Gold Coast Health Plan℠
A Public Entity

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

Executive Finance Committee

Special Meeting
Monday, May 15, 2023 – 1:00 p.m.
711 E Daily Drive, Camarillo
Community Room

Members of the public can participate using the Conference Call Number below.

Conference Call Number: 805-324-7279
Conference ID Number: 459 045 246 #

Adventist Health Simi Valley
2975 N. Sycamore Dr.
Simi Valley, CA. 93065

Clinicas del Camino Real Inc.
1040 Flynn Rd.
Camarillo, CA 93012

Community Memorial Health System
147 N. Brent St.
Ventura, CA 93003

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

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

Persons wishing to address VCMMCC 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.

Members of the public may attend the meeting in person, call in, using the numbers above, or can submit public comments to the 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 Executive Finance Committee special meeting minutes of February 23, 2023.

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

FORMAL ACTION

2. Discussion of 2023/2024 Budget

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Staff requests the Executive Finance Committee provide direction.

ADJOURNMENT

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 Board.

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 Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

TO: Executive Finance Committee

FROM: Maddie Gutierrez, MMC -Clerk of the Board

DATE: May 15, 2023

SUBJECT: Executive Finance Committee Special Meeting Minutes of February 23, 2023.

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

Copies of the Executive Finance Committee special meeting minutes of February 23, 2023.

Ventura County Medi-Cal Managed Care Commission (VCMMCC)
Executive/Finance Committee
Special Meeting via Teleconference

February 23, 2023

CALL TO ORDER

Committee Chair Dee Pupa called the meeting to order at 3:03 p.m. The meeting was held in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

ROLL CALL

Present: Commissioner Dee Pupa, attended in person. Commissioners Anwar Abbas, Laura Espinosa, and Jennifer Swenson attended the meeting remotely..

Absent: Commissioners James Corwin and Jennifer Swenson.

GCHP Staff in attendance: CEO Nick Liguori, CIO Alan Torres, CCO Robert Franco, CMO Felix Nunez, M.D., CDO Ted Bagley, Michael Murguia, Exec. Director of Human Resources, Marlen Torres, Exec. Director of Strategy & External Affairs, Anna Sproule, Exec. Director of Operations, Bob Bushey, Susana Enriquez-Euyoque, Jaime Louwerens, and General Counsel, Scott Campbell.

Guests: Matthew Francis – HealthEdge, Rob Renzi – HealthEdge, and Rob A - HealthEdge

PUBLIC COMMENT

None.

CONSENT

1. Approval of Executive Finance Committee special meeting minutes of January 19, 2023.

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

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

AYES: Commissioners Anwar Abbas, Laura Espinosa, and Dee Pupa

NOES: None.

ABSENT: Commissioners James Corwin, and Jennifer Swenson.

The clerk declared the motion carried.

FORMAL ACTION

2. Contract Approval – Claims Processing Software

Staff: Alan Torres, Chief Information Officer

RECOMMENDATION: It is the Plan's recommendation that the Executive Finance Committee recommend that the Commission waive all irregularities in HealthEdge's proposal and authorize the CEO to execute a contract with HealthEdge Software Inc., subject to non-material terms to be agreed upon and acceptable to the CEO and General Counsel. The term of the contract will be 16 months of implementation and 6 years of production commencing March 1, 2023, and expiring on June 30, 2030, for an amount not to exceed $19.5M.

Chief Information Officer, Alan Torres, gave a summary. He reviewed what the Core Administrative System is. He noted that it is the central point technology for claims processing, provider payments and member eligibility. CIO Torres also review the primary goal of procurement process for the core administrative system and stated GCHP evaluated the current and future needs.

CIO Torres stated the RFP process was thorough. There were fourteen vendors identified, we received 6 bids, and 4 bidders along with the incumbent were invited to present a demo with capability/implementation evaluation. They were scored on qualitative and quantitative analysis. HealthEdge was rated #1 in the healthcare industry. CIO Torres stated a detailed and comprehensive implementation plan has been structured and negotiated.

Mr. Torres also noted the platform ensures no hinderance and is NCQA accredited. It is a good platform for the future. The cost is 26% better in pricing and 33% better than today's incumbent. CIO Torres reviewed the top 3 bids. He stated HealthEdge has a significant value and is in a good position for the future.

General Counsel, Scott Campbell noted there was no protest or objection and the organization can go forward. Mr. Campbell noted that CEO Liguori and Anna Sproule, Exec. Director of Operations traveled and met with Conduent to explain why the organization was not going to continue with them. They had a good meeting, and it was favorable on all sides.

Commissioner Espinosa acknowledged the great work and strategy.

Commissioner Pupa motioned to approve Contract Approval for the Claims Processing Software. Commissioner Espinosa seconded the motion.

AYES: Commissioners Anwar Abbas, Laura Espinosa, and Dee Pupa.

NOES: None.

ABSENT: Commissioners James Corwin, and Jennifer Swenson.

The clerk declared the motion carried.

ADJOURNMENT

General Counsel, Scott Campbell, noted there is a regular Exec. Finance meeting scheduled for March 23, 2023. There is nothing pending at this time and there will not be any contracts ready to present. GCHP would like direction on whether to cancel the March 23, 2023, meeting. Commissioner Pupa recommended cancellation of the regular 3/23/2023 Exec. Finance Committee meeting. Commissioners Abbas and Espinosa agreed with the recommendation.

The meeting was adjourned at 3:17 p.m.

Approved:

_____
Maddie Gutierrez, MMC
Clerk to the Commission

The Way Forward

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

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

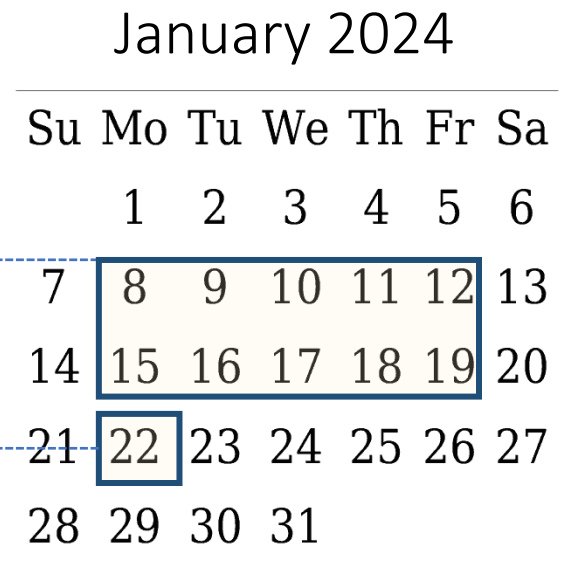
May 2023

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.

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

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 FY2022-23 Budget Investments

FY2022-23 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).

Building a High-Quality Health Plan

Return to Agenda

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.

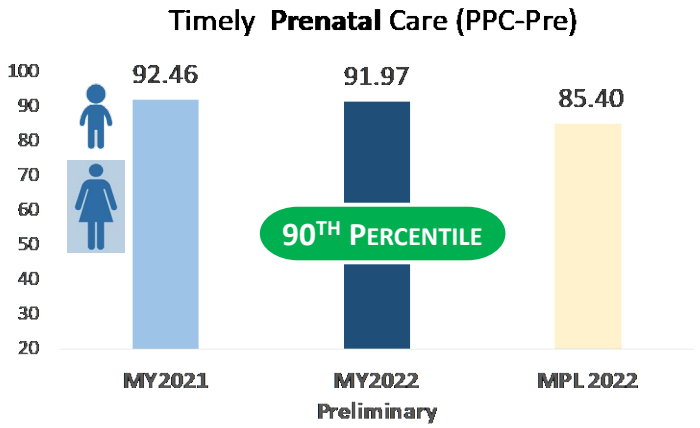
We must maintain the momentum and pace of development and the level of investments, and we should strive to innovate (not just being good at the basics, but new and improved capabilities.

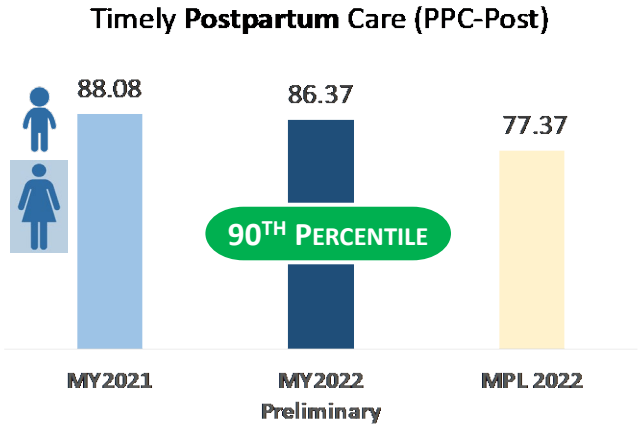
- ✓ The following slides illustrate our impact on Quality performance in the first year of a multiyear plan to achieve sustained best-in-class Quality results.
- ✓ These charts span the measures of the managed care accountability set, which is the Department of Health Care Services' (DHCS) principal 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).

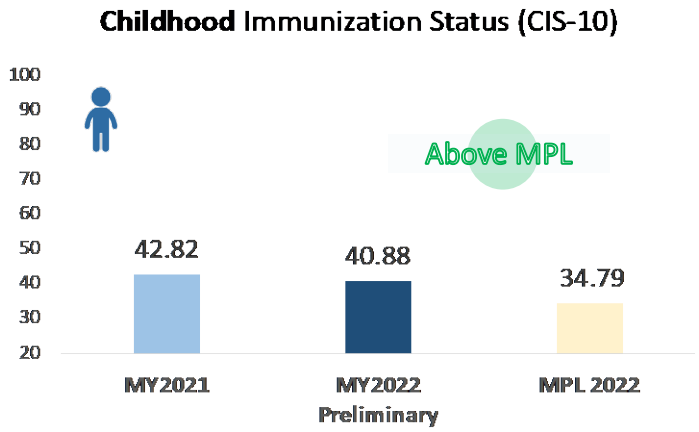
Building a Quality Foundation – MY 2022

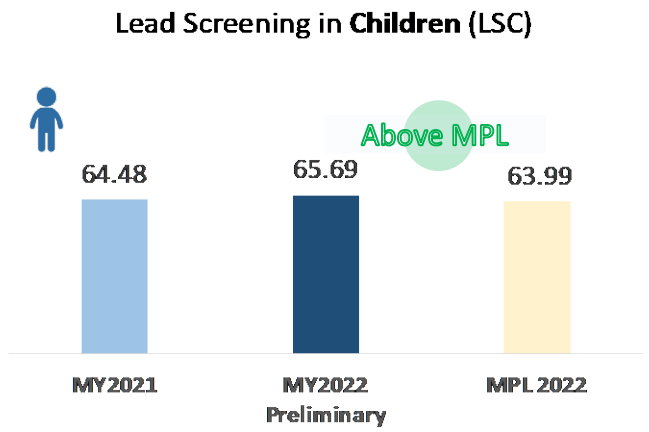
- **Hybrid Measures** combine claims/encounters with data abstracted from member records
- EHR/Records are material to full capture of care
- All better than MPL (50th percentile); 3 in 75-90th; scores are finalized next month and can increase
- Aim for MY 2023 is to achieve 75-90th percentile for all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

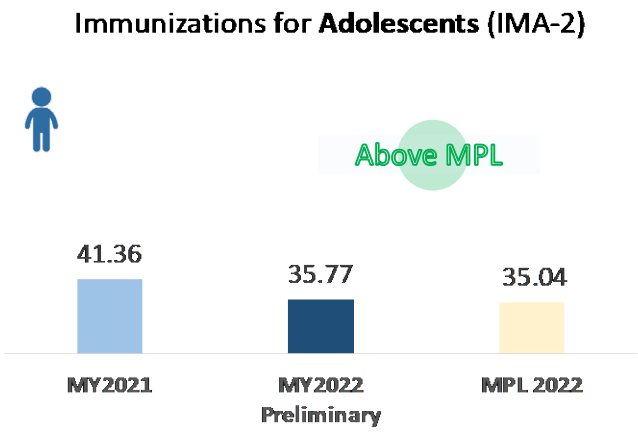
– *Hybrid Measures* –

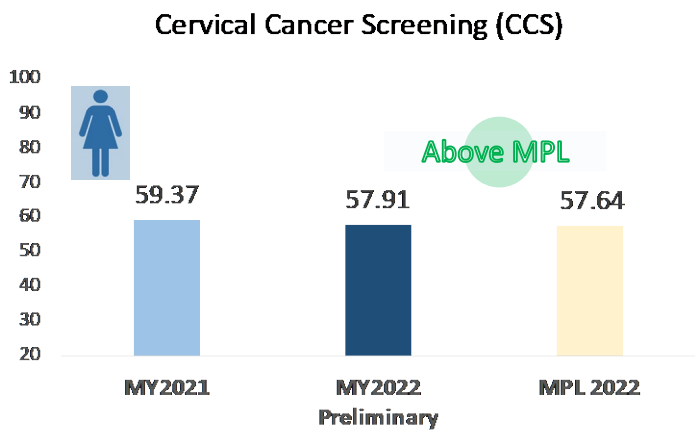


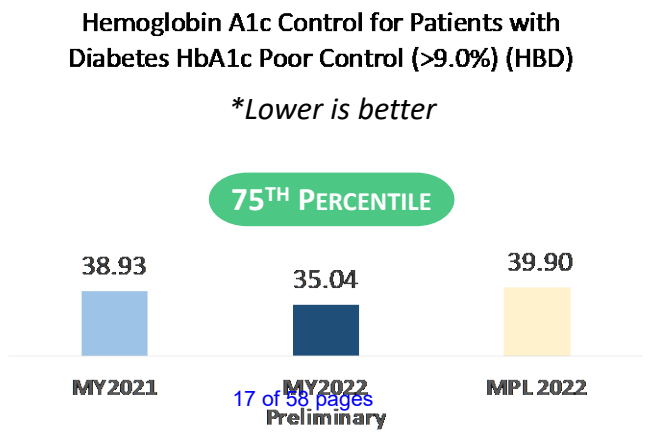


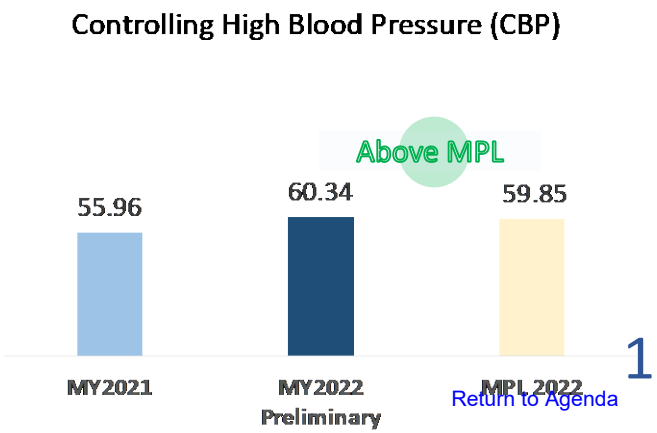












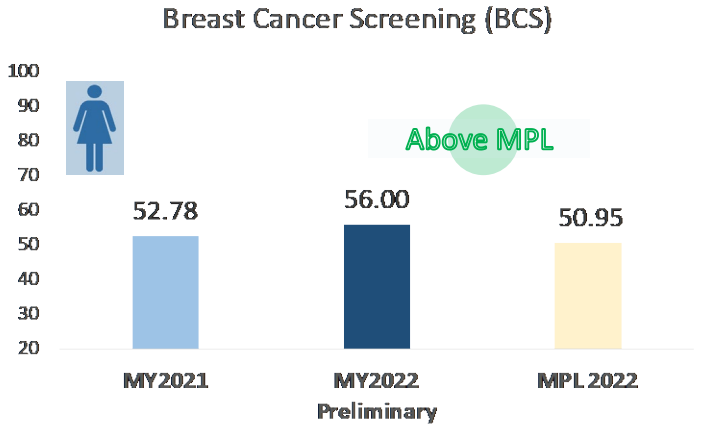
Building a Quality Foundation – MY 2022

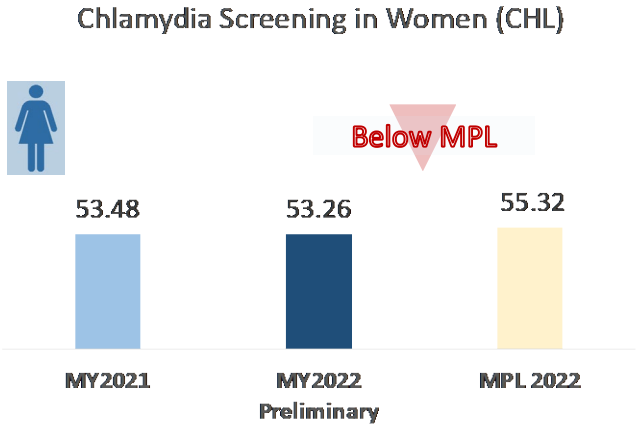
- **Administrative Measures** depend on claims/encounters submitted by providers
- Complete and timely encounters are essential
- 5 of 7 improved; 3 of 7 above MPL
- Aim for MY 2023 is to achieve 50th percentile for all Administrative measures; Care access/availability is key

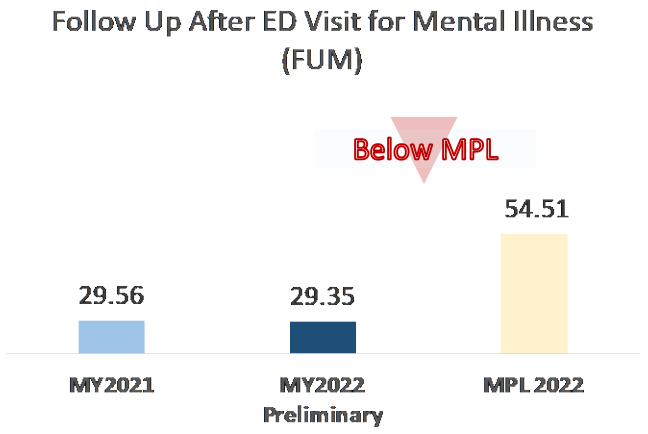
– *Administrative Measures* –

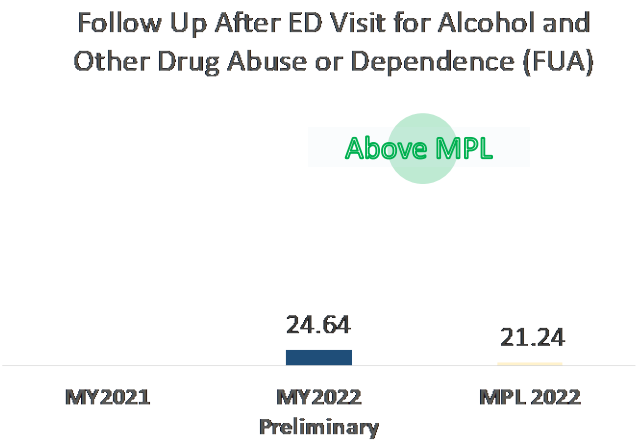
Continuous Quality Improvement

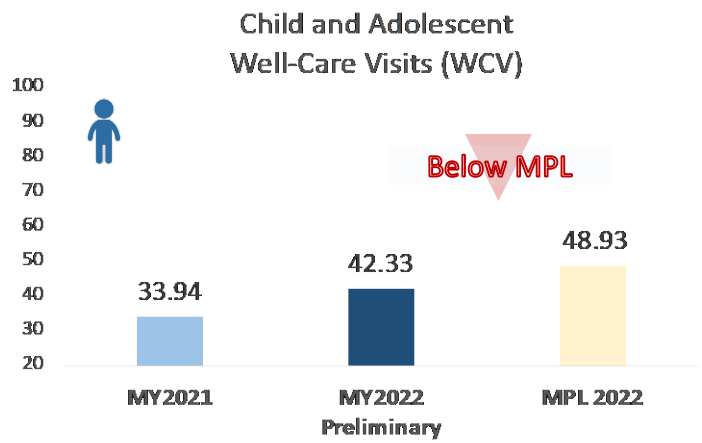
- Data operations
- Member engagement
- Provider Incentives
- Joint Plan-Provider Ops

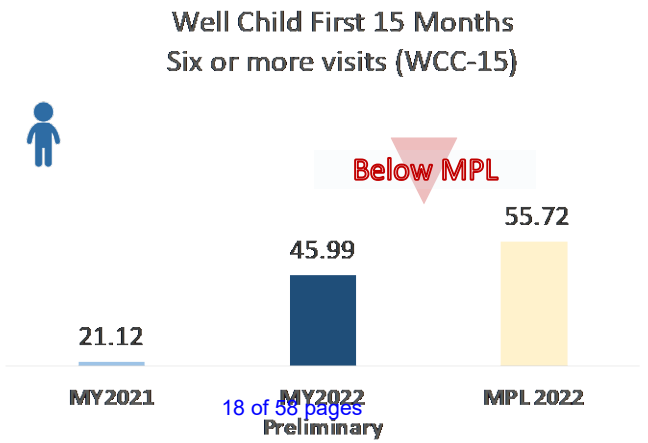


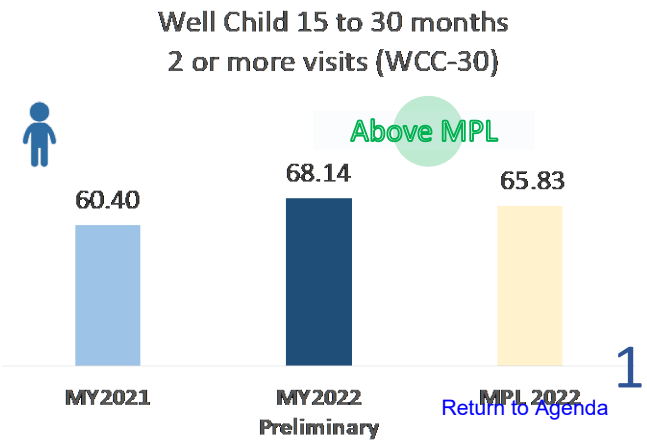












Operations of the Future

Operations of the Future – Current Progress

This is how our investment added value to our organization

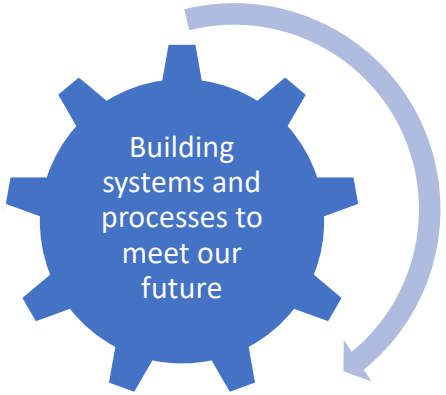
Building a high performing IT organization via People, Process, and Technology which will allow us to modernize and transform Operations….

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

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



Operations of the Future

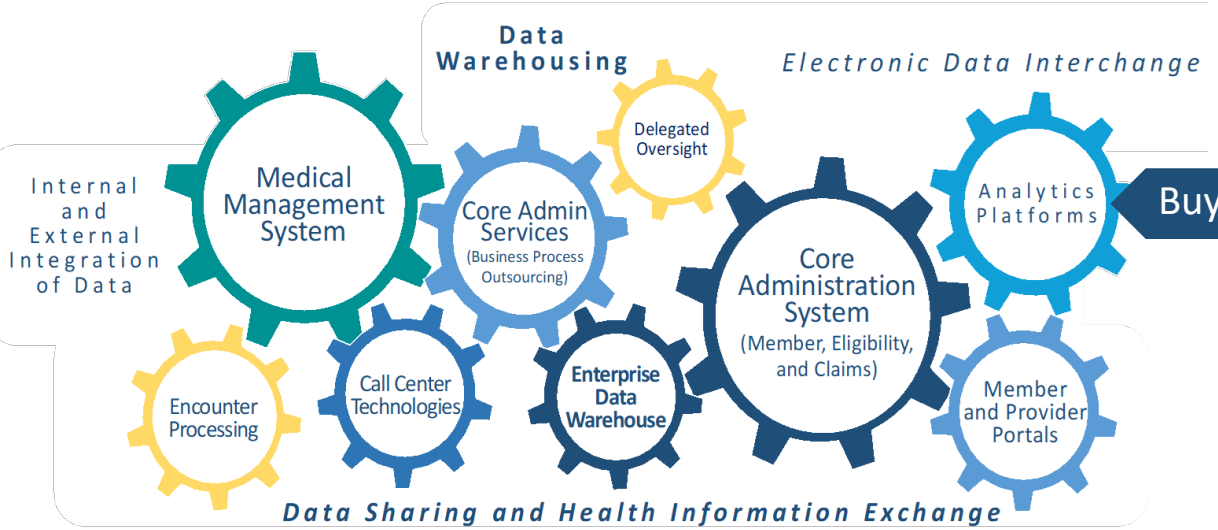
"…think of the difference between tactical and strategic oversight as the difference between doing things right and doing the right things. Both are required." - Bruce Schneier

- 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.

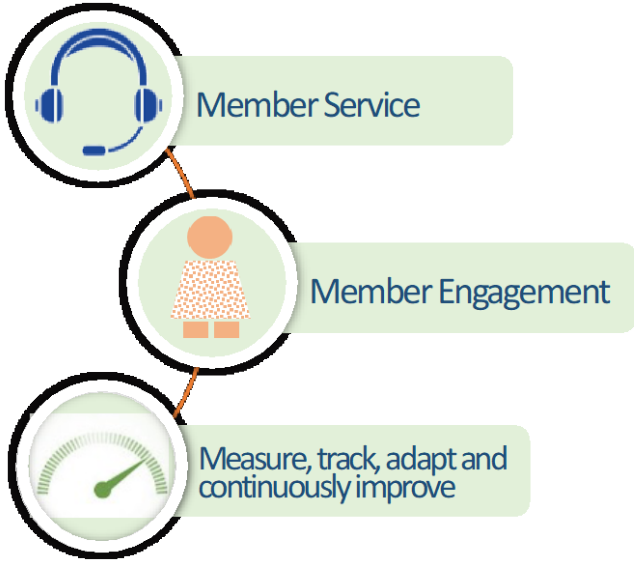
Commission Approved Plan for Procurement



Commission Approved Plan for Internal Capabilities

Buy and Operate

Build and Own

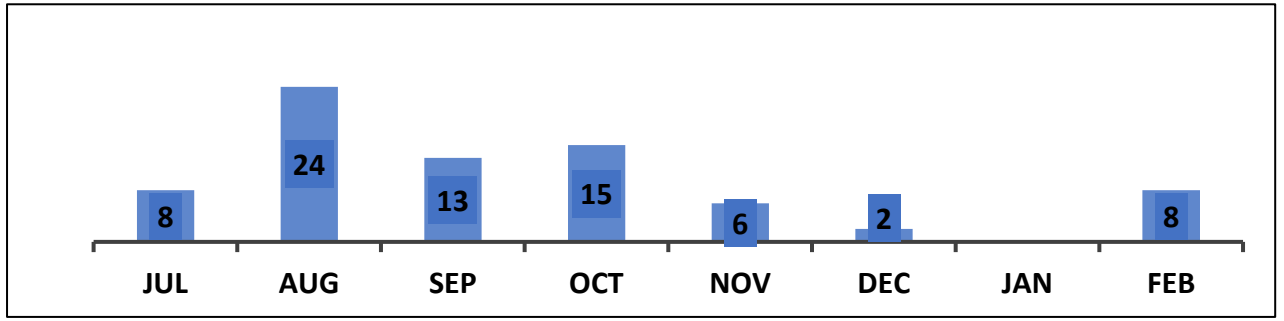


Organization of the Future

Organization of the Future

Upgraded Our Recruiting Strategy And We Delivered Excellent Results!

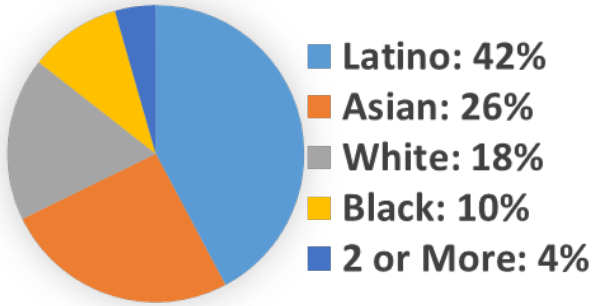
- All Budgeted HC opened in **30 days**
- **90%** Headcount of filled in six months
- Average days to fill **74 days**
- Strengthen Industry Experience
- **29%** of hires Employee Referral Program
- Lowered Search Firm Reliance **(6 hires)**
- Employees engaged – remained **95%** staffed **(Current attrition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



Teamwork and Partnership

Ensured diversity:
64% Females 36% Males

New Hire Diversity



EXPEDITION GOLD

$1,500 for all referred hires

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

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

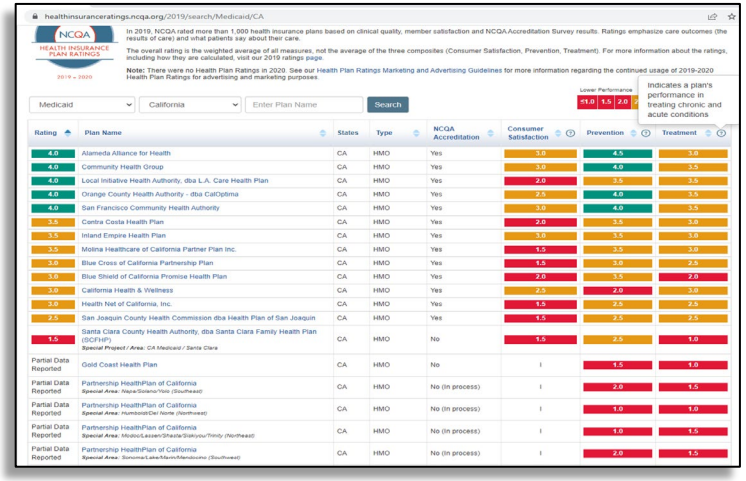
"Organization of the Future:" Developing High Performing Leadership

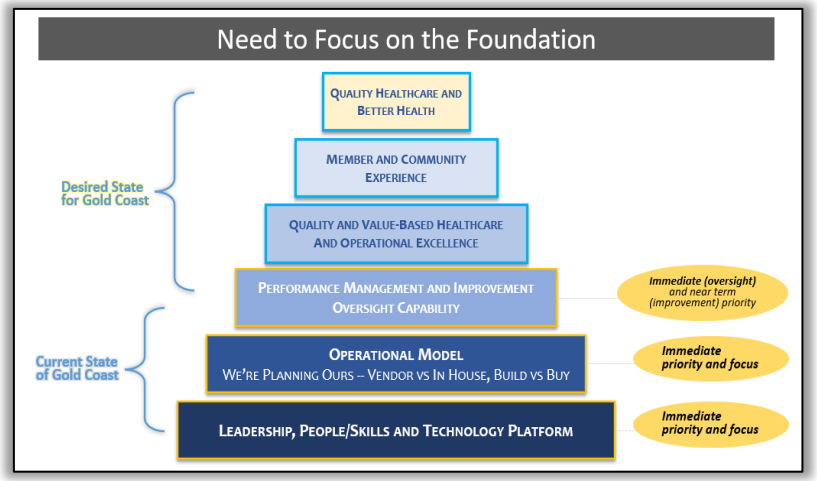
1st Half of 2022

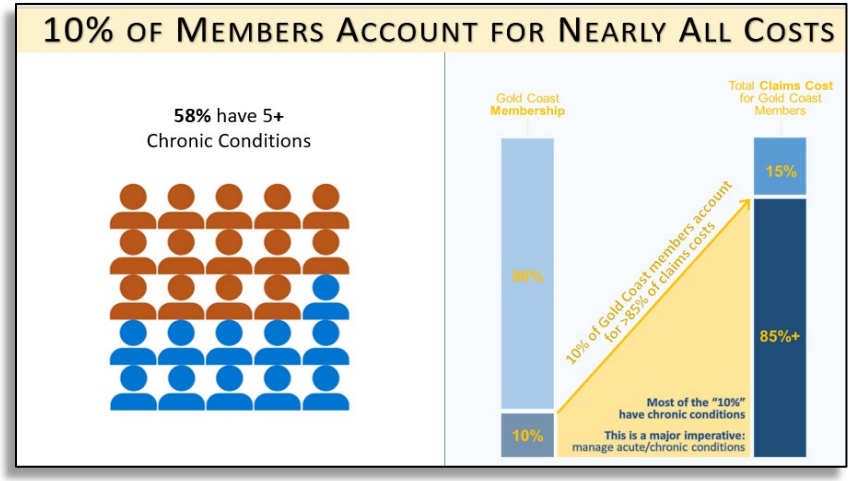
A Vision for Gold Coast Health Plan of the Future and Sustained Mission Achievement

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.





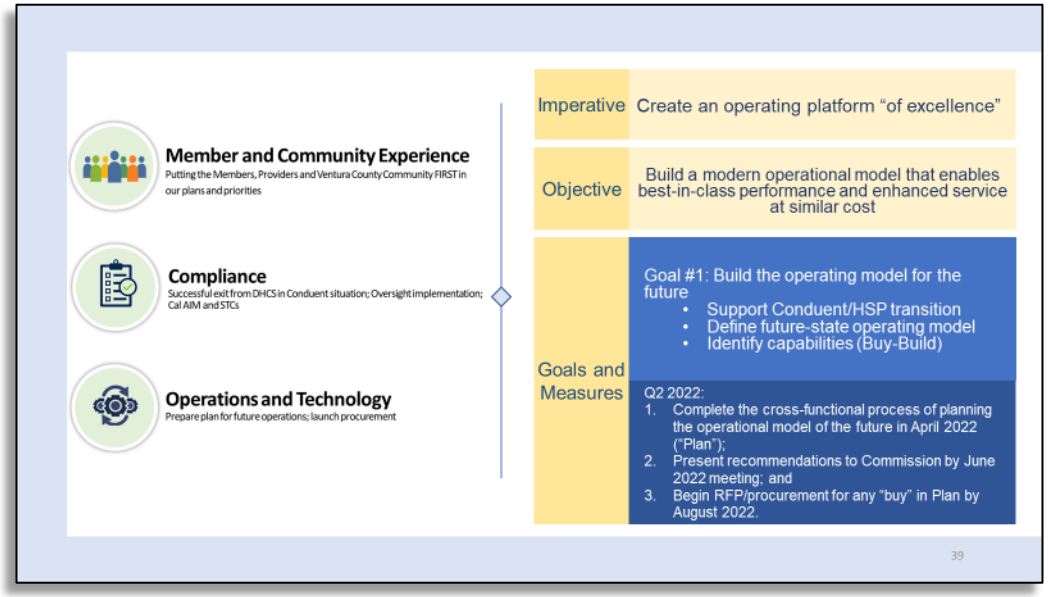


"Organization of the Future:" Developing High Performing Leadership

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.

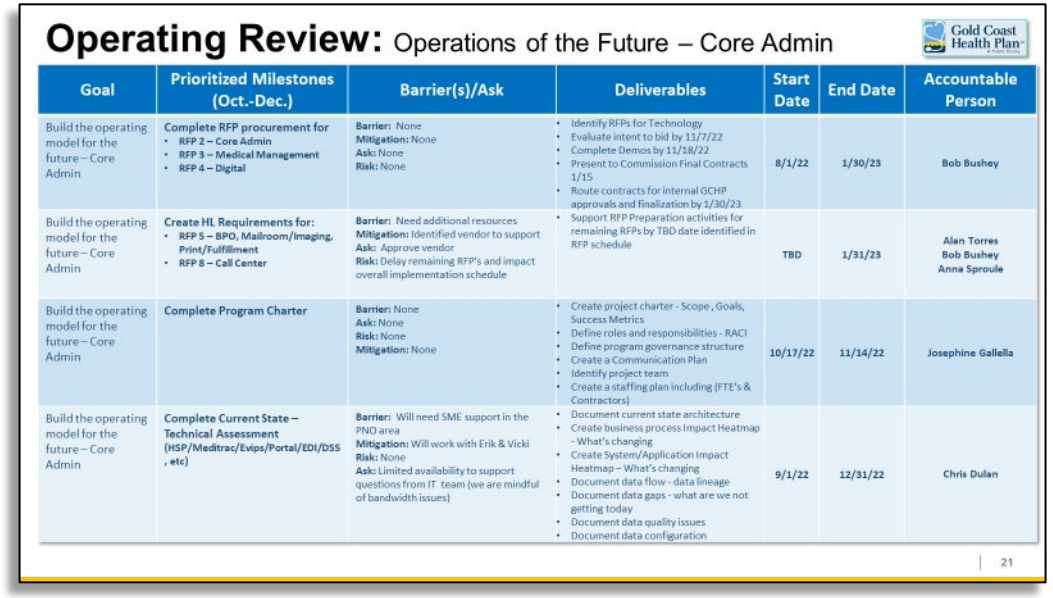


"Organization of the Future:" Developing High Performing Leadership

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.

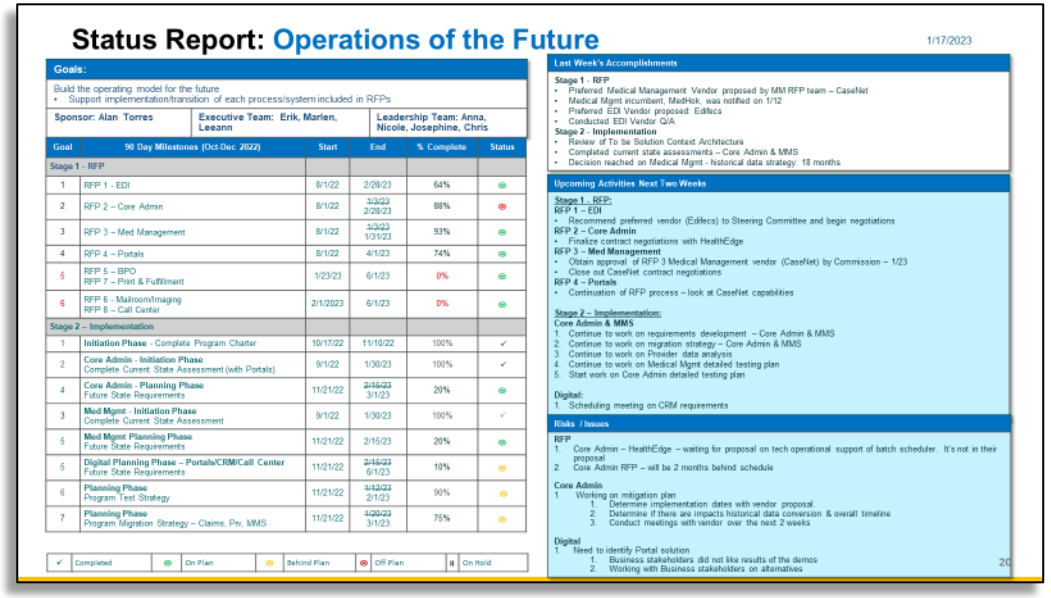


Operating Review: Operations of the Future – Core Admin

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

21



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

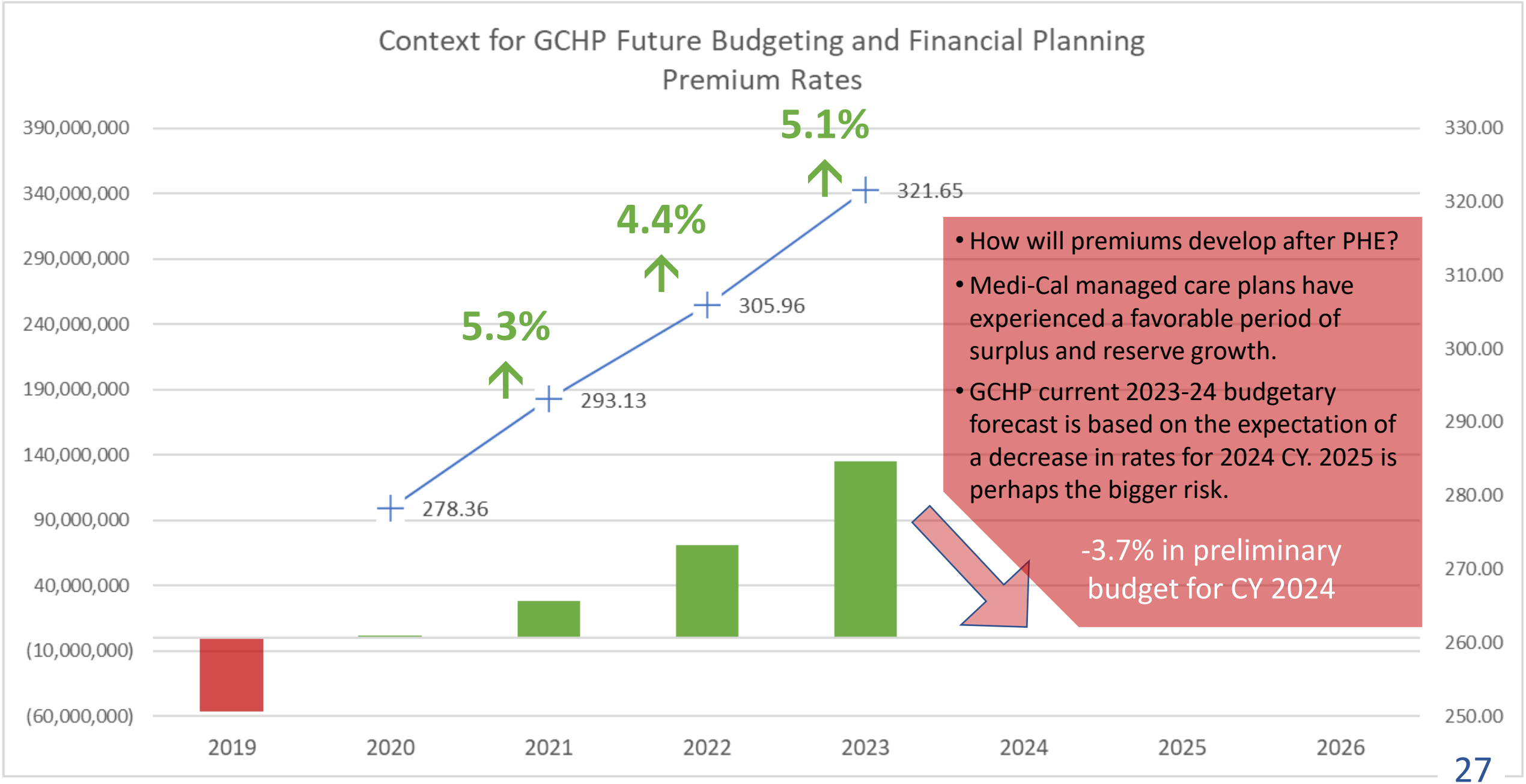
Digital
1. Need to identify Portal solution
   1. Business stakeholders did not like results of the demos
   2. Working with Business stakeholders on alternatives

20

Financial Basis of the 2023-24 Budget

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.


Context for GCHP Future Budgeting and Financial Planning
Premium Rates
390,000,000
340,000,000
290,000,000
240,000,000
190,000,000
140,000,000
90,000,000
40,000,000
(10,000,000)
(60,000,000)
330.00
320.00
310.00
300.00
290.00
280.00
270.00
260.00
250.00
2019
2020
2021
2022
2023
2024
2025
2026
278.36
293.13
305.96
321.65
5.3%
4.4%
5.1%
• How will premiums develop after PHE?
• Medi-Cal managed care plans have experienced a favorable period of surplus and reserve growth.
• GCHP current 2023-24 budgetary forecast is based on the expectation of a decrease in rates for 2024 CY. 2025 is perhaps the bigger risk.
-3.7% in preliminary budget for CY 2024

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.

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).

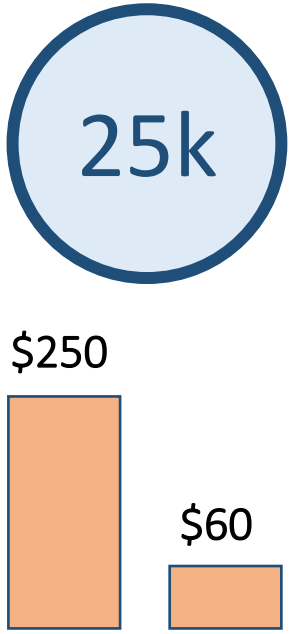
2023-24 Budget Major Factors

Medical costs

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

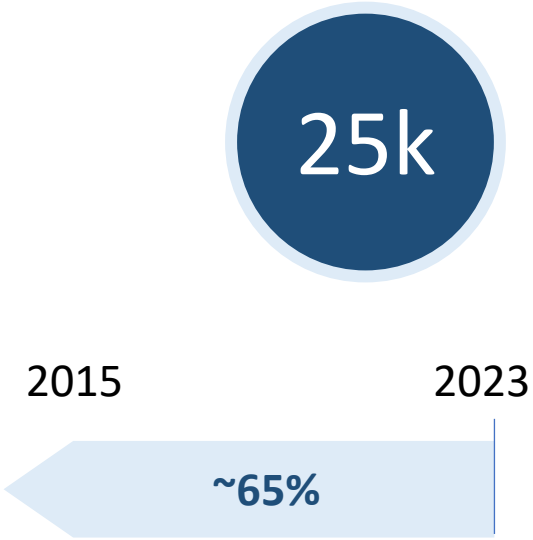
Projected medical cost for FY 2022-23 = ~$760M
Preliminary estimates for FY 2023-24 Budget = ~$885M.

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.



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



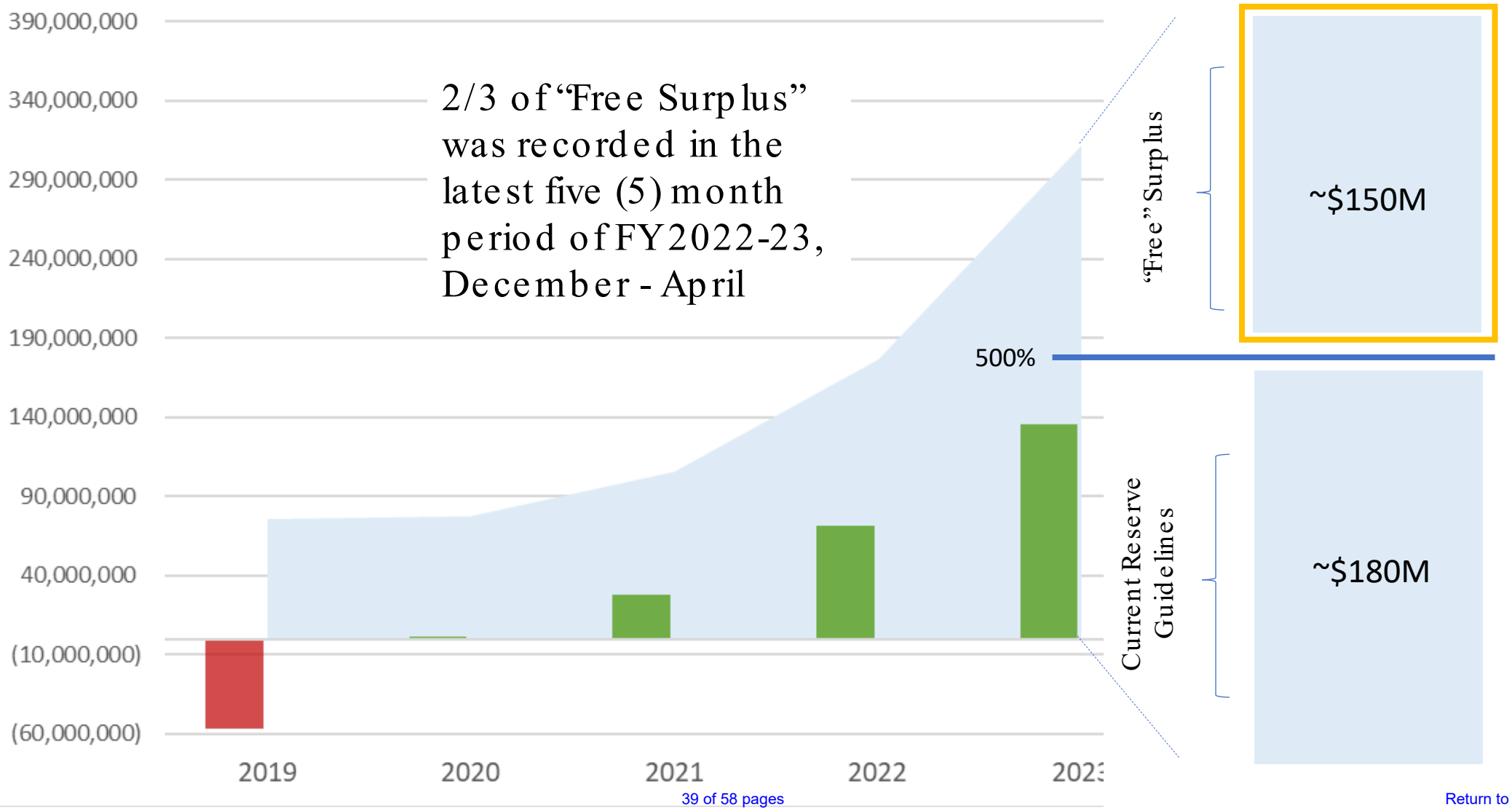
More likely to be retained

- ~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.

Managing “Free” Surplus

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

Current Reserve Guidelines and "Free" Surplus



Policy for Deployment of Surplus – 3+ Year Planning

"Free" Surplus

~$150M

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 $160M- $170M+ for YE "free surplus."

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

Our shared imperative and the only way forward → **deliver Value for Medi-Cal funds**

~$95M

Updating Provider Reimbursement Rates

GCHP is reviewing and updating all provider reimbursement rates

Financial impact and sustainability modelling has been key.

A comprehensive review and updating will be completed this year. I will report on the completion of this in a mid-year budget report and re-forecast.

✧GCHP Management is developing a policy to govern future spend down of "free surplus" for Executive Finance Committee review in June.

Advancing GCHP as a High-Quality Health Plan

Investments in FY2023-24 Budget

Provider Incentives and Funding

Member Engagement and Incentives

Role of the Health Plan

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

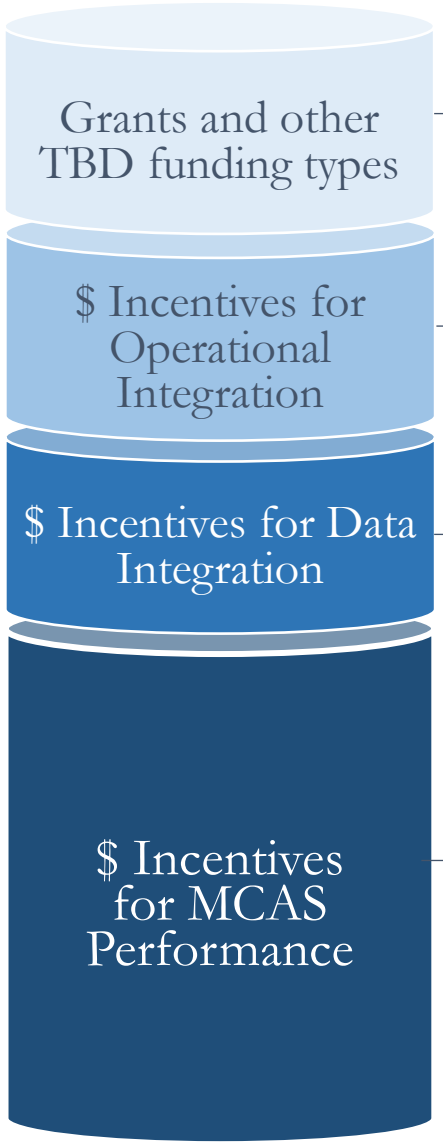
QUALITY INVENTIVE POOL AND PROGRAM

GCHP Investment in Provider Quality Performance

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

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).

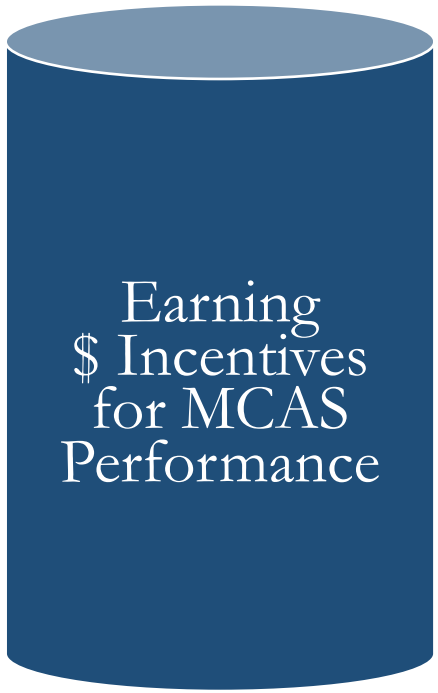
Creation of the **JOINT QUALITY PROGRAM OFFICE**, with executive co-sponsorship and engagement from both parties. Biweekly **Joint Operating Meetings** focused on continuous improvement of data (claims, encounters), operations, member engagement in care ("Gaps in Care"). Health Plan and Provider partners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

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

Earning $ Incentives for MCAS Performance

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.

"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%

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*…

Advancing GCHP as a High-Quality Health Plan

Investments in FY2023-24 Budget

Provider Incentive Funding and Program

Member Engagement and Incentives

Role of the Health Plan

Return to Agenda

Gold Coast Health Plan℠
A Public Entity

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.

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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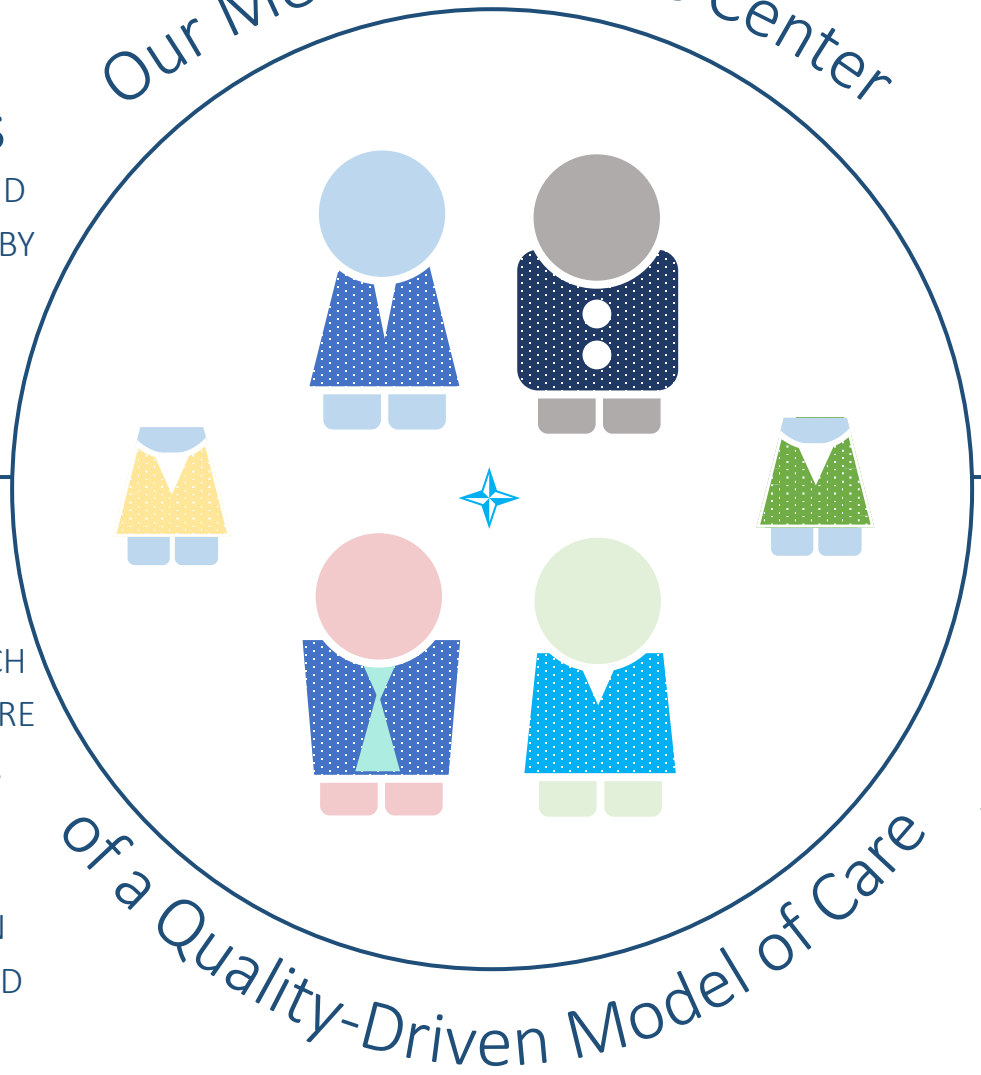
Improving Member Incentives

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

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.



Integrated Care Teams

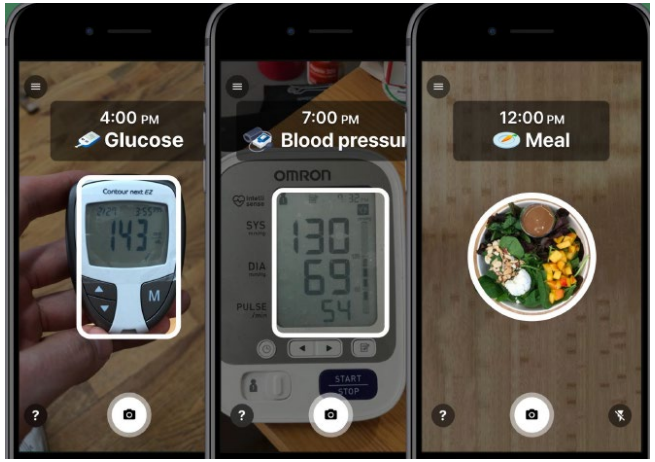
GCHP must Scale Up People, Operations, and Technologies to Meet Needs of large and growing chronic condition population.

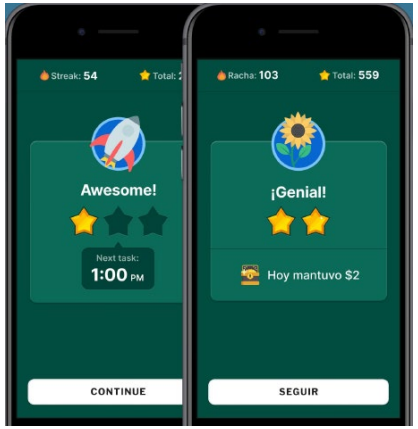
Transportation is key to Engagement

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.

WELLTH PILOT

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

Update on Redetermination

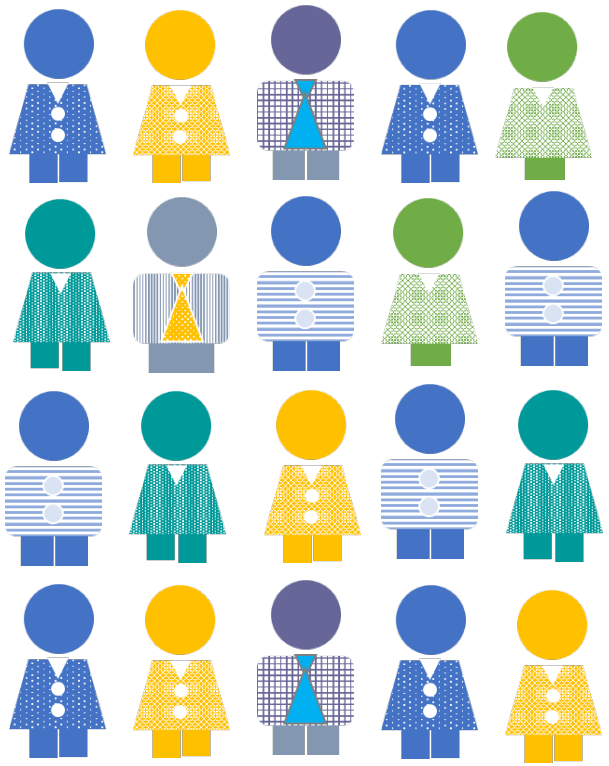
Return to Agenda

FY2023-24 Budget – People Investments

Clinical Staffing – Qualifies as Medical Expense
Operational Staffing

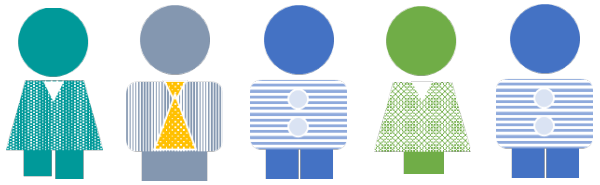
Internal Member/Provider Service Program

Goal: Highest Member Satisfaction with Health Plan Service (CAHPS Survey)



Call Center Staffing Model – Integrated Member and Provider

- Conduent contract ends June 2024. GCHP will build a high-performing onsite call center at a lower cost than the Conduent contract.
- 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.
- 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 timeframe.
- Staffing is based on capacity vs demand analysis, using Conduent reports.
- Pods will exist with specialization in member and provider issues.
- 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



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.
- GCHP is re-evaluating a satellite "walk-in" location model (e.g., Oxnard, Santa Paula).

Clinical and Health Services Staffing - MLR

- Enhanced capabilities which are integral to core health plan functions and programs that directly impact member health and wellness.
  - Care management
  - Quality Improvement
  - Integrated Care Teams
  - Pharmacy Services
  - Behavioral Health
  - Population Health Management
  - Utilization Management

- Many current roles and needed areas for growth at GCHP are considered 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.

Operational Staffing

- Operations and delegation oversight
- Provider network operations
- Analytical capabilities – operational, financial, health/healthcare
- Compliance and the Corporate Integrity Agreement