (4)

	Salary	Non-Salary Performance Based Compensation	Retirement Benefits	Health and Employee Benefits	Work Model & Workplace *Highlights*
Gold Coast Health Plan (A Public Entity)	↓ 5-10% below median **At market Competitive in IT*	No current practice	Median or below	Comparable and Competitive	Flex work model is aligned with industry
CenCal HEALTH Local. Quality. Healthcare.	← → At or below median	6% of salary to 457f; vesting after 10 years	The Medi-Cal industry has a wide range of retirement benefit offerings, including CalPERS, that are similar to or better than GCHP	The Medi-Cal industry has not yet majorly used health and benefits as a competitive distinction in the pursuit of talent - GCHP is competitive	
SAN FRANCISCO HEALTH PLAN	← → At median	Up to 10% of salary *based on performance*			Hiring even executive level positions as permanently WFH
CalOptima (A Public Agency) Better. Together.	↑ At median or above	Up to 10% of salary *based on performance*			
L.A. Care HEALTH PLAN	↑ Above market	Staff 4%; Supervisor 4.5%; Manager 5%; Leadership 5.5-10%; Chiefs 20% *based on goals*			Hiring all positions as permanently Flexible or WFH
Santa Clara Family Health Plan	↓ 5-10% below median	Up to 10% of salary *based on performance*			
HealthPlan OF SAN MATEO	← → At median	Planning 5% for 2023 *based on goals*			
PARTNERSHIP HEALTHPLAN of CALIFORNIA (A Public Agency)	↑ Above market	Chief/Senior Directors - 8%; Directors/Assoc Directors - 5%; Managers - 3%; (all "up to") *based on company wide goals*			
IEHP Inland Empire Health Plan	↑ Above market	Up to 5% *based on company wide goals*			Hiring all positions as permanently Flexible or WFH
Alameda Alliance, CalViva, Community Health Group, Central California Alliance, Contra Cost, and Kern	← → At or below median	No current practice Alameda, Central California are considering			
Health Plan Industry	Varies by market	Standard practice = 5-20% Publicly traded plans also offer stock options			Flexible work models are increasingly the norm

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Administrative Expense in the FY 2023-24 Budget

$15,685,168	Administrative Expense Difference (Increase): Between FY 2023-24 Budget vs FY 2022-23
$7,100,710	System and service implementation costs: Operations of the Future (e.g., Core Admin System, Medical Management System)
3,600,000	Compensation: annual merit increase, equity adjustments, and pilot of a bonus program
3,500,000	Personnel additions
200,000	Management Development
1,284,458	Includes scheduled increases in vendor costs, travel and strategy meetings and other implementation costs incorporated in admin

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The following slides are from the May 15th 2023 Executive Finance Committee Meeting

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The Way Forward

Today we launch a meaningful engagement with the Executive Finance Committee on the 2023-24 Budget and Long-Term Financial Planning

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Executive Finance Committee Role

- The Gold Coast Health Plan Executive Team appreciates and respects the vitally important governance role of the Executive Finance Committee ("Committee") in the development and monitoring of our budgets and plans.
- The CEO and Executive Team proposes to engage the Committee ✓ earlier in the budget process, ✓ more often, and ✓ with greater breadth and depth of information to provide the best support to the Committee as it discharges its fiduciary duty. This is a best practice for a company with the size and complexity of our business, programs, challenges, opportunities, and risks.

GCHP support needed from Committee in the FY 2023-23 Budget process:

- ✓ Review and monitor "economic performance" with focus on FY 2022-23 and FY 2023-24 Budget development.
- ✓ Review and establish "basic tenants" of and plan to update provider payments and spend down surplus.
- ✓ Review and recommend "provider incentive program structure."
- ✓ Review and recommend "investment strategy."
- ✓ Develop long-term and short-term business plans for review and approval by the Commission.

FY 2023-24 Budget Timeline

- **Today** – initial engagement with the Executive Finance Committee on FY 2023-24 Budget and Financial Planning
- **May 22nd** – Commission Meeting
- **May-June** – 1:1's with Committee Members
- **TBD June** – 2nd Budget meeting with Committee
- **June 26** – Commission Meeting with vote on FY 2023-24 Budget

May 2023

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June 2023

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

FY 2023-24 Budget Timeline (continued)

- **TBD January 2024 Executive Finance Committee Meeting**
- **TBD January 2024 Commission Meeting**

Decision Today

GCHP management proposes to add a mid-year budget re-forecast and review to the annual budgetary engagement with the Committee and Commission. This would involve the following, at least:

1. An in-depth report on the actual vs budget performance of the plan.
2. Management analysis of the drivers of performance and developing trends.
3. Management analysis of developing industry, market, and regulatory conditions.

Return to Agenda

Purpose of Today's Meeting: GCHP Management presentations are designed to provide decision support context and information for your review of the FY 2023-24 Budget

Outline of topics for today

- ✓ Review and decide on process and timetable for FY 2023-24 Budget
- ✓ Performance of FY 2022-23 Budget investments
- ✓ Proposed financial bases for FY 2023-24 Budget
- ✓ Proposed plan for managing current "Free Surplus"
- ✓ Proposed Provider Quality Incentive Pool and Program and Member Engagement Plan
- ✓ Proposed high level plan for staffing investments in FY 2023-24 Budget

Return to Agenda

FORMAT FOR TODAY

- Management proposes that today be dedicated to presentations designed to provide information to support deeper engagement in 1:1's and Committee meeting in June.

GOAL FOR TODAY

- Today and in 1:1's, GCHP respectfully asks for your requests for additional information – what can Management provide to support your review and recommendation on the FY 2023-24 Budget?

MATERIALS TO COME

FOR 1:1'S AND JUNE TBD COMMITTEE MEETING

- Comprehensive packet for proposed FY 2023-24 Budget will be distributed ahead of 1:1's and June TBD Committee meeting.
- Packet will include "scenario" modeling.
- Packet will include detailed staffing budget.
- Proposed "Free Surplus" policy.
- Proposed "Free Surplus" policy.
- Proposed update to investment policy.
- **Management will provide additional information as requested by Committee Members.**

Review of FY 2022-23 Budget Investments

FY 2022-23 was a year of foundation building for GCHP → new and expanded capabilities, the launch of the "Operations of the Future," new modernized skills and systems for data and analysis, development of people/skills and much-needed positions, investments in members and providers and staff, and beyond.

This vital work has begun to drive GCHP toward a future of sustained high quality and growing impact on the health and healthcare of members and communities we serve (VISION AND MISSION).

Return to Agenda

Building a High-Quality Health Plan

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Comprehensive Plan to Achieve Sustained High Quality

Focus of FY 2022-23

Vision – Analysis – Planning – Foundation Work – Launch Pioneering Programs

Developed Quality Improvement organization, added key resources, and added leading-edge consulting support

- Added QM nursing staff and resources for program/population analytics.
- Cutting edge Inovalon member health and healthcare data system will help advance care management and program design and integrate these capabilities with Quality improvement initiatives.
- Through the selection of The Mihalik Group, a boutique consultancy with market-leading know how in NCQA/HEDIS/Quality performance, GCHP has advanced NCQA readiness efforts and greatly accelerated the development of a comprehensive and detailed Quality Improvement Work Plan.

Develop contracts and payment/program structures of a pioneering Provider Quality Incentive Pool and Program

- GCHP now has a standard-setting Provider Quality Incentive Pool and Program that will provide substantial performance-based funding and program support to enable the healthcare delivery system to continuously improves Access and Quality for Medi-Cal members.
- Quality contracting efforts have begun and will advance rapidly with our largest primary care providers.

We must maintain the momentum and pace of development and the level of investments, and we should strive to innovate (not just being good at the basics, but new and improved capabilities.

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- ✓ The following slides illustrate our impact on Quality performance in the first year of a multiyear plan to achieve sustained best-in-class Quality results.
- ✓ These charts span the measures of the managed care accountability set, which is the Department of Health Care Services' (DHCS) principal basis for measuring Medi-Cal managed care plan performance.
- ✓ MCAS performance is the basis for Quality sanctions (today and going forward), premium withholds (1% in 2024), and quality-adjusted regional premiums (in the coming years).

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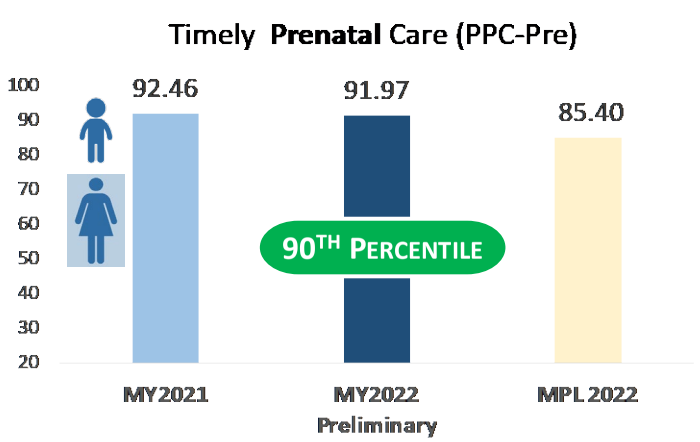
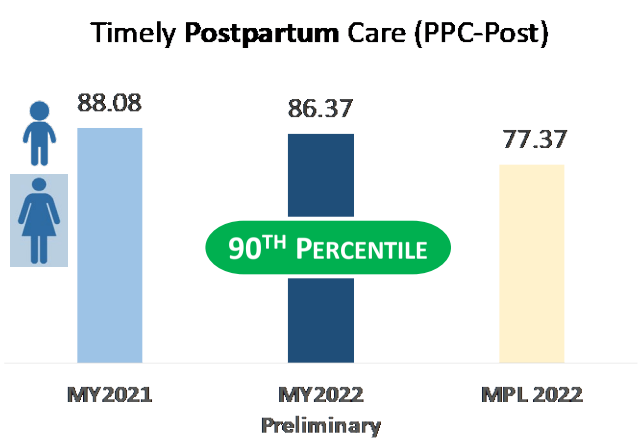
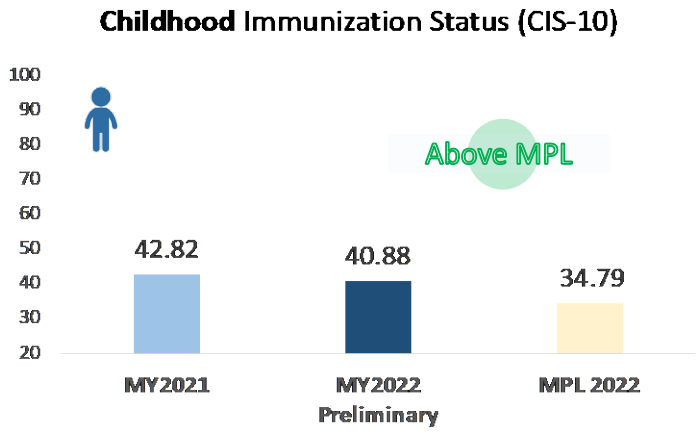
Building a Quality Foundation – MY 2022

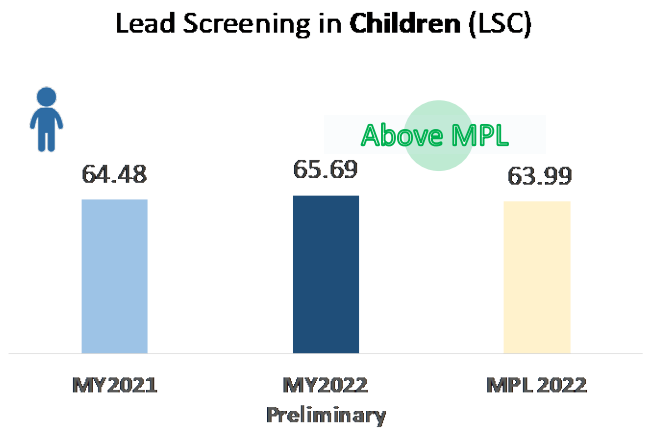
- **Hybrid Measures** combine claims/encounters with data abstracted from member records
- EHR/Records are material to full capture of care
- All better than MPL (50th percentile); 3 in 75-90th; scores are finalized next month and can increase
- Aim for MY 2023 is to achieve 75-90th percentile for all hybrid measures; EHR feeds are key

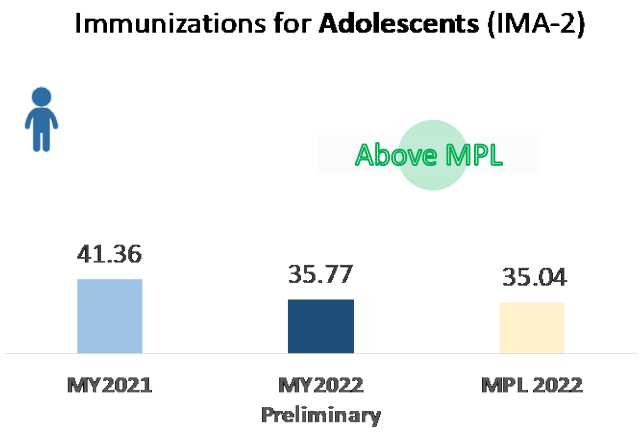
– *Hybrid Measures* –

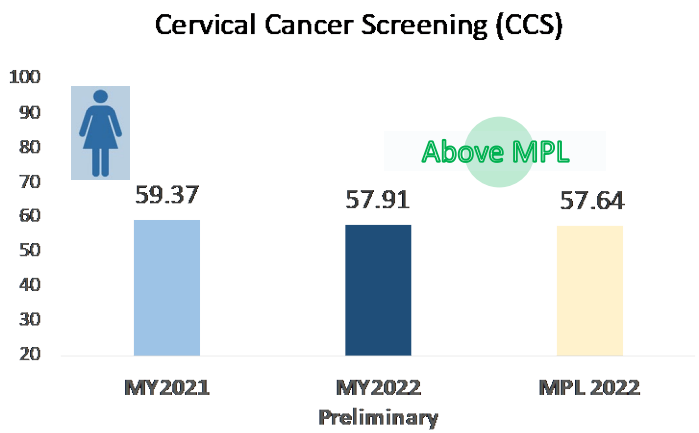


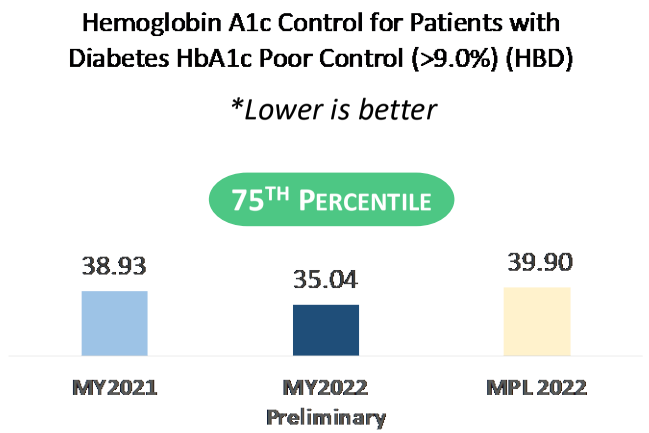


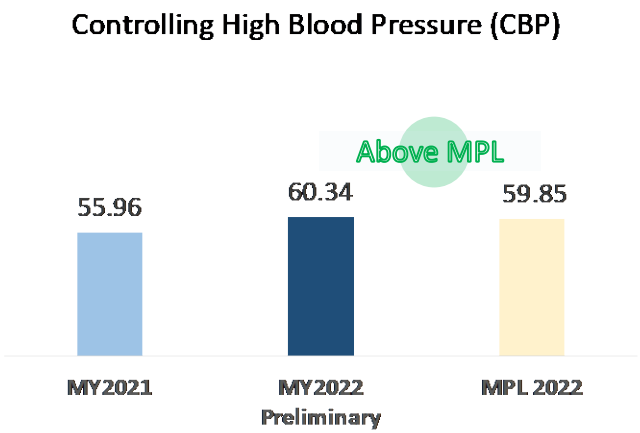












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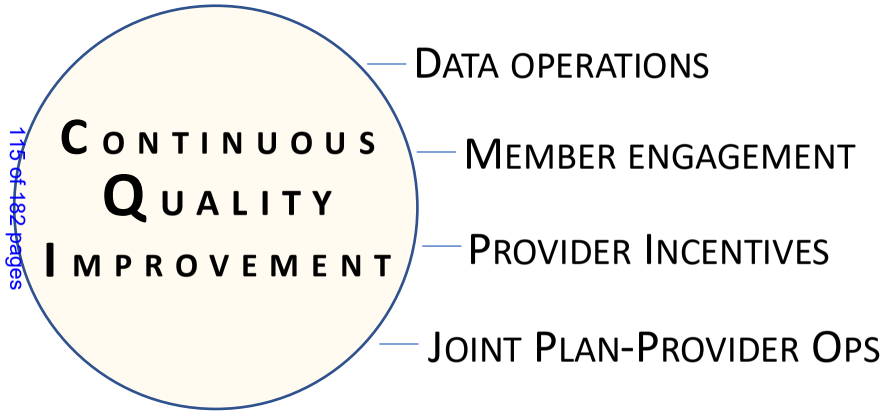
Building a Quality Foundation – MY 2022

- **Administrative Measures** depend on claims/encounters submitted by providers
- Complete and timely encounters are essential
- 5 of 7 improved; 3 of 7 above MPL
- Aim for MY 2023 is to achieve 50th percentile for all Administrative measures; Care access/availability is key

– *Administrative Measures* –



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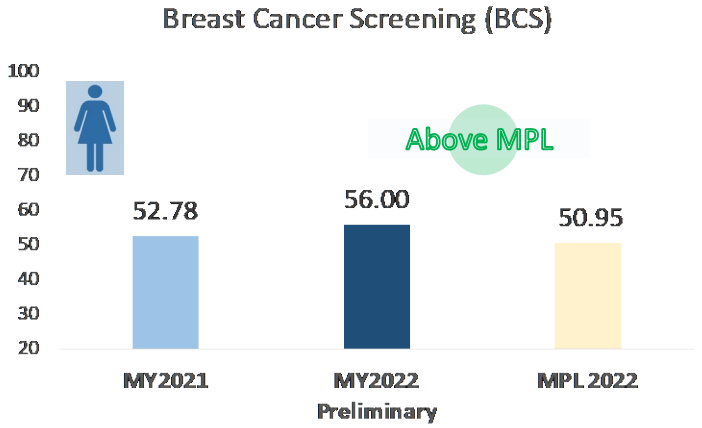

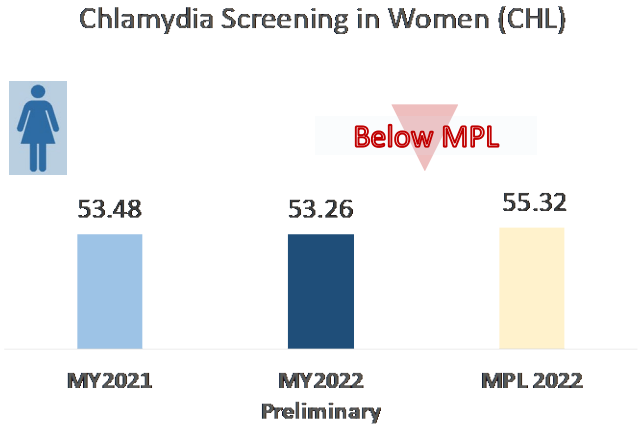

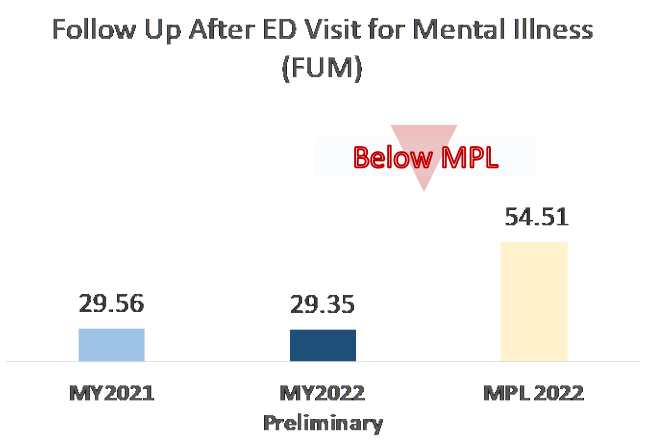

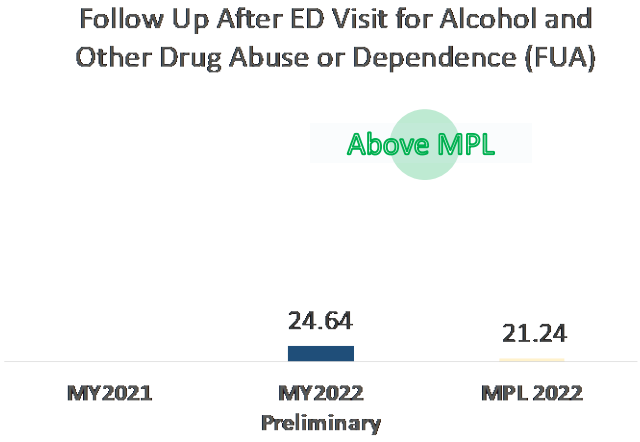

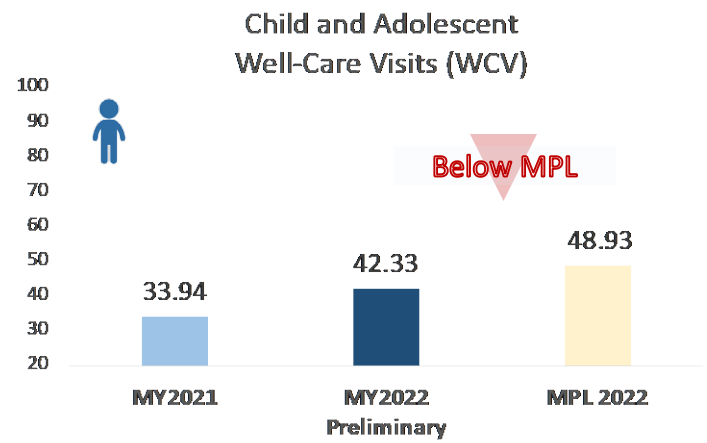

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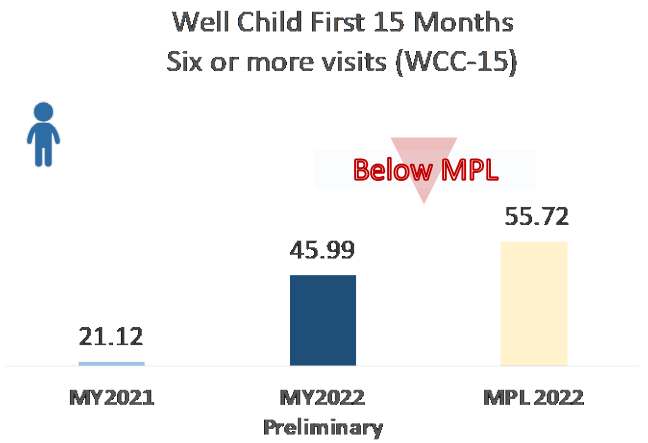

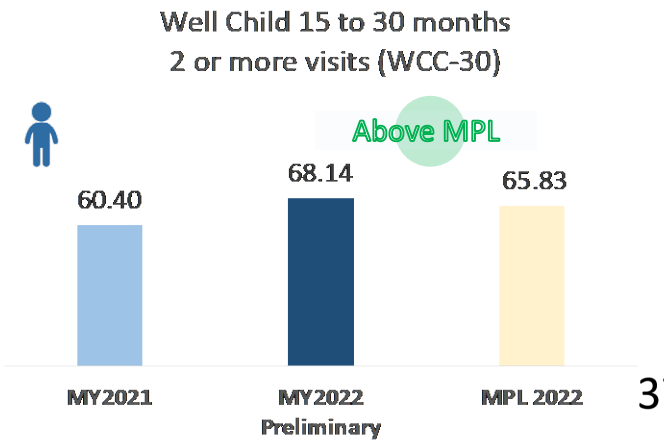

Operations of the Future

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Operations of the Future – Current Progress

This is how our investment added value to our organization

Building a high performing IT organization via People, Process, and Technology which will allow us to modernize and transform Operations….

- A New Testing Organization
- A New Application Architecture Organization
- Our Development Teams Supporting Our New Data Warehouse Capability
- Providing Stability With Our Current Processes

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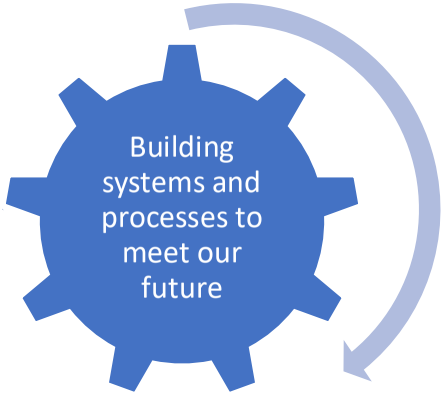
Operations of the Future

We Developed A Strategy And Are Now Executing And Delivering Value

- Project management staff to support the project portfolio demand
- Business Systems Analysts to support the Operations of the Future program
- Critical experienced leadership added



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Operations of the Future

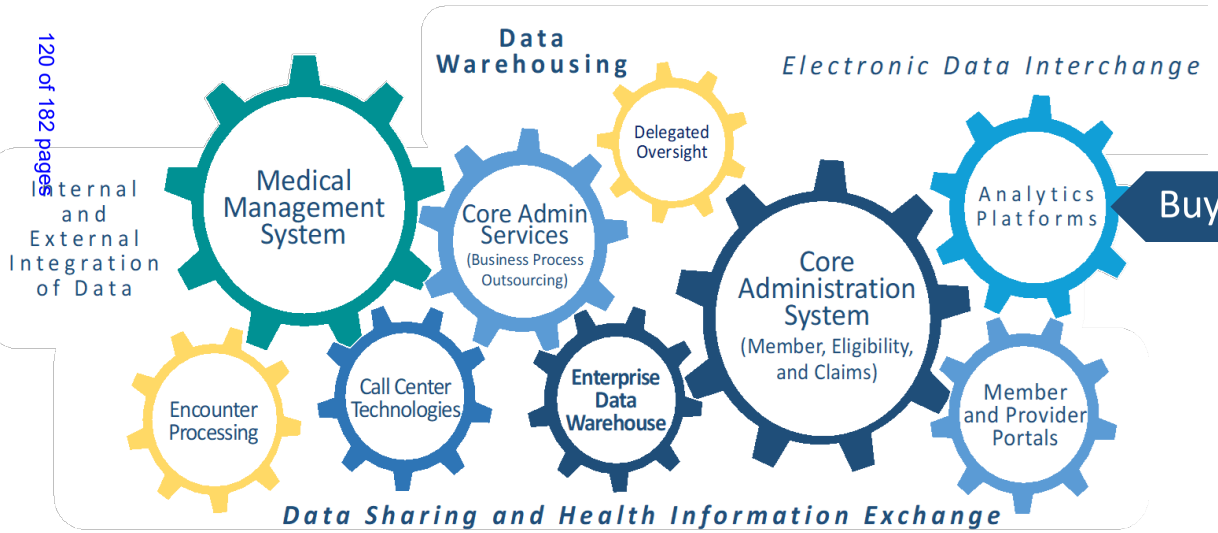
"…think of the difference between tactical and strategic oversight as the difference between doing things right and doing the right things. Both are required." - Bruce Schneier

- Operational Oversight staff to support continuous monitoring of plan delegates' performance which allows for:
  - Identification of potential performance risk.
  - Ensure regulatory and contractual compliance through expedited feedback processes.
  - Streamlined reporting processes to track findings, recommendations and corrective action plans.

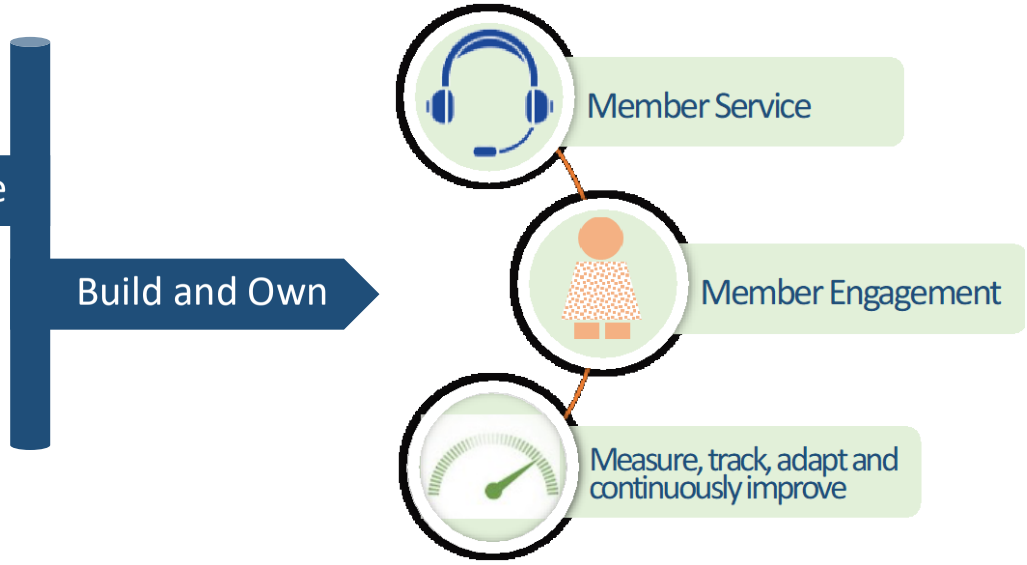
Operations of the Future

GCHP Management has completed major steps in procurement plan – core admin system, med management system, electronic data interchange, and portals. All RFPs will be completed by Summer 2024. Implementations are now underway. Internal member/provider service build out is a priority in the second half of FY 2023-23.

Commission Approved Plan for Procurement



Commission Approved Plan for Internal Capabilities



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Organization of the Future

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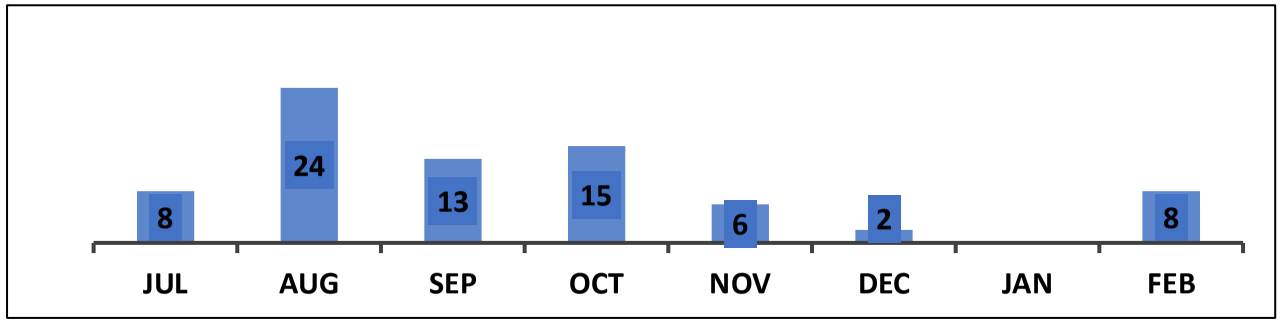
Organization of the Future

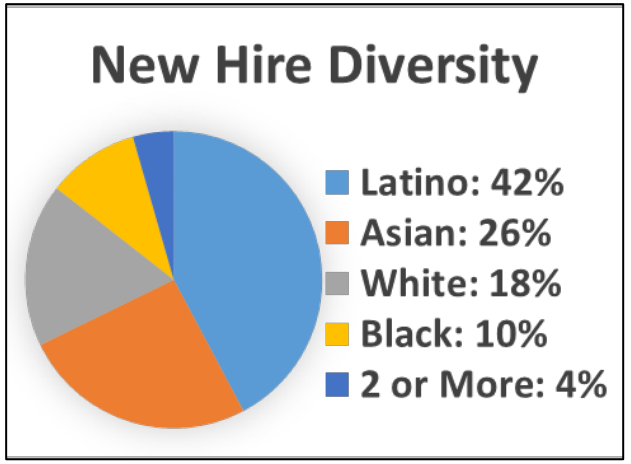
Upgraded Our Recruiting Strategy And We Delivered Excellent Results!

- All Budgeted HC opened in **30 days**
- **90%** Headcount of filled in six months
- Average days to fill **74 days**
- Strengthen Industry Experience
- **29%** of hires Employee Referral Program
- Lowered Search Firm Reliance **(6 hires)**
- Employees engaged – remained **95%** staffed
  (Current attrition rate is 5.5%)



Teamwork and Partnership

Ensured diversity:
64% Females 36% Males



$1,500 for all referred hires

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Positions Added –Skill/Capacity Gained

Model of Care and Operations of the Future Investments

- Enhance Health Services Capabilities
  - Member engagement and experience
  - Quality – improving health, healthcare, and the member experience
  - Quality Data and Analytics
- Build Policy & Programs Capabilities
  - Product development and Program management
  - Provider experience, perspective and insights

- Major IT Investments
  - A New Testing Organization
  - A New Application Architecture Organization
  - New Data Warehouse Capability
  - Providing Stability With Our Current Processes
  - Processes Report – analysis, metrics, operations

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2022/3 Priority | Expansion of Critical Skills at Gold Coast

Our current and future challenges require investment in capabilities/capacities/skillsets. In FY 2022-23 we began to advance GCHP in the following areas.

1) Advocacy
2) Analysis (business, performance, population, etc.) → data driven decisions and priorities
3) Chronic conditions and SDOH program expertise
4) Communications
5) Delegation and internal oversight
6) Diversity and equity
7) Financial analysis and management
8) Innovation and creative problem solving
9) Integrated data, technology and core health plan operations
10) Member engagement and experience
11) Modern data warehouse and data systems
12) Modern operational technologies and systems
13) Product development and management
14) Program development and management
15) Project management and performance improvement
16) Provider experience, perspective and insights
17) Strategic planning – capabilities, mindset and practices
18) Quality – improving health, healthcare, and the member experience
19) Report – analysis, metrics, operations
20) Value based payment and performance

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"Organization of the Future:" Developing High Performing Leadership

1st Half of 2022
A Vision for Gold Coast Health Plan of the Future and Sustained Mission Achievement

Gold Coast Health Plan Leadership performed a thorough strategic analysis: what we were vs what we need to be.

- Analyzed current and future regulatory and market forces. How is our business different tomorrow and how do we best position and prepare for success?
- Analyzed current-state health plan performance (financial, operational, organizational, technological) and ability to achieve our Mission → developed a robust plan for achieving long term sustained Mission success.
- Built a state-of-the-art member data system (Inovalon) → empowering us to develop data-based and member-centered plans.
- Created a "Vision for the Future" and secured full approval and support from our Commission.

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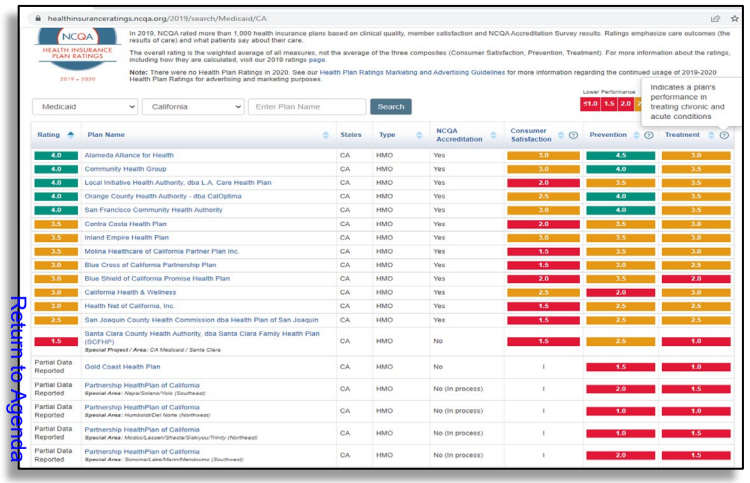

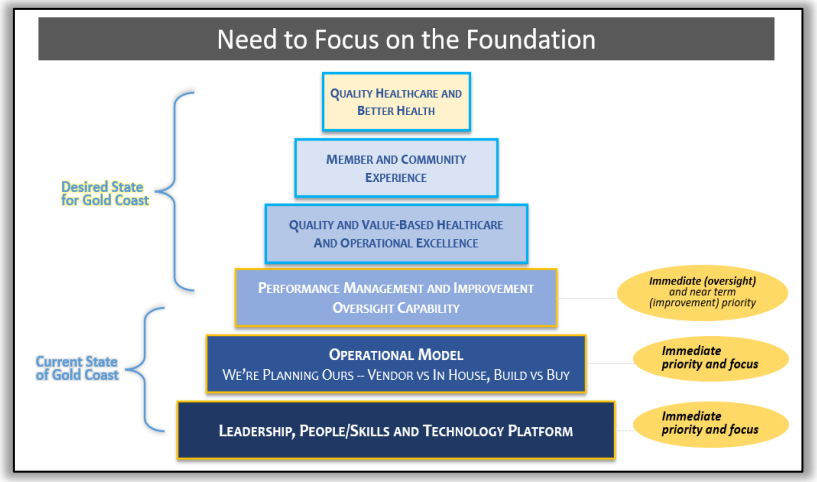

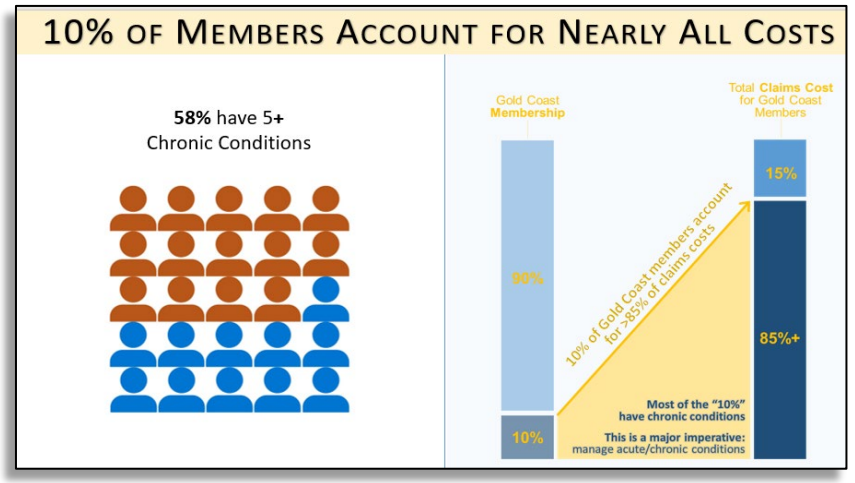

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"Organization of the Future:" Developing High Performing Leadership

1st Half of 2022
Goals and Year 1 Budget for Health Plan Transformation

Gold Coast Health Plan leadership developed a broad-based "Plan" (goals, strategies, and workplans) to compliantly achieve better health, better healthcare, and a superior experience for the members we serve. This Multi-Year Plan served as the basis for the FY 2022-23 Budget and is that for the FY 2023-24 Budget.

The Plan will transform our capabilities across the board – Clinical, Compliance, Operational, Organizational, and Technological capabilities – to industry standards, and beyond. The Plan will also ensure we maintain financial strength for the long term, while we invest in the transformation of our capabilities and ready for the future.

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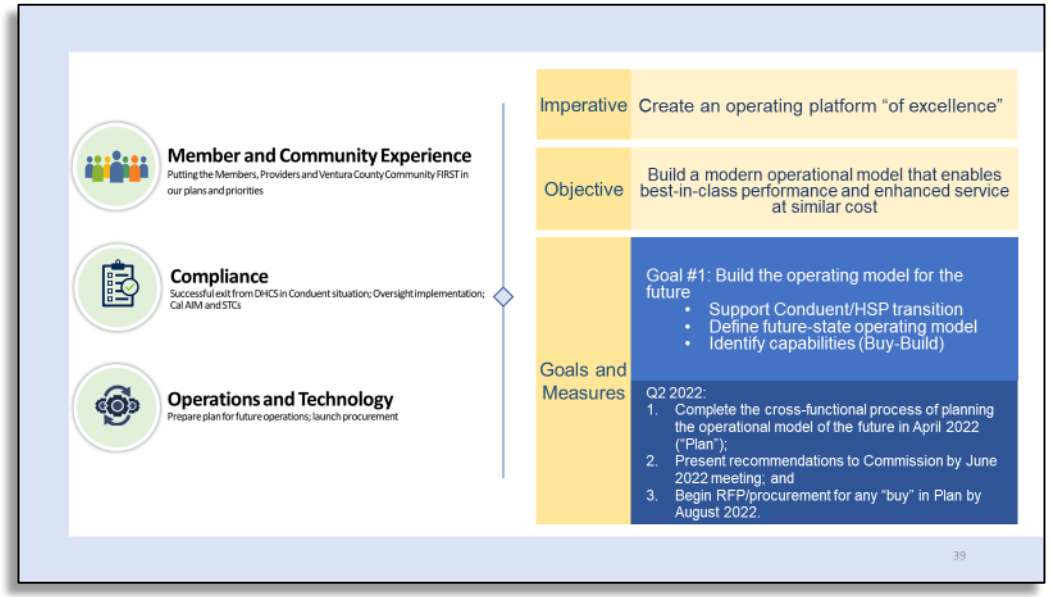

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"Organization of the Future:" Developing High Performing Leadership

By Year End 2022
Goals Translated to Detailed Work Plans; Leadership Operating Reviews

We are advancing Goals-Focused Leadership by instituting new practices and tools. Operating Reviews are in-depth, multi-hour monthly engagements between cross-functional goal teams and the executives who are accountable for supporting the success of each goal. Status reports are shorter meetings focused on what's next, what's needed for success. Operating Review Reports are posted to Compass (GCHP Intranet). Some Operating Reviews are recorded and available to all staff.

Don Harbert, an expert consultant, has managed our rapid development and supports our continuous improvement of this work.

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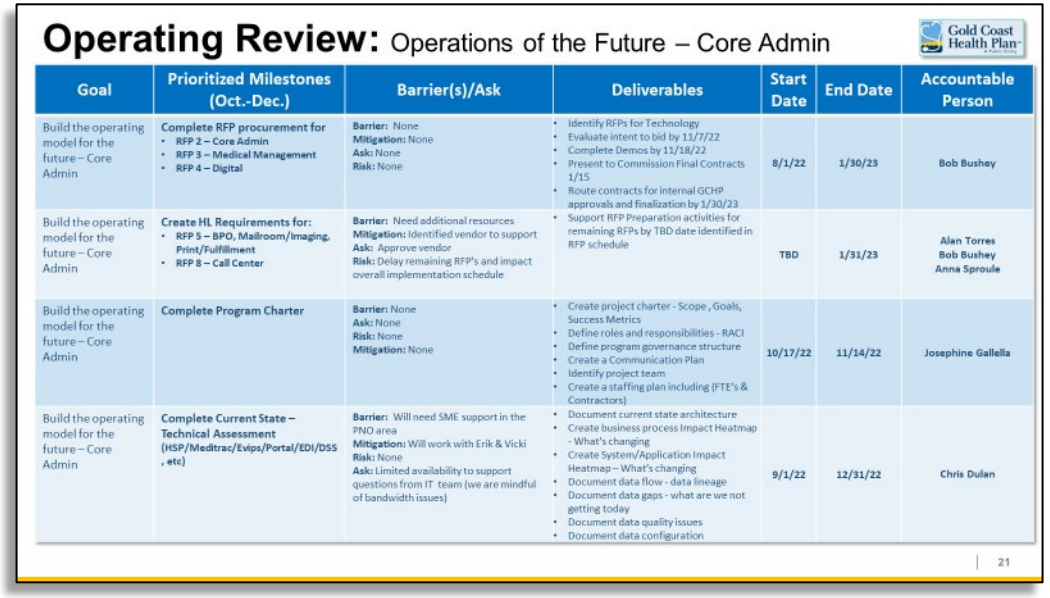

Operating Review: Operations of the Future – Core Admin

Gold Coast Health Plan

Goal	Prioritized Milestones (Oct.-Dec.)	Barrier(s)/Ask	Deliverables	Start Date	End Date	Accountable Person
Build the operating model for the future – Core Admin	**Complete RFP procurement for** • RFP 2 – Core Admin • RFP 3 – Medical Management • RFP 4 – Digital	**Barrier:** None **Mitigation:** None **Ask:** None **Risk:** None	• Identify RFPs for Technology • Evaluate intent to bid by 11/7/22 • Complete Demos by 11/18/22 • Present to Commission Final Contracts 1/15 • Route contracts for internal GCHP approvals and finalization by 1/30/23	8/1/22	1/30/23	Bob Bushey
Build the operating model for the future – Core Admin	**Create HL Requirements for:** • RFP 5 – BPO, Mailroom/Imaging, Print/Fulfillment • RFP 8 – Call Center	**Barrier:** Need additional resources **Mitigation:** Identified vendor to support **Ask:** Approve vendor **Risk:** Delay remaining RFP's and impact overall implementation schedule	• Support RFP Preparation activities for remaining RFPs by TBD date identified in RFP schedule	TBD	1/31/23	Alan Torres Bob Bushey Anna Sproule
Build the operating model for the future – Core Admin	**Complete Program Charter**	**Barrier:** None **Ask:** None **Risk:** None **Mitigation:** None	• Create project charter - Scope , Goals, Success Metrics • Define roles and responsibilities - RACI • Define program governance structure • Create a Communication Plan • Identify project team • Create a staffing plan including (FTE's & Contractors)	10/17/22	11/14/22	Josephine Gallella
Build the operating model for the future – Core Admin	**Complete Current State – Technical Assessment (HSP/Meditrac/Evips/Portal/EDI/DSS , etc)**	**Barrier:** Will need SME support in the PNO area **Mitigation:** Will work with Erik & Vicki **Risk:** None **Ask:** Limited availability to support questions from IT team (we are mindful of bandwidth issues)	• Document current state architecture • Create business process Impact Heatmap - What's changing • Create System/Application Impact Heatmap – What's changing • Document data flow - data lineage • Document data gaps - what are we not getting today • Document data quality issues • Document data configuration	9/1/22	12/31/22	Chris Dulan

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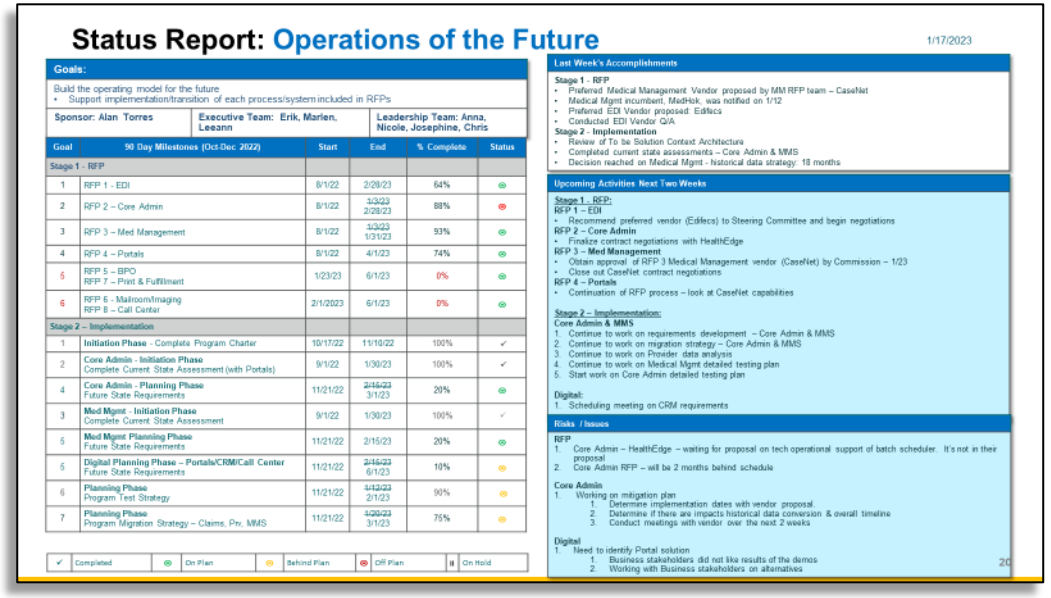

Status Report: Operations of the Future 1/17/2023

Goals:

Build the operating model for the future
- Support implementation/transition of each process/system included in RFPs

Sponsor: Alan Torres | Executive Team: Erik, Marlen, Leeann | Leadership Team: Anna, Nicole, Josephine, Chris

Goal	90 Day Milestones (Oct-Dec 2022)	Start	End	% Complete	Status
Stage 1 - RFP					
1	RFP 1 - EDI	8/1/22	2/28/23	64%	
2	RFP 2 – Core Admin	8/1/22	~~1/3/23~~ 2/28/23	88%	
3	RFP 3 – Med Management	8/1/22	~~1/3/23~~ 1/31/23	93%	
4	RFP 4 – Portals	8/1/22	4/1/23	74%	
5	RFP 5 – BPO RFP 7 – Print & Fulfillment	1/23/23	6/1/23	0%	
6	RFP 6 - Mailroom/Imaging RFP 8 – Call Center	2/1/2023	6/1/23	0%	
Stage 2 – Implementation					
1	**Initiation Phase** - Complete Program Charter	10/17/22	11/10/22	100%	✓
2	**Core Admin - Initiation Phase** Complete Current State Assessment (with Portals)	9/1/22	1/30/23	100%	✓
4	**Core Admin - Planning Phase** Future State Requirements	11/21/22	~~2/15/23~~ 3/1/23	20%	
3	**Med Mgmt - Initiation Phase** Complete Current State Assessment	9/1/22	1/30/23	100%	✓
5	**Med Mgmt Planning Phase** Future State Requirements	11/21/22	2/15/23	20%	
5	**Digital Planning Phase – Portals/CRM/Call Center** Future State Requirements	11/21/22	~~2/15/23~~ 6/1/23	10%	
6	**Planning Phase** Program Test Strategy	11/21/22	~~1/12/23~~ 2/1/23	90%	
7	**Planning Phase** Program Migration Strategy – Claims, Prv, MMS	11/21/22	~~1/20/23~~ 3/1/23	75%	

✓ Completed | On Plan | Behind Plan | Off Plan | On Hold

Last Week's Accomplishments

Stage 1 - RFP
- Preferred Medical Management Vendor proposed by MM RFP team – CaseNet
- Medical Mgmt incumbent, MedHok, was notified on 1/12
- Preferred EDI Vendor proposed: Edifecs
- Conducted EDI Vendor Q/A

Stage 2 - Implementation
- Review of To be Solution Context Architecture
- Completed current state assessments – Core Admin & MMS
- Decision reached on Medical Mgmt - historical data strategy: 18 months

Upcoming Activities Next Two Weeks

Stage 1 - RFP:
RFP 1 – EDI
- Recommend preferred vendor (Edifecs) to Steering Committee and begin negotiations

RFP 2 – Core Admin
- Finalize contract negotiations with HealthEdge

RFP 3 – Med Management
- Obtain approval of RFP 3 Medical Management vendor (CaseNet) by Commission – 1/23
- Close out CaseNet contract negotiations

RFP 4 – Portals
- Continuation of RFP process – look at CaseNet capabilities

Stage 2 – Implementation:
Core Admin & MMS
1. Continue to work on requirements development – Core Admin & MMS
2. Continue to work on migration strategy – Core Admin & MMS
3. Continue to work on Provider data analysis
4. Continue to work on Medical Mgmt detailed testing plan
5. Start work on Core Admin detailed testing plan

Digital:
1. Scheduling meeting on CRM requirements

Risks / Issues

RFP
1. Core Admin – HealthEdge – waiting for proposal on tech operational support of batch scheduler. It's not in their proposal
2. Core Admin RFP – will be 2 months behind schedule

Core Admin
1. Working on mitigation plan
   1. Determine implementation dates with vendor proposal
   2. Determine if there are impacts historical data conversion & overall timeline
   3. Conduct meetings with vendor over the next 2 weeks

Digital
1. Need to identify Portal solution
   1. Business stakeholders did not like results of the demos
   2. Working with Business stakeholders on alternatives

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Financial Basis of the 2023-24 Budget

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Near-term expectation: downward industry pressure on premium rates. GCHP: a rate decrease is anticipated for CY 2024, with uncertainty beyond.

- Introduction to Kyle Edrington and Edrington Health Consulting – role in Medi-Cal Industry and history with GCHP.
- Insight to DHCS/Mercer thinking for Medi-Cal industry rates for 2024-2025 period.
- High-level review of GCHP PMPM rate modeling for 2024 – what is driving premium PMPM decrease – utilization vs unit cost.
- High-level review of GCHP aggregate revenue for 2024 – impact of redetermination and Kaiser transition.
- How wide-ranging are the scenarios – *what can account for significant budget variance on rates*.
- IP reserving and conservatism release – *what can be said about FY 2023-24*.
- Launching independent advocacy by GCHP – one need for advocacy is around provider rate increases being applied today and the need to account for this sooner than the 30-month lag.

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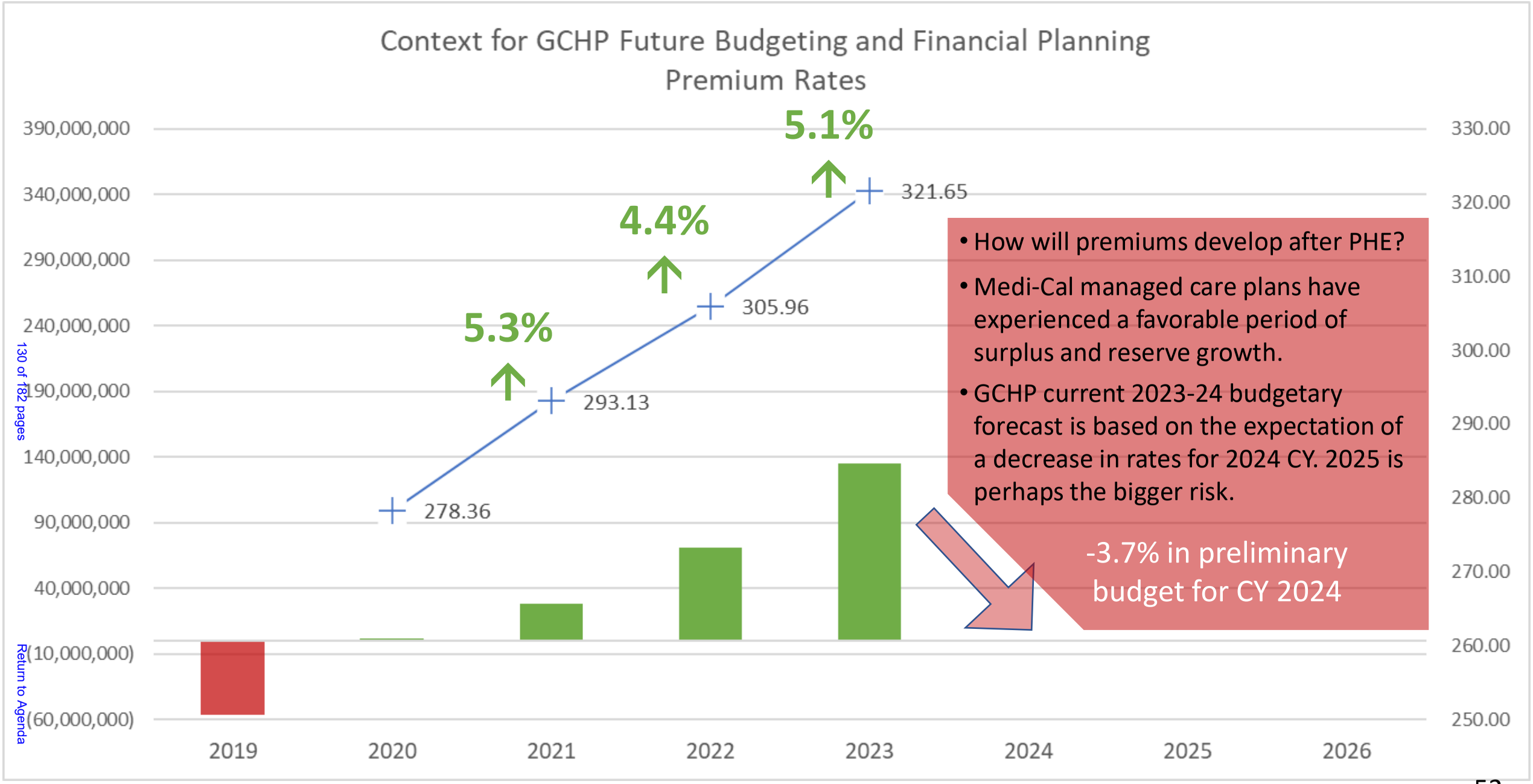

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2023-24 Budget Major Factors

Membership

Membership declines due to redetermination and Kaiser Direct Medi-Cal, grows due 2024 expansion of full scope Medi-Cal coverage to adults ages 26 - 49 who do not have a satisfactory immigration status.

Membership as of May 2023 = ~255,000
Preliminary thinking for FY 2023-24 Budget is that year end enrollment will be in range of 205,000 to 215,000 (~15-20% decline).

There is now and will continue to be uncertainty about enrollment in the market. One thing that is clearer, 25,000 GCHP members with other health insurance and 7,000 Kaiser electees seem highly likely to exit. We are working now to model the timing and size of increase from the newly eligible.

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2023-24 Budget Major Factors

Revenue

Premium revenue will decline due to net enrollment decreases, expected rate decrease impact (~3.7% in CY 2024) in the second half of the fiscal year, and an anticipated 1% Quality Withhold.

Estimated premium revenue for FY 2022-23 = ~$1.07B
Preliminary calculations for FY 2023-24 Budget = ~$900M.

GCHP Management will lead independent advocacy for premium rates that account for underlying medical risk (that remains after redetermination) and increasing provider spend (long-delayed reimbursement rate updates and quality incentives).

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2023-24 Budget Major Factors

Medical costs

Medical expenses are expected to grow, despite a considerable decrease in membership and anticipated premium rate decrease.

Projected medical cost for FY 2022-23 = ~$760M
Preliminary estimates for FY 2023-24 Budget = ~$885M.

This is driven by increasing reimbursement rates, anticipated Quality incentive spend, expected retention of the high cost/utilizing members who need the most services, and the expected disenrollment (via redetermination) of a large group of low/non-utilizers.

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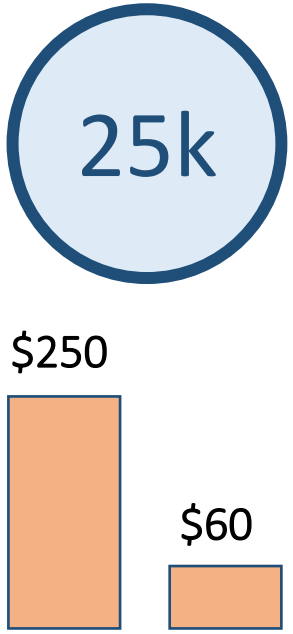

More likely to disenroll

- >25k GCHP members are reported to have “other health insurance” by DHCS in the monthly enrollment roster.
- In addition to this being a COB concern now, we expect these individuals to likely disenroll through the redetermination process as we reasonably assess this group as being largely composed of those with employer coverage.
- Cost profile of these 25k: ~$60 PMPM (over past 18 months)
- Cost profile of GCHP overall: ~$240-260 PMPM range

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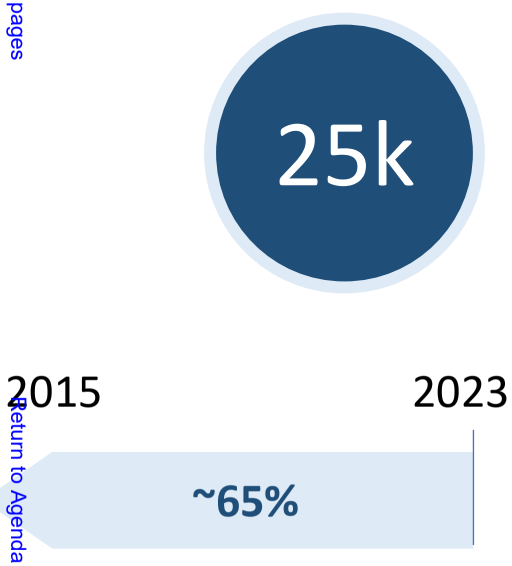

More likely to be retained

- ~25k GCHP members account for nearly all controllable medical expenses (referred to as the “Top 10%”).
- ~60% have 5+ chronic conditions.
- >60% have co-occurring behavioral health conditions. When accounting for under-diagnosis, this is likely significantly higher.
- ~2/3 have been with GCHP since 2015, or earlier.

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Managing “Free” Surplus

Provider Funding
Modernizing the Health Plan
Readying for Dually Eligible Special Needs Plan

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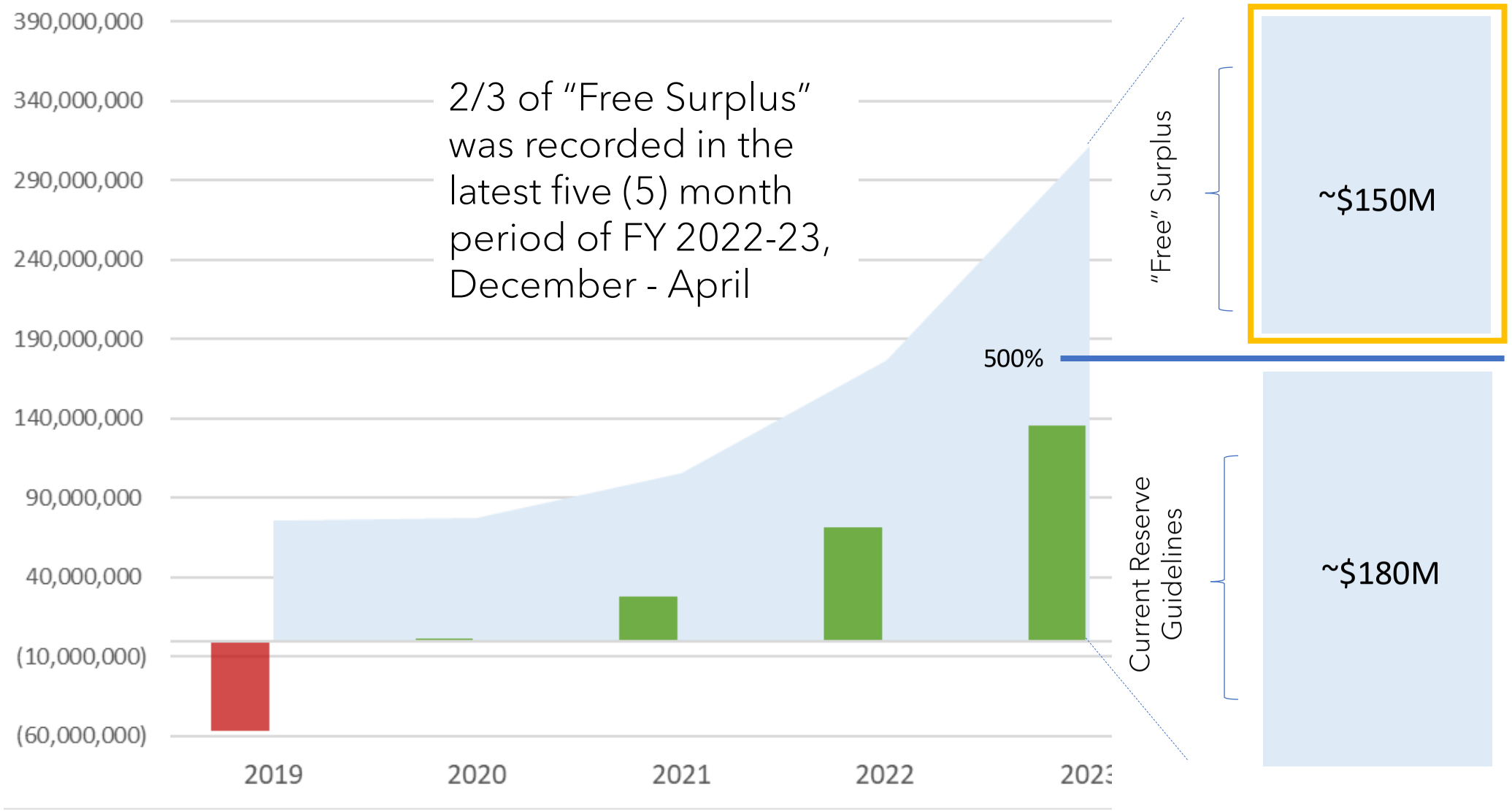
Current Reserve Guidelines and "Free" Surplus



Advancing GCHP as a High-Quality Health Plan

Investments in FY 2023-24 Budget

Provider Incentives and Funding

Member Engagement and Incentives

Role of the Health Plan

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At least **$50,000,000**

QUALITY INVENTIVE POOL AND PROGRAM

GCHP Investment in Provider Quality Performance

2023-2025 Funding – All PCP Providers are eligible (>150 members)

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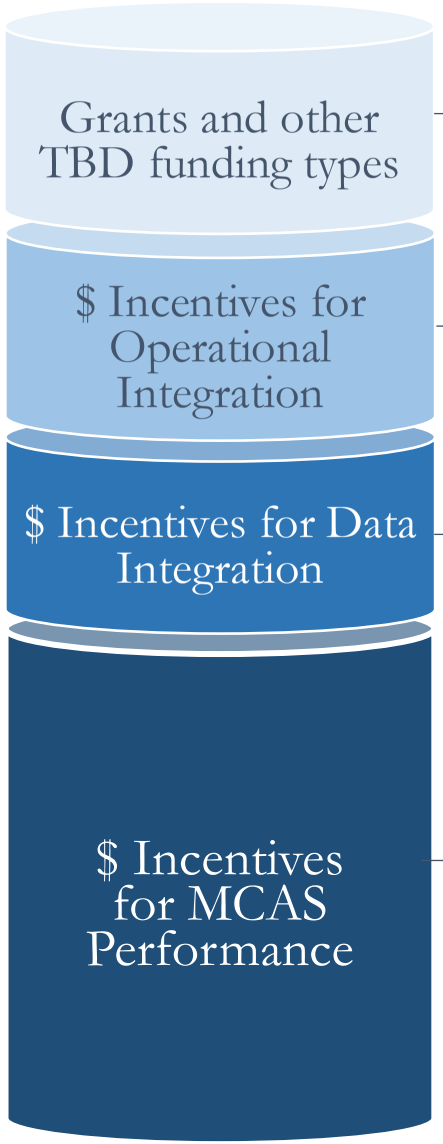
Leading the Way to Quality – GCHP's Quality Incentive Pool and Program

Program structures that support providers across the quality spectrum



Grants and other funding methods start in 2023. Focus is access to care (e.g., more providers and clinic hours) and practice transformation (e.g., better scheduling performance and care management capabilities).

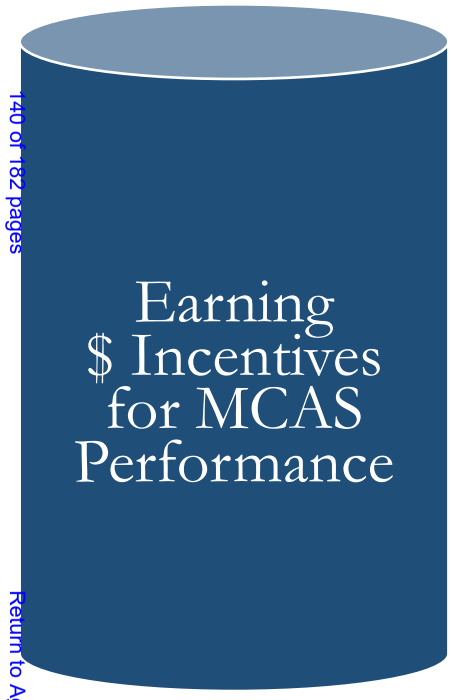
Creation of the **JOINT QUALITY PROGRAM OFFICE**, with executive co-sponsorship and engagement from both parties. Biweekly **Joint Operating Meetings** focused on continuous improvement of data (claims, encounters), operations, member engagement in care ("Gaps in Care"). Health Plan and Provider partners co-present semi-annually at each others respective boards.

EHR and ADT data feeds, ER notifications → support systematized solutions for Gaps in Care identification and tracking, member outreach and engagement, hybrid measure performance.

Bonuses for performance improvement across MCAS measures → higher performance ("High Performance Level") is incentivized more, no incentives for low performance ("below Minimum Performance Level"). Providers will have 5 required core measures and 5 additional MCAS measures (of those held to MPL) of their choice.

Incentive Criteria: "Tranches" Year 1

DHCS "Minimum Performance Level" (MPL) – performance below is sanctioned in 2023
DHCS "High Performance Level" (HPL) – 90th percentile [comment about 2024 Contract]



CRITERIA & REQUIREMENTS								
PERFORMANCE TRANCHE	At or Above HPL		At or Below MPL*		Improvement** From Prior Year Baseline		% of Quality Bonus
High	2 *or more*	and	0	and	≥ 5		100%
High-Mid	1 *or more*	and	0	and	≥ 5		75%
Mid	0	and	0	and	≥ 5		50%
Mid-Low	0	and	1 *or* 2	and	≥ 5		25%
Low	0	and	3 *or more*	or	≥ 6 decline		0%

**See Year 1 Gap Closure Methodology*

***Measures other than those accounted for in HPL and MPL counts.*

Incentive Criteria: "Tranches" Year 2

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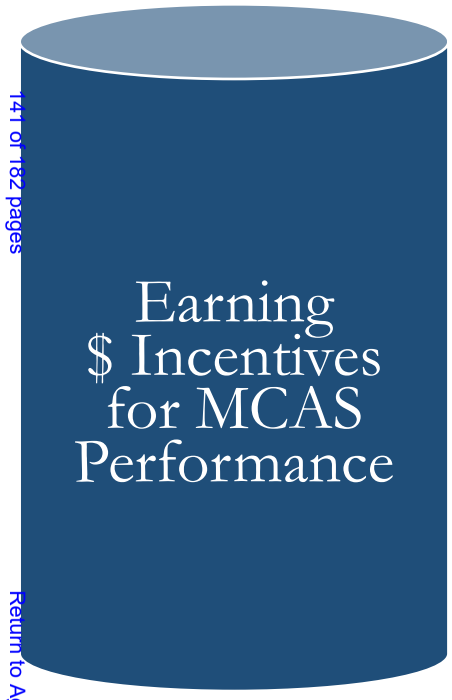
DHCS "Minimum Performance Level" (MPL) – performance below is sanctioned in 2023
DHCS "High Performance Level" (HPL) – 90th percentile [new standard in the 2024 Contract]



CRITERIA & REQUIREMENTS								
PERFORMANCE TRANCHE	At or Above HPL		At or Below MPL*		Improvement** From Prior Year Baseline		% of Quality Bonus
High	3 *or more*	and	0	and	≥ 5		100%
High-Mid	2 *or more*	and	0	and	≥ 5		75%
Mid	0	and	0	and	≥ 5		50%
Mid-Low	0	and	1 *or* 2	and	≥ 5		25%
Low	0	and	3 *or more*	or	≥ 6 decline		0%

**See Year 1 Gap Closure Methodology*

***Measures other than those accounted for in HPL and MPL counts.*

Quality Incentive "Gap Closure"

GCHP understands that certain measures for each Provider are well behind MCAS MPL and are difficult to move significantly in a short period of time. These measures still require improvement, so we are offering a flexible solution.

- In Year 1, the Provider may choose 2 core metrics for which achievement of the Gap Closure Methodology will be considered sufficient for not being considered in the "At or Below MPL" category.
- In Year 2, the Provider may choose 1 core metric for which achievement of the Gap Closure Methodology will be considered sufficient for not being considered in the "At or Below MPL" category.

Gap Closure Methodology

The "Gap" is defined as the difference between the Provider's end of prior year performance and the HPL for the prior year. The target setting methodology is a 10.0 percent gap closure.

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"Gap Closure" Example

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An example of the 10 percent Gap Closure Target Setting Methodology is as follows:

- 10% gap closure between CY 2022 Performance (Baseline) and CY 2022 MCAS HPL
  - Example: MCAS Measure X
    - HPL Benchmark: 70.0%
    - Baseline: 55.0%
- Gap: 70% - 55% = 15%
- 10% of 15% = 1.5%
- 55% + 1.5% = 56.5%
- Target: 56.5%

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Up to **$25,000,000**

ACCESS AND PRACTICE TRANSFORMATION

GCHP Investment in Provider Quality Performance

2023-2025 Funding | Grants and Other Vehicles | Network-Wide Availability

Provider Recruitment and Retention	Timely Appointments	Health Disparities	Cultural and linguistic needs…*and more*…

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Advancing GCHP as a High-Quality Health Plan

Investments in FY 2023-24 Budget

Provider Incentive Funding and Program

Member Engagement and Incentives

Role of the Health Plan

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Why does the Member Engagement matter?

- Decades of industry research and results show that more engaged members = more appropriate care, less skipped care and tests = better health outcomes (and higher Quality) = better experience with health and healthcare = more motivation to remain in care and adhere to Rx/Tx, and more.
- Nationwide, 60% of health plan members have sought support or guidance from their health plan and been "frustrated" by the experience (Wellframe 2020 Health Plan Member Engagement Survey).
- Multiple nationwide industry reports point to 80% of members with chronic conditions are dissatisfied with the services/supports for managing conditions from their Medicaid managed care plan.
- Nationwide, 60% of health plan members surveyed think a lot of the information and care they receive from their health plans is "too generic and not personalized to me." (JD Powers, 2021)
- More engaged members: 5-10x less likely to have an unnecessary inpatient admission. (CareSource multi-state analysis and report on members with multiple chronic conditions, 2018)
- More engaged members: 4x more likely to adhere to Rx treatment.

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Why Does Member Engagement Matter?

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- Engage the member in their health and healthcare → unnecessary Care and Cost goes down, Quality goes up

EXHIBIT 2

Predicted Per Capita Costs of Patients by Patient Activation Level

2010 patient activation level	Predicted per capita billed costs ($)	Ratio of predicted costs relative to level 4 PAM
Level 1 (lowest)	966**	1.21**
Level 2	840	1.05
Level 3	783	0.97
Level 4 (highest)	799	

17% less unnecessary care and lower cost

SOURCE Judith H. Hibbard, Jessica Greene, and Valerie Overton, "Patients with Lower Activation Associated with Higher Costs; Delivery Systems Should Know Their Patients' 'Scores,'" *Health Affairs* 32, no. 2 (2013): 216–22. NOTES Authors' analysis of Fairview Health Services billing and electronic health record data, January–June 2011. Inpatient and pharmacy costs were not included. PAM is Patient Activation Measure. **$p < 0.05$

- Level 4 is a truly member-centered, culturally-adapted healthcare organization that has fully developed capabilities to deliver member engagement in – and improve experience with – health and health care.
- High performing health plans play a vital role in member outreach and linkage/retention in care. External community-based outreach and services workers and outbound member services are *essential*.
- Health plans must invest in providers and achieve significant changes in the culture and operations of provider systems aimed at improved patient engagement.

Bringing a Member-Centered Health Plan to Life

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Improving Member Incentives

GCHP-Wellth Pilot is the first of its kind in Medi-Cal, recognized as "innovative" by DHCS.

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Member Outreach and Linkage to Care

GCHP is partnering with expert outreach vendors to link members with needed care management and community supports. Medically tailored meals is a recent example. GCHP in-house service capabilities of the future will focus on getting members into care they need and helping them stay in care.

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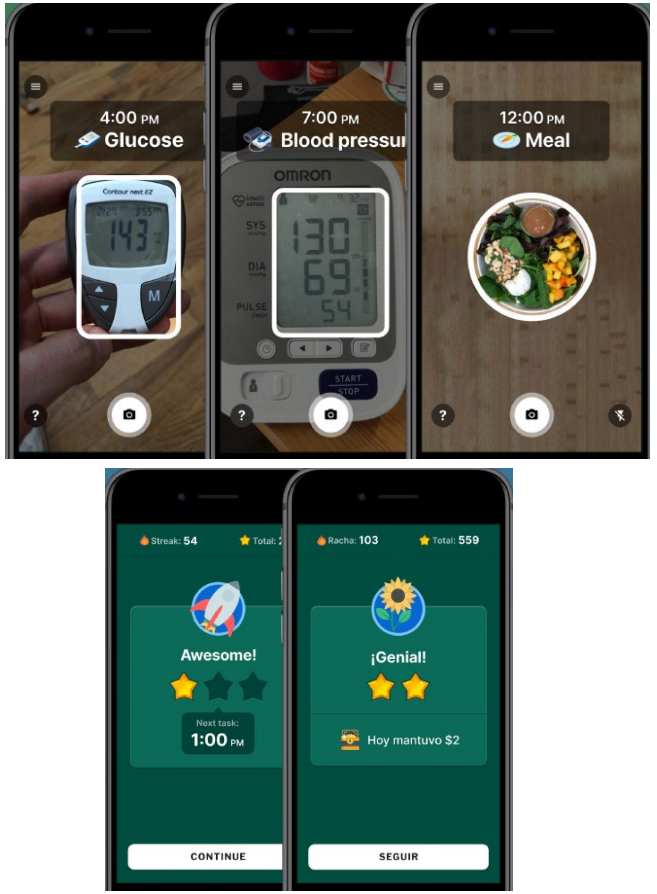
Integrated Care Teams

GCHP must Scale Up People, Operations, and Technologies to Meet Needs of large and growing chronic condition population.

Transportation is key to Engagement

GCHP is partnering with an expert logistics/transportation firm on the design of a high performing Medi-Cal transportation system in Ventura County. We provide >210,000 trips a year – for ~4,000 high need members. More members should use this service – education and improvements are needed.

Member Incentives Through Behavioral Science and Economics



Target Population: 18+ years, multiple chronic conditions, history of non-adherence using care gaps, and undesirable utilization patterns.

- Initial Pilot: Identify 15K eligible members with initial enrollment of 1K
- Incentive: Members can earn up to $30/month

Objectives: Wellth drives health engagement, medication management and adherence, and closure of key care gaps, which has led to greater health equity and a decrease in high-cost utilization

AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 26, 2023

SUBJECT: Chief Executive Officer (CEO) Report

I. EXTERNAL AFFAIRS:

A. State Regulatory Activity

As the state Department of Health Care Services (DHCS) prepares for the 2024 Contract requirements, several pieces of draft and final guidance have been released. The guidance seeks to solicit feedback and provide guidance to MCPs on expectations for changes relating to the Population Needs Assessment (PNA) and the 2024 Kaiser direct contract model. GCHP's Government Relations team is leading the internal efforts to provide analysis and develop feedback in response to the released guidance.

Concept Paper: Strengthening Medi-Cal Community Collaboration Through a Reimagined Population Needs Assessment (PNA)

On May 8, 2023, DHCS released a concept paper describing its proposal for a revised Population Needs Assessment (PNA) that Managed Care Plans (MCPs) are required to complete. The reimagined PNA includes a central requirement for MCPs to collaborate with Local Health Departments (LHDs) and is a key component of DHCS' Population Health Management (PHM) strategy that is designed to ensure that members' needs and preferences are met when receiving services.

DHCS is proposing that starting in 2024, MCPs will fulfill their PNA requirement to DHCS by participating "meaningfully" in the collaborative Community Health Assessment (CHA) / Community Health Improvement Plans (CHIP) processes already led by county LHDs, in counties where they have contracts. The proposal will impose additional reporting requirements for MCPs and increase collaboration among LHDs and MCPs. Ventura County is mentioned in the proposal of one of a few counties that are already collaborating with LHDs. The proposed collaborative process aligns with GCHP's current efforts. GCHP is a founding member of the Ventura County Community Health Improvement Collaborative (VCCHIC) and has been engaged in the health assessment process since 2021. VCCHIC includes the LHD, all non-profit hospitals, Federally Qualified Health Centers (FQHCs), and other Community-Based Organizations (CBOs) in the assessment and implementation planning process. This

new approach will help to further align efforts to increase access to services for the most vulnerable members of our community and help to engage the Ventura County Department of Public Health in improving the quality of health care received by Medi-Cal members through leveraging HEDIS measures as part of the assessment and strategy evaluation process.
DCHS solicited comments from stakeholders and GCHP's Government Relations team worked with the business to develop feedback in response to the proposal. Through collaboration with our trade association, Local Health Plans of California (LHPC), GCHP provided input and considerations based on the collaboration already underway with GCHP and the county Department of Public Health. Details on the final guidance will be provided upon its release.

Draft 2024 Medi-Cal Managed Care Transition Policy Guide (version 1)

On May 10, 2023, DHCS released the draft 2024 Medi-Cal Managed Care Transition Policy Guide for stakeholder feedback. The Transition Policy Guide contains requirements related to the Jan. 1, 2024, member transitions among Medi-Cal MCPs specifically resulting from changes to MCP contracts related to Commercial MCP contracting, the Kaiser direct contract, and the Medi-Cal managed care model change. The released draft focuses on the Continuity of Care (CoC) Policy for the 2024 MCP Transition and provides guidance to the "Previous" and "Receiving" MCP to ensure CoC for members required to change MCPs on Jan. 1, 2024. GCHP is expecting approximately 7,000 members to transition to Kaiser in 2024 under the direct contract model. According to the draft guidance, DHCS will begin to send Plan Transfer Status Reports to previous MCPs on a weekly basis (date TBD) with information that includes the new MCP in which the ember is enrolled and whether the MCP was selected by choice or default. Previous MCPs, including GCHP, will be required to implement the exchange of utilization data no later than Nov. 15, 2023. Additionally, as the Previous MCP, GCHP will be required to identify members in "Special Populations" and transmit a Special Populations data file to Receiving MCPs and inform the Receiving MCP of members known to be receiving inpatient care by Dec. 22, 2023, and refreshed daily through Jan. 9, 2024.

GCHP reviewed the proposed requirements and in collaboration with LHPC, provided feedback to DHCS to advocate for implementation timelines that allow for MCPs to successfully identify transitioning members and share the required data with the Receiving MCP. Receipt of information from DHCS and finalized timeframes will promote successful implementation. Final guidance and associated All-Plan Letter (APL) guidance is forthcoming and will be communicated upon its release.

All-Plan Letters (APLs)

In addition to releasing regulatory guidance to support and prepare for 2024 contract requirements, DHCS has released several draft and final APLs covering a variety of issues including the handling of recoveries of provider overpayments (APL 23-011), Enforcement Actions (APL 23-012), and the application of Directed Payments (APLs 23-008, 23-014, 23-015, 23-016). GCHP's Government Relations team continues to work with the business to communicate the requirements of the released APLs, hold implementation workgroups, and

ensure that associated Policies and Procedures (P&Ps) are updated to reflect the current guidance.
The listing below includes recent APL activity that GCHP is implementing. Additional APL guidance relating to the PNA, PHM, and transition of members to Kaiser is anticipated and will be communicated upon its release.

APL #	APL Title	Summary & Status
APL 23-008 **(4/28/23)**	Proposition 56 Directed Payments for Family Planning Services (Supersedes APL 22-011)	Provides details on the reporting of these payments; requires MCPs to make available to a provider an itemization of associated payments made to the provider, and directs that the portion of capitation payments made to the MCP attributable to the directed payment arrangement is subject to a two-sided risk corridor. GCHP is updating P&Ps to reflect this guidance.
APL 23-009 **(5/3/23)**	Authorizations for Post-Stabilization Care Services	Imposes a 30-minute turnaround time for post-stabilization authorization requests or the request is deemed approved and details documentation requirements for authorization requests. GCHP is compliant with the revised timeframes and APL requirements. P&Ps were updated to reflect the APL guidance.
APL 23-010 **(5/4/23)**	Responsibilities for Behavioral Health Treatment (BHT) Coverage for Members Under the Age of 21 (Supersedes APL 19-014)	Clarifies that MCPs are responsible for ensuring that all of a member's needs for medically necessary BHT services are met across environments, including at school. GCHP is updating the associated P&P to reflect these clarifications.
APL 23-011 **(5/8/2023)**	Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers (Supersedes APL 17-003)	Permits MCPs to retain overpayments of less than $25 million and directs MCPs to equally split overpayment recoveries greater than $25 million; updates reporting requirements for identified overpayments. GCHP is updating P&Ps to reflect this guidance.

APL #	APL Title	Summary & Status
APL 23-012 **(5/12/23)**	Enforcement Actions: Administrative and Monetary Sanctions (Supersedes APL 22-015)	Describes the processes DHCS may use to determine impacts of noncompliance on members, including data extrapolation and probability sampling. GCHP is updating the associated P&P to reflect this guidance.
APL 23-013 **(5/18/23)**	Mandatory Signatories to the California Health and Human Services Agency (CalHHS) Data Exchange Framework	In accordance with the CalHHS Data Sharing Agreement (DSA), after signing the DSA, signatories will be required to exchange health and social services information or provide access to health information to and from every other signatory in real time as specified by the DSA and its P&Ps. GCHP has executed the DSA and the workgroup is scheduled to ensure compliance with the APL requirements and identify P&P updates needed.
APL 23-014 **(6/9/23)**	Proposition 56 Value-Based Payment (VBP) Program Directed Payments (Supersedes APL 22-019)	Guidance on MCPs' VBP directed payments for Qualifying Services for dates of services from July 1, 2019 through June 30, 2022. Details reporting requirements for "Qualifying Services" including ensuring the use of the appropriate procedure codes in Encounter Data submissions and Provider Network data submissions to DHCS. These requirements have been communicated to GCHP leadership and a workgroup meeting will be held to identify P&P updates needed in response to this APL.

APL #	APL Title	Summary & Status
APL 23-015 **(6/9/23)**	Proposition 56 Directed Payments for Private Services (Supersedes APL 19-013)	Provides details on the reporting of these payments; requires MCPs to make available to a provider an itemization of associated payments made to the provider and to report payments using the Prop 56 Directed Payments Expenditures File Technical Guidance. The APL also adds language that DHCS may impose corrective action plans for noncompliance. These requirements have been communicated to GCHP leadership and a workgroup will be held to identify P&P updates needed in response to this APL.
APL 23-016 **(6/9/23)**	Directed Payments for Developmental Screening Services (Supersedes APL 19-016)	Specifies for dates of service on or after Jan. 1, 2020, MCPs must comply with a uniform dollar add-on of $59.90 for each qualifying developmental screening service. Developmental screenings must be provided in accordance with the AAP/Bright Futures periodicity schedule and guidelines at 9, 18, and 30 months of age. These requirements have been communicated to GCHP leadership and a workgroup meeting will be held to identify P&P updates needed in response to this APL.

State Legislative Activity

The Government Relations team continues to attend budget hearings, monitor pending legislation that may affect GCHP members, and identify key priorities of the state Legislature surrounding health care equity and Medi-Cal.

The hearings on the Gov. Gavin Newsom's May Revise or updated budget bill, have focused on the reinstatement of the managed care organization (MCO) tax. Due to California's significant budget deficit in 2023-24 and the anticipated deficit in the outyears, the Governor has proposed to reinstitute a MCO tax retroactively effective from April 1, 2023, through Dec. 31, 2026. The MCO tax is intended to prevent Medi-Cal program reductions through the acquirement of additional federal dollars to support Medi-Cal initiatives at a relatively low cost to health plans. The MCO tax is the Governor's main budget solution to help the state achieve a balanced budget. The Administration has proposed to allocate the anticipated revenue of the MCO tax ($19.4 billion General Fund total revenue) to two major buckets:

1. Ongoing support of the current Medi-Cal delivery system to increase access, equity, and quality of care ($8.3 billion).
2. Medi-Cal provider reimbursement rate increases with an initial focus in the areas of primary care, obstetric care, and non-specialty mental health services ($11.1 billion).

The debate on these issues continues as stakeholders weigh in during budget hearings.

The major point of contention between the Legislature and the Administration is the timeline to raise reimbursement rates, as these investments will occur over the next 8-10 years. The Legislature and commercial and local health plans assert that provider rate increases should occur during the life of the MCO tax, as timely workforce investments are crucial to increase workforce retention and prevent strain on the delivery system as Medi-Cal continues to expand. From the perspective of the Administration, the rationale of the 8-10-year period is to prevent a fiscal cliff and maintain rate increases for a longer period of time past 2026. According to the Administration, the Centers for Medicare and Medicaid Services (CMS) has indicated upcoming federal regulatory changes to the MCO tax proportionality rules, and this would limit the revenue from future MCO taxes in California as well as the funding allocated for additional rate augmentations. The Legislature and the Administration continue to engage in conversations to alleviate apprehensions surrounding the MCO tax as well as other budgetary concerns. As constitutionally required by state law, the budget bill must be passed by midnight on June 15, 2023.

The Government Relations team will continue to attend budget and legislative hearings as well as monitor pending legislative bills that may impact GCHP members and/or operations. Below is a list of priority bills the team is currently tracking. The deadline for policy committees to meet and report bills is July 14, 2023. We will continue to update this list as bills move through the state Senate and Assembly.

SB 299 (Eggman) Medi-Cal: Redetermination	SB 299 amends existing law and would remove “loss of contact with a beneficiary, as evidenced by the return of mail,” as a circumstance requiring prompt redetermination and would delete the requirement for a county to send a notice of action terminating eligibility if the prepopulated form is returned and the purpose for the redetermination is loss of contact with the beneficiary.	The Human Services Agency of Ventura County resumed redeterminations on April 1, 2023, in accordance with State and Federal law. This bill provides protections for Medi-Cal beneficiaries to ensure coverage is not terminated based on returned mail indicating the mail could not be delivered to the intended recipient or when there is no forwarding address available. SB 299 will help reduce barriers to maintaining continuous Medi-Cal coverage for members.

		SB 299 passed in the Senate and has been referred to the Assembly Committee on Health.
AB 1202 (Lackey) Medi-Cal: Time or Distance Standards - Children's Health Care Services	AB 1202 mandates that each Medi-Cal managed care plan (MCP) must inform the state Department of Health Care Services (DHCS) of the number and geographic distribution of Medi-Cal providers necessary for a plan's compliance with time and distance standards for pediatric primary care by Jan. 1, 2025. DHCS is required to create a legislative report on the data, findings, and recommendations and submit the report to the Legislature by Jan. 1, 2026.	This bill adds GCHP reporting requirements related to time and distance standards for pediatric primary care. Reporting would be due Jan. 1, 2025, as currently drafted. AB 1202 aligns with current DHCS priorities. DHCS recently issued guidance (APL 23-001) on the Annual Network Certification (ANC), which strengthens the requirements for MCPs to submit current statistics on the composition of providers and information on whether the MCP network provides all medically necessary services for its membership. *AB 1202 has passed in the Assembly and has been referred to the Senate Committee on Rules for assignment.*
AB 236 (Holden) Health Care Coverage: Provider Directories	AB 236 mandates health care plans to ensure provider directories are up-to-date and accurate on an annual basis. Plans will be mandated to delete erroneous information and ensure their directory is 60% accurate by Jan. 1, 2024, and 95% accurate by Jan. 1, 2027. Beginning July 1, 2024, plans are required to remove providers from the directory if plans have not financially compensated that provider in the prior year, with some limited exceptions. Failure to meet deadlines and inaccurate	This bill requires plans with Knox-Keene licensure to implement additional processes to review and update provider directories beginning Jan. 1, 2024. This bill complements APL 23-001 which supports network adequacy efforts by increasing the capacity of network providers and ensuring time and distance standards are met for all medically necessary services. GCHP is compliant with existing provider directory requirements including providing a current and continuously updated directory of

	provider listings will result in monetary penalties for plans. AB 236 will expand the oversight and compliance authority of the Department of Managed Health Care (DMHC). Fiscal impacts to the Managed Care Fund are unknown at this time.	Network Providers. Upon becoming Knox-Keene licensed, GCHP would need to build additional processes to routinely pull data on providers who have not been financially compensated in the prior year and remove those providers from the provider directory. *AB 236 is currently held in suspense in the Assembly Committee on Appropriations.*
AB 425 (Alvarez) Medi-Cal: Pharmacogenomic Testing	Although Medi-Cal covers biomarker testing, AB 425 would establish pharmacogenomic testing as a separate covered benefit under Medi-Cal and specify the conditions necessary to access this benefit including if a medication is being used or considered to treat a Medi-Cal beneficiary and is known clinically to have a gene-drug or drug-drug-gene reaction. By proactively employing evidence-based technologies to determine how an individual's genetics interact with certain medications, there is expected to be less harmful drug reactions.	GCHP will be required to cover pharmacogenomic testing, subject to utilization controls. Currently, all Medi-Cal beneficiaries have coverage for biomarker testing, which includes pharmacogenomics testing. This bill will ensure that pharmacogenomic testing is its own covered benefit under Medi-Cal. According to the California Health Benefits Review Program (CHBRP) analysis, the fiscal impact of this new benefit is between $17.6 million and $54.2 million (General Fund and federal funds) and there is expected to be significant cost offsets through less emergency room visits and hospital admissions. *AB 425 passed in the Assembly and has been referred to the Senate Committee on Rules for assignment.*

AB 586 (Calderon) Medi-Cal: Community Supports - Climate Change or Environmental Remediation Devices	AB 586 adds climate change or environmental remediation devices as an additional Community Support under the California Advancing and Innovating Medi-Cal (CalAIM) initiative. Examples of devices include air conditioners, electric heaters, and backup power sources. The fiscal impacts to seek federal approval and provide this community support is estimated to cost DHCS potentially millions of dollars.	The inclusion of climate change or environmental remediation devices provides GCHP with additional flexibility in offering Community Supports to members. Currently, GCHP offers environmental accessibility adaptations which include physical modifications such as stairlifts, ramps, and widened doorways to increase accessibility in the home. Through personal homemaker services, GCHP aids with daily living activities including bathing, feeding, and dressing for eligible members. Climate change remediation would further assist members and provide access to heating, cooling, air quality control, and generators to help during extreme weather and other climate occurrences. *AB 586 is currently held under submission in the Assembly Committee on Appropriations.*
AB 1085 (Maienschein) Medi-Cal: Housing Support Services	Within six months of completion of an independent network capacity study, this bill requires DHCS to seek federal approval to make housing support services a Medi-Cal benefit for Californians. If the study finds insufficient network adequacy, DHCS must provide recommendations for building capacity and a timeline for implementation.	GCHP currently offers: • Housing deposits which are one-time funding for security deposits, first month's utilities, and home health care equipment. • Housing tenancy and sustaining services which include education on money management and maintaining housing. • Housing transition navigation which encompasses assistance with identifying and acquiring housing. Additional federal funding for housing supports may increase

		funding streams available to GCHP to expand these services for at-risk members and ensure the complex needs of members are met. *AB 1085 passed in the Assembly and has been referred to the Senate Committee on Rules for assignment.*
AB 1338 (Petrie-Norris) Medi-Cal: Community Supports	AB 1338 requires DHCS to seek federal approval and add fitness, physical activity, recreational sports, and mental wellness memberships as an additional Community Support under the California Advancing and Innovating Medi-Cal (CalAIM) initiative that MCPs may elect and offer to members.	AB 1338 enhances other Community Supports that GCHP currently offers. GCHP provides medically supportive food for eligible members following hospitalization as well as personal homemaker services, which includes meal preparation and money management. This new Community Support will assist with whole-person health as well as reduce costs for members as memberships to fitness and mental wellness centers are typically costly. *AB 1338 is currently held under submission in the Assembly Committee on Appropriations.*
AB 1168 (Bennett) Emergency Medical Services: Prehospital EMS	AB 1168 creates protections, through the State Legislature, to allow a city or fire district to control, deliver and oversee prehospital emergency services regardless of whether the local entity previously signed a joint power agreement (JPA) with a county. The bill relates to the previous legal decision between the City of Oxnard v. County of Ventura (2021) where Oxnard was unable to administer its own	AB 1168 would overturn the prior decision in the City of Oxnard v. County of Ventura (2021), where the trial court and Court of Appeal ruled in favor of the County of Ventura. If the City of Oxnard and other cities were able to control prehospital emergency medical and ambulance services, proponents of the bill argue that marginalized communities within city borders will have greater access in a timely manner to prehospital EMS.

	prehospital emergency medical services within city borders after it signed a JPA with the County of Ventura. This bill will become operative under the condition that AB 716* is passed and takes effect by Jan. 1, 2024. **Note*: AB 716 prevents medical transportation service providers from charging enrollees directly for costs not paid by health plans and does not impact MCPs, as MCPs including GCHP cover ambulance and emergency transportation services.	Passage of AB 1168 may be beneficial to GCHP members who live in less affluent areas, experience a medical emergency, and need timely and effective ambulance and emergency services. *AB 1168 passed in the Assembly and has been referred to the Senate Committee on Rules for assignment.*

AB 719 (Boerner) Medi-Cal Benefits	AB 719 mandates DHCS to require MCPs to contract with public transit operators and create reimbursement rates for nonmedical medical transportation (NMT) and nonemergency medical transportation (NEMT) trips that are provided by a public transit operator. Medi-Cal covers medical and nonmedical transportation for eligible enrollees. NEMT is provided to Medi-Cal beneficiaries to access necessary services and benefits and when ordinary transport is "medically contraindicated." NMT is the transportation of Medi-Cal members to covered services through public or private transports. The purpose of this bill is to ensure that public transit operators who provide both NMT and NEMT are reimbursed by MCPs in a timely, efficient, and accurate manner for covered transportation services.	AB 719 will require GCHP and other Medi-Cal managed care plans to contract with transit agencies and reimburse agencies based on fee-for-service (FFS) Medi-Cal rates for NMT and NEMT services. Currently, GCHP provides both NMT and NEMT at no cost to members. If this bill passes, GCHP will be statutorily required to partner with transportation providers in Ventura County and costs to the plan for NEMT and NMT may increase, subject to utilization. This is one of the numerous legislative bills proposed during the current legislative session that is focused on mandating coverage and limiting cost-sharing. The overall fiscal impacts of AB 719 on Medi-Cal managed care plans and DHCS are unknown at this time but stringent on utilization. *AB 719 passed in the Assembly and has been referred to the Senate Committee on Rules for assignment.*

AB 55 (Rodriguez) Medi-Cal: Workforce Adjustment for Ground Ambulance	AB 55 establishes a "workforce adjustment" additional payment for ground ambulance providers that meet specified workforce standard requirements. These supplemental payments will ensure payment for ambulatory services are equivalent to 80% of the Medicare rate. Additionally, this bill would require DHCS to direct Medi-Cal plans to implement a value-based purchasing model that provides reimbursement for Network Providers that meet the workforce standard requirement and furnishes ambulance transport services.	If enacted, AB 55 would require GCHP to establish a value-based purchasing model in accordance with the specifications detailed by DHCS and administer the workforce adjustment payment for applicable providers. *AB 55 is currently held under submission in the Assembly Committee on Appropriations.*
SB 598 (Skinner) Health Care Coverage: Prior Authorization	SB 598 restricts a health care plan or insurer from requiring a contracted provider with at least 36 months of contracting history, to acquire prior authorization (PA) for covered services if the plan or insurer approved or would have approved a minimum of 90% of all PA requests in the last one-year contract period. The bill also creates standards for the PA exemption and outlines details for process, rescission, and appeal.	SB 598 will impact all plans that are regulated by DMHC and insurers that are overseen by the California Department of Insurance (CDI). MCPs are included in this bill but only to the extent permissive under federal law. This bill relates to the recent CMS proposed rule (87 FR 76238) that would require significant updates to prior authorization standards to ensure patient access to medically appropriate care. If enacted, SB 598 would require GCHP to align PA protocols with the revised state and federal requirements. GCHP will continue to monitor federal and state PA requirements as there continues to be an increased focus on streamlining the process for stakeholders.

		SB 598 passed in the Senate and has been referred to the Assembly Committee on Health.
SB 324 (Limón) Health Care Coverage: Endometriosis	SB 324 restricts a health plan, insurer, and the Medi-Cal program from mandating prior authorization or any pre-claim review for clinically necessary treatment for endometriosis, as determined by the treating physician and in par with evidence-based clinical procedures.	If enacted, GCHP will need to update current processes and guidelines to reflect coverage of these services without prior authorization. GCHP may incur increased costs as the removal of PA may lead to increased utilization of treatment for endometriosis and providers prescribing and/or administering endometriosis treatment. Exact numbers and costs are unspecified at this time; the fiscal impact of the bill on GCHP is subject to utilization. *SB 324 passed in the Senate and has been referred to the Assembly Committee on Health.*

A. Community Relations: Sponsorships

Through its sponsorship program, GCHP continues to support the efforts of community-based organizations in Ventura County to help Medi-Cal members and other vulnerable populations. The following organizations were awarded in May:

Organization	Description	Amount
Boys & Girls Club of Santa Clara Valley	The Boys and Girls Club of Santa Clara Valley serves to enable all young people to reach their full potential by fostering character and leadership development. The sponsorship will go toward the fundraising event “20th Annual Golf Classic.” Funds will be used to enhance their after-school care program, transportation services, and offer care during school recesses that directly benefits the youth of Santa Paula, Fillmore, and Piru.	$1,500

Organization	Description	Amount
Livingston Memorial Visiting Nurse Association & Hospice	Livingston Memorial Visiting Nurse Association & Hospice provides home health and hospice care services ensuring positive health outcomes. The sponsorship will help fund the "Soiree at the Ranch." Proceeds from the event will fund the programs and services that are offered at a reduced cost or no cost to under-insured or uninsured people in Ventura County.	$1,000
Kickers FC	Kickers FC is a youth soccer club in Oxnard gives young athletes an opportunity to develop their skills, build confidence, and compete at a high level. The sponsorship will support their soccer program, which provides financial assistance for families by purchasing the team's uniforms and paying any associated fees.	$1,000
TOTAL		**$3,500**

B. Community Relations: Community Meetings and Events

In May and June, the Community Relations team participated in various collaborative meetings and community events. The purpose of these events is to connect with our community partners and members to engage in dialogue about how to raise awareness about services for the most vulnerable Medi-Cal beneficiaries.

Organization	Description	Date
Laguna Vista Elementary **Open House**	The Open House is an event for parents / guardians to connect with the school and engage with community organizations. Participants learned about community resources that are available to them.	May 11, 2023
Moorpark High School **The Mental Health and Wellness Resource Fair**	The Mental Health and Wellness Resource Fair is for students, parents, and the community to learn about resources that are available to support their overall well-being.	May 12, 2023
City of Santa Paula **Santa Paula Social Services Coalition**	The Santa Paula Social Services Coalition connects the community to resources and focuses on networking, education, outreach, and community awareness	May 18, 2023

Organization	Description	Date
Simi Valley Youth Council and Simi Valley Unified School District's Tobacco Use Prevention Education (TUPE) program **Teen Wellness Night**	The TUPE program educates youth on the dangers of substance use, including alcohol, marijuana, and nicotine. The first Teen Wellness Night in Simi Valley included fun interactive booths that promoted teen wellness, including nutrition, physical fitness, and mental health. Various community organizations shared information and resources with participants.	May 19, 2023
Ventura County Behavioral Health, Ventura County Public Health, and Fillmore Unified School District Office **Fillmore Health and Wellness Fair**	The Third Annual Fillmore Health and Wellness Fair is a family event that provided participants with free workshops on mental and emotional well-being, pop-up vaccine clinic and health screenings, produce giveaways, and raffle prizes. Additionally, families were able to access community resources.	May 20, 2023
Indivisible Ventura **Swap Meet Justice Citizen & Family Resource Fair**	Swap Meet Justice at Oxnard College is a citizen and family resource fair. Various community organizations share resources and information with participants.	May 21, 2023
Many Mansions **You Matter Spring Resource Fair**	Many Mansions serves to provide homes and inspire hope through quality housing, services, and education. Various community organizations shared information and resources to participants in Thousand Oaks.	May 23, 2023
Fillmore Middle School **Wellness Resource Fair**	Fillmore Middle School hosted a Wellness Resource Fair for its students. It was a fun-filled event where students enjoyed a petting zoo and other entertainment, and learned about community resources and health-related information.	May 30, 2023
Ventura County Behavioral Health, Proyecto Esperanza, and Promotoras y Promotores Foundation **Metamorphosis: The Transformation of Women Toward their Inner Light**	Proyecto Esperanza and PyPF hosted their event in the city of Santa Paula. Keynote presenter, Dra. Dulce Lopez, presented on positive coping skills that can help individuals in their life journey towards self-empowerment, healing, and well-being. Various organizations provided resources and information that was focused on women's health and mental health.	May 30, 2023

Organization	Description	Date
Ventura County Public Health **Ventura County - Action on Smoking and Health (VC-ASH)**	Ventura County Action on Smoking and Health (VC-ASH) promotes the health and well-being of everyone in Ventura County. The coalition meets bi-monthly to mobilize a broad-based network of community organizations and committed individuals to reduce tobacco product use and exposure in Ventura County.	May 31, 2023
Oxnard Police Department **Outreach Coordinators meeting**	Community partners share resources, promote outreach events, and invite presenters to educate participants. The goal is to bring community awareness and resources to Ventura County residents.	June 7, 2023
Partnership for Safe Families **Strengthening Families Collaborative Meeting**	The Partnership for Safe Families & Communities of Ventura County is a collaborative non-profit organization providing inter-agency coordination, networking, advocacy, and public awareness. The collaborative meeting engages parents and community representatives to share resources, announcements, and community events.	June 7, 2023
One Step A La Vez **Circle of Care**	One Step A La Vez focuses on serving communities in the Santa Clara Valley by providing a safe environment for 13- to 19-year-olds and bridging the gaps of inequality while cultivating healthy individuals and community. Circle of Care is a monthly meeting with community leaders to share resources, network, and promote community events.	June 7, 2023
Cancer Support Community Valley / Ventura / Santa Barbara **2023 Hope Walk**	Cancer Support Community Valley / Ventura / Santa Barbara will host their 2023 Hope Walk in Thousand Oaks. The event provided families impacted by cancer with the resources on the prevention and treatment of cancer.	June 10, 2023
Juvenile Justice and Delinquency Prevention Commission **Teen & Transitional Age Youth Community Connect Resource Fair**	The Juvenile Justice and Delinquency Prevention Commission held its resource fair at Pacifica High School. Teens and their families learned about the various community resources that are available to them.	June 10, 2023
Total community meetings and events		**15**

C. Community Relations: Speakers Bureau

The purpose of the Speakers Bureau is to educate and inform the public, partners, and external groups about GCHP and its mission in the community. In May and June, GCHP participated in two presentations via the Speakers Bureau.

Name of Organization	Description	Date
Tri-Counties Regional Center Presentation	The Care Management team provided an overview of GCHP's Enhanced Care Management (ECM) benefits and Community Supports (CS) services that included information on populations of focus and the behavioral health benefit.	May 31, 2023
Mixteco Indigena Community Organizing Project (MICOP)	The Community Relations team provided an overview of GCHP's benefits and services and Medi-Cal updates, includes information about Medi-Cal renewals.	June 1, 2023

D. Community Relations: Medi-Cal Continuous Coverage Initiative

The Community Relations team has engaged in various activities to share information with the community about Medi-Cal renewals. The team informed community-based organizations to remind their clients to take action to keep their coverage by updating their contact information with Ventura County's Human Services Agency (HSA) and to check their mail for a yellow envelope for those who did not auto-renew. The team also provided warm handoffs to HSA's Assisters to help community members with renewal questions and / or renewal forms.

II. PLAN OPERATIONS

A. Membership

	VCMC	CLINICAS	CMH	DIGNITY	PCP-OTHER	KAISER	AHP	ADMIN MEMBERS	NOT ASSIGNED
May- 23	93,581	50,519	35,455	7,139	5,173	7,033	-	52,219	2,756
Apr- 23	92,784	50,025	35,300	7,076	5,141	7,002	-	51,721	3,152
Mar- 23	92,181	40,807	35,078	6,998	5,151	6,933	9,062	51,459	2,863

NOTE:
Unassigned members are those who have not been assigned to a Primary Care Provider (PCP) and have 30 days to choose one. If a member does not choose a PCP, GCHP will assign one to them.

Administrative Member Details

Category	May 2023
Total Administrative Members	52,219
Share of Cost (SOC)	623
Long-Term Care (LTC)	699
Breast and Cervical Cancer Treatment Program (BCCTP)	78
Hospice (REST-SVS)	25
Out of Area (Not in Ventura County)	669
Other Health Care Coverage	
DUALS (A, AB, ABD, AD, B, BD)	27,178
Commercial Other Health Insurance (OHI) (Removing Medicare, Medicare Retro Billing, and Null)	24,382

NOTE:
The total number of members will not add up to the total number of Administrative Members, as members can be represented in multiple boxes. For example, a member can be both Share of Cost and Out of Area. They would be counted in both boxes.

METHODOLOGY
Administrative members for this report were identified as anyone with active coverage with the benefit code ADM01. Additional criteria follows:

1. Share of Cost (SOC-AMT) > zeros
    a. AID Code is not 6G, 0P, 0R, 0E, 0U, H5, T1, T3, R1 or 5L
2. LTC members identified by AID codes 13, 23, and 63.
3. BCCTP members identified by AID codes 0M, 0N,0P, and 0W.

Hospice members identified by the flag (REST-SVS) with values of 900, 901

B. Provider Contracting Update:

Provider Network Contracting Initiatives

Provider Network Operations (PNO)

PNO is now updating the online provider directory weekly in accordance with APL 22-026, Interoperability and Patient Access Final Rule. Prior to this new requirement, PNO updated the online provider directory monthly. This was a significant change in the frequency for directory updates and required collaboration across multiple departments. This change results in GCHP members having access to a more up-to-date listing of contracted network providers.

PNO participated in the annual medical pre-audit preparations, where our most significant contributions involved providing evidence on our ability to meet provider access and availability standards, and conducting provider orientations and outreach.

The PNO Team conducted a Skilled Nursing Facility (SNF) readiness review. In Jan. 2023, DHCS required all MCPs to cover Long-Term Care (LTC) SNF for members. Prior to Jan. 1, 2023, the SNF benefit was only covered by County Organized Health System (COHS) and Coordinated Care Initiative (CCI) managed care plans. Although GCHP already covered the SNF benefit, DHCS required GCHP to participate in a review of SNF network readiness requirements. SNF readiness includes quarterly SNF monitoring reporting via authorizations and non-par agreements and being contracted with a minimum of 60% of the licensed SNFs in our service area of Ventura County. GCHP contracts with a majority of licensed SNFs in Ventura County.

Provider Network Developments: May 1-31, 2023

Provider Additions Fulfilling Network Gaps	Count
Cardiologist	3
Podiatrist	1
Rheumatologist	1
Orthopedic Surgeon	1
Vascular Surgeons	2
Colon Cancer Screening Lab	1
Hospitalist Group	1
American Indian Health & Service Group	1

Additional Network Developments:

- Additions: 129
- Terminations: 11

Note: The majority of providers were hospital-based, tertiary and ancillary providers; no significant impact to the network.

GCHP Provider Network Additions and Total Counts by Provider Type			
Provider Type	**Network Additions**		**Total Counts**
	Mar-23	**Apr-23**	
Hospitals:	**0**	**0**	**25**
Acute Care	0	0	19
Long-Term Acute Care (LTAC)	0	0	1
Tertiary	0	0	5
Providers:	**37**	**29**	**5,393**
Primary Care Providers (PCPs) & Mid-levels	6	6	463
Specialists	31	23	4,763
Hospitalists	0	0	167
Ancillary:	**17**	**23**	**992**
Ambulatory Surgery Center (ASC)	0	0	7
Community-Based Adult Services (CBAS)	0	0	14
Durable Medical Equipment (DME)	0	1	93
Home Health	0	0	25
Hospice	0	0	22
Laboratory	0	0	40
Optometry	1	0	93
Occupational Therapy (OT) / Physical Therapy (PT) / Speech Therapy (ST)	0	2	141
Radiology / Imaging	0	0	60
Skilled Nursing Facility (SNF) / Long-Term Care (LTC) / Congregate Living Facility (CLF) / Intermediate Care Facility (ICF)	0	0	82
Behavioral Health	16	20	415

C. Delegation Oversight

Delegation Oversight

GCHP is contractually required to perform oversight of all functions delegated through subcontracting arrangements. Oversight includes, but is not limited to:

- Monitoring / reviewing routine submissions from subcontractor.
- Conducting onsite audits.
- Issuing a Corrective Action Plan (CAP) when deficiencies are identified.

**Ongoing monitoring denotes the delegate is not making progress on a CAP issued and/or audit results were unsatisfactory and GCHP is required to monitor the delegate closely as it is a risk to GCHP when delegates are unable to comply.*

Compliance will continue to monitor all CAPs. GCHP's goal is to ensure compliance is achieved and sustained by its delegates. It is a DHCS requirement for GCHP to hold all delegates accountable. The oversight activities conducted by GCHP are evaluated during the annual DHCS medical audit. DHCS auditors review GCHP's policies and procedures, audit tools, audit methodology, and audits conducted, and corrective action plans issued by GCHP during the audit period. DHCS continues to emphasize the high level of responsibility plans have in the oversight of their delegates.

The following table includes audits and CAPs that are open and closed. Closed audits are removed after they are reported to the Commission. The table reflects changes in activity through May 31, 2023.

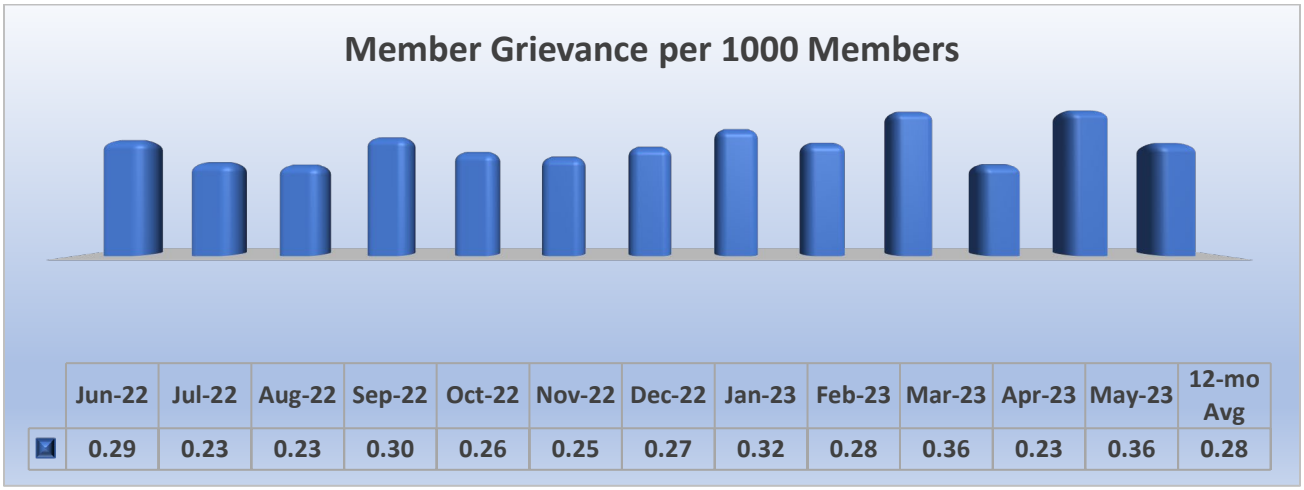
Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Carelon	2022 Annual Claims Audit	Open	6/22/2022	Under CAP	
Carelon	2023 Claims Audit	Open	5/11/2022	Under CAP	
Carelon	Quarterly Utilization Management Audit	Closed	N/A	N/A	
Carelon	Annual UM, QI, C&L, G&A Audit	Scheduled	N/A	N/A	
CDCR	Annual Utilization Management Audit	In progress	N/A	N/A	
CDCR	Quarterly Utilization Management Audit	Open	3/13/2023	Under CAP	
CDCR	2022 Annual Claims Audit	Open	5/5/2023	Under CAP	

Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
CDCR	2023 Annual UM, QI, C&L, G&A Audit	Scheduled	N/A	N/A	
CDCR	2023 Annual Call Center Audit	In progress	N/A	N/A	
City of Hope	2023 Annual Credentialing and Recredentialing Audit	Scheduled	N/A	N/A	
Conduent	2017 Annual Claims Audit	Open	12/28/2017	Under CAP	Issue will not be resolved until new claims platform conversion
Conduent	2022 Annual Claims Audit	Open	8/31/2022	Under CAP	
UCLA Medical Group	2023 Focused Credentialing and Recredentialing Audit	In progress	N/A	N/A	
USC Care Medical Group	2023 Annual Credentialing and Recredentialing Audit	Closed	N/A	N/A	Audit Completed – No Findings
VSP	2022 Annual Claims Audit	Open	12/7/2022	Under CAP	
VSP	2023 Annual QI, C&L Audit	Scheduled	N/A	N/A	
VTS	2023 Annual Call Center Audit	Open	5/31/2023	Under CAP	
VTS	2023 Quarterly Audit – Credentialing and Subcontracting	Open	5/11/2023	Under CAP	

Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
VTS	2022 Annual NMT/NEMT Audit	Open	11/17/2022	Under CAP	
VTS	2022 Call Center Audit	Open	5/26/2022	Under CAP	
VTS	2022 Call Center Focused Audit	Open	10/27/2022	Under CAP	
VTS	NMT Scheduling Grievances CAP	Open	5/6/2022	Under CAP	
VTS	Subcontracting CAP	Open	7/22/2022	Under CAP	
Privacy & Security CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
N/A	N/A	N/A	N/A	N/A	
Operational CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
Conduent	IKA Inventory, KWIK Queue, APL 21-002	Open	4/28/2021	N/A	IKA Inventory and KWIK Queue Findings Closed
Conduent	Sept. 23, 2021 CAP	Open	9/23/2021	N/A	
Conduent	Oct. 2021 CAPs	Open	11/22/2021	N/A	
Conduent	Nov. 2021 SLA	Open	1/28/2022	N/A	
Conduent	Jan. 2021 Contract Deficiencies	Open	2/4/2022	N/A	

Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	Dec. 2021 Contract Deficiencies	Open	2/11/2022	N/A	
Conduent	March 2022 SLA Deficiencies & Findings	Open	3/11/2022	N/A	
Conduent	Jan. 2022 SLA CAP	Open	3/25/2022	N/A	
Conduent	Feb. 2022 SLA CAP	Open	4/15/2022	N/A	
Conduent	March 2022 SLA CAP	Open	6/17/2022	N/A	

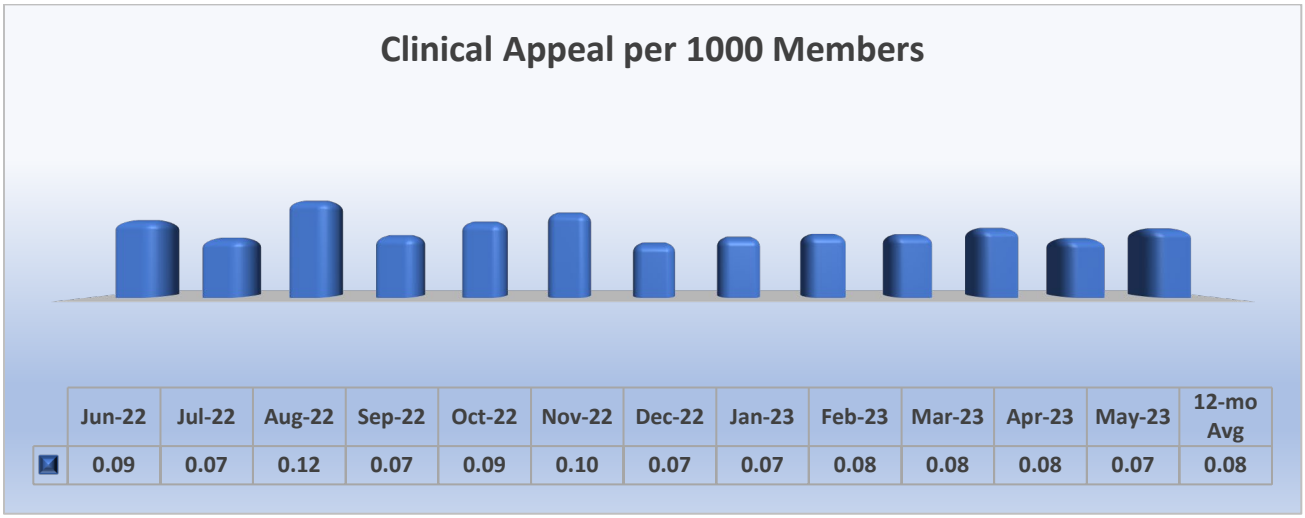
D. GRIEVANCE AND APPEALS



Member Grievances per 1,000 Members

The data show GCHP's volume of grievances has increased. In May, GCHP received 70 member grievances. Overall, the volume is still relatively low, compared to the number of enrolled members. The 12-month average of enrolled members is 246,443, with an average annual grievance rate of .28 grievances per 1,000 members.

In May 2023, the top reason reported was “Quality of Care,” which is related to member concerns about the care they received from their providers.



	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	12-mo Avg
	0.09	0.07	0.12	0.07	0.09	0.10	0.07	0.07	0.08	0.08	0.08	0.07	0.08

Clinical Appeals per 1,000 Members

The data comparison volume is based on the 12-month average of .08 appeals per 1,000 members.

In May 2023, GCHP received 18 clinical appeals:

1. Six were overturned
2. Eight were upheld
3. One was withdrawn
4. Three were in progress

RECOMMENDATION:

Receive and File

AGENDA ITEM NO. 9

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Felix L. Nuñez, MD, MPH, Chief Medical Officer

DATE: June 26, 2023

SUBJECT: Chief Medical Officer (CMO) Report

COVID-19

As of May 12, 2023 the state Department of Health Care Services (DHCS) formally notified health plans of statutory changes related to the end of the COVID-19 Public Health Emergency (PHE). The state has alerted plans that statutory flexibilities under Section 1135 waivers expired effective end of day May 11, 2023. These changes will affect state fair hearing processes, member enrollment, provider enrollment, prior authorizations, provision of care in alternative settings, hospital capacity flexibility, telehealth payment parity, encounter data validation functions, and pharmacy authorizations. Gold Coast Health Plan (GCHP) staff are fully informed of these changes and have worked to mitigate disruptions to our members and provider networks. In addition, the state COVID-19 Uninsured Group program that provided uninsured individuals with coverage for COVID-19 vaccines, testing, and treatment expired May 31, 2023. The end of this program will not affect our members directly.

While COVID-19 will no longer be classified as a PHE there is ongoing guidance related to management of ongoing transmission of this viral infection. To this end the state has designed and implemented the California SMARTER Plan which will retain preparedness standards and support communities statewide. The following services related to COVID-19 will continue under provisions of the American Rescue Plan (ARPA):

- **No-Cost Coverage for COVID-19 Vaccines, Testing, and Treatment for Medi-Cal Members**: Medicaid is required to cover COVID-19 vaccines, testing, and treatment with no cost-sharing for members through the end of the ARPA coverage period on September 30, 2024. DHCS is electing to permanently extend coverage for COVID-19 vaccines, testing, and treatment beyond the ARPA coverage period.
- **Enhanced Federal Match for COVID-19 Vaccines and Vaccine Administration**: States receive 100 percent federal matching funds for the coverage of vaccines and vaccine administration, as enacted by ARPA. These matching funds also end on September 30, 2024. As described above, Medi-Cal will continue to cover COVID-19 vaccines.

Pharmacy Services Update

GCHP pharmacy staff continue to assist our members and network providers with pharmacy benefit changes related to the reinstatement of prior authorizations (PAs) for some medications covered under the Medi-Cal Rx, the state pharmacy benefit provider. As a reminder on February 24, 2023, the DHCS completed the reinstatement for some new start medications for all therapeutic drug classes except for enteral nutrition and excluding beneficiaries 21 years of age or younger at this time.

GCHP Pharmacy Services Department also completed and submitted the Federal Fiscal Year (FFY) 2022 Medicaid Managed Care (MMC) Drug Utilization Review (DUR) Annual Abbreviated Survey to DHCS in a timely manner by June 1, 2023.

Medi-Cal Rx Reinstatement Resources:

Medi-Cal Rx Reinstatement (select **Medi-Cal Rx Reinstatement** from the menu)

30-Day Countdown – Phase III, Lift 3: Retirement of the Transition Policy for Beneficiaries 22 Years of Age and Older

30-Day Countdown – Phase III, Lift 4: Retirement of the Transition Policy for Beneficiaries 22 Years of Age and Older

Extended Duration Prior Authorizations for Maintenance Medications

Member Incentive Programs

Throughout 2023, the Quality Improvement (QI) Team plans to continue to expand the member incentive program by adding new incentives and expanding the point-of-care (POC) gift card program in collaboration with additional clinics. Planning is in process for a lead screening member incentive to launch in late May 2023 as well as a POC partnership with the Community Memorial Hospital (CMH) Breast Center for the breast cancer screening member incentive. Additionally, the well-child POC incentive is planned for expansion to five more clinics including a location that holds Saturday clinics for well-child visits only.

Under the leadership of the Population Health Management Team, a pilot program that will enable GCHP to align incentives for members, using behavioral science and behavioral economics, will be launched. Wellth, the contracted vendor, looks holistically at members' (not individual conditions) health needs in their care journey and ensures members can earn rewards and incentives for building health behaviors that lead to long term improved health outcomes. This includes daily behaviors such as taking medications, choosing healthy meals, checking blood glucose or blood pressure, as well as one-time annual actions (getting HbA1c checked, annual wellness visits, etc.) and completing data collection tools (health risk assessment, social determinants of health challenge screeners, race/ethnicity data collection).

Through coordinated and collaborative programs that engage members, our local clinic systems, and behavioral economics partners, GCHP seeks to align incentives through synergistic strategies to improve member health and measure performance.

Managed Care Accountability Set (MCAS) Measurement Year (MY) 2022: Update

Quality Improvement staff are this month completing all final data submissions to the state and National Committee for Quality Assurance (NCQA) for the Managed Care Accountability Set (MCAS) Measurement Year (MY) 2022 rates. This process, which began in January 2023 and has involved significant investments of resources, will be completed upon the Health Effectiveness Data and Information Set (HEDIS) Compliance Auditor approval of GCHP's rates, required on June 15, 2023. Preliminary rates reported at the May 22, 2023 Commission Meeting are expected to be finalized by the auditor Health Services Advisory Group (HSAG).

Summary performance of the 15 measures held to Minimum Performance (MPL) includes the following highlights:

- 11 measures performed at or above the DHCS MPL (50th Percentile)
  - All 8 hybrid measures met MPL
  - 4 admin measures below MPL
- 8 measures improved compared to MY 2021
  - 4 measures increased in percentile performance (for example, from 25th to 50th)
- Strong rate improvement was noted in the following measures:
  - Controlling Blood Pressure (+4.38%)
  - Hemoglobin A1c Control for Patients with Diabetes (-3.89%) (lower is better)
  - Breast Cancer Screening (+3.22%, representing an additional 1,088 members receiving a mammogram to screen for cancer compared to MY 2021)
  - Child and Adolescent Well Care Visits (+8.39%)
  - Well-Child Visits First 15 Months (+26.26%)
  - Well-Child Visits 15-30 Months (+7.74%, representing an additional 323 children who received well-care visits compared to MY 2021)

Performance was below MPL for the following measures, which will continue to be the focus of quality improvement interventions and provider collaboration for MY 2023:

- Chlamydia Screening in Women
- Follow-Up After ED Visit for Mental Illness
- Child and Adolescent Well Care Visits
- Well-Child Visits First 15 Months

Managed Care Accountability Set (MCAS) Measurement Year (MY) 2023: Update

Work on improving our data aggregation and analytics capabilities has continued and will be designed to complement enterprise-wide efforts to accelerate the improvement of our quality scores for the current year. Member incentives, provider incentives, organizational

awareness, network awareness of quality objectives through provider education and training, will continue into the current measurement year (MY 2023). In MY 2023, MCAS includes a total of 42 measures, with 18 held to Minimum Performance Level (MPL) versus 15 measures held to MPL in MY 2022. New measures held to MPL include Developmental Screening in the First Three Years of Life, Topical Fluoride for Children, and Asthma Medication Ratio (added back to MPL measure set).

NCQA Health Plan Accreditation

GCHP remains on track to achieve NCQA Health Plan Accreditation (HPA) and Health Equity Accreditation (HEA) by January 2026, with a target survey submission to NCQA in June 2025. The HPA final assessment report and workplan was delivered by The Mihalik Group (TMG), NCQA consultant, in January 2023, and the HEA final gap assessment report and workplan was delivered in April 2023. These deliverables will drive the remediation work for the NCQA project team and workgroups. The initial baseline compliance score and progress with remediated factors is detailed in the table below.

Accreditation	Standards Description	Baseline Score*	Total Factors	Remediated Factors**	Remaining Factors
Health Plan Accreditation (HPA)	Credentialing and Re-credentialing	68.42%	72	13	59
	Quality Improvement	50.00%	63	4	59
	Utilization Management	45.00%	191	2	189
	Network Management	28.00%	83	1	82
	Member Experience	20.83%	92	0	92
	Population Health Management	21.74%	99	7	92
Health Equity Accreditation (HEA)	Health Equity	11.11%	83	2	81

* Meet at least 80% of applicable points in each standards category.
** As of 06/02/2023

The NCQA project team and workgroups, in collaboration with The Mihalik Group, will continue to work together to remediate identified gaps within the workplan timeline and address critical risks. Identified critical risks at this time include member and provider portals, Health Risk Assessment implementation, Medical Management System conversion, and resource constraints. The NCQA project team is working closely with leadership and the technical and IT stakeholders on risk minimization.

Medical Management System

Health Services staff continued to collaborate in the design and configuration of the selected medical management system, TruCare. This medical management system was selected to replace the current system and the transition is planned for July of 2024. This system will interface with the new core administrative system Health Edge. This implementation and integration of both TruCare and Health Edge along with additional system enhancements are pivotal to achieving organizational development, advancing operational capabilities in the areas of utilization management and care management.

AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Chief Diversity Officer

DATE: June 26, 2023

SUBJECT: Chief Diversity Officer (CDO) Report

Actions:

- **Community Relations**

1. Participate in Minority Scholars Program at California Lutheran (On going)
2. Continue to participate in ACAP planning sessions with focus on mentoring. Meet with the assigned mentee once monthly.
3. Attend as many state meetings on Health Equity and Diversity (Preparing documents to meet State request). Investigating the requirements if the Health Equity Officer position that have to be filled, per state requirements, by January 2024.
4. Provided support for the June 17th Juneteenth celebration in Oxnard. It would be nice to have participation from some of the Commissioners.

- **Case Investigations**

a. No current Diversity related cases that had gone external. Conducted two (2) internal investigations during the Month of April and May. Actions were taken to rectify concerns.

- **Diversity Activities**

Received thirteen (13) calls from employees during April/May with the following subject-matters:

1. Career council. (4)
2. Job opportunities (3)
3. Community involvement (2)
4. Management Concerns (4)

Other GCHP Activities:

1. Bi-weekly 1x1's with CEO Nick Liguori continuing.
2. Continue to hold DEI meetings over the past few months.
3. Currently recognizing Gay Pride Month.
4. Participated in interviews of several key candidates for jobs at GCHP.
5. Currently mentoring three (3) GCHP employees.
6. Working with HR to define specifics of the Health Equity position.

Juneteenth Celebration.pdf