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

Regular Meeting
Monday, June 24, 2024 2:00 p.m.
Meeting Location: 711 E. Daily Drive, #110 Camarillo, CA 93010
Community Room
Members of the public can participate using the Conference Call Number below.

Conference Call Number: 1-805-324-7279
Conference ID Number: 910 319 733 #

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

Las Islas Clinic
2400 South C St
Oxnard, CA 93033

Los Robles Hospital
215 W. Janss Rd
Thousand Oaks, CA 91360

Oceanview Medical
121 N. Fir St #C
Ventura, CA 93001

Ventura Co. Government Center
800 S. Victoria Ave.
Ventura, CA 93009

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 County 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 20, 2024

Staff: Maddie Gutierrez, MMC Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

UPDATES

2. Operations Of The Future (OOTF) Update

Staff: Nick Liguori, Chief Executive Officer
Alan Torres, Chief Information & Systems Modernization Officer
Paul Aguilar, Chief of Human Resources & Organizational Performance Officer
Anna Sproule, Executive Director of Operations
Jan Schmitt, Principal Project Manager

RECOMMENDATION: Receive and file the update.

FORMAL ACTION

3. Fiscal Year 2023/2024 Audit Plan

Staff: Sara Dersch, Chief Financial Officer
Moss Adams Representatives

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

4. Fiscal Year 2024/2025 Budget Approval

A. CEO Report on Budget Objectives and Strategic Vision

Staff: Nick Liguori, Chief Executive Officer

B. Development of a Quality Investment Focused Budget: MCAS Return on Investment

Staff: Eve Gelb, Chief Innovation Officer
Felix Nunez, M.D., Chief Medical Officer
Kim Timmerman, Sr. Director of Quality Improvement

C. Development of a Quality Investment Focused Budget: Health Engagement Program Return on Investment (GCHP – Wellth Partnership)

Staff: Erik Cho, Chief Policy & Program Officer
Erin Slack, Sr. Manager, Population Health
Matt Loper, Chief Executive Officer & Co-Founder - Wellth
Dinesh Apte, Senior Vice President of Growth & Strategy – Wellth
Russ Gagnon, Chief Product Officer – Wellth
Haley Kesler, Customer Success Manager - Wellth

D. Development of a Quality Investment Focused Budget: Review of April 2023/2024 Year-to-Date as Solid Financial Foundation

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the April 2024 Financials.

E. Proposed Budget Fiscal Year 2024/2025 and 3-Year Quality Investment Program

Staff: Sara Dersch, Chief Financial Officer
Executive Team

RECOMMENDATION: Staff requests that the Commission approve the 2024/2025 Budget.

REPORTS

5. Discussion on Dignity's Notice of Contract Termination

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

6. Chief Executive Officer (CEO) Report

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report

7. Chief Medical Officer (CMO) Report

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

RECOMMENDATION: Receive and file the report

CLOSED SESSION

8. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9.: Two cases.

9. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

10. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Commission &
Chief of Human Resources & Organization Performance Officer
Unrepresented employee: Chief Executive Officer

ADJOURNMENT

The next meeting will be on held on August 26, 2024, at 6:00 p.m., location to be determined.

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 24, 2024

SUBJECT: Regular Meeting Minutes of May 20, 2024

RECOMMENDATION:

Approve the minutes.

ATTACHMENT:

Copy of Commission regular meeting minutes of May 20, 2024

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

May 20, 2024

CALL TO ORDER

Committee Chair Laura Espinosa called the meeting to order at 2:09 pm. in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Suite 110, Camarillo, California.

INTERPRETER ANNOUNCEMENT

The interpreter made her announcement.

OATH OF OFFICE The Oath of Office was administered to new Commissioner Phil Buttell,

ROLL CALL

Present: Commissioners Anwar Abbas, Allison Blaze, M.D., Phil Buttell, James Corwin, Tabin Cosio, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

Absent: None.

Attending the meeting for GCHP were Nick Liguori, Chief Executive Officer, Alan Torres, Chief Information Officer, CPPO Erik Cho, CFO Sara Dersch, Marlen Torres, Executive Director, Strategy and External Affairs, Paul Aguilar, Chief of Human Resources, Felix Nunez, M.D., Chief Medical Officer, Robert Franco, Chief Compliance Officer, Ted Bagley, Chief Diversity Officer, Eve Gelb, Chief Innovation Officer, and Scott Campbell, General Counsel.

Also in attendance were the following GCHP Staff: Kim Timmerman, Nicole Kanter, David Tovar, Mayra Hernandez, Adriana Sandoval, Michelle Espinosa, Lupe Gonzalez, Lily Yip, Joanna Hioureas, James Cruz, M.D., Kris Schmidt, Benjamin Lacey, Kim Marquez-Johnson, Anna Sproule, Chris Dulan, Vicki Wrighster, Josephine Gallella. Erin Slack, TJ Piwowarski, Rachel Lambert, Lucy Marrero, Rachel Ponce, Pauline Preciado, Bob Bushey, Paula Cabral, Lupe Harrion, consultants Don Harbart, and Amit Jain.

Guests: Kyle Edrington, CDCR CEO Gagan Pawar, M.D., and CFO Fred Barbarash.

PUBLIC COMMENT

None.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Regular Commission meeting minutes of April 22, 2024

Staff: Maddie Gutierrez, MMC Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

Commissioner Cosio motioned to approve Consent Agenda Item 1. Commissioner Pupa seconded the motion.

Roll Call Vote as follows:

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

ABSTAIN: Commissioner Phil Buttell

NOES: None.

ABSENT: None.

PRESENTATIONS

2. Operations Of The Future (OOTF) Presentation on Provider Portal and Core Administration

Staff: Anna Sproule, Executive Director of Operations
Vicki Wrighster, Sr. Director of Network Operations
Paul Aguilar, Chief of Human Resources & Organization Performance Officer

RECOMMENDATION: Receive and file the presentation

Anna Sproule, Exec. Director of Operations stated GCHP has been working toward the implementation of the OOTF in July. Ms. Sproule introduced Vicki Wrighster, Sr. Director of Network Operations. She will review the new provider portal that will be kicking off on July 1, 2024. Ms. Wrighster will review the functionalities of the provider portal. The portal will enable GCHP to provide faster access to member information and it is intended to boost satisfaction for both providers and our members. Ms. Wrighster will provide a high-level overview of what the portal looks like and its capabilities. She gave a comparison of our current portal versus the new portal. She noted that in I the current portal in order for providers to register, there would have to reach out to us in order to get an access code. If there was a user who belonged to a group that had multiple sites, that user would be required to have a separate identification number for each site. There is also a

limitation in the current portal that our providers can only submit professional claims, which will be different in the new portal. Electronic submission of authorizations and claims was more cumbersome in the current portal as opposed to the new portal. The current portal can do global messaging, and with the new portal we will be able to have targeted messages to our provider, as well as global messaging. Also, in the event that our providers would lose their user ID, they had to contact us.

The new portal allows us to have enhanced autonomy with the providers for registration with the process that we have set up. Providers will now have the ability to set up and add their own users. Ms. Wrighster noted that the portal is very user friendly. It is intuitive with that the providers need in order to go from one screen to another.

Our eligibility information is more clear, more thorough, and it also includes other insurance information, this is a critical piece for our providers. The portal will tell us the effective date of other insurance, the name of the other insurance and whether or not it is a primary or secondary. We have also strengthened our security on this portal. The portal has a two-factor authentication process to be able to go into the portal.

We needed to have user roles, meaning there are user levels; from highest level of functionality within the portal to various levels such as authorization, which does not give access to claims, or eligibility.

Our providers see so many different types of members, and we need to make sure that they understand that we see who they see, and that we also see them as a diverse provider network. Our providers have two methods in which they can register for the portal – one is at a vendor level or tax ID level, and another is at the office level. The user can click on a drop-down screen for any location attached to the tax ID number. They would click on the location they want to have access to and click validate. It provides an opportunity for our providers to have an overall view of what their practice looks like. They will have the ability to search for claims and authorizations that are associated under the tax ID number. We will also have the ability to send an individual notification to a provider. Once the message is opened, it will be archived, and the provider will have access to it. General information is also available to our provider network.

Claim status and authorizations are only eligible to be seen by provider administrators. It tells providers what happens for them on an operational basis within a specific period of time. They will know whether they have been paid, denied or if a claim is pending. There are various statuses for authorizations too.

Providers will have various ways to access member information. There is also member PCP information. The provider can also search member eligibility dates. The provider can look up a particular member and have the ability to check on claims and authorizations.

Commissioner Espinosa asked if providers are able to change eligibility status. Ms. Wrighster replied no, they can only see eligibility dates. Commissioner Espinosa stated that eligibility verification is not always up to date. Anna Sproule stated the date listed is what we receive from the state of California. Eligibility is updated every day, and that information is shared with the portal daily. Retro-eligibility gets updated as we receive the information from the state. Commissioner Cosio asked if the data that feeds the system is stored with a vendor or stored in-house. Ms. Sproule stated she would answer that question in the next section.

Commissioner Pupa asked how much history is loaded into the portal. Chief Information & Systems Modernization Officer, Alan Torres stated it was two years of historical information.

Anna Sproule, Exec. Director of Operations reviewed the core administration system, which is one of the systems being replaced. We have selected HealthEdge based on capabilities, performance, and industry reputation. GCHP is currently operating with a claims system that struggles with efficiency, accuracy, outdated technology that can lead to delays, error, and increased operational costs. We are replacing this system with a more modern, technologically driven platform that enables us to optimize operations through automation and utilization of our data. The operations team will achieve improvements in efficiency, accuracy, and scalability with the new system, which will enhance provider satisfaction and operational excellence. HealthEdge will provide GCHP the opportunity to leverage integration capabilities, improve deficiencies with reduced processing time. We will have timely claims processing, streamlined workflows by standardizing the processes which will eliminate bottlenecks and redundancies. CI Alan Torres stated we have made investments in our new modern data warehouse capability that is a cloud solution that is owned and maintained by GCHP – that will be the source of the information that will be then sourcing information to our provider portal. The data flows from HealthEdge into our data warehouse and it is done in real time.

CEO Liguori stated that we will be working closely with Netmark on reviewing all of the auto-adjudicated claims and on manual processing for a period after we go-live. Our intention is to maintain a high level of performance.

Commissioner Cosio asked what the testing involves. He asked if there is a parallel testing or “flip a switch.” He asked what it will look like. CIO Torres state as part of our implementation phase there will be multiple phases of testing; one is functional testing, another is system integration testing, user acceptance testing and end to end testing and how that data flows as it comes in through our front door from EDI transaction, electronic transaction to our core system. We are in the middle of testing now. Our target date is July 1, and we will be testing up until mid-June. It is important to maintain collaboration with our providers and make sure that we have the continuity.

Commissioner Cosio asked what the provider training looks like. Ms. Wrighster responded that we are doing provider training in phases. The training plan will be from June 10th through the end of the month. The last week of training will be an open session.

We will be fully prepared to receive calls and respond. We will also have additional communications with the status of the portals and where information can be found.

We would also like to extend an invitation to the Commission to any of the trainings, being mindful of Brown Act guidelines.

Commissioner Abbas motioned to approve Agenda Item 2, OOTF Provider Portal and Core Administration presentation. Commissioner Sanchez seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Phil Buttell, James Corwin, Tabin Cosio, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

NOES: None.

ABSENT: None.

FORMAL ACTION

3. 2024 Quality Improvement and Health Equity Transformation (QIHET) Program

Staff: Felix L. Nuñez, MD, MPH, Chief Medical Officer
Kim Timmerman, Sr. Director of Quality Improvement

RECOMMENDATION: Approve the 2024 Quality Improvement and Health Equity Transformation Program Description and Work Plan.

Chief Medical Officer, Felix Nunez, M.D., will present an executive summary of the QIHET program. He noted that all documents have been reviewed and approve by the Quality Improvement Health Equity committee, and upon final approval by the Commission will be submitted to DHCS in fulfillment of our regulatory mandate.

Kim Timmerman, Sr. Director of Quality Improvement, noted she will review the annual updates to the QI program description and the QI workplan for 2024. The QI program description serves as a forma document and defines updates in our processes for continuous quality improvement. Key focus areas include clinical and non-clinical care and services, patient safety, and member experience, which is aligned with DHCS, CMS and NCQA. The core values of the program include advancing health of the community by reducing health inequity and maintaining respect and diversity for members, providers, and employees.

The 2024 updates include the Model of Care being part of the GCHP mission, vision, and values. The Model of Care is recognized as a tool built to meet the unique needs of

our members and community. Ms. Timmerman highlighted changes. She noted that the Pharmacy & Therapeutics committee is being reinstated as part of DSNP and there are also three new sub-committees: Behavioral Health, Quality Committee, MCAS Steering Committee, and NCQA Stakeholder forum. Key functional areas feed content into the QIHET program description that were updated in 2024. She noted there were forty-eight metrics reviewed and updated. Objectives were modified to align with NCQA standards.

Ms. Timmerman noted there are always five objectives. She reviewed Objectives 1 through 5; including their measures, goals and objectives and what department was responsible for each of these items. She stated that the work plan is updated quarterly with updates to our QUHEC and then reported to the Commission. There will be a further focus on areas to be determined based on our measurement year 2024 outcomes, which are pending.

Commissioner Pupa thanked the team for the daily work, and her appreciation of the program. Commissioner Espinosa noted the utilization of the PAC, CAC and CalAIM committees.

Commissioner Pupa motioned to approve Agenda Item 3 – QIHET Program. Commissioner Abbas seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Phil Buttell, James Corwin, Tabin Cosio, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

NOES: None.

ABSENT: None.

4. March 2024 Year-To-Date Financial Results

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests the Commission approve the March 2024 Year-to-Date financial results.

Commissioner Abbas motioned to approve Agenda Item 4 – March 2024 Financials. Supervisor Lopez seconded the motion.

Chief Financial Officer, Sara Dersch, reminded the Commission that it takes approximately three weeks to “close our books” and we are currently in the process of closing April. Our latest results are currently being presented.

CFO Dersch stated that she will only review highlights. Our underlying financial performance continues to be strong. Items that are within our control we continue to oversee and manage as well as keep close to budget. We work hard not to exceed our budget. We are diligent about ensuring that we implement mitigating activities. If we do go over budget, it is so that we begin to realign with our budget. There are some material adjustments that have been made to our statements /financial results. One of them is beyond our control – one was the retroactive rate adjustment that the state invoked. They do a reconciliation at the end of every year, and they look at the relative health of our members and what they paid us to cover healthcare costs. They decided that they overpaid us, so they took back monies. She noted that they did this with every managed care organization across the state. Our take back was approximately 1.8% which is $16.1 million.

Another item CFO Dersch highlighted was a quality incentive pool and program that we stated late last ear to get investment dollars that are related to quality improvements out to our provider community. We have had initial success, and we were able to accelerate the availability. Although it does reflect an increase in our medical expense, it is actually a good thing because we are getting the dollars out to the providers where they can use it to ensure we are meeting our mission. Our Medi-Cal populations have grown in premium categories that are experiencing decreases in premiums. That is going to be a significant influence of our 2024/25 budget.

There will always be economic events that are beyond our control. The State is in a tight fiscal challenge and there are numerous things they can do, and we will not have any control over that.

CFO Dersch stated that we have no control over what members are assigned to us. What we can control is how we manage our administrative expenses and ensure that we do everything we can to provide high quality services for our members. Commissioner Espinosa stated that for the expansion population, we know that the premium payment will be a reduced payment. She asked if we would receive the normal Medi-Cal rate or will it be reduced further than the norma Medi-Cal rate. CFO Dersch stated that our rates are determined by a “category of aid”, and there are multiple categories which are characterized by different demographics; children are a category, adults are a category, seniors with disabilities, and there is the newly eligible population which are people between the ages of 26 to 49 who do not have sufficient immigration documentation. The rates we receive for those members are less than the rate we receive for that same group who do have appropriate documentation. In Medi-Cal reimbursements there are two components: the federal component and the state component. This new group is only eligible for state monies and not federal dollars. Rates are different for every category of aid. There is no standard Medi-Cal rate. The rate development is changing over the next few years. Commissioner Abbas asked if we are keeping anything in the reserve funds for issues/events out of our control. CFO Dersch stated our TNE is very high compared to some of our peers. Our reserves are dollars that we have that we can turn to in times of need. The state mandates that we keep a certain amount of TNE on our books at all times. We also have an internal rule that was approved by the Commission last June stating that we maintain 700% of that. The state minimum for TNE is approximately three months of operating expenses. Our current TNE is over 1000%, we have available reserves, and we can tap into

that with Commission approval. We are in a healthy fiscal position right now. General Counsel, Scott Campbell stated that part of our safeguard is that in addition to the TNE that the Commission set, in the approval of the budget will constitute a planned work down or commitment of that money over a three-year period. If the State wants to take money, we have an argument that we have a Commission approved plan on how the funds will go directly to our community and providers.

Commissioner Cosio asked if the state and federal rates were proportional. CFO Dersch stated that California uses their own actuarial services firm, Mercer – they build the rates from the ground up. They look at what the utilization of a particular demographic, do their studies, crunch numbers, and determine what they believe that particular category of aid will incur in medical services in a month – this includes the medical care and administrative expenses. Instead of starting with a higher rate and then going down, it starts with zero and builds up. There is no added to see if they qualify for additional funding from the federal government. The premium for the new cohort basically ends with what the state contributes. For each category of aid, they have to rate, develop a price premium to the health plans that they believe is adequate to cover all of the costs of care plus other things. California is taking that cost entirely.

In a time of fiscal stress for the state, it is not surprising that they are being on the conservative side with this new cohort. As services are provided, the state will review what services were utilized, how much did they pay in premiums, and they will either take away or give us more. There will be a final reconciliation. Commissioner Corwin stated that ultimately the reality is there will be some finite budget. We will use best information today and then adjust it as we go along.

CFO Dersch noted that we have a higher membership that expected. With the new cohort we were expecting 5,000 and we got 17,000. We are expecting 23,000 over time, so we are still expecting 8,000 more to come. We did not expect 17,000 in January. Even though we have more members than expected, due to our member mix we are slightly unfavorable. We budget for a particular member mix. The PMPM is going to influence our next fiscal year's budget. We normally have some level of immaterial retroactivity every month, the state adjusts enrollment records and people qualify retroactively.

In medical cost benefits we are $30 million over our projected spend. This is good because we have a $29.4 million in the QIPP expense versus a forecast of #12.1 million. We accelerated this payment. This means that our members are going to benefit more quickly because providers have more money for additional office hours to expand quality in order to make the services available.

In our fee for service claims from a year-to-date perspective, we are over, but we would expect that because our membership is higher, so we will have a higher volume of claims. In administrative costs, which we can control, we have reported that our Operations Of The Future costs have exceeded what we had forecast due to acceleration of some of the implementations so we can be ready July 1. We are now $1.5 million favorable. We are able to manage those costs that we control from and admin expense perspective that is not related to project portfolio. We are slightly unfavorable to budget that is explainable by a primary

increase in volume. We send out welcome kits to all of our new members and our budget did not contemplate 17,000 members in January. We did end up $9.1 million deficit, but that is planned and is reflective of the acceleration of the quality incentive pool dollars that we made available for our providers on a year-to-date basis. We are adding back to our reserves, and we are increasing our TNE. CFO Dersch stated that we do have a new targeted rate increase, which is where some categories of services are now eligible for a higher reimbursement from the state. There will be a final reconciliation in that we provide the same level of services that the state thought we would. CFO Dersch stated there is a membership breakdown, along with a balance sheet, and cash flow statements the Commission can review.

Commissioner Abbas motioned to approve Agenda Item 4 – March 2024 Financials. Supervisor Lopez seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Phil Buttell, James Corwin, Tabin Cosio, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

NOES: None.

ABSENT: None.

5. Year-To-Date Financial Review and Fiscal Year 2024/2025 Budget Review

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

RECOMMENDATION: Staff requests the Commission review information and provide feedback to staff for budgeting and planning purposes.

CEO Nick Liguori thanked the commission for their time, attention, and guidance in the development of plans and budgets. This information has also been presented to the Executive Finance Committee. CEO Liguori stated that there is a planned use of our reserves, a planned spend down of our reserves. DHC develops our premiums with three components. Eighty-eight percent of the premium is to be dedicated to benefit related costs, 10% on the operations of the health plan, and 2% for ongoing addition to reserves. We seek to put more money into the benefit and services to our members. In the years to come we are proposing in partnership with the Commission to budget a spend down of serves where our bottom line will show a reduction in assets. We find ourselves approaching a $50 million spend down in reserves. We are approaching this budgetary planning with caution and prudence. The plans and budgets developed are based on a deep understanding of our members and their healthcare needs.

CFO Dersh stated that we are still a maturing organization. We are making improvements to meet the quality needs for our members. We will review how we designed our budget and what are the fundamentals that we looked at. We will get into

the details of our proposed budget. We are coming out of the pandemic era and are going back to smaller margins. We are in a position to put infrastructure in place both internally and eternally within the community and providers.

We are presenting a budget that responsibly spends down some of our assets in order to better prepare for a future that is going to be harder to navigate. We are going to review the regulatory environment and review marketplace environment. The accumulation of our reserves over the last few years shows good financial management. We have guiding principles which align to support our mission.

Eighty-eight percent of our premiums go to Medi-Cal member benefits, their medical cost, 10% goes to efficient operations, and 2% we are going to retain for future reserves for this next fiscal year's budget and for the subsequent 2 years after that. We are proposing that we draw down our reserves by approximately 2% each year to ensure we have the investment needed. It is critical that we develop quality programs now so that when we do need to have those quality scores and be able to document those scores and member acuity, we are able to do so. Our budget is shaped around our mission and guiding principles, it is also influenced by regulatory space.

Marlen Torres, Executive Director of Strategy & External Affairs stated that in the Governor's May Revise he noted that we are experiencing a $27 billion deficit, The Governor has gone through Rainy Day fund proposal, cut through other programs such as IHSS as well as key programs that he is no longer funding. Although the Medi-Cal portion of the state budget was not impacted we need to be cautious because it is going to impact plans through rate development. We are being asked to do more as a health plan and step outside of our traditional health plan rule and maintain our commitment to CalAIM. We are being asked to go into social drivers of health. This has remained funded in the DHCS budget for us to be able to do. There is a theme of continue to do more with less. We are working to increase our quality scores, and our redetermination efforts have been successful because we have come together as a community. There are contractual requirements letting us know what we need to do in order to be able to advance. We must maintain our commitment to what we said we would achieve from a federal perspective. Not everyone is going to get increase in rates as the Governor had committed, due to the deficit. He is now looking into Medicare rates because he is going to build that into the MCO tax to be able to get the funding that he may need to address a deficit.

CFO Dersch introduced Kyle Edrington, founder of Edrington Health Consulting. He has provided actuarial, financial, and strategic support services to local Medi-Cal plans including GCHP. He is our Chief actuary and an expert in California Medi-Cal. CFO Dersch stated there would be a brief Q&A with Mr. Edrington.

CFO Dersch asked what is driving the changes in the Medi-Cal program. Mr. Edrington stated the first key consideration is that DHCS is focused on continuing to ensure that payments to Medi-Cal health plans are appropriate and reinforce the goals of the program. This is resulting in additional oversight to the context of care delivered to Medi-

Cal beneficiaries and the financial performance of health plans as well as its providers. He also noted that profit is cyclical. Health plans have been healthy in recent years. There is actual utilization and claims expenses that drive future revenue.

CFO Dersch asked if Mr. Edrington could expand more on the premium environment, what changes we can expect and what is being seen in our actual cost data that might influence those premiums. Mr. Edrington stated that we are exiting a period of Covid impacted data. Data from 2024 is very difficult to use in rate development. The 2024 capitation rates that the plan receives this year are informed by experience back in 2021 and 2022. Buildup of utilization was slowed through the pandemic and now we are seeing is the actual experience is driving the rates. So, the experience on which many plans have been profitable goes back to the cyclical nature of rates now being used to inform the future. Rates might not be reduced but they will not increase at the same rate as before. The trend is now going to catch up to the right development.

Mr. Edrington then explained regional rates. Regional rates are the aggregation of experience across counties with multiple health plans involved. There is a broader perspective on utilization expense. The aggregate experience is paid out with appropriate adjustment. Date will drive the revenue. There will be additional oversight requirements for the plan just to make sure they are aware of where they sit within that region.

CFO Dersch asked where GCHP might be on an outlier as far as having higher or lower reimbursement. Mr. Edrington stated that hospital services are reimbursed toward the upper end. CFO Dersch also asked how important GCHP development of care is, cost management capabilities and Model of Care. Mr. Edrington stated it is exceptionally important; it improves members lives and promotes better quality of care overall. You need to prioritize the data aggregation which is diagnosis codes and other clinical information so that when the states sees that they can align the financial revenue to match the population acuity.

CFO Dersch introduced CPPO Erik Cho, who will give a brief overview of the provider environment. We must create an integrated system, working together toward a common cause. We are working to understand our providers needs, challenges, and opportunities to design our quality funding plan and get our members the care they need.

Commissioner Blaze left the meeting at 4:21 p.m.

CPPO Cho reviewed key findings such as workforce shortages impacting access to care, the aftereffects of Covid, with limitations on hiring and retaining talent. GCHP is moving forward on recruitment grants. We continue to improve our processes to get grants awarded and money out faster. Recruitment grants have already provided funding for thirty-eight providers in our community. Chief Innovation Officer, Eve Gelb stated there is a constant concern that the cost of providing care is going up. We want to provide the funding needed to create a solid environment and push forward our goals. The state is telling us to do ore and do better. The way they measure how we do better is through

our quality outcomes and then they will pay us differently. We must ensure that our scores are high. The state has told us that not only will they withhold money, but they will also sanction for failure to perform. We must meet the outcomes.

CMO Nunez moved onto membership trends. The state is looking for a return on investment. They want to see greater value in how we administer and how we are stewards of taxpayer funds. We must continue to address quality and access to care for our members.

CFO Dersch stated that we currently we have approximately 250,000 members. We expect that it will remain steady. We do not expect much deviation from the 250,000 members. Commissioner Abbas asked where the members go. CFO Dersch stated some members age out to Medicare Advantage plan, they might move to another state or county, or they might no longer qualify. Ms. Anna Sproule can send data to the Commissioners with the data requested. Commissioner Sanchez asked about the efforts in redetermination and outreach as well as communication with Spanish speakers. Ms. Torres stated that during the redetermination there was a team that focused on conducting outbound calls, assist members over the phone or in person. There were also team members who were out in the community in both English and Spanish and provided them with information as well as assist with transfers to Covered California or any other program that would be able to support them.

CIO Gelb state that we have been implementing our Model of Care. We have launched risk assessments so we can understand their needs and connect them with services and care as soon as possible. We are not just focusing on health needs we are also focusing on mental health needs and social drivers of health. There are members experiencing food insecurity. We need to provide them with resources. As we get these members connected with services, we will see them become more engaged in their health. CIO Gelb reviewed categories of aid, the different reimbursement rates and how they are changing. We have launched may great programs and we expect them to reduce acute utilization, increase management and increase use of medications to support the management of chronic diseases.

CFO Dersch stated that we are proposing to have a 92% medical benefit ratio that includes $82.5 million spend. We are projecting 10% spent on administrative costs which means the result be to spend about $22.5 million of our reserves. She stated that the medical benefits ratio might go to 91.8 or go to 92.3 but that is where we are prosing and projecting us to be fiscally. We are proposing as part of this budget is a resetting of reserves in the following way: We have restricted funds set at 700% that is $258 million. We believe that is enough reserves to weather issues over the next few years and allow us to think and plan for the long term. We have set aside reserves for D-SNP because we expect to lose money for the first three years. We propose to add $60 million to the restricted funds for D-SNP. The concepts are laid out clearly and we will have guidelines. We will be reporting back on a monthly basis on how we are doing in conjunction with the budget. We are committed to our mission.

Commissioner Abbas motioned to approve Agenda Item 5 - 2024/2025 Budget Review. Commissioner Pupa seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, James Corwin, Tabin Cosio, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

NOES: None.

ABSENT: Allison Blaze, M.D.

REPORTS

6. Chief Executive Officer (CEO) Report

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report

CEO Liguori noted that in the interest of time, brief summaries of the reports will be presented. He noted that Marlen Torres has spearheaded this important event, and he noted her hard work. Ms. Marlen Torres stated that on Sunday, June 2nd GCHP will be having a Family Health Fair at Oxnard College. There will be a number of preventative screenings available. She invited commissioners to join staff at this event. Informational flyers were handed out and the Clerk will e-mail a copy to all commissioners as well.

7. Human Resources (H.R.) Report

Staff: Paul Aguilar, Chief of Human Resources & Organization Performance Officer

RECOMMENDATION: Receive and file the report

Paul Aguilar Chief of HR highlighted the survey conducted in April. There had not been a survey in four years. He noted that the results were very positive. There is a lot of work within the organization and its transformation. One of the key indicators was the engagement index. The average was at 82%. Overall, the initial index and scores were positive. There was feedback on the Executive team as well as feedback on directors and managers. There was also feedback on recognition – giving better recognition for work that is being completed. There was also feedback on work balance. Attrition is at 5% which is very good. Commissioner Sanchez asked if more surveys would be done on a regular basis. Mr. Aguilar stated that he will determine if it will be done yearly or quarterly. Commissioner Abbas asked how burn-out will be reduced. Mr. Aguilar stated that some staff was not aware that other benefits were available for mental health. Staff needs to take their breaks, vacations, etc. Vacation is not being denied.

Commissioner Espinosa asked what will be done with the results. Do not put them on a shelf. This has been a rough two years for staff. She asked for innovative ideas for work/life balance.

Mr. Aguilar stated that a recognition program will also be implemented. New concepts will be presented to Commission.

Commissioner Espinosa asked about a CDO Report – there has not been a report in a long time. She does not want to lose sight of the CDO Report. They are critical to the organization. CDO Ted Bagley stated diversity is alive and well. Mr. Bagley will send out a report to the commission to bring them up to speed. Many have worked from home and so face to face relationships have been minimal due to Covid. Lunch and Learns are still done, Cultural months are being done, but this will all pick up again.

Commissioner Abbas motioned to approve Agenda Items 6 and 7 – CEO / HR Reports. Commissioner Sanchez seconded the motion.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, James Corwin, Tabin Cosio, Laura Espinosa, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

NOES: None.

ABSENT: Allison Blaze, M.D.

Open session ended at 5:27 p.m. General Counsel, Scott Campbell reviewed the titles of the Closed session items to be discussed. There will only be discussion on agenda item 9 – Conference with labor negotiators.

CLOSED SESSION

8. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

9. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Commission &
Chief of Human Resources & Organization Performance Officer
Unrepresented employee: Chief Executive Officer

The Commission went into closed session.

ADJOURNMENT

The meeting was adjourned at 5:46 p.m. There was no reportable action.

Approved:

_____
Maddie Gutierrez, MMC
Clerk to the Commission

AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer
Alan Torres, Chief Information & System Modernization Officer
Paul Aguilar, Chief of Human Resources & Organization Performance Officer
Anna Sproule, Executive Director of Operations
Jan Schmitt, Principal Project Manager

DATE: June 24, 2024

SUBJECT: Operations Of The Future (OOTF) Update

PowerPoint with Verbal Presentation

ATTACHMENTS:

Operations of The Future Readiness for July 1 "Go Live"

Gold Coast Health Plan℠
A Public Entity

Operations of the Future Readiness for July 1 "Go Live"

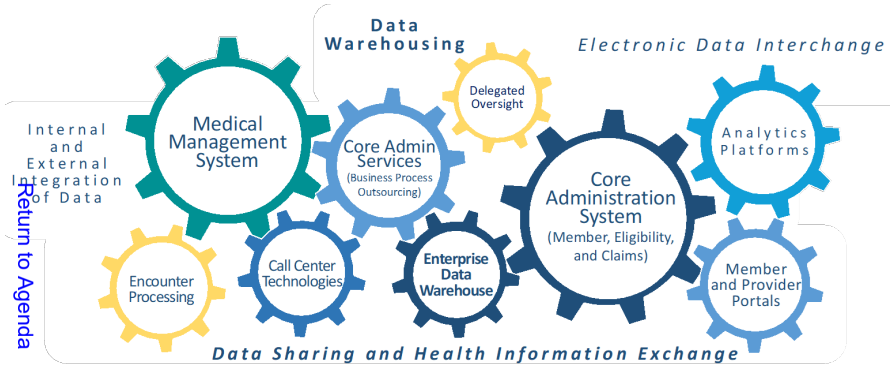
Alan Torres, Chief Information and System Modernization Officer
Anna Sproule, Executive Director of Operations
Dr. Felix Nunez, Chief Medical Officer
Jan Schmitt, OOTF Principal Project Manager and Integration Leader
Kari Shankar, Managing Director, Netmark Business Services
Nick Liguori, Chief Executive Officer
Nicole Kanter, Senior Director of Medical Management
Paul Aguilar, Chief Human Resources and Organizational Performance Officer
Rachel Lambert, Senior Director of Care Management
Stacy Luney, Director of Operations
Susana Enriquez-Euyoque, Director of Communications
Thomas Cooper, Senior Manager of Claims Operations
Tom Vargas, Director of Call Center Operations
Vicki Wrighster, Senior Director of Network Operations

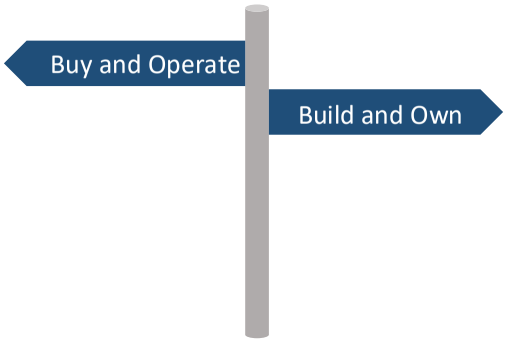
Integrity
Accountability
Collaboration
Trust
Respect

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

In 2021, the GCHP Commission and Management together envisioned a future in which operations would be performed by the health plan on leading-edge systems, with modern capabilities, in house or working with the industry best vendors to economically and sustainably provide the highest level of services and supports to members and providers – *now and into the foreseeable future*. After 18 months of unprecedented planning, procurement, hiring, configuration, testing, and training, **GCHP is ready to "Go Live"** with our new operations on July 1 2024. This corresponds with the end of a more than a decade of outsourcing of health plan operations to a single vendor.

Return to Agenda





Management Assessment – GCHP is Ready

Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live
Core Admin *HRP*	**Medical and Care Management** *TruCare*	**BPO** *Netmark*	**Print/Fulfillment**	**Mail Room/ Imaging**	**EDI** *Edifecs TMaaS*

Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live	Ready for July 1st Go Live	Post 7/1
Provider Portal *NTT vendor*	**Data Conversion** ***EDP/MDW***	**Call Center**	**Member Experience**	**Org Readiness**	**Member Portal** *NTT vendor*

Return to Agenda

OOTF Optimization and Mitigation Planning

As the business team continues to oversee the testing and configuration efforts for our new systems, we are identifiying gaps in functionality that may not be resolved by July 1st. This is normal course for any system build and old-to-new transition and it is planned for in our Operations of the Future Workplan.

For these gaps, we have developed mitigation strategies that will involve some time-limited work around solutions. We do not expect these to have significant impacts from the standpoint of duration (time) or adverse experience for providers.

We expect to be working through this “Optimization” of the new systems for at least the first 60 days. This is *as planned* from the outset of our Operations of the Future transformation initiative.

Return to Agenda

Hypercare Process

27of 233 pages

Continuous 24/7 Monitoring and Support: Immediately after the go-live date, we will implement continuous monitoring of the system to promptly identify and address any issues that arise.

Dedicated Hypercare Team: A specialized team of GCHP and vendor resources will be available around the clock to provide support and resolve any incidents or defects.

User Feedback and Issue Tracking: All issues reported will be logged, tracked, and prioritized for resolution based on their impact on business operations.

Vendor Support: We have established a process to manage coordination with the new additional vendors.

Knowledge Transfer and Documentation: Throughout the hypercare period, we will ensure that all knowledge gained is documented and transferred to the permanent support teams.

Return to Agenda

AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer

DATE: June 24, 2024

SUBJECT: Fiscal Year 2023-2024 Audit Plan

SUMMARY:

Moss Adams will be presenting the audit plan for Gold Coast Health Plan ("Plan") for the year ending June 30, 2024.

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

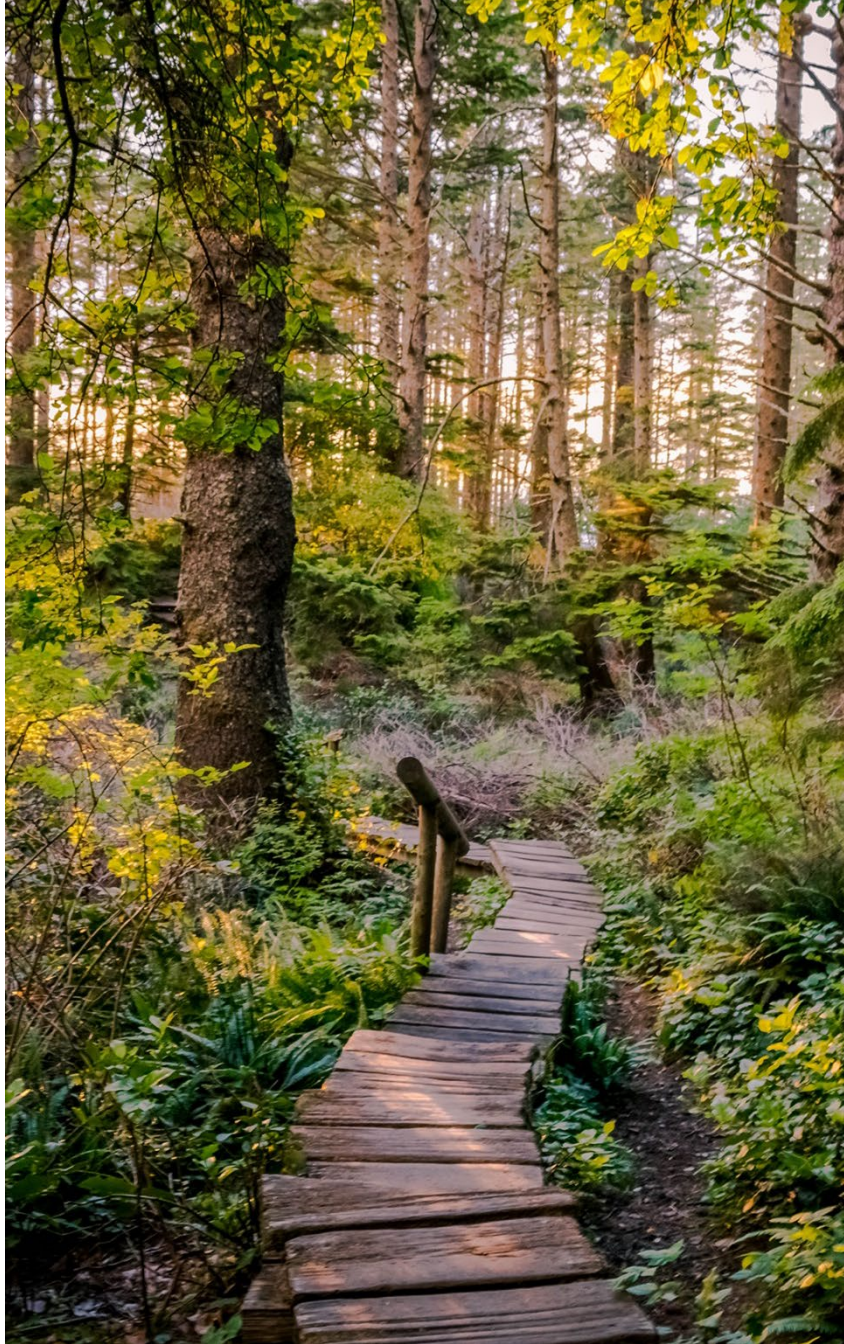
2024 AUDIT PLANNING

Discussion with Management and the Executive Finance Committee

Return to Agenda

Agenda

1. Your Service Team
2. Scope of Services
3. Auditor’s Responsibility in a Financial Statement Audit
4. Significant Risks Identified
5. Risks Discussion
6. Consideration of Fraud
7. Audit Timeline
8. Audit Deliverables
9. Expectations
10. Documents Containing Audited Financial Statements and Auditor’s Report
11. About Moss Adams
12. Executive Session



Your Service Team

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Client Service Partner

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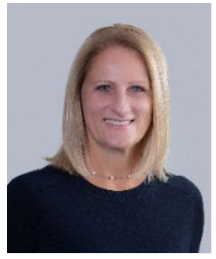

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(310) 481-1351

Scope of Services

Relationships between Moss Adams and Gold Coast Health Plan:

Annual Audit

- Annual financial statement audit for the year ending June 30, 2024.

Non-Attest Services

- Consulting services associated with Adaptive Insights financial and budgeting solution.
- Assist management with drafting the financial statements for the year ending June 30, 2024.

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

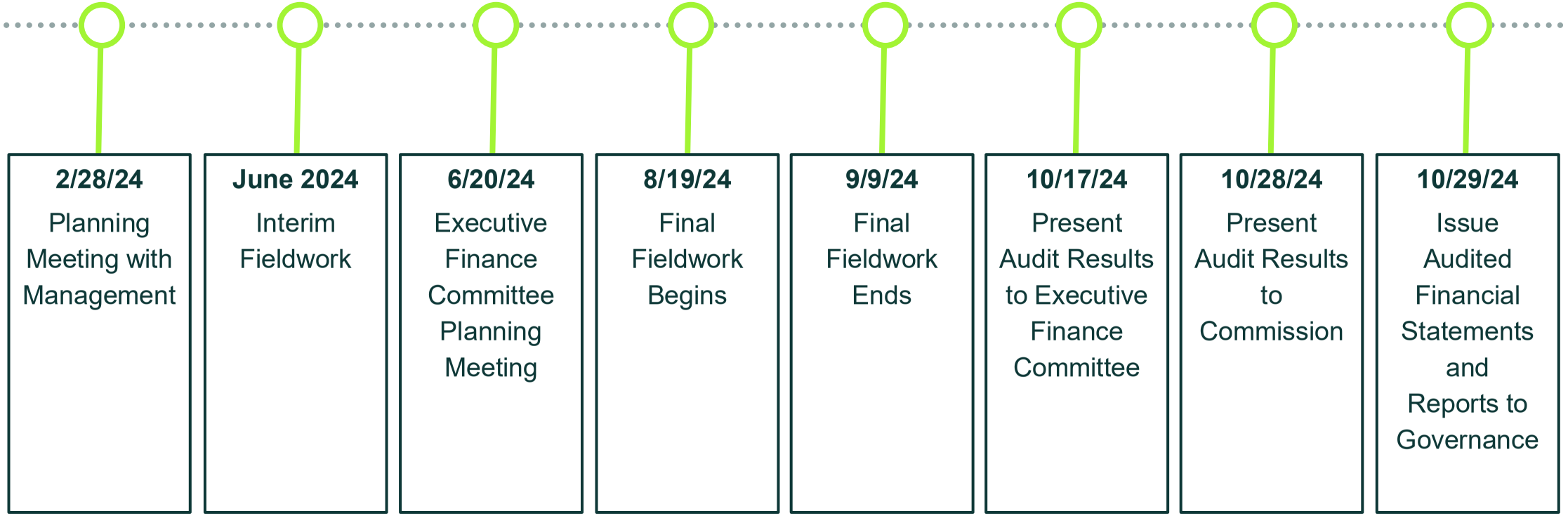
2. Do you have any areas of concern?

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**	

Audit Timeline



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Audit Deliverables

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Report of Independent Auditors

on financial statements for the year ended June 30, 2024

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)

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.

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.

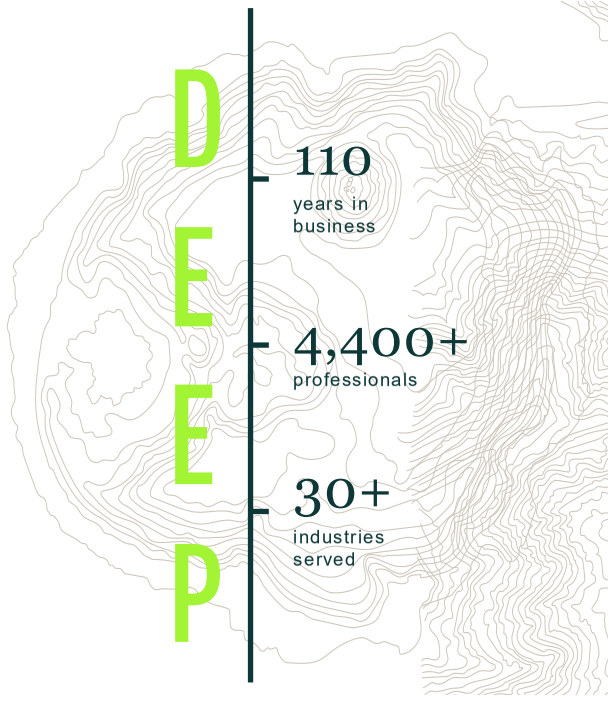
Arrangements to obtain the other information prior to report issuance.

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 helped 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

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.

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

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

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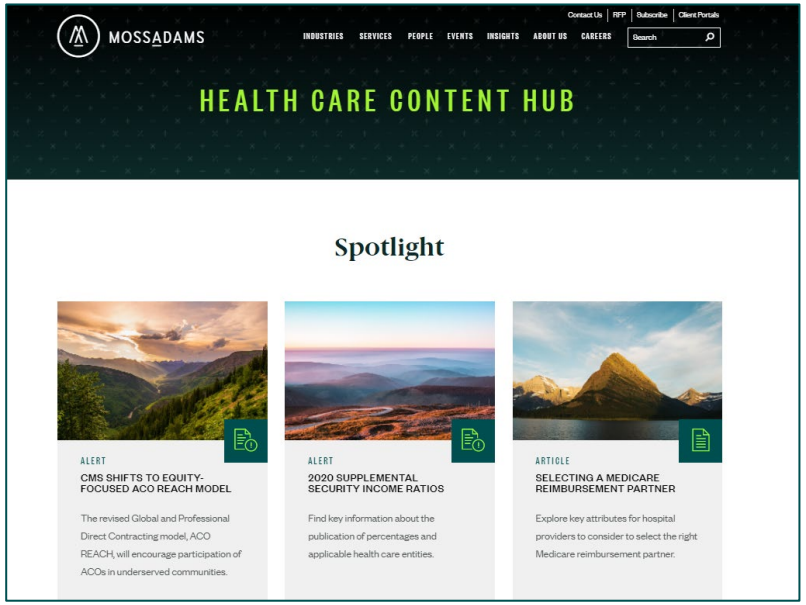
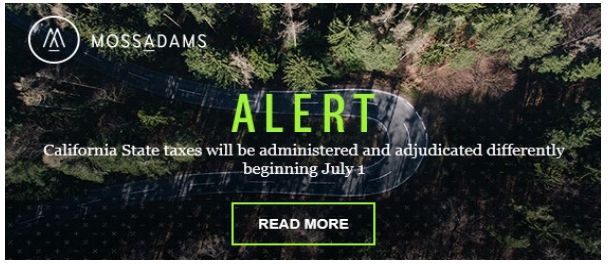
Insights & Resources

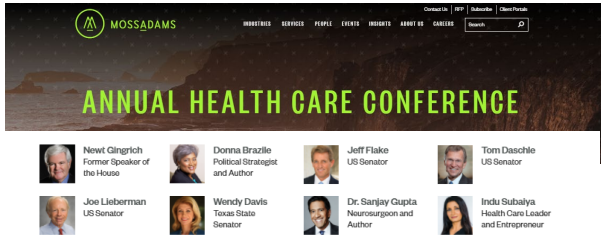
In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. We'll keep you informed to help you stay abreast of critical industry issues.

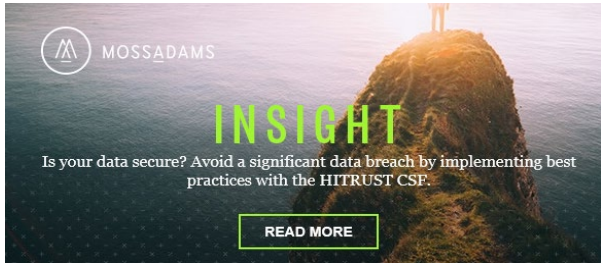
Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

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









2024 Executive Health Care Conference

SAVE THE DATE! Nov. 6-8, 2024

Join C-suite professionals from across the health care ecosystem to discuss the state of the industry and prepare leaders for 2025.

DATE: Nov. 6-8, 2024
LOCATION: Las Vegas, NV
Red Rock Casino, Resort & Spa

HIGHLIGHTS:

Nov. 6: Women's Executive Leadership Forum

Nov. 7: State of the Union
Political Point-Counterpoint
Reception with Keynotes

Nov. 8: Economic Forecast

Better Together: Moss Adams & Gold Coast Health Plan

2024 Keynotes will be announced soon.

Past keynotes have included:


Newt Gingrich
Former Speaker of the House


Donna Brazile
Political Strategist and Author


Jeff Flake
Former US Senator


Tom Daschle
Former US Senator


Joe Lieberman
Former US Senator


Wendy Davis
Former Texas State Senator


Dr. Sanjay Gupta
Neurosurgeon and Author


Indu Subaiya
Health Care Leader and Entrepreneur


Liz Fowler
Director, Center for Medicare and Medicaid Innovation


Susan Dentzer
President and CEO, America's Physician Groups


Patrick J. Kennedy
Former US Representative


Shawn Coughlin
President and CEO, The National Association for Behavioral Health


Mark McClellan
Director, Margolis Center for Health Policy


Bradford Koles, Jr.
Vice President and National Spokesperson, The Advisory Board Company


Michael Chernew
Chair of MedPAC


Paul Keckley
The Keckley Report


Mark Hamelburg
Vice President, Federal Programs, America's Health Insurance Plans


Karl Rove
Political Consultant and Policy Advisor


Daniel Kraft, MD
Chair of the XPRIZE Pandemic & Health Alliance Task Force


James Carville
Political consultant and author

Registration opens in April!

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YouTube: http://www.youtube.com/mossadamsllp

Executive Session

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THANK YOU

AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

DATE: June 24, 2024

SUBJECT: Budget for Fiscal Year 2024/2025 and 3-Year Planning

RECOMMENDATION:

Staff requests that the Commission approve the 2024/2025 Budget.

ATTACHMENTS:

A CEO Report on Budget Objectives and Strategic Vision

B Development of a Quality Investment Focused Budget: MCAS Return on Investment

C Development of a Quality Investment Focused Budget: Health Engagement Program Return on Investment (GCHP – Wellth Partnership)

D Development of a Quality Investment Focused Budget: Review of April 2023-2024 Year-To-Date as Solid Financial Foundation

E Proposed Budget Fiscal 2024 / 2025 and 3-Year Quality Investment Program

Budget FY 2024-25 Financial Statements (including vendor contract listing)

AGENDA ITEM NO. A

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 24, 2024

SUBJECT: CEO Report on Budget Objectives and Strategic Vision

VERBAL PRESENTATION

Gold Coast Health Plan℠
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM NO. 4B

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Eve Gelb, Chief Innovation Officer
Felix Nunez, M.D., Chief Medical Officer
Kim Timmerman, Sr. Director of Quality Improvement

DATE: June 24, 2024

SUBJECT: Development of a Quality Investment Focused Budget: MCAS Return on Investment

PowerPoint with Verbal Presentation

ATTACHMENTS:

Investments in the Model of Care – Managed Care Accountability Set (MCAS) Investment Impact

Gold Coast Health Plan℠
A Public Entity

Investments in the Model of Care—Managed Care Accountability Set (MCAS) Investment Impact

Felix Nunez, MD, Chief Medical Officer
Kim Timmerman, Sr. Director Quality Improvement
Marlen Torres, Executive Director Strategy and External Affairs

Integrity
Accountability
Collaboration
Trust
Respect

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

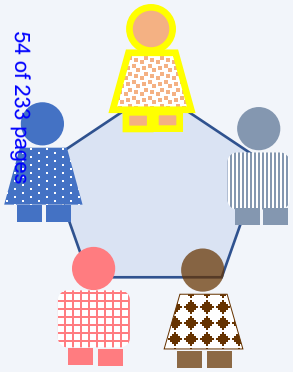
GCHP Model of Care—Co-Designing for Quality Health Outcomes

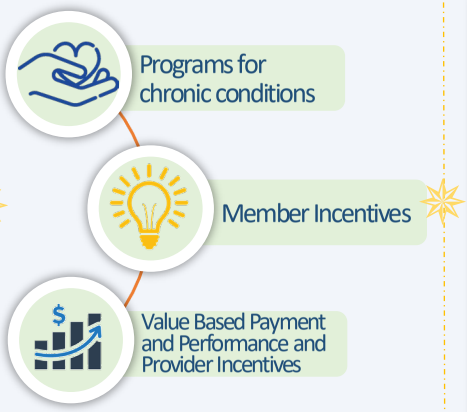
Advanced data capabilities to identify populations for focused health and quality interventions

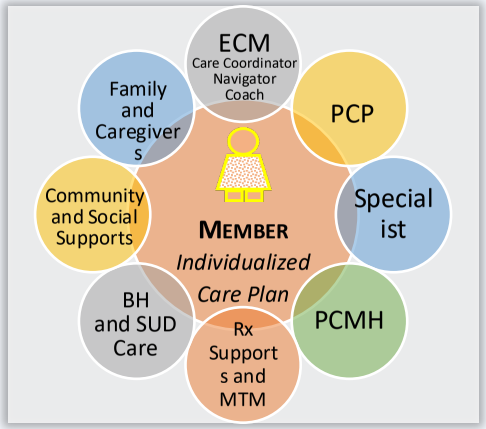
Advanced capabilities to improve quality and satisfaction while controlling costs (VALUE)

An Integrated Care Team Model that applies individualized member management/support on a population scale

Member-centered health plan operations to improve member experience and engagement







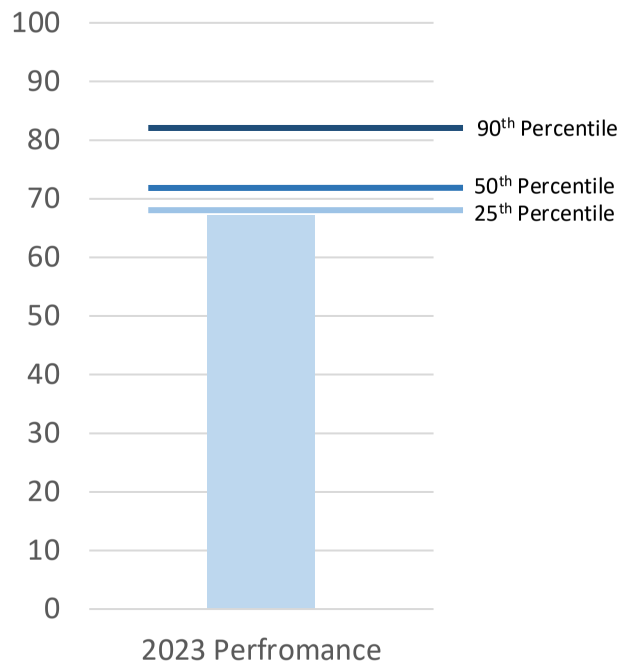
The impact of investment in Model of Care results in high quality care and superior member experience and shifts care from acute facilities to primary, specialty and behavioral health care and care and services where and when our members want and need that care and services.

1 Member engagement in accessing care

2 Reducing total cost of care

Analysis Drives Model of Care Effectiveness

Our current performance (2023 measurement year) for Adults' Access to Preventive/Ambulatory Health measure (an MCAS measure not held to MPL), is below the 25th percentile nationally. This performance has remained consistently low for the past 3 measurement years.



Our Model of Care is being built to get/keep people in regular engagement with their PCP (and specialists and behavioral healthcare providers).

Our Model of Care is designed to Connect Members with Care that helps them manage the complex chronic physical and mental health conditions that impact their lives.

Top 25 EDC's Based On Filters

EDC	# Of Subscriber IDs Active	% Of Total
Hypertension	28,913	11.59%
Disorders of lipid metabolism	28,193	11.30%
Anxiety, neuroses	20,061	8.04%
Type 2 diabetes	17,181	6.88%
Obesity	16,132	6.46%
Asthma, w/o status asthmaticus	9,966	3.99%
Major depression	9,440	3.78%
Degenerative joint disease	9,316	3.73%
Depression	8,730	3.50%
Refractive errors	8,391	3.36%
Developmental disorder	7,145	2.86%
Hypothyroidism	5,952	2.38%
Chronic liver disease	5,705	2.29%
Musculoskeletal disorders, other	5,495	2.20%
Other endocrine disorders	4,770	1.91%
Chronic renal failure	4,619	1.85%
Ischemic heart disease (excluding acute myocardial infarction)	4,578	1.83%
Deafness, hearing loss	4,529	1.81%
Cardiac arrhythmia	4,482	1.80%
Migraines	4,242	1.70%
Autism Spectrum Disorder	3,882	1.56%
Neurologic disorders, other	3,680	1.47%
Substance use	3,546	1.42%
Disorders of the immune system	3,524	1.41%
Benign and unspecified neoplasm	3,514	1.41%
Total	**88,357**	**35.40%**

When looking at the top 25 diagnoses (ECD), Hypertension, Metabolic Disorders, Anxiety and Diabetes rank at the top in almost all population cohorts.

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MCAS 2023
Why These Measures Matter

56 of 233 pages

Return to Agenda

Children's Health

WCV	Child and Adolescent Well – Care Visits
W30-6+	Well-Child Visits in the First 0 to 15 Months of Life – 6+ Well-Child Visits
W30-2+	Well-Child Visits in the First 15 to 30 Months of Life – 2+ Well-Child Visits
CIS-10	Childhood Immunization Status – Combo 10
IMA-2	Immunizations for Adolescents – Combo 2
DEV	Developmental Screening in the First Three Years of Life
LSC	Lead Screening in Children
TFL	Topical Fluoride for Children

Cancer Prevention

BCS	Breast Cancer Screening
CCS	Cervical Cancer Screening

Behavioral Health

FUA	Follow Up After an Emergency Department (ED) Visit Substance Use Disorder - 30 Days
FUM	Follow Up After an ED Visit Mental Health - 30 days

Chronic Disease Management

AMR	Asthma Medication Ratio
CBP	Controlling High Blood Pressure
HBD	Hemoglobin A1c Control for Patients With Diabetes – > 9%*

Reproductive Health

CHL	Chlamydia Screening in Women
PPC - Pre	Prenatal and Postpartum Care: Timeliness of Prenatal Care
PPC - Post	Prenatal and Postpartum Care: Postpartum Care

MCAS Measurement Year 2023 Performance Highlights*

83% at Minimum Performance Level **(MPL)** or above

15 of 18 Measures **improved** compared to MY 2022

7 Measures **at 75th% or above** (39% compared to 17% in MY 2022)

7 measures **increased** in percentile level performance

3 measures achieved **MPL** for the **first time** in GCHP history

3 "High Five" measures **met** High Performance Level (HPL)

* All rates noted within this presentation are considered preliminary until auditor approval and finalization on 6/14/24

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MCAS/HEDIS MY 2023
High Five Measures

- PPC-Prenatal: Met 90th percentile
- PPC-Postpartum: Met 90th percentile
- HBD: Met 90th percentile
- BCS: 75th percentile
- CCS: 50th percentile – 2 hits away from 75th percentile

"Even when it is not fully attained, we become better by striving for a higher goal." – Viktor Frankl

Return to Agenda

MCAS 2023 Interventions
A Team Effort

- $55M Quality Funding
  - ✓ Incentivized Provider focus on quality of care through QIPP
  - ✓ Provider grants to improve access and quality
- Data Improvements
  - ✓ EMR Data feeds from 3 largest health systems
  - ✓ Conversion to Inovalon file format
  - ✓ Data validation and documentation process improvement
  - ✓ Data deep dives in Partnership with health systems
  - ✓ Mom to baby linkage refinement
  - ✓ Non-standard supplemental data collection through medical record abstraction

- Member Outreach Campaigns
  - ✓ CareNet gap closure appointment scheduling
  - ✓ Internal call campaign
  - ✓ Health Education outreach
- Meeting members where they are
  - ✓ Health Fairs
  - ✓ Home health visits
  - ✓ Wellth Behavioral Economics Program
- Member Incentive Expansion
  - ✓ Point of Care Member Incentive locations increase ~400%
  - ✓ 20,000 members using member incentives in 2023

Return to Agenda

Connecting *with* Care
Connecting *with* Community

MCAS Measure	Screenings
AMR	8
Blood Pressure	213
Breast Cancer Screen	38
Chlamydia-Self Test Kits	20
Fluoride	162
HbA1c- Self Test Kits	130
HbA1c-Point of Care	90
TOTAL	**661**

MCAS Measure	Care Management Referrals
AMR	6
Blood Pressure	57
Chlamydia	2
Fluoride	9
HbA1c	59
TOTAL	**133**

Thank You to Participating Community Organizations and Provider Partners

- Alinea
- Carelon
- Clinicas del Camino Real
- Community Memorial
- Livingston Memorial
- Sugarbug Dental
- Ventura County Health Care Agency
- Ventura County Behavioral Health
- Ventura County Public Health
- California Children's Services
- Child Development Resources
- Community Action
- El Concilio
- Every Woman Counts
- First 5
- MICOP
- National Health Foundation
- Oxnard PAL
- Promotoras Y Promotores
- Planned Parenthood
- Rainbow Connection
- Tri-Counties Regional Center
- Ventura County Child Support
- Ventura County Human Services Agency
- Vista Real Charter High School
- Westminster Free Clinic

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MY 2023 MCAS Member Impact

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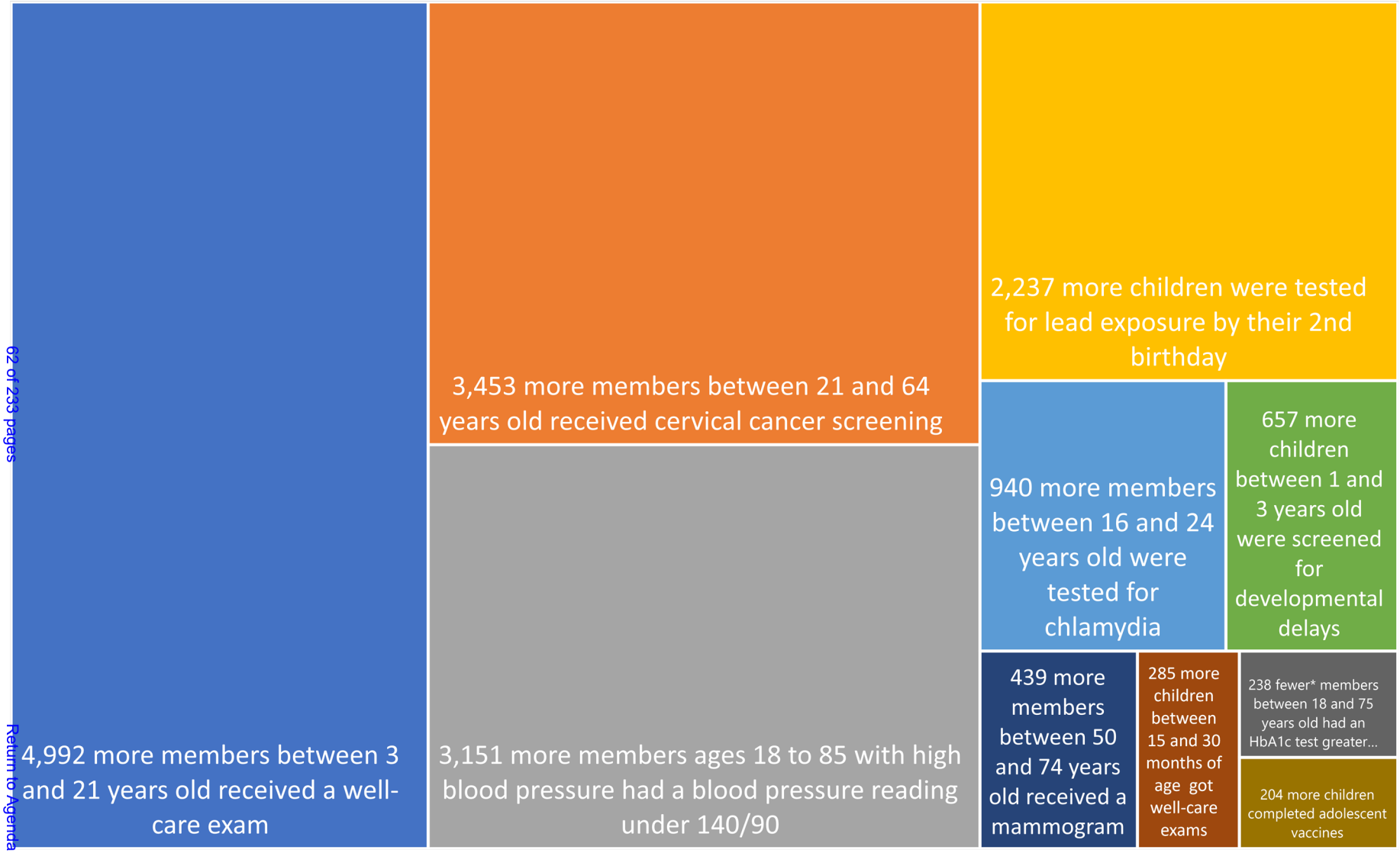
15,657 More Connections *with* Care in 2023



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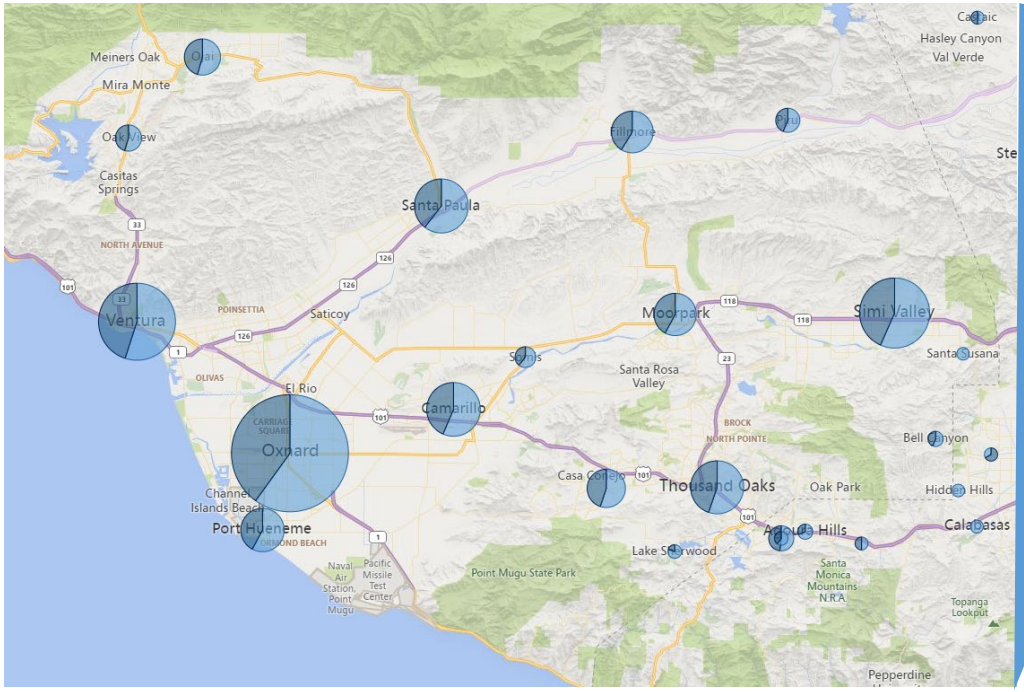
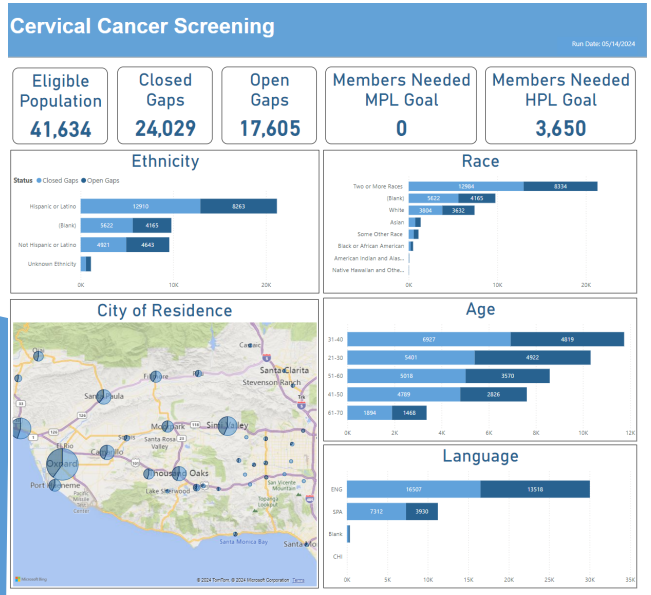
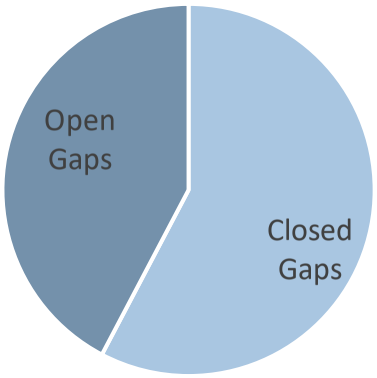
Data improvements reflected 24,180 more children between 1 and 21 years old received at least two topical fluoride varnish applications.

Countywide Impact: Cervical Cancer Screening Gap Closure Example

Member and provider focused interventions are showing outcomes across the county including high need areas such as Oxnard and Santa Paula.







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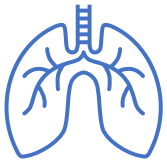
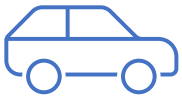
Areas for Continued Focus




Mental Health and Asthma measures did not meet MPL



Full implementation of Transportation improvements

Continued investment in Quality Funding Plan

Continued data analytics to recognize the care that is being delivered

Continued innovation and collaboration including chronic condition management and community care

Voice of the Member

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Appendix—Details of Measures Meeting MPL

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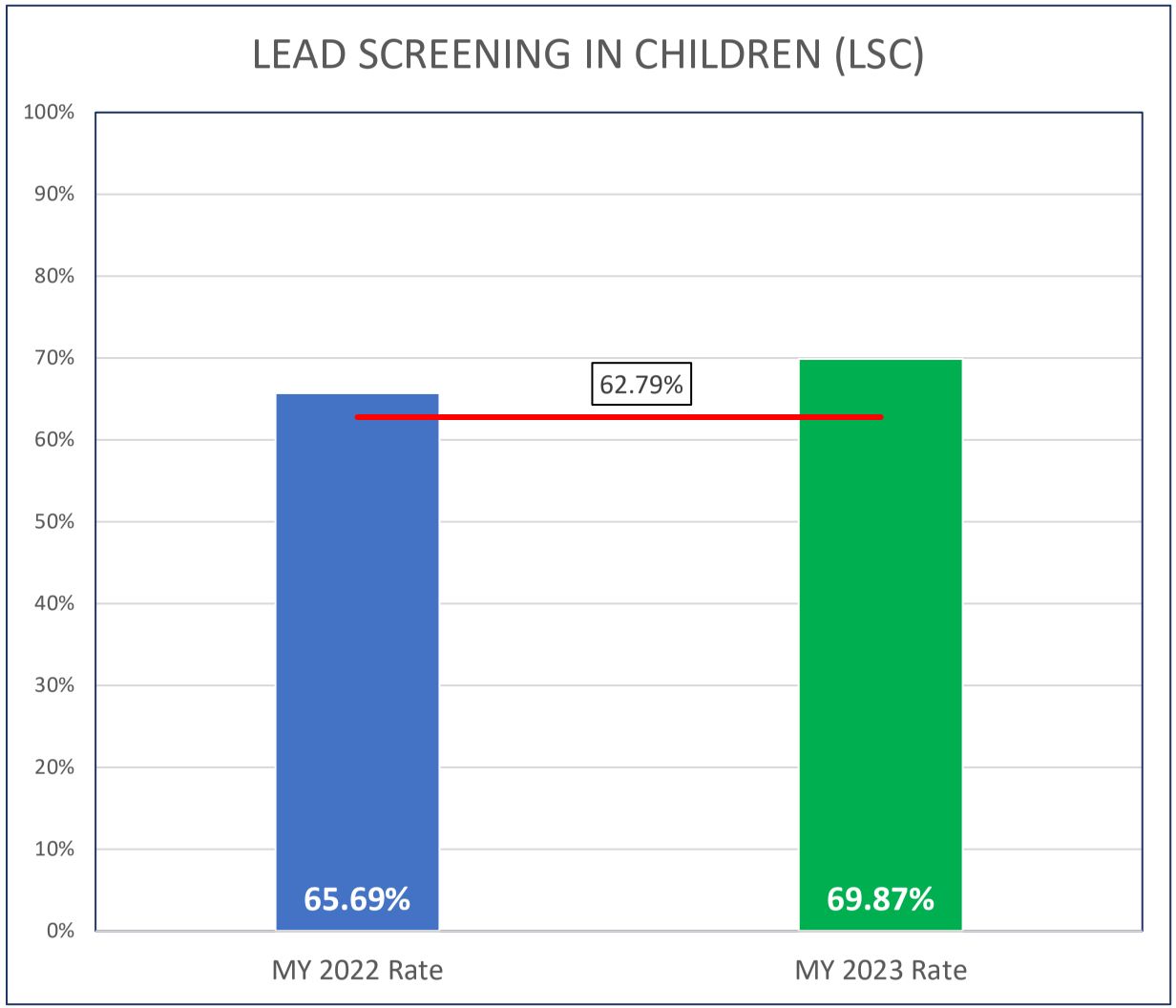
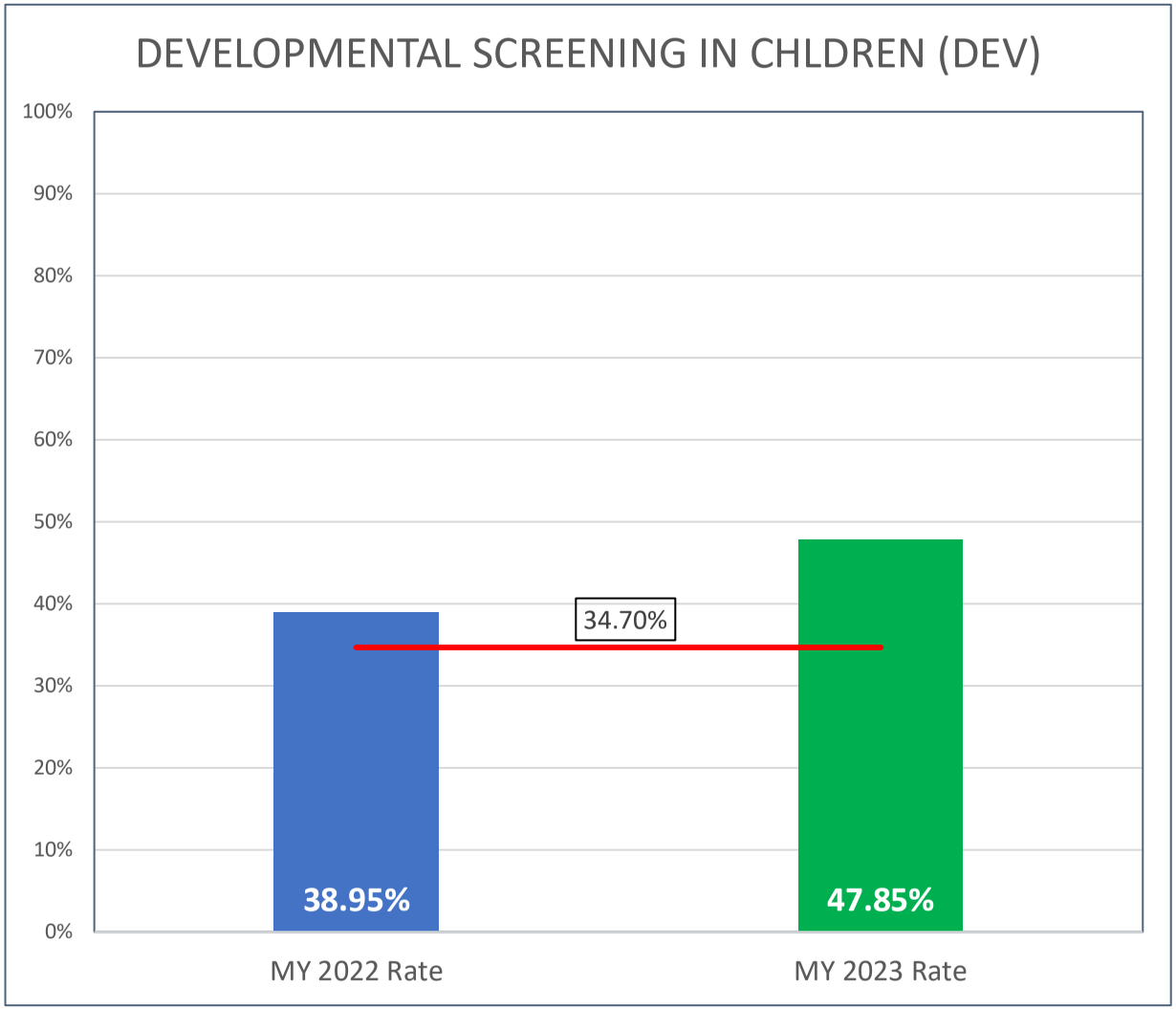


2,237 more children were tested for lead exposure by their 2nd birthday in 2023 compared to 2022.



657 more children between 1 and 3 years old were screened for developmental delays in 2023 compared to 2022.

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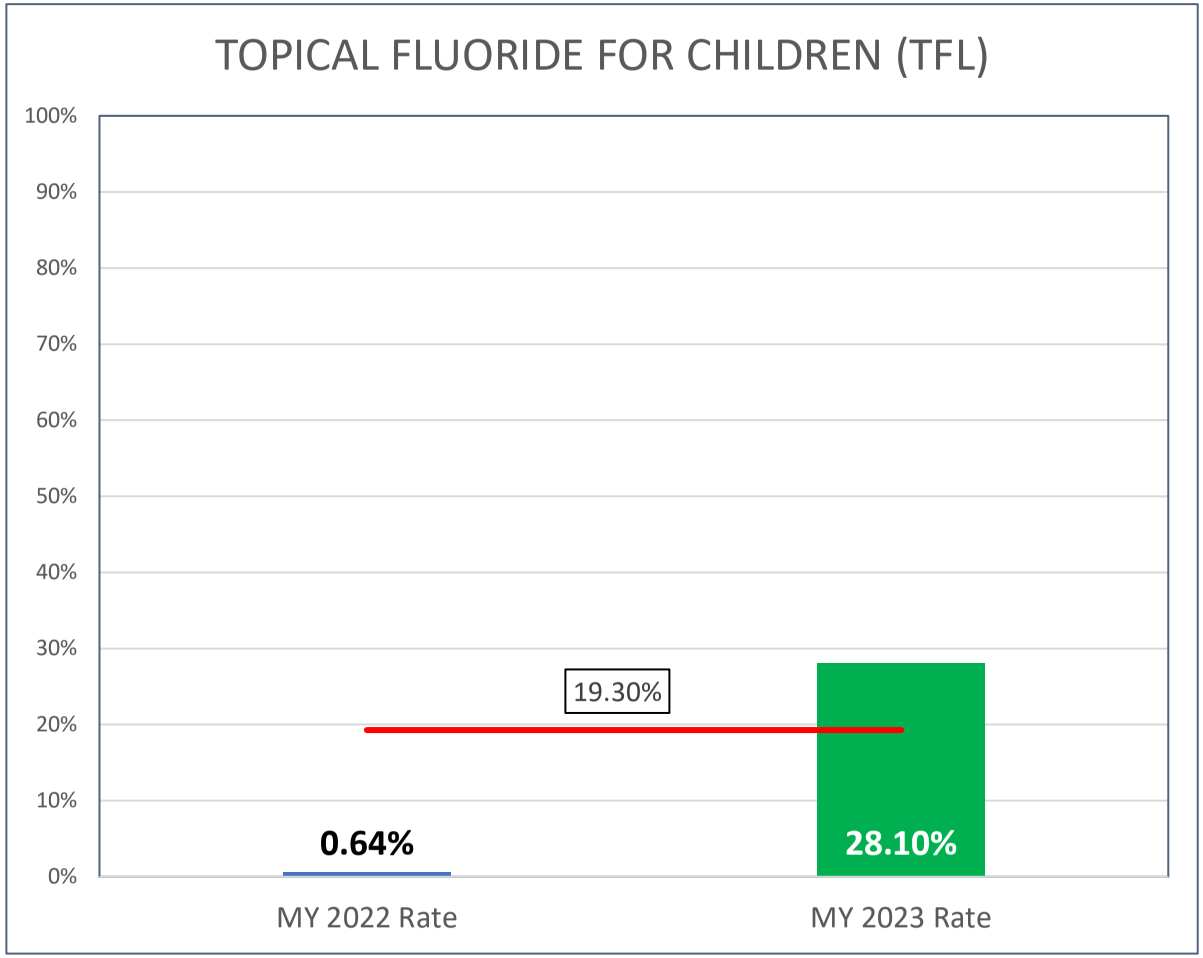

24,180[1] more children between 1 and 21 years old received at least two topical fluoride varnish applications in 2023 compared to 2022.

[1] Note: Data mapping improvement conducted for MY 2023

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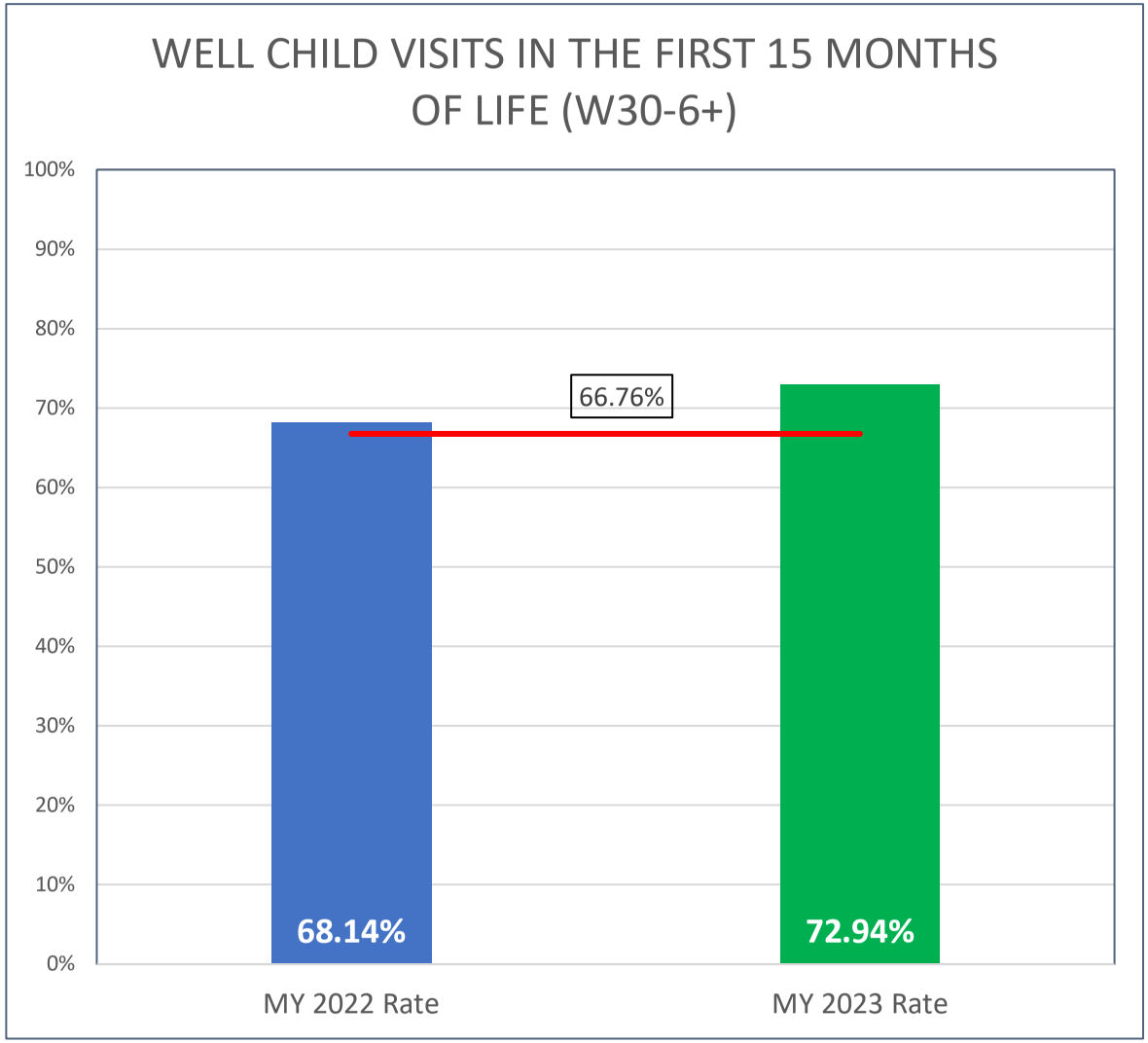

12 fewer* children between 0 and 15 months of age received at least six well-care exams in 2023 compared to 2022.

*While 12 fewer children received well-care exams, 264 fewer children were due for a well-care exam, resulting in an overall improvement in the percent of children who received a well-care exam.

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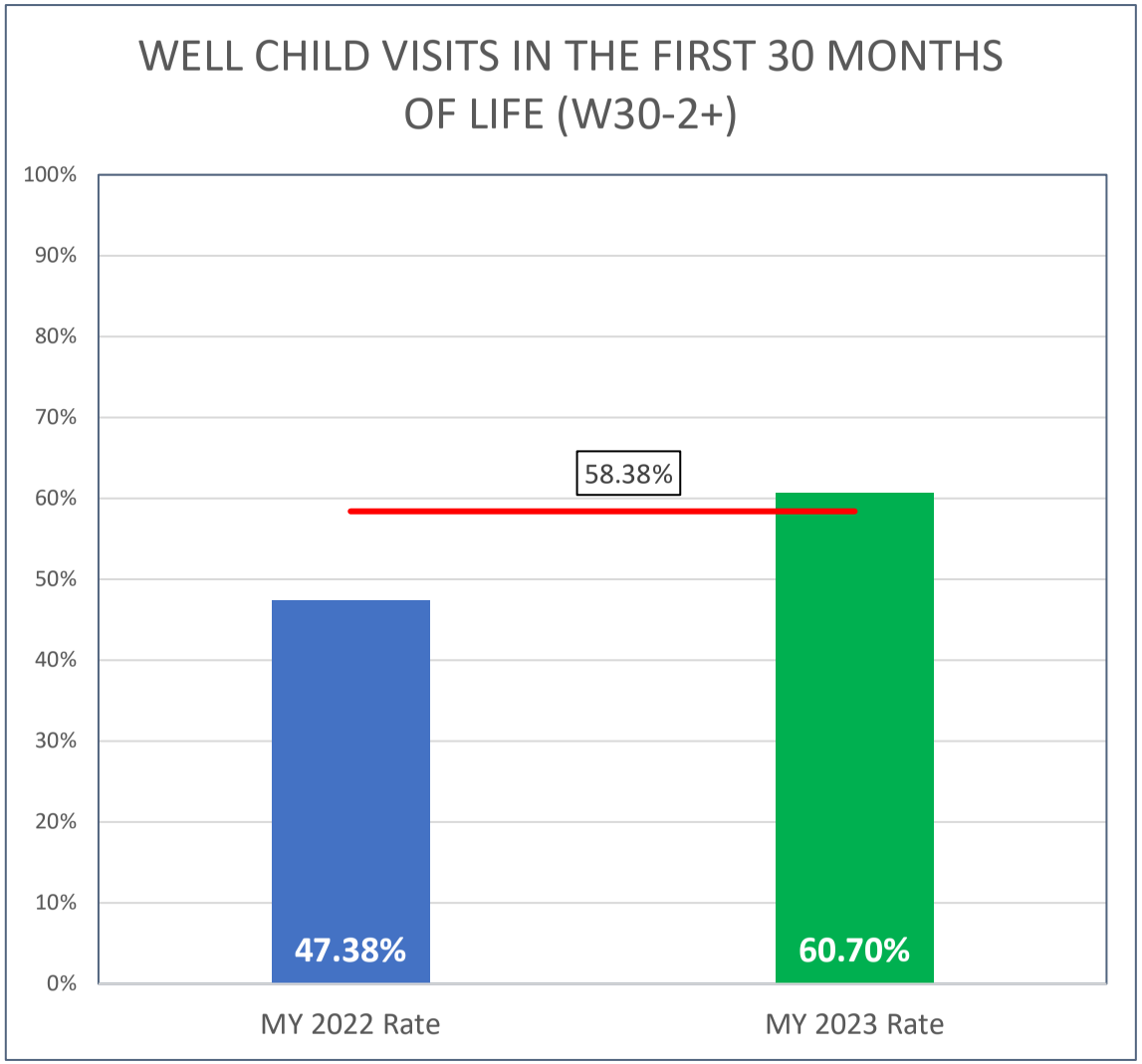

285 more children between 15 and 30 months of age received at least two well-care exams in 2023 compared to 2022.

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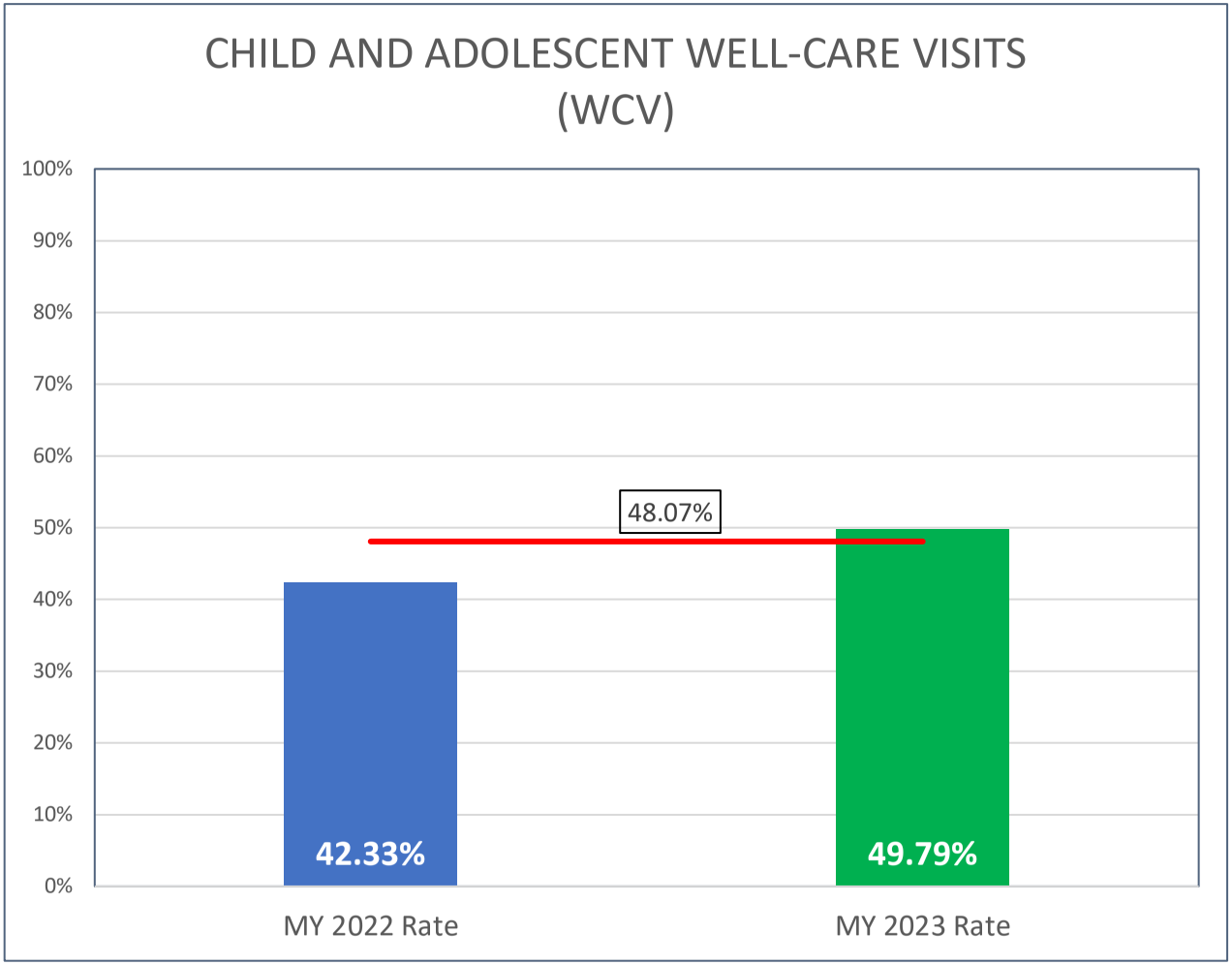

4,992 more members between 3 and 21 years old received a well-care exam in 2023 compared to 2022.

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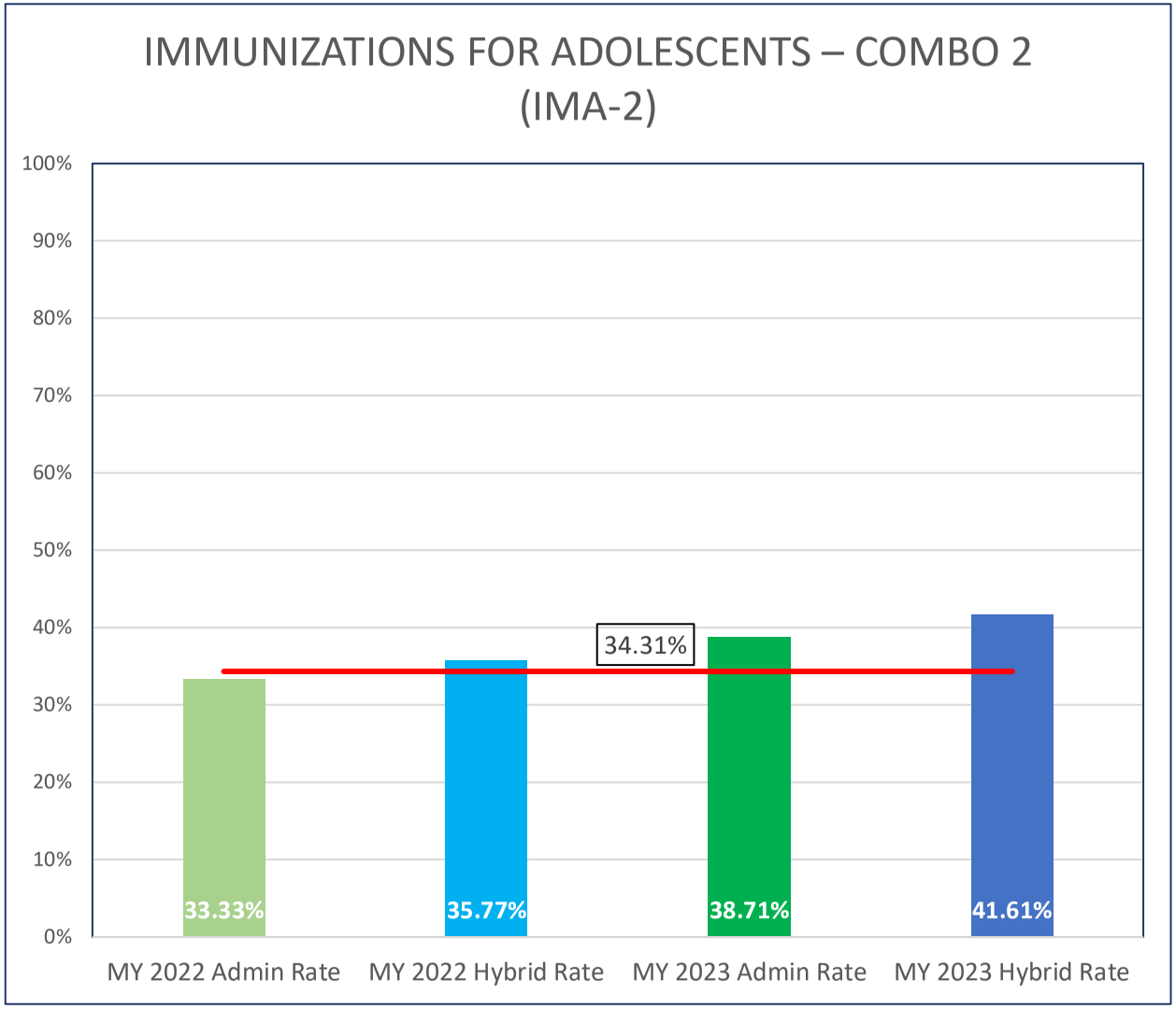

204 more children completed all recommended adolescent vaccines by their 13th birthday in 2023 compared to 2022.

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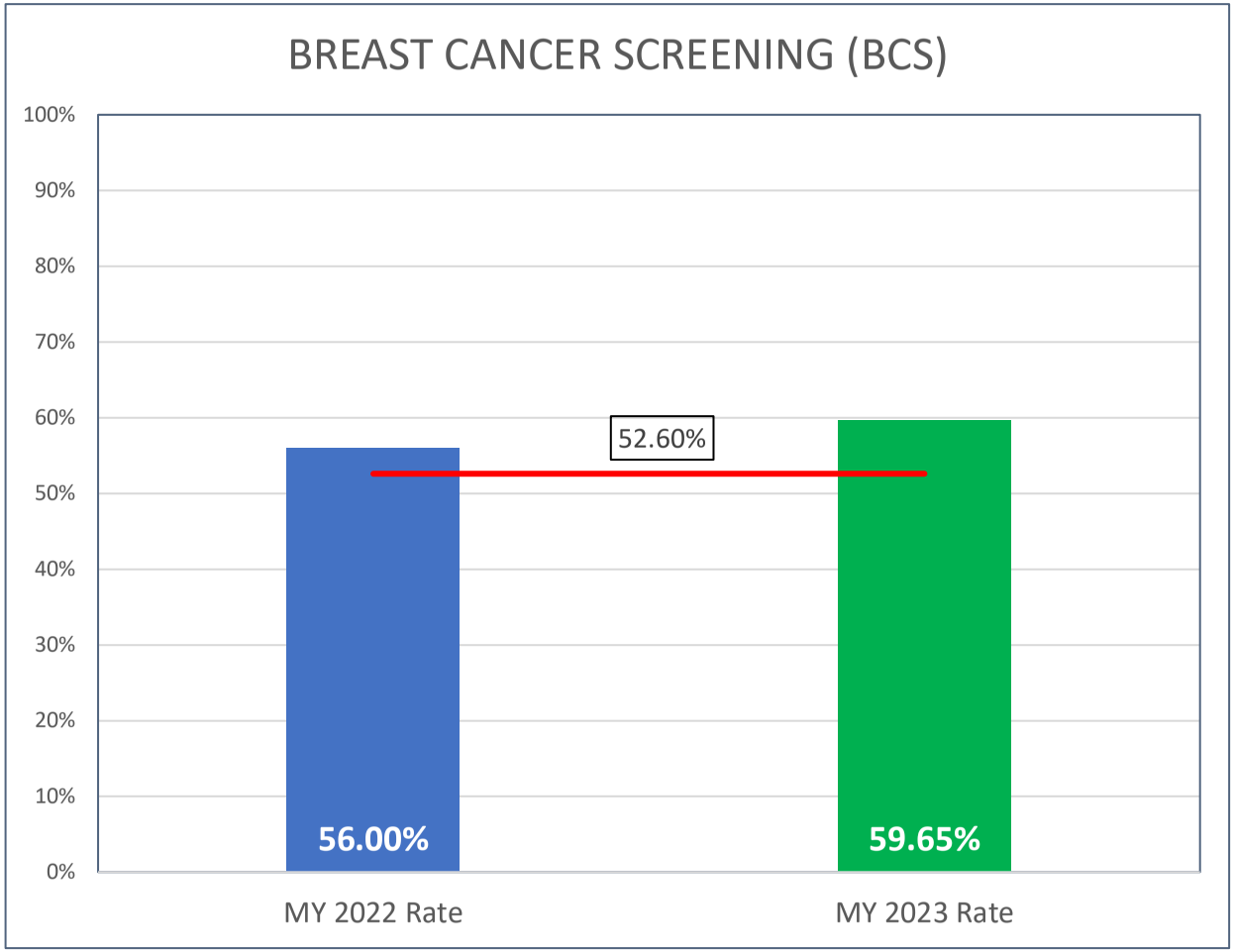

439 more members between 50 and 74 years old received a mammogram in 2023 compared to 2022.

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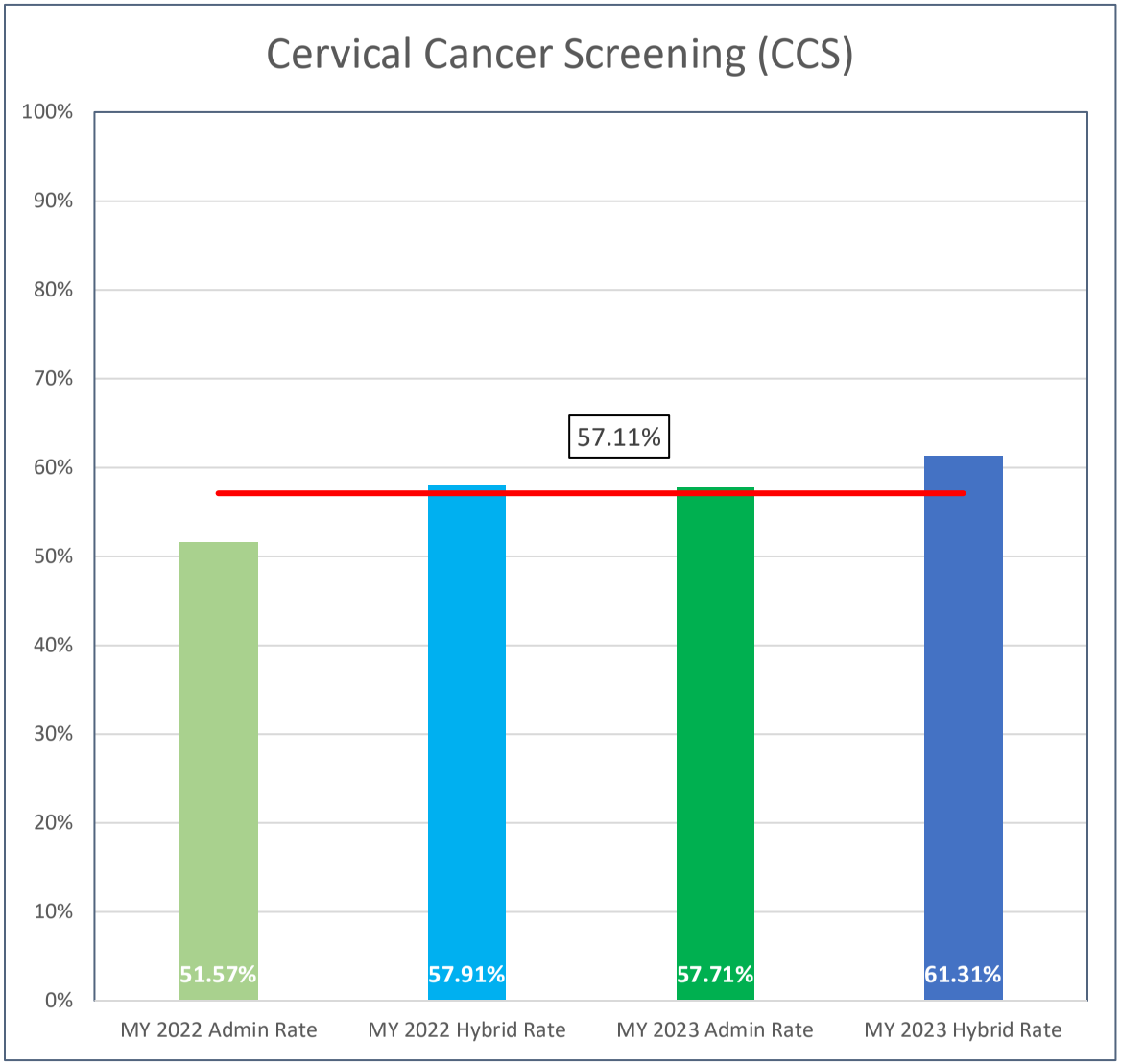
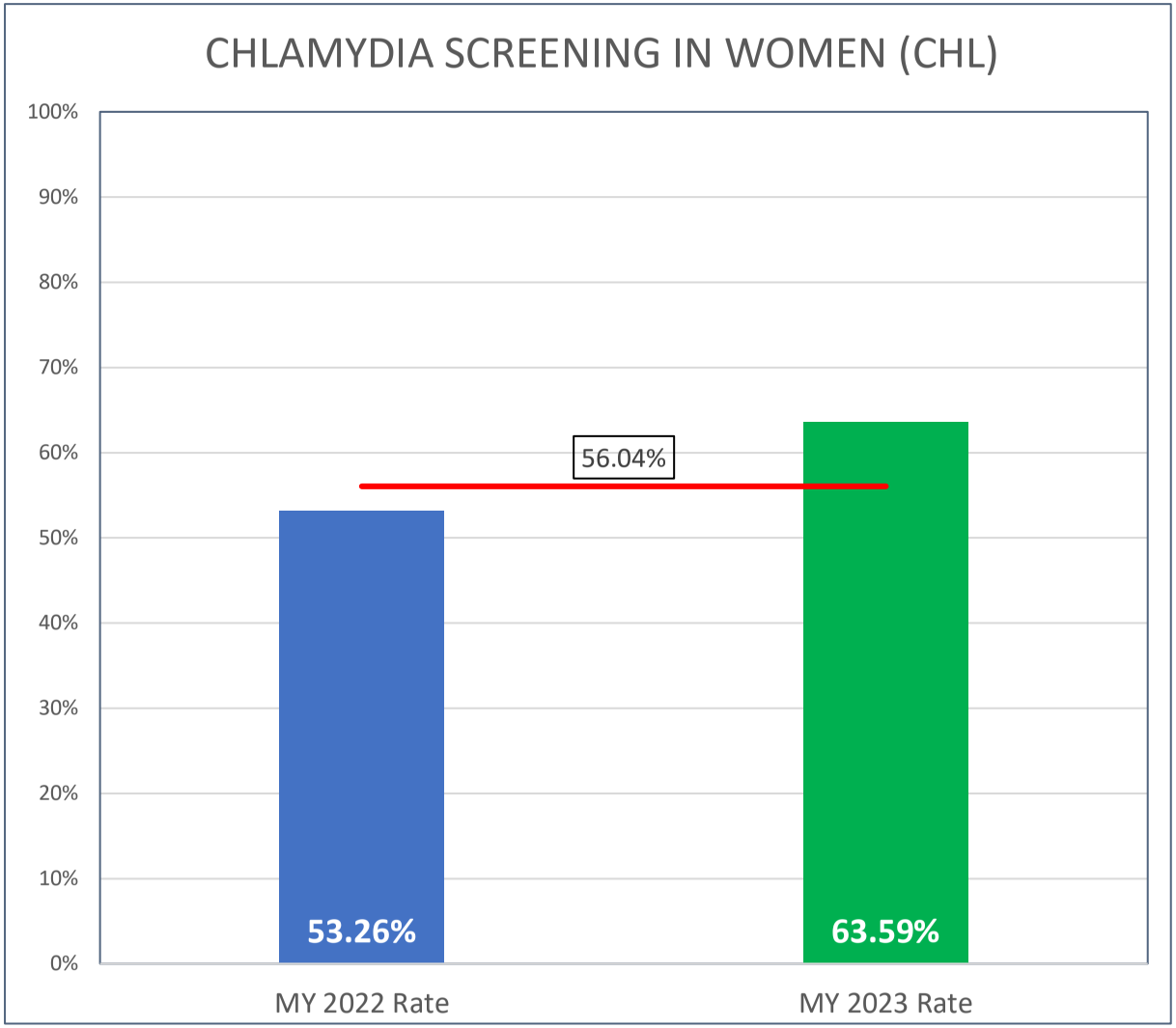


3,453 more members between 21 and 64 years old received cervical cancer screening in 2023 compared to 2022.



940 more members between 16 and 24 years old were tested for chlamydia in 2023 compared to 2022.

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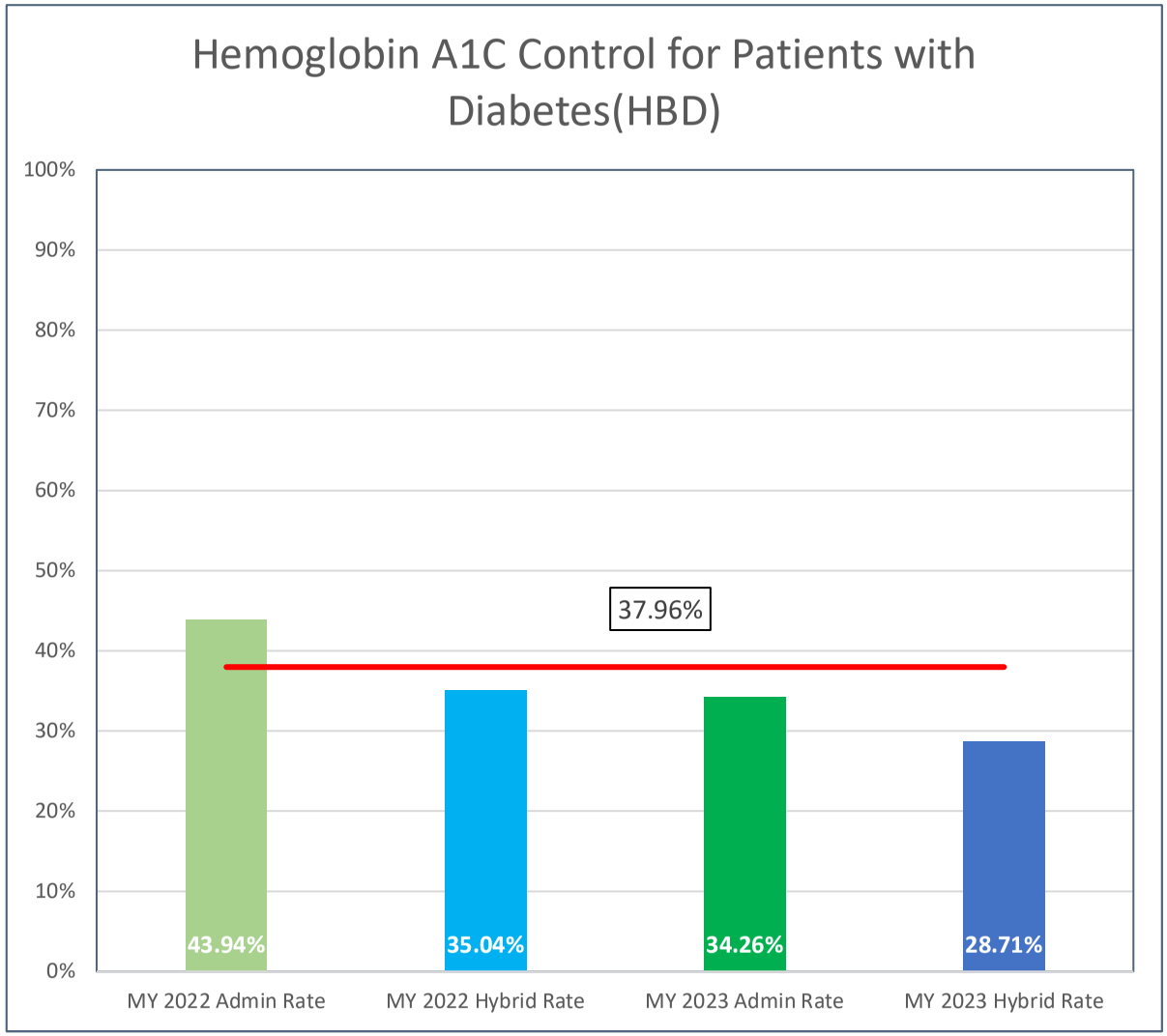

A lower rate is better and indicates fewer members with poor HbA1c control.

238 fewer* members between 18 and 75 years old with diabetes had an HbA1c test greater than 9.0% in 2023 compared to 2022.

*A reduction in members with a high HbA1c test shows in improvement in diabetes management.

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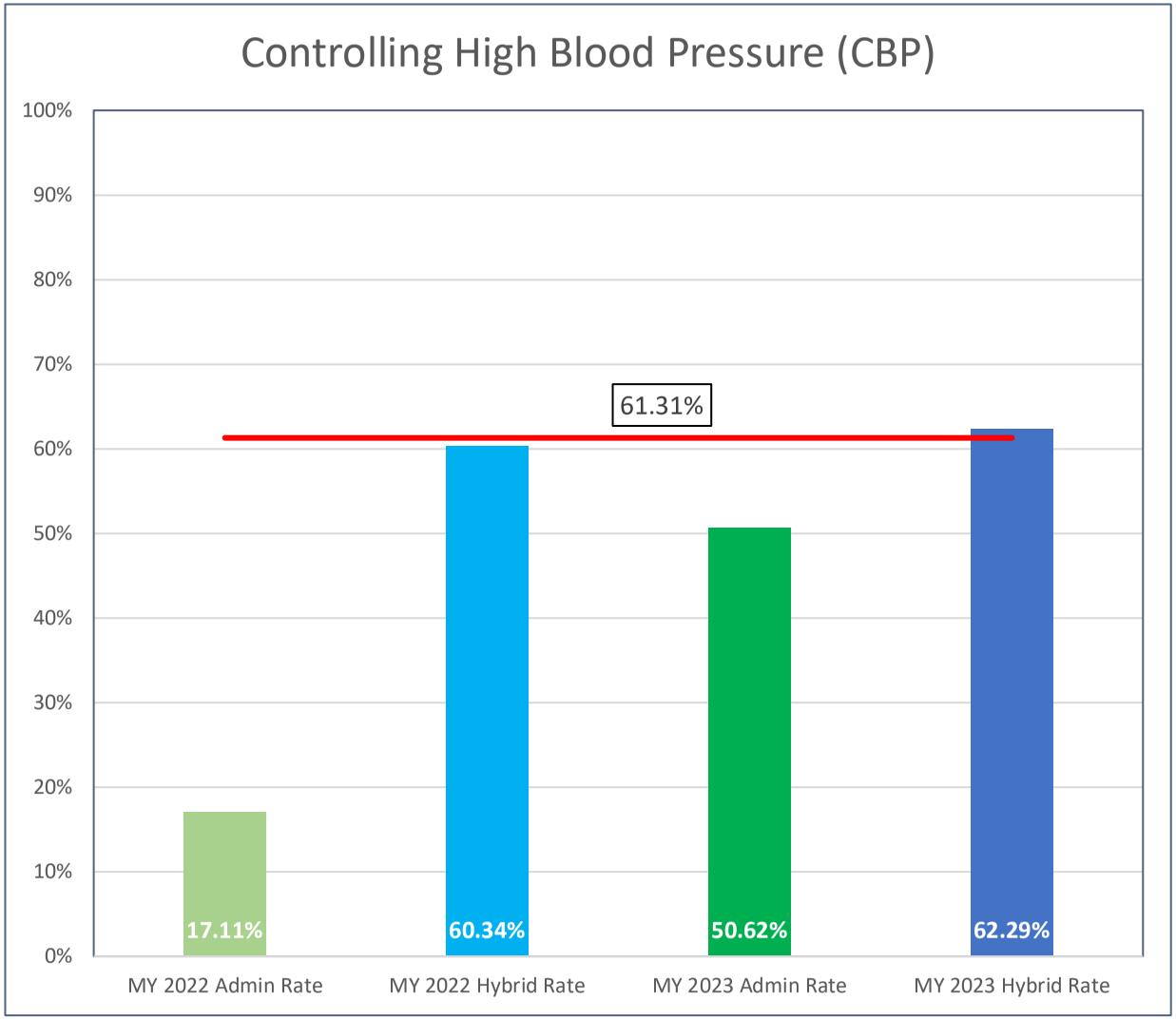

3,151 more members ages 18 to 85 with high blood pressure had a blood pressure reading under 140/90 in 2023 compared to 2022.

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Gold Coast Health Plan℠
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM NO. 4C

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Erik Cho, Chief Policy & Program Officer
Erin Slack, Sr. Manager, Population Health
Matt Lopez, Chief Executive Officer & Co-Founder – Wellth
Dinesh Apte, Sr. Vice President of Growth & Strategy – Wellth
Russ Gagnon, Chief Product Officer – Wellth
Haley Kesler, Customer Success Manager - Wellth

DATE: June 24, 2024

SUBJECT: Development of a Quality Investment Focused Budget: Health Engagement Program Return on Investment (GCHP – Wellth Partnership)

PowerPoint with Verbal Presentation

ATTACHMENTS:

Investments in the Model of Care – Wellth & GCHP Partnership and Outcomes

Gold Coast Health Plan℠
A Public Entity

Investments in Model of Care Wellth & Gold Coast Health Plan Partnership and Outcomes

Erik Cho, Chief Policy and Program Officer
Erin Slack, Senior Manager Population Health Management

Matt Loper, Chief Executive Officer and Co-Founder Wellth
Dinesh Apte, Senior Vice President of Growth & Strategy Wellth
Russ Gagnon, Chief Product Officer Wellth
Haley Kesler, Customer Success Manager Wellth

Integrity
Accountability
Collaboration
Trust
Respect

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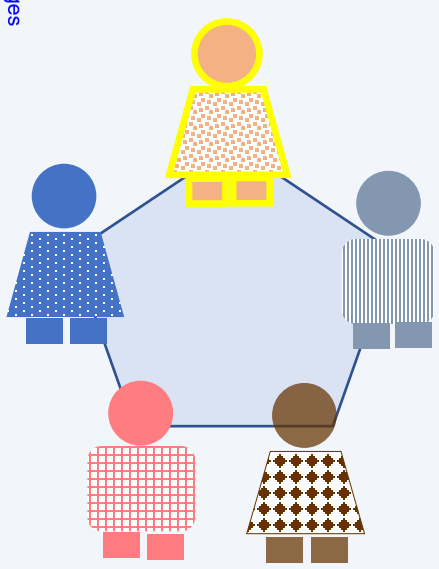
GCHP Model of Care
Quality Health Outcomes by Design—Wellth

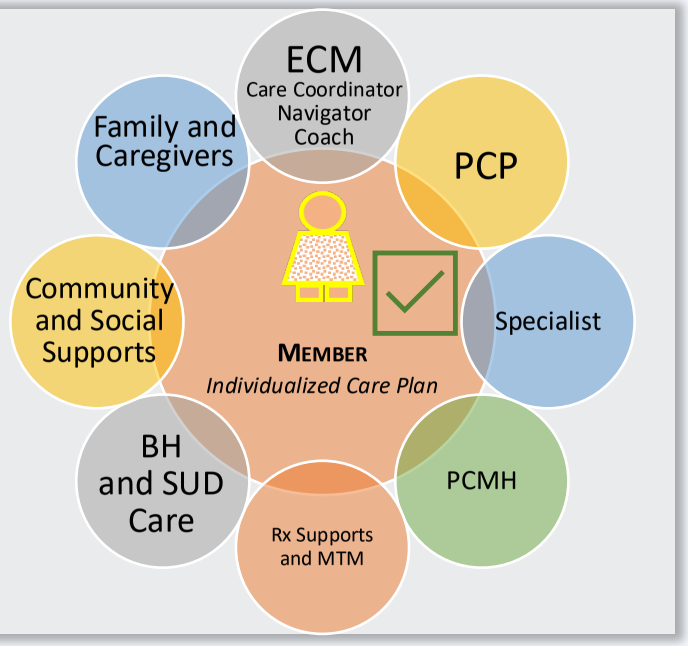
Advanced data capabilities to identify populations for focused health and quality interventions



Advanced capabilities to improve quality and satisfaction while controlling costs (VALUE)

- Programs for chronic conditions
- Member Incentives
- Value Based Payment and Performance and Provider Incentives

An Integrated Care Team Model that applies individualized member management/support on a population scale



Member-centered health plan operations to improve member experience and engagement

- Member Services – call center and field-based
- Member Engagement
- Operational capabilities to track costs and quality

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wellth

Wellth & Gold Coast Health Plan

Program Review

June 24, 2024

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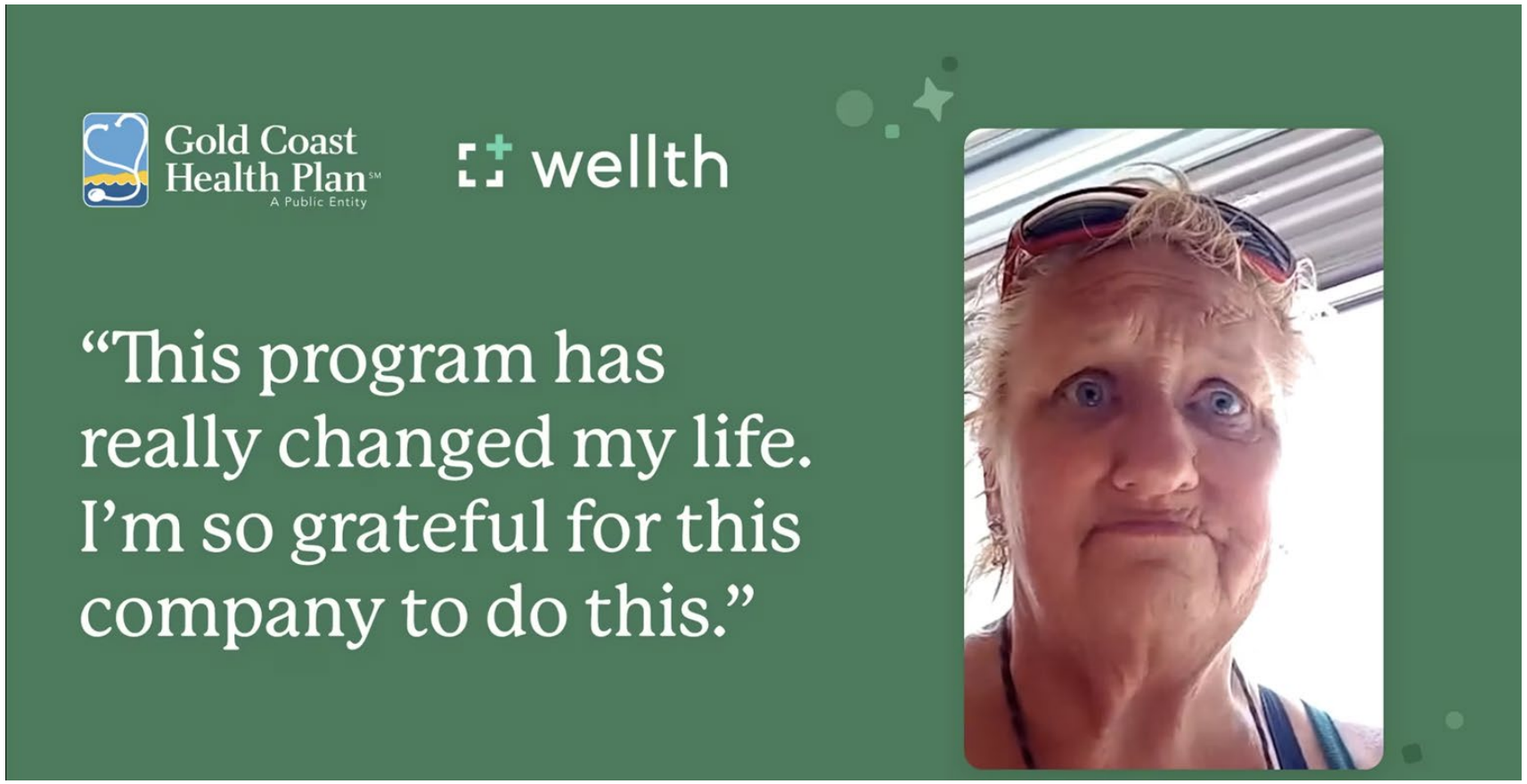
Gold Coast Health Plan Is Changing Its Members Lives For The Better



Click to watch

wellth

Agenda

- Wellth Overview
- Program Overview
- Outcomes Review
- Upcoming Activities

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wellth

Wellth Overview

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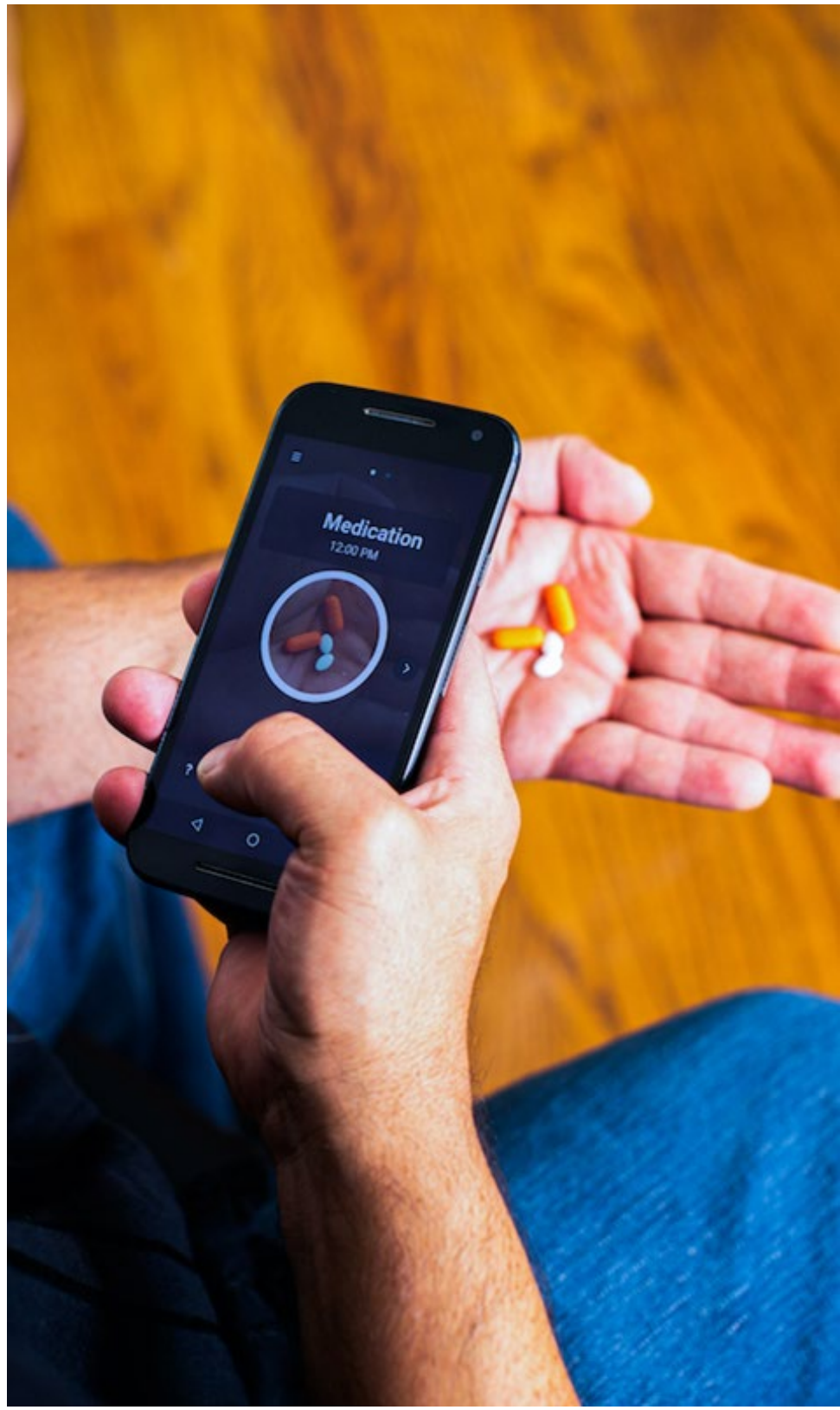
wellth

Wellth uses the **power of behavioral science** to help people change their daily behavior.



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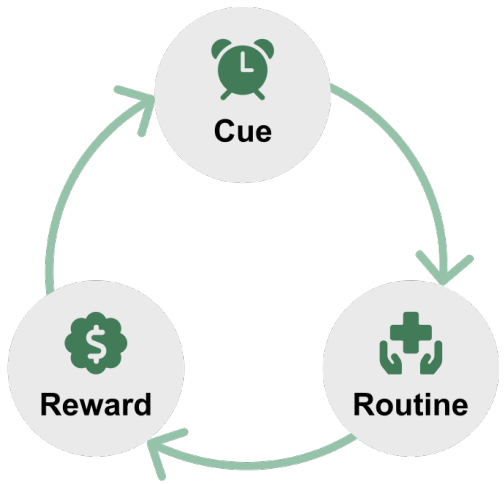
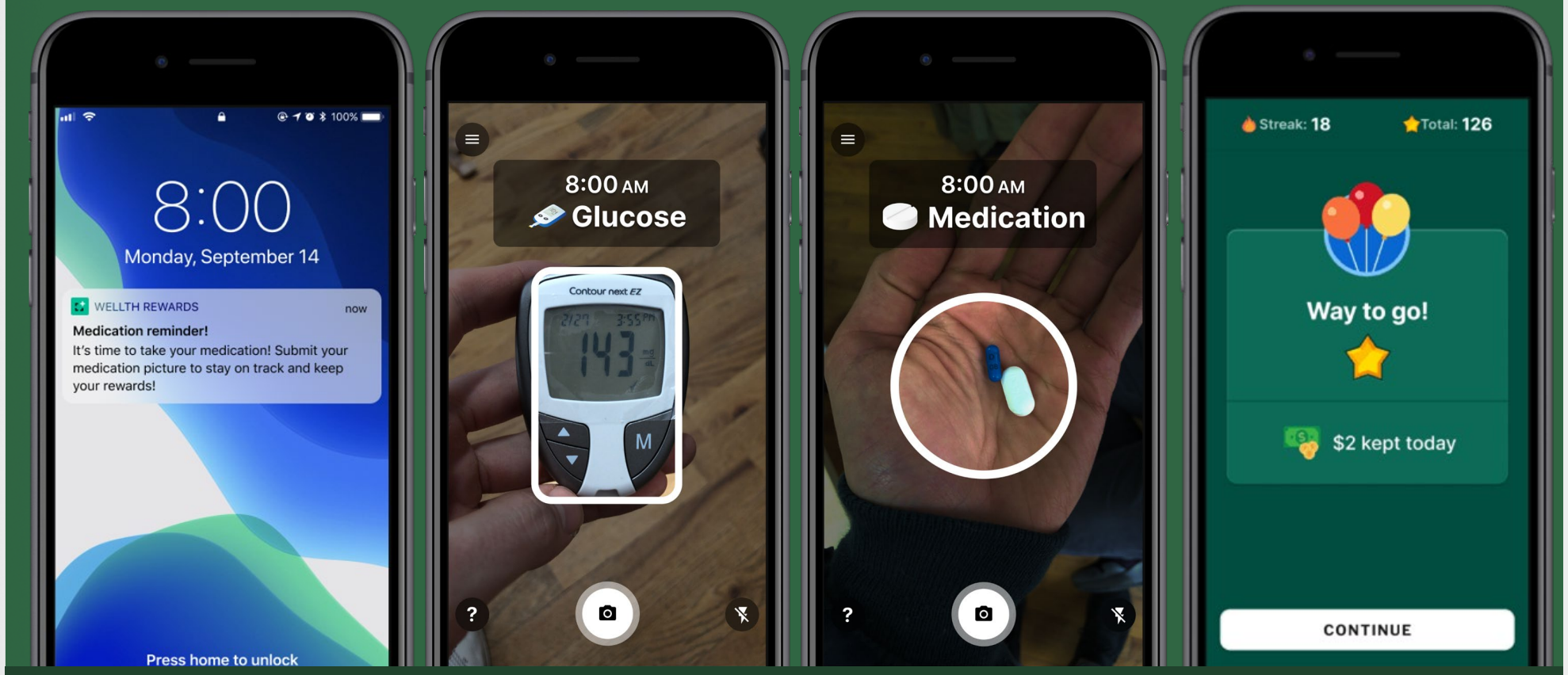
Maria, 58

Female
Speaks Spanish
Fillmore, CA
Verified Phone Number
Verified Email Address

- Type 2 Diabetes
- Hypertension
- Baseline A1c: 9.4
- Glucose check and takes 2 pills at 8:00 AM



Daily Care Plan Habit Loops



Cue **Routine** **Reward**

Return to Agenda

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John, 56

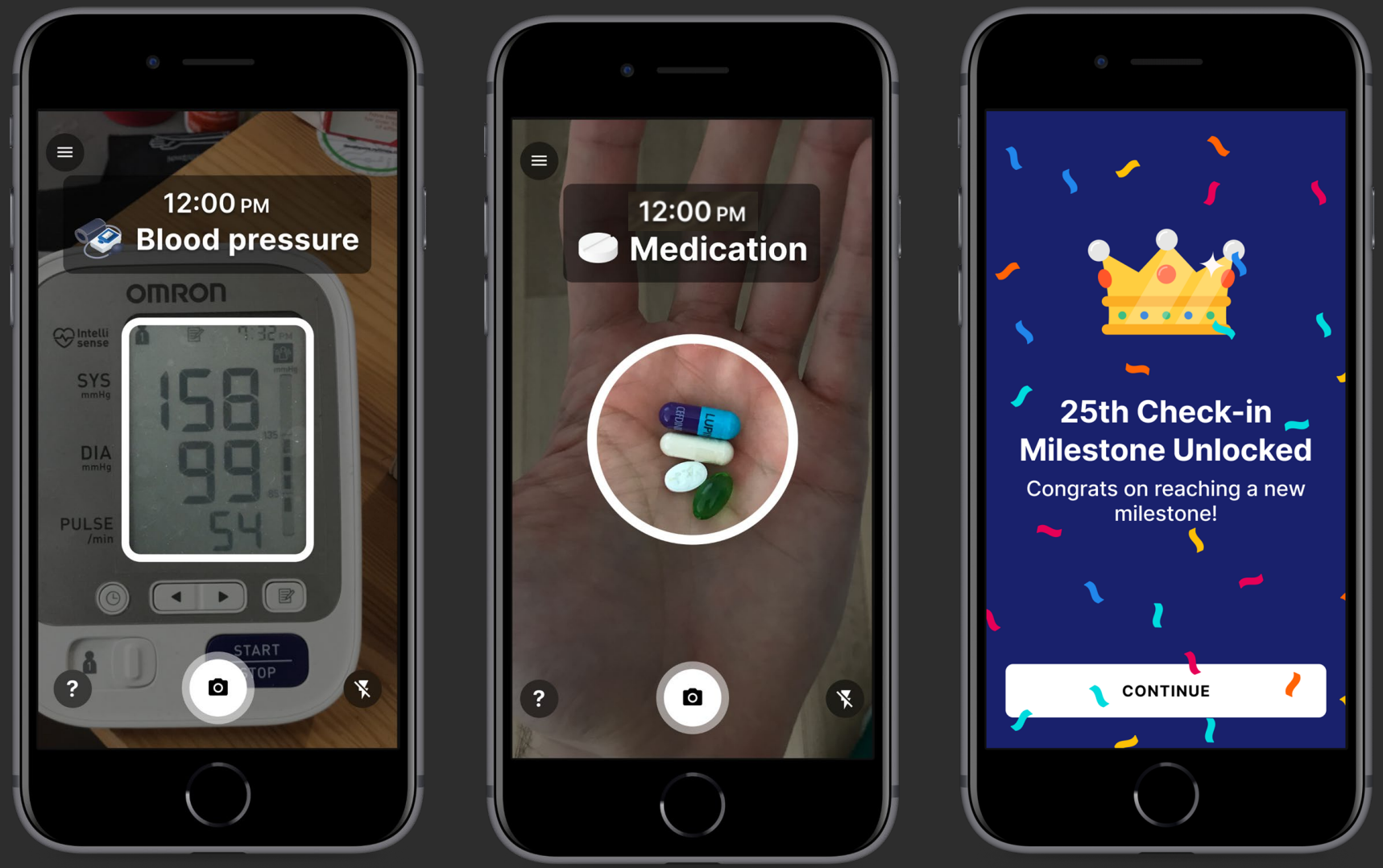
Male

Speaks English

Ojai, CA

Verified Phone Number

- CVD
- Type 2 Diabetes
- Hypertension
- Very low prior historical adherence
- Needs A1c test; needs colon cancer screening
- Last HbA1c: 9.2



Wellth's journey helps John stay focused on what's most important, establish strong habits and routines, and feel connected to support each step of the way

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SDOH Category Gift Rewards Card

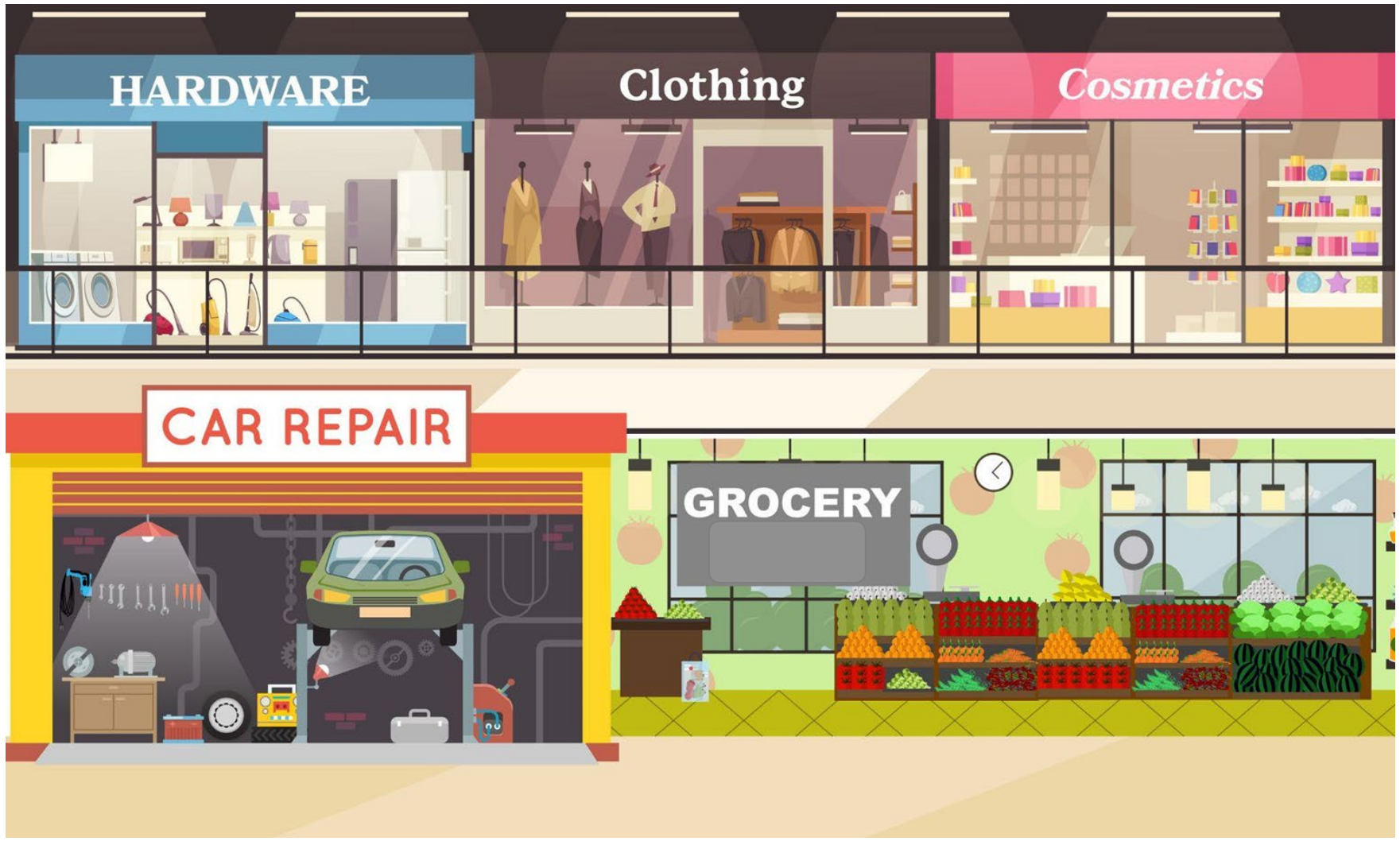
Food & Groceries

Clothing

Transportation & Communication

Home & Lodging

Personal Care, Education & Entertainment



We offer a gift reward card solution that is limited to specific SDOH Categories including:

- Food & Groceries
- Clothing
- Transportation & Communication
- Home & Lodging
- Personal Care, Education & Entertainment

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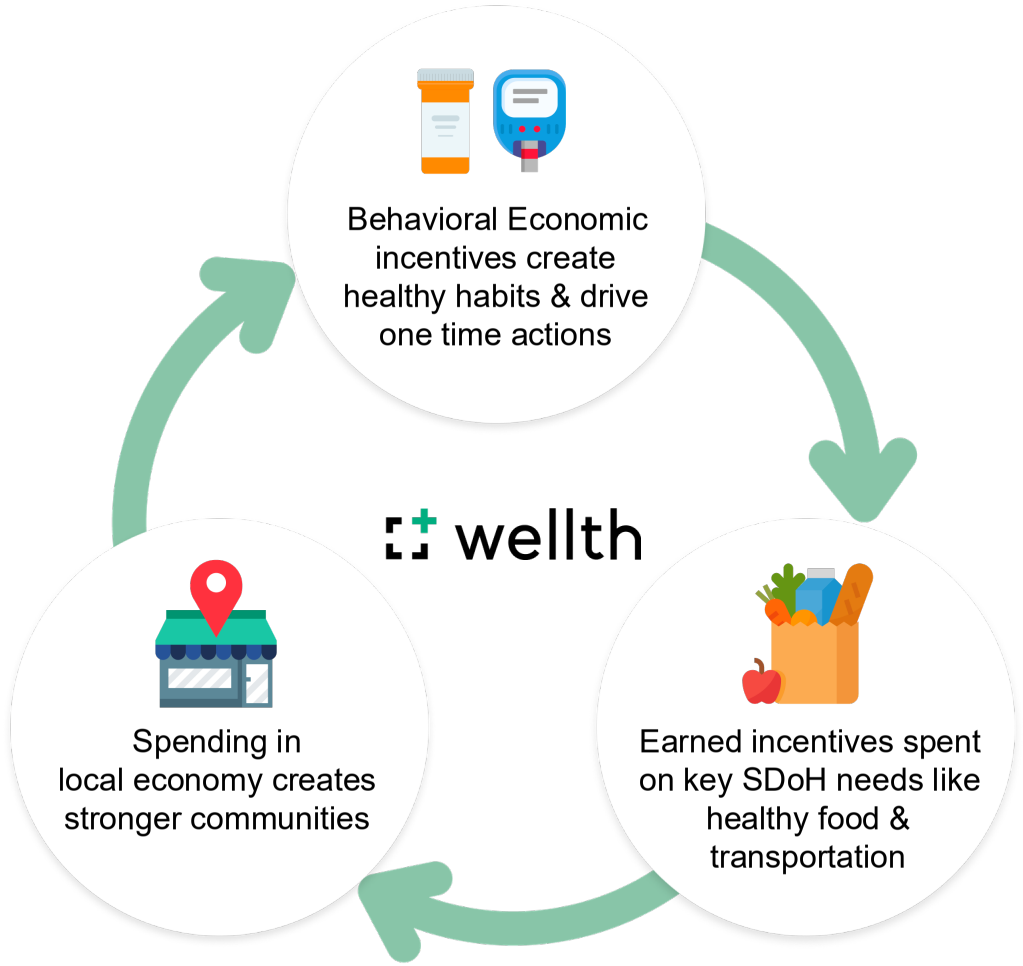
Solution

Wellth creates a virtuous cycle. Incentives not only create healthy habits and outcomes but put money in members pockets for key SDoH needs and, ultimately, healthier communities



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Program Overview

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Gold Coast Health Plan and Wellth Program Overview

Phase 1

Utilization Reduction Program

Enrollment Period

Sept ’23 – Nov ‘23

Activated Members

1,504

Initial activation goal: 1,500

Eligibility Criteria

Medicaid members with physical and behavioral health conditions at risk for high-cost utilization

Program Goals

Primary Objective:

- Reductions in Avoidable High-Cost Utilization & Cost
- Care Gap Closures*

Secondary Objectives:

- Improvements to Medication Adherence (PDC)
- Member Satisfaction (NPS > +50)

*Moved from secondary to primary objective based on updated GCHP goals

Phases 2 & 3

Quality Improvement Program

Enrollment Period

Dec ’23 – June ‘24

Activated Members

5,066

Initial activation goal: 5,000

Eligibility Criteria

Medicaid members with at least one open MCAS care gap

Program Goals

Primary Objectives:

- Cervical Cancer Screening compliance
- Breast Cancer Screening compliance
- A1c Control compliance
- BP Control compliance

Secondary Objective:

- Member Satisfaction (NPS > +50)

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Most members engage every single day

The Wellth & Gold Coast Health Plan program continues to see outstanding daily engagement and program retention, translating to significant reductions in high-cost utilization, strong improvements to medication adherence across key drug classes and increased MCAS care gap closures.

PARTICIPATION

Activated Members (Utilization: 1,504 | QI: 5,066)	**6,570**	Daily Engagement/Action Rate	**85%**
Program Retention	**91%**	Members with 3+ Chronic Conditions	**76%**

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Daily habit support drives strong impact

The Wellth & Gold Coast Health Plan program continues to see outstanding daily engagement and program retention, translating to significant reductions in high-cost utilization, strong improvements to medication adherence across key drug classes and increased MCAS care gap closures.

PARTICIPATION

Activated Members (Utilization: 1,504 | QI: 5,066) — 6,570	Daily Engagement/Action Rate — 85%
Program Retention — 91%	Members with 3+ Chronic Conditions — 76%

OUTCOMES (6 MONTHS POST-ENROLLMENT)

Reduction in Inpatient Days Utilization PMPM — **57%**	Reduction in Readmission Days Utilization PMPM — **47%**
Improvement to Adherence (PDC) for Diabetes Medications — **18%**	BCS Care Gap Closure vs Not Enrolled “Control” Group — **19%**

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Member Experience

wellth

Wellth's **daily care motivation platform** guides individuals to **follow through on their care plan every single day**

Members start their program focused on their daily check-ins: typically taking medication, measuring blood pressure or blood glucose, or eating a healthy meal

TRAIN

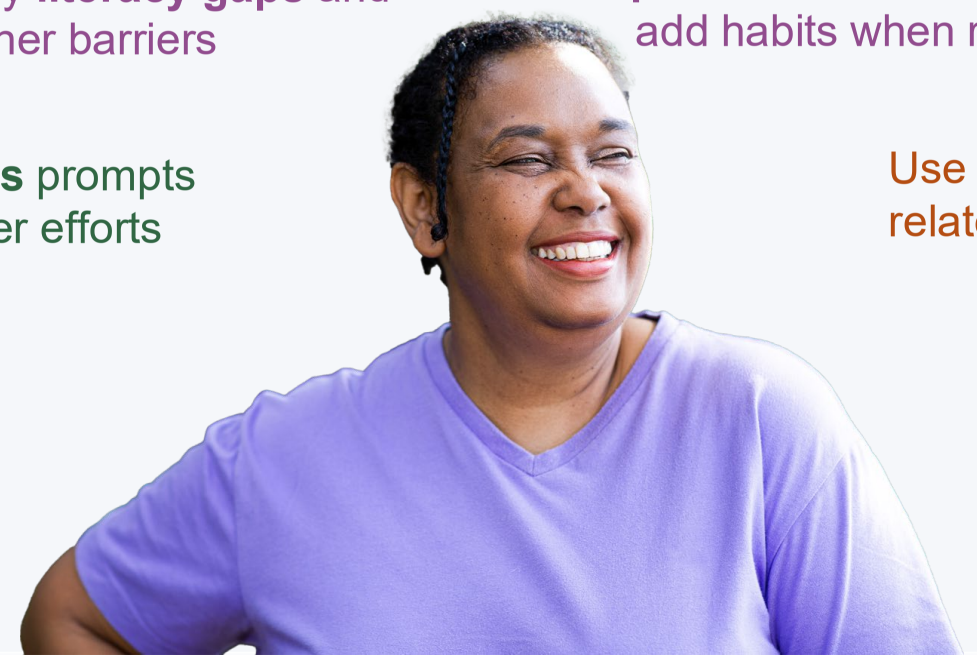
Identify and address key **literacy gaps** and other barriers

Prompt needed **preventative care** and add habits when ready

Once Members have shown mastery of their daily check-ins, they broaden and build their healthy behavior repertoire and self-management skills as they progress in their program

INITIATE

Endowed progress prompts Maria to build on her efforts



MAINTAIN

Use **social proof** to boost relatedness & empathy

Build consistency with **Cue - Routine - Reward** behavioral loop

Leverage **habit coupling** to strengthen habit formation

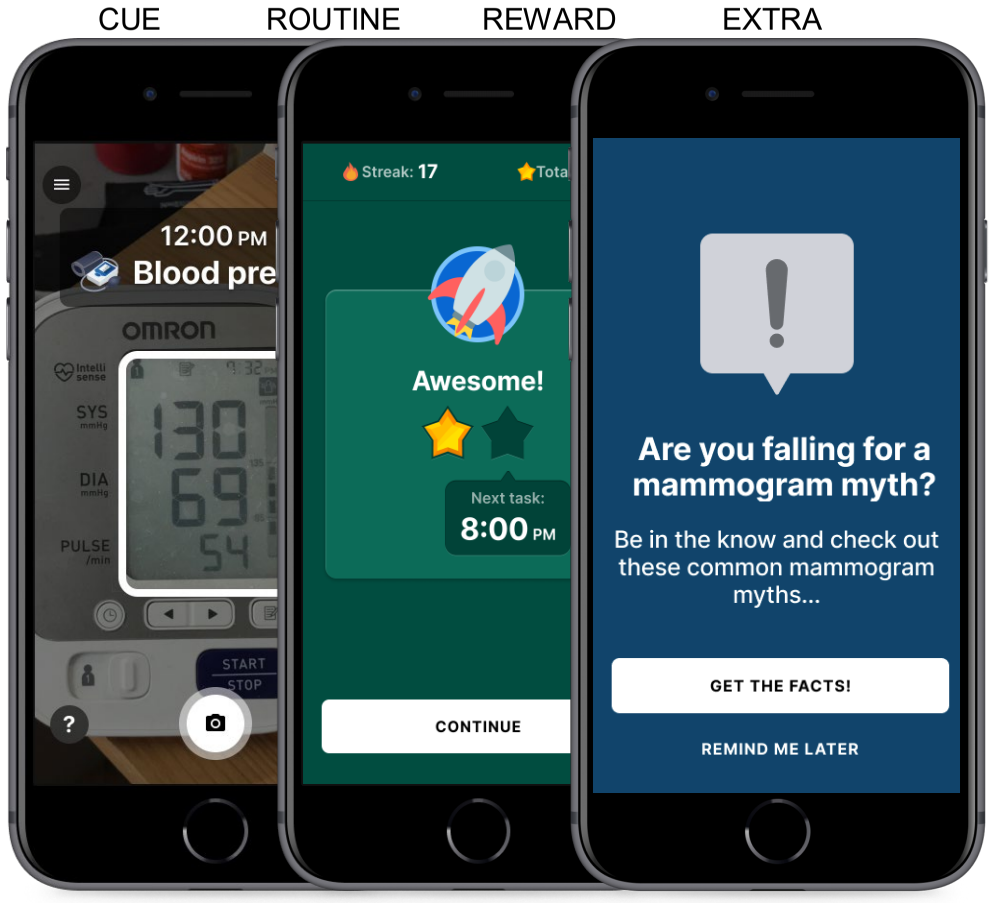
Sporadic attention to health
Extrinsic motivation
Anxious, Effortful
Low engagement

Persistent, daily habits
Intrinsic motivation
Easy, fulfilling
High engagement

Return to Agenda

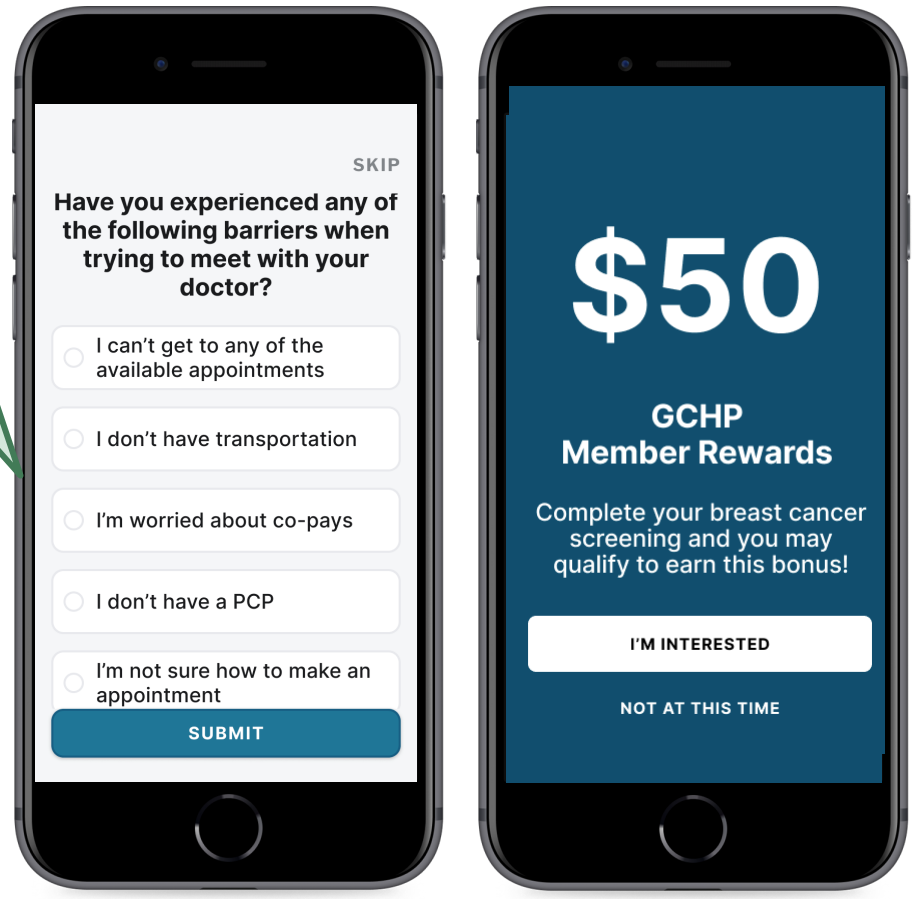
Leveraging daily engagement to address member needs and drive care gap closure activities

Members are engaging with personalized in-app experiences to earn rewards for key preventive services and care gap closure activities.



Members receive targeted experiences to learn more about chronic disease management boost health literacy.

Spanish-speaking members are showing a ~40% Click Rate to key in-app messages



Wellth uncovers daily obstacles and barriers to care to guide members towards resources, supports and targeted calls to action.

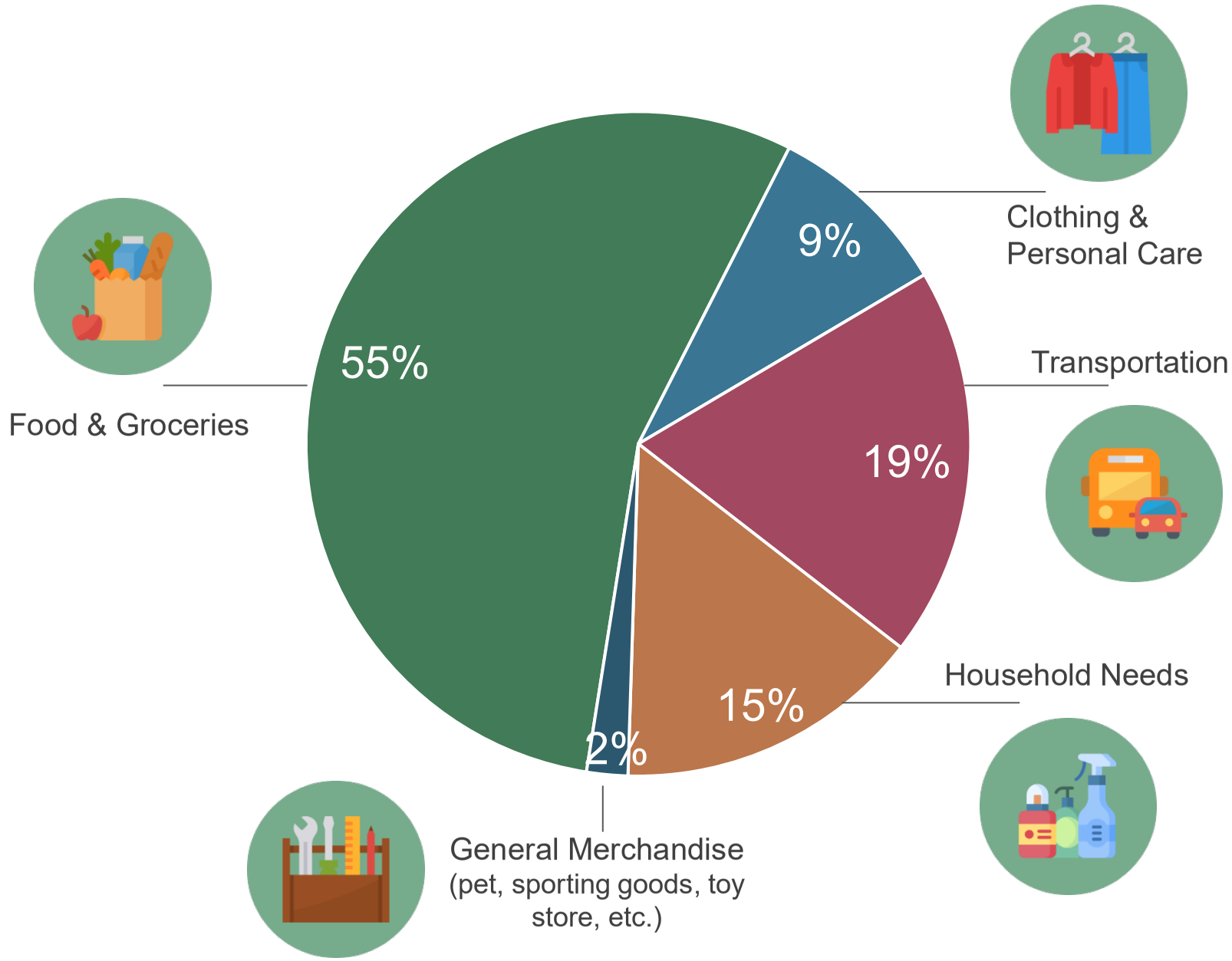
Return to Agenda

wellth

Over $356k in rewards has been reinvested in Gold Coast members and local communities at stores such as Vallarta Supermarket and Superior Grocers.

Members use their rewards to address a variety of SDOH needs.

How Gold Coast Members Spend Their Wellth Rewards



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wellth

Utilization Program Demographic & Outcomes

wellth

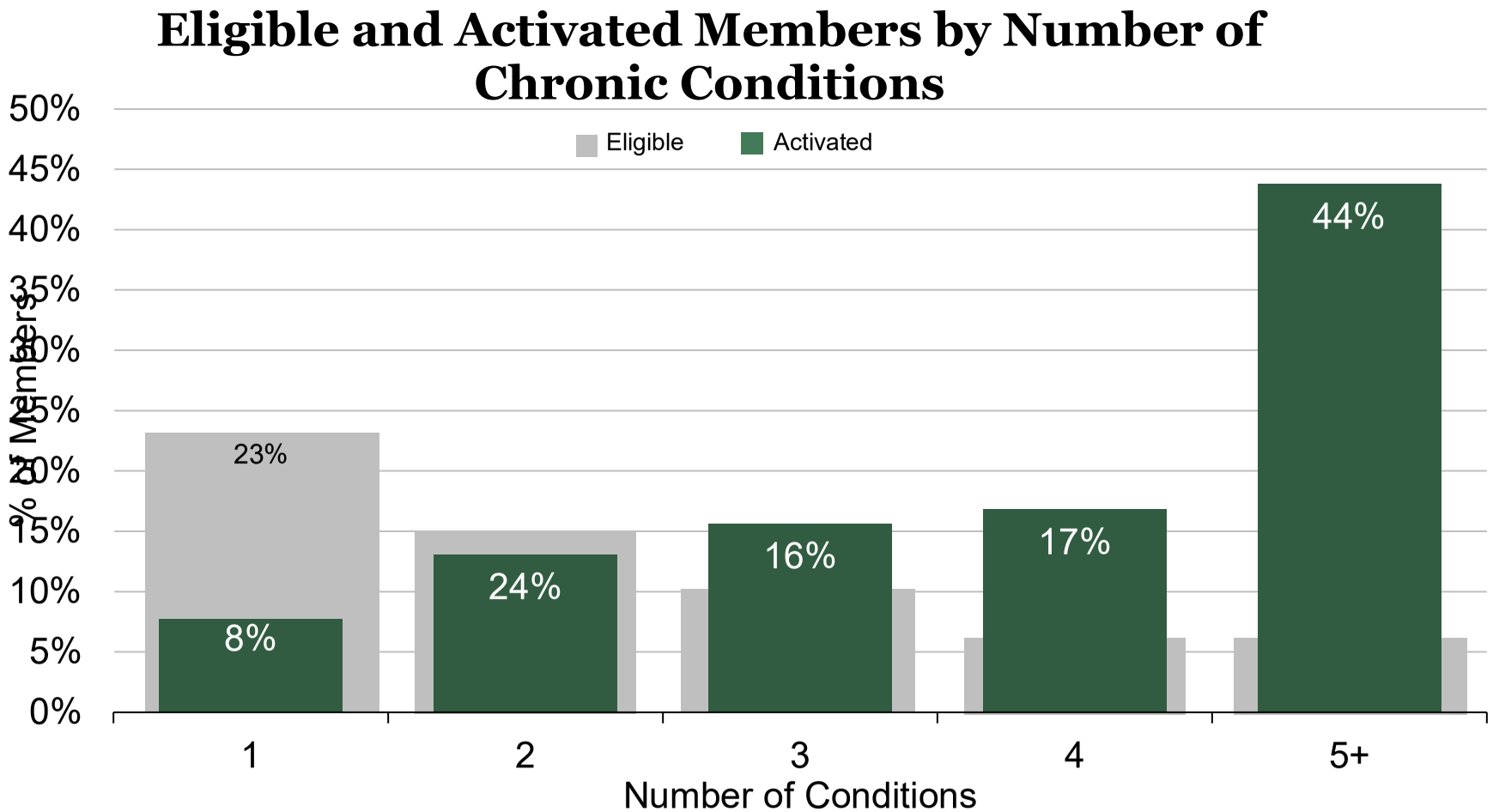
Utilization Program Demographics (GCHP Analysis)

Age Group	Gender	Race and Ethnicity	Primary Language	Top Cities
32% 55-64 years	69% Female	73% Hispanic or Latino	57% English	42% Oxnard
23% 45-54 years	31% Male	75% Some Other Race	42% Spanish	13% Ventura

PCP Assignment: 49% VCMC, 20% Clinicas, 18% CMH, 4% Dignity

Return to Agenda

Wellth has targeted the highest-risk, most complex members for enrollment with **76% of all enrolled members managing 3+ chronic conditions.**



Note - Data through May 28, 2024.

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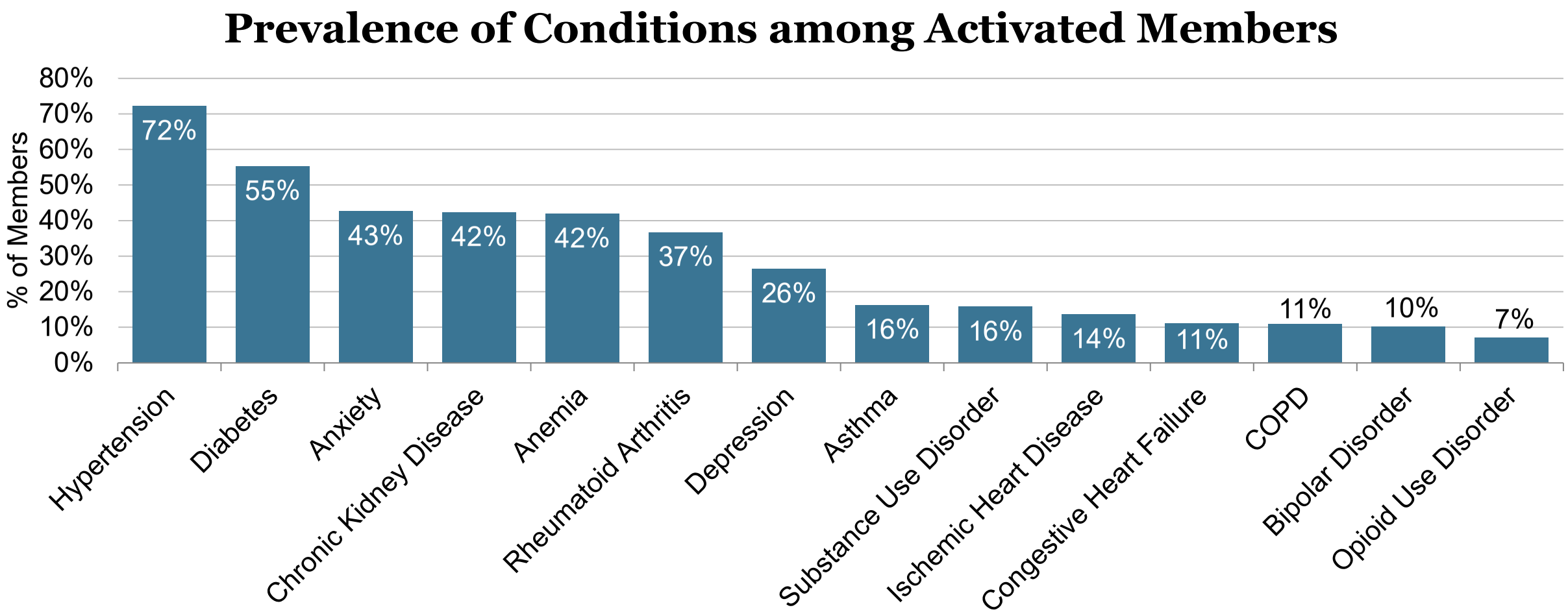
wellth

Members are managing a range of physical and behavioral health conditions. Nearly all members have a diagnosis of hypertension and half of the enrolled population have diabetes.



Data through May 28, 2024.

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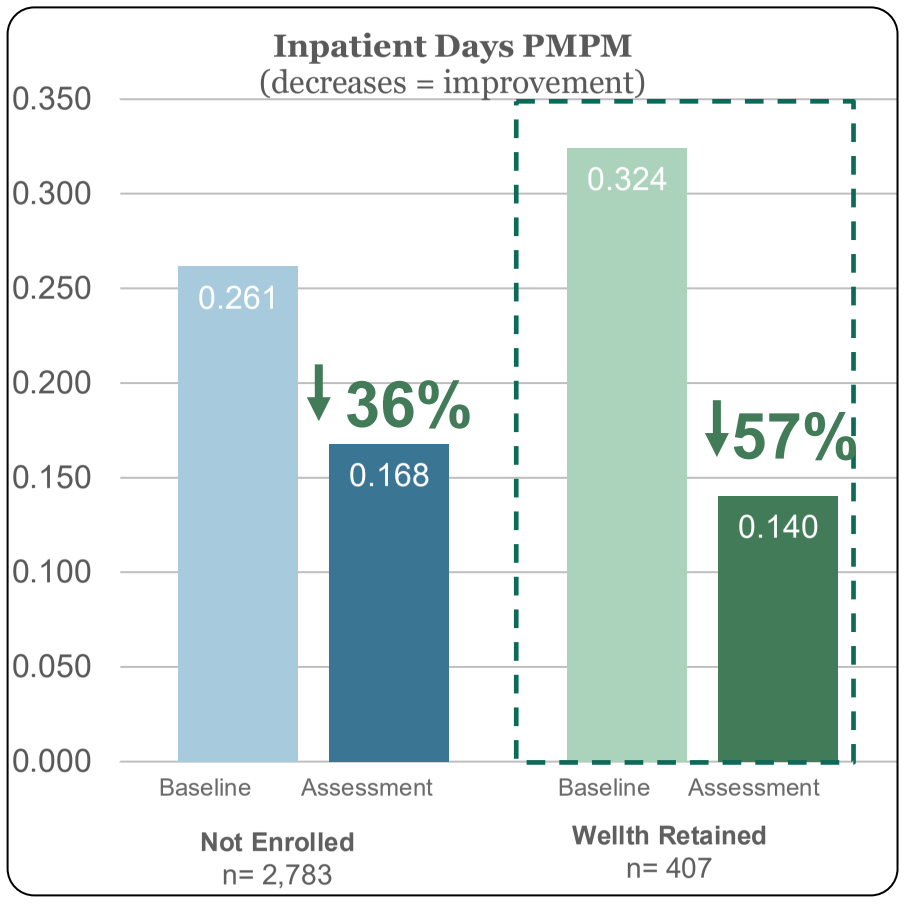
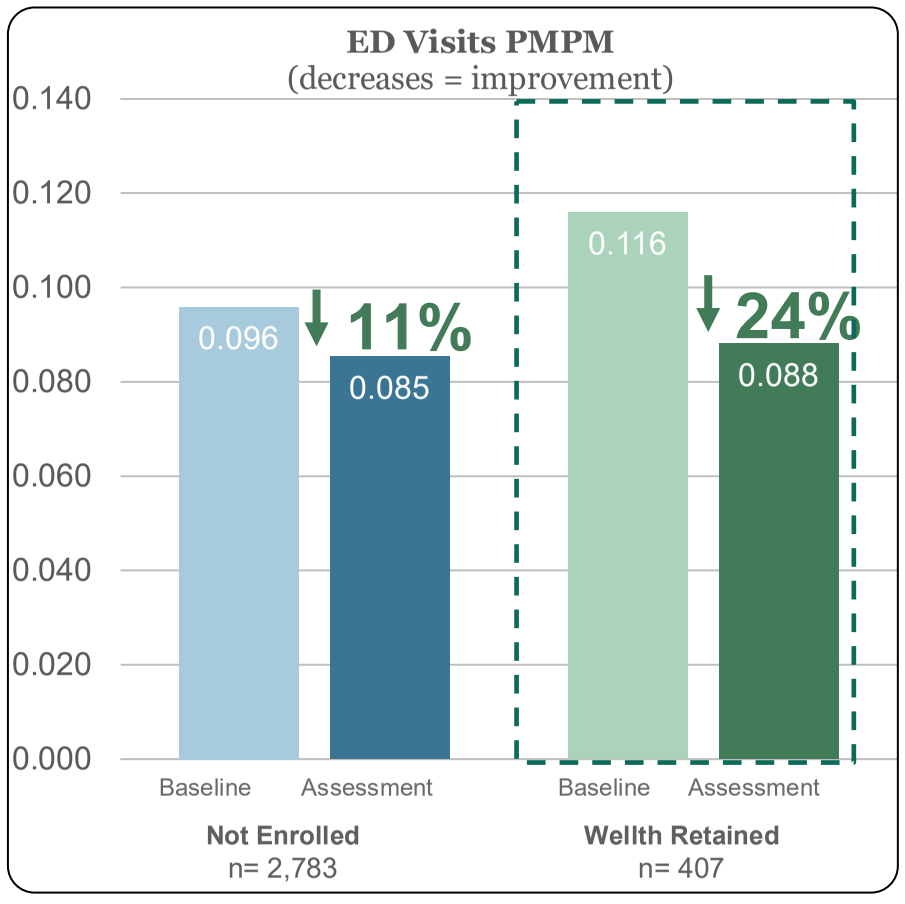
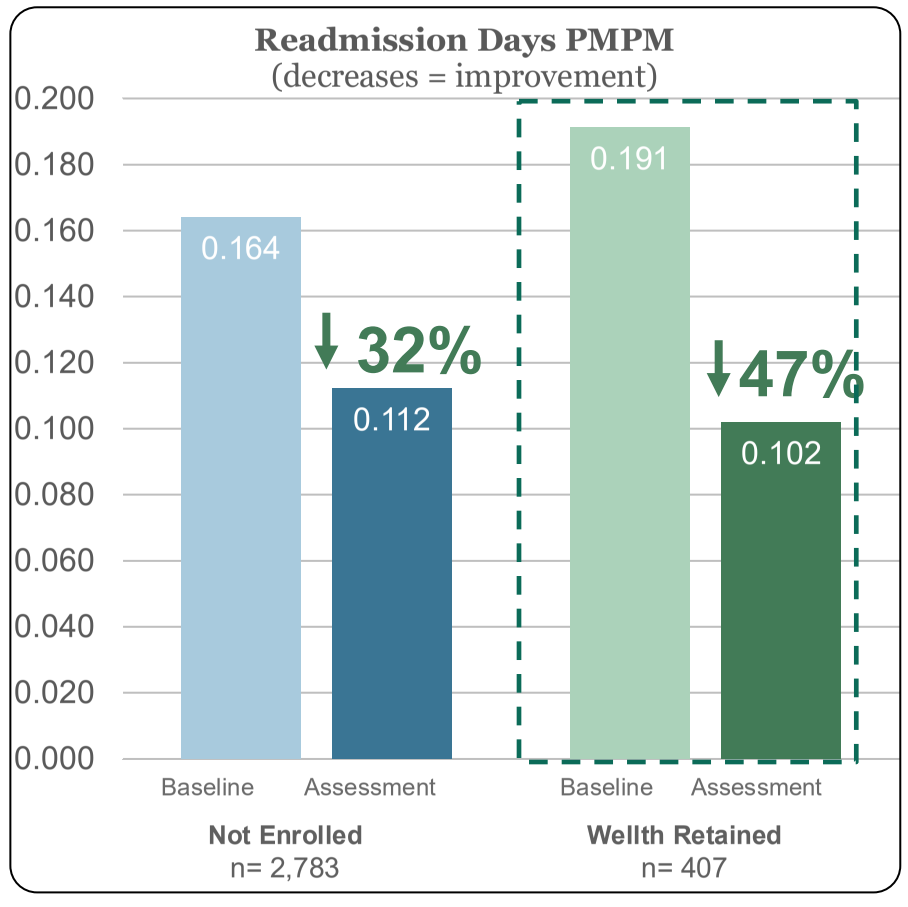
Wellth members are demonstrating strong improvements to high-cost utilization with a **57% reduction in inpatient stays, 24% reduction in emergency department visits and a 47% reduction in readmissions.**





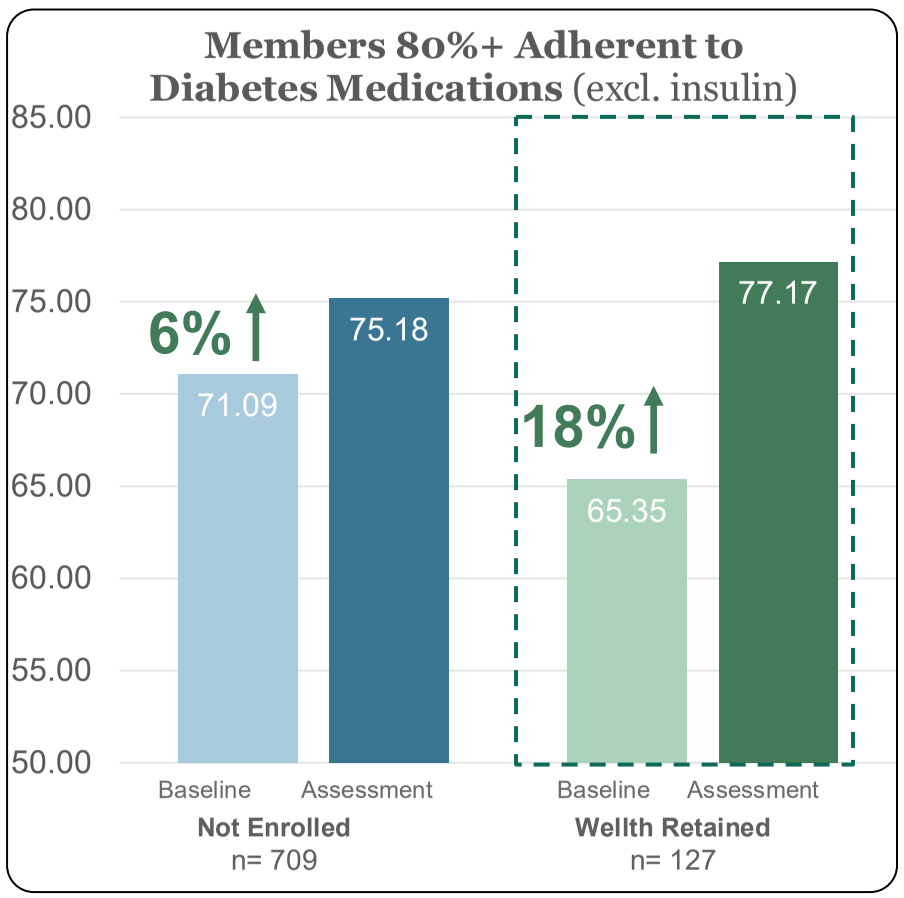


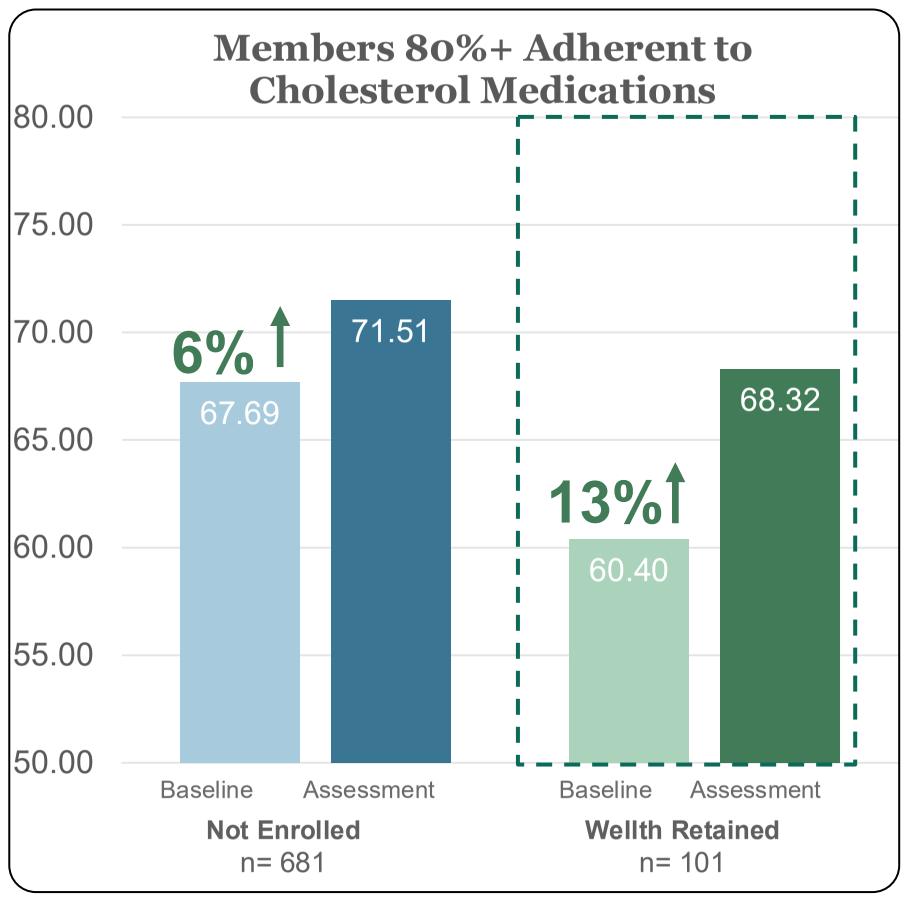
Claims data through 5/9/2024. Analysis limited to members with continuous coverage 12 months before and 6 months after index. Index date for non-members = mid-program outreach date. Not enrolled population limited to members targeted for the program and whose data continues to be shared with Wellth.

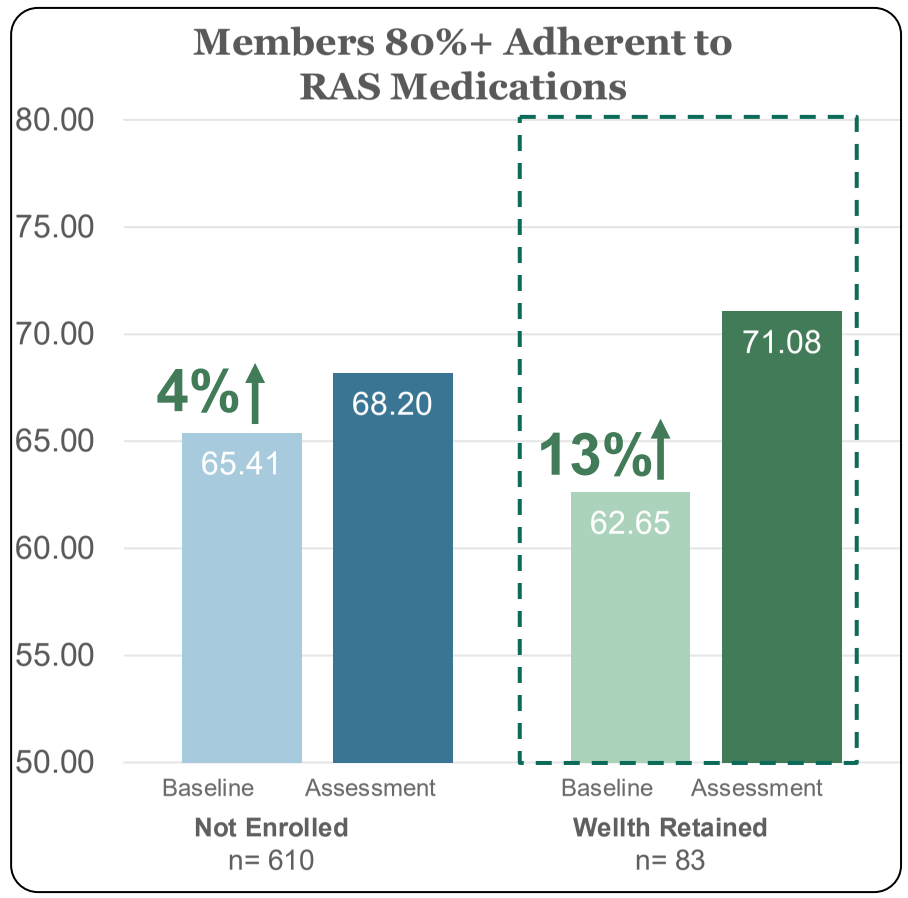
Baseline= 12 months prior to enrollment
Assessment= 6 months post-enrollment

wellth

Six months post-enrollment, **Wellth members have seen a 14% improvement in medication adherence across drug classes.**







Data through 4/21/2024. Comparison groups= Not Enrolled and Wellth Retained. Analysis limited to members with full coverage and available claims data 9 months pre- and 6 months post-enrollment. Index date for non-enrolled members = mid-program outreach date. Not enrolled population limited to members targeted for the program and whose data continues to be shared with Wellth.

Baseline= 9 months prior to enrollment
Assessment= 6 months post-enrollment

Return to Agenda

wellth

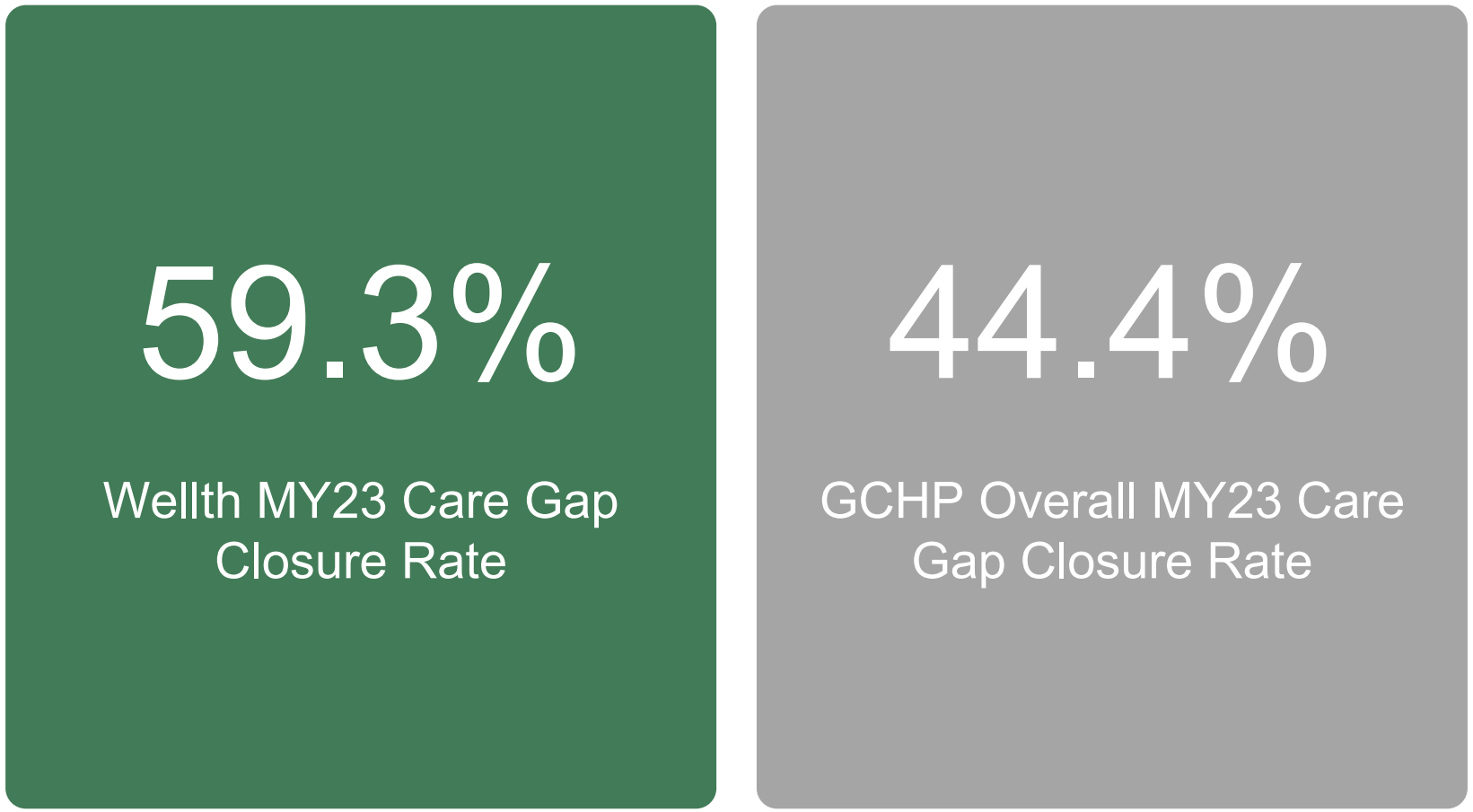
Despite launching the utilization program in September 2023, Wellth members outperformed the non-Wellth group across key MCAS quality metrics such as BCS, CCS, and CBP.

GCHP MY2023 MCAS Performance Review
Comparing Wellth Members vs. Not Enrolled "Control"

Measure	Not Enrolled	Wellth	Absolute Difference (Wellth vs Not Enrolled)
Breast Cancer Screening (BCS)	59%	67%	8%
Cervical Cancer Screening (CCS)	43%	53%	10%
Controlling Blood Pressure (CBP)	29%	31%	2%
Hemoglobin A1c Control for Patients with Diabetes (HBD)	44%	44%	-

Data through 5/28/2024. Comparison groups= Not Enrolled and Wellth Retained. Analysis limited to members with full coverage and available data. Index date for non-enrolled members = mid-program outreach date.

Wellth members closed 59.3% of their care gaps in MY23 compared to 44.4% of care gaps closed by GCHP membership.



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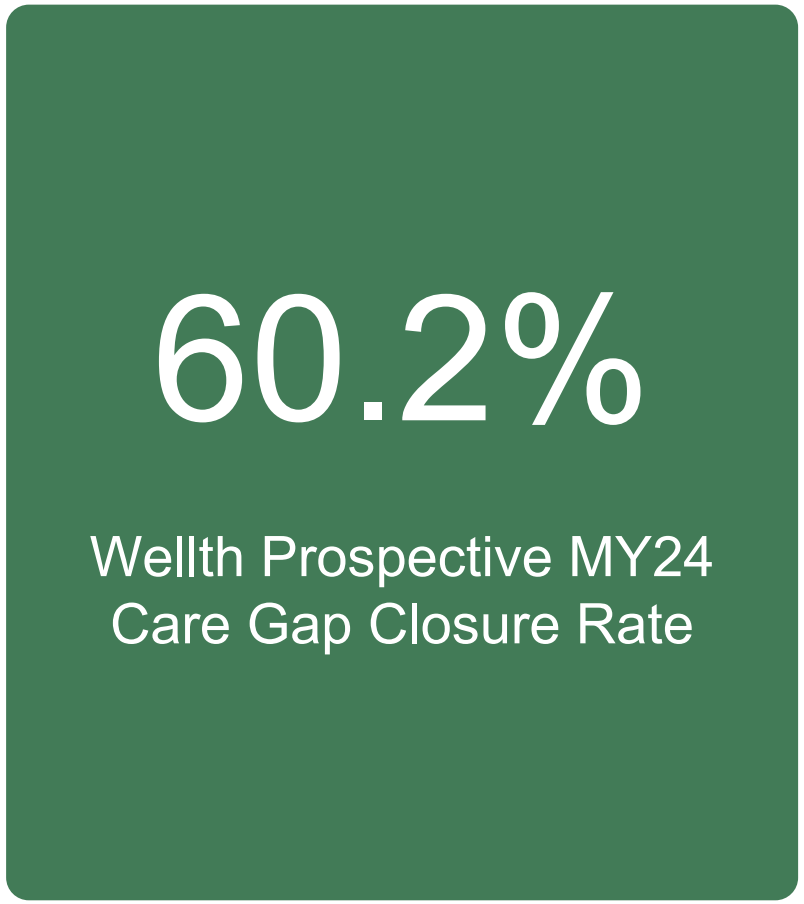
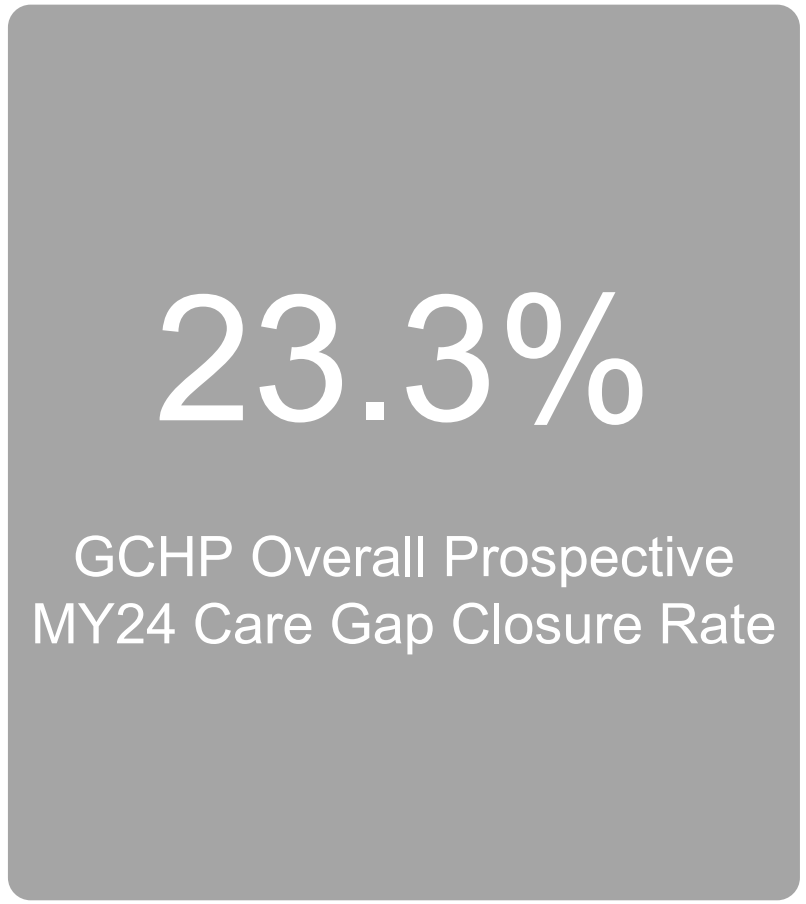
Prospective MY24 Care Gap Closure Analysis (Utilization Program - GCHP Analysis)

Wellth members closed 60.2% of their care gaps in MY24 compared to 23.3% of care gaps closed by GCHP membership.





wellth

Quality Improvement Program Demographics & Outcomes

wellth

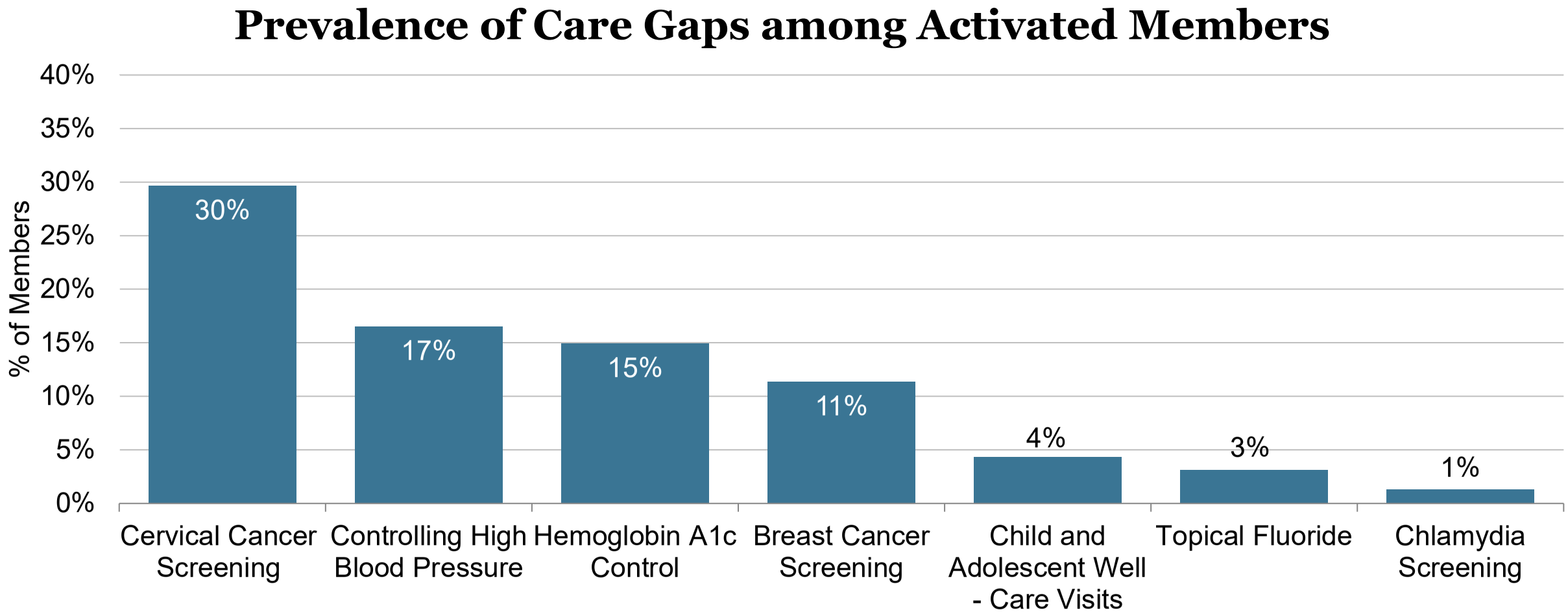
QI Program Demographics (GCHP Analysis)

Age Group	Gender	Race and Ethnicity	Primary Language	Top Cities
28% 55-64 years	79% Female	65% Hispanic or Latino	58% English	41% Oxnard
27% 18-34 years	21% Male	68% Some Other Race	41% Spanish	14% Ventura

PCP Assignment: 44% VCMC, 20% Clinicas, 18% CMH, 4% Dignity

Return to Agenda

Aligned with program design, Wellth has targeted enrollments for members with cervical cancer screening, breast cancer screening, blood pressure, and A1c control care gaps.



Data through May 28, 2024.

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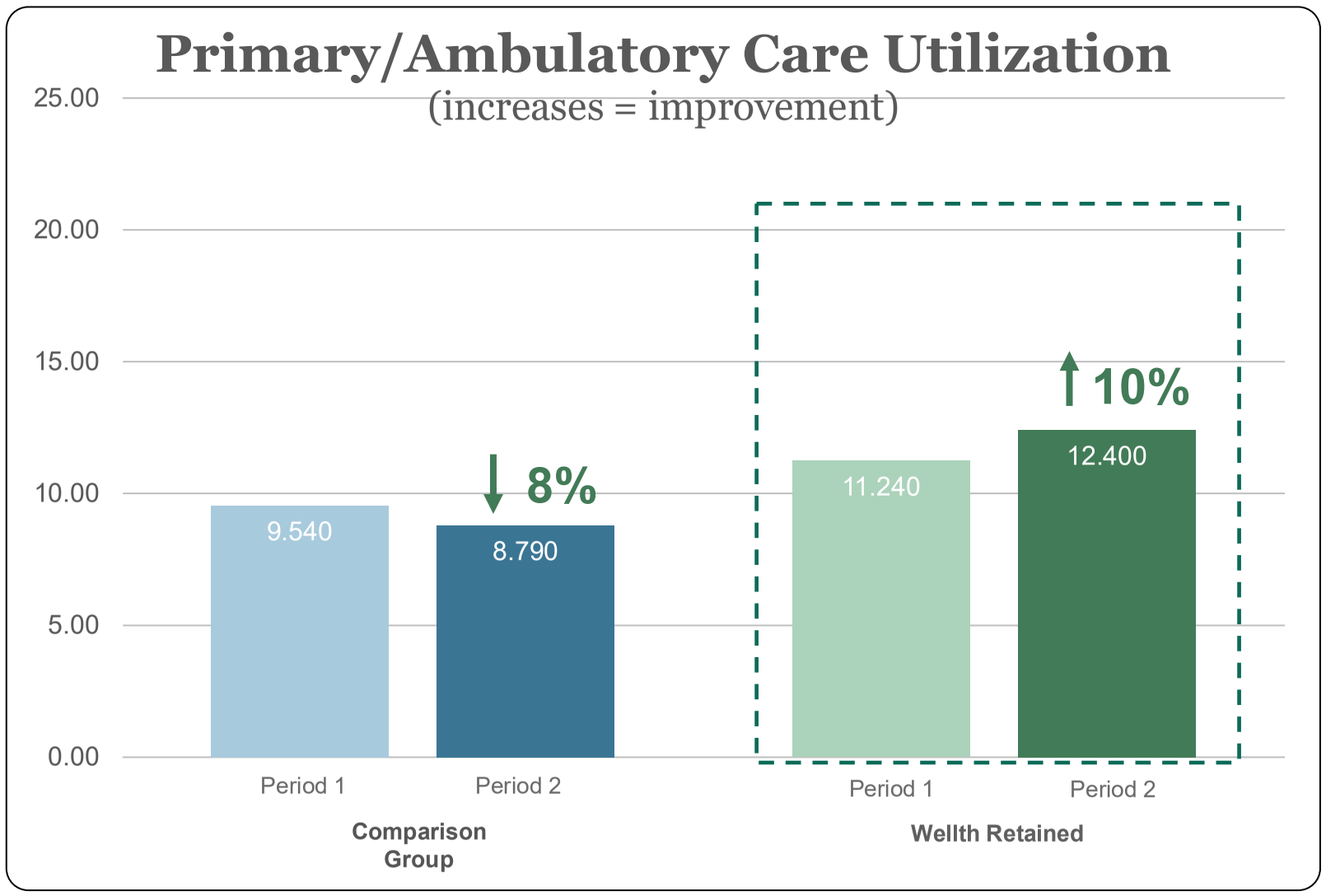
Primary/Ambulatory Care Utilization- (GCHP Analysis-QI Program)

Wellth members have seen increased Primary Care engagement since enrollment.



Period 1= 5/31/2022 – 5/30/2023
Period 2= 5/31/2023 – 5/30/2024

*Note: Reviewing the **Wellth Eligible** population across two consecutive 12-month periods indicates that 3,626 members have PCP claims within both periods.

wellth

In 2024, Wellth members are consistently outperforming the non-Wellth group across key MCAS quality metrics, **with a 4%+ stronger performance across BCS, CCS, BCP, and HBD measures.**

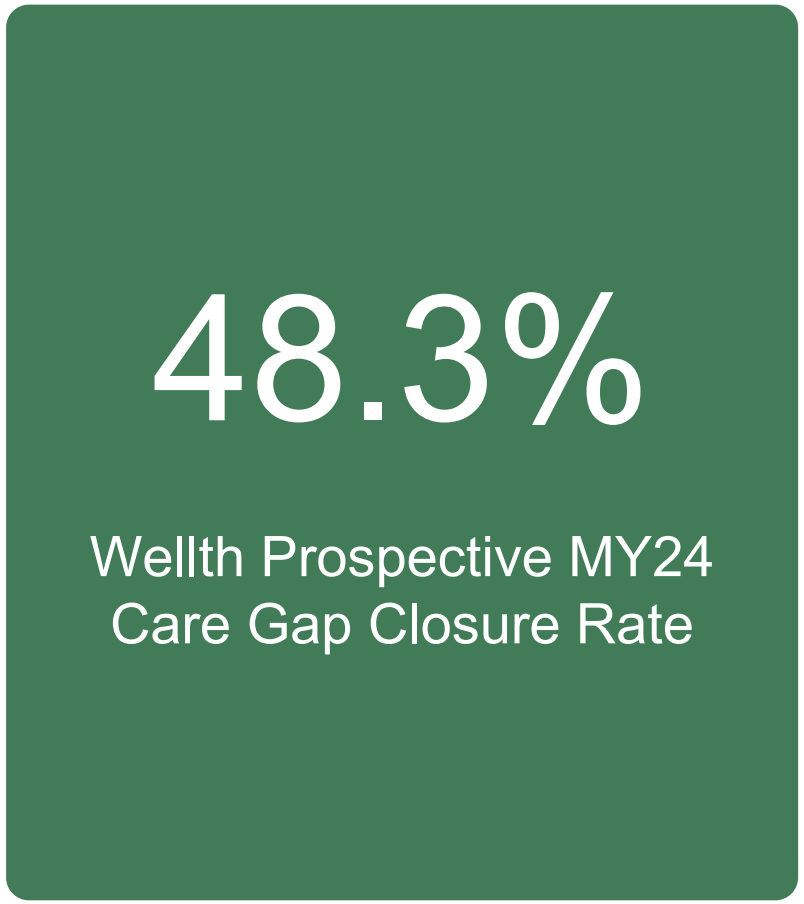
GCHP MY2024 MCAS Performance Review Through March 2024
Comparing Wellth Members vs. Not Enrolled "Control"

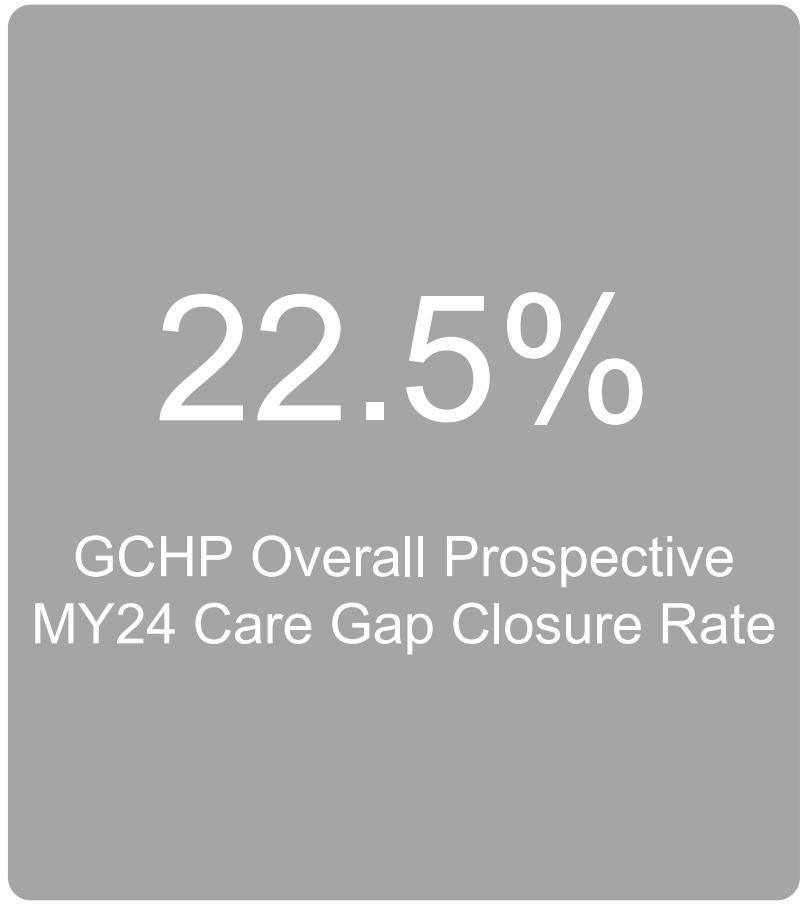
Measure	Not Enrolled	Wellth	Absolute Difference (Wellth vs Not Enrolled)
Breast Cancer Screening (BCS)	13%	32%	19%
Cervical Cancer Screening (CCS)	7%	15%	8%
Controlling Blood Pressure (CBP)	37%	41%	4%
Hemoglobin A1c Control for Patients with Diabetes (HBD)	11%	17%	6%

Data through 5/28/2024. Comparison groups= Not Enrolled and Wellth Retained. Analysis limited to members with full coverage and available data. Index date for non-enrolled members = mid-program outreach date.

Prospective MY24 Care Gap Closure Analysis (QI Program - GCHP Analysis)

Wellth members closed 48.3% of their care gaps in MY24 compared to 22.5% of care gaps close by GCHP membership.





wellth

Upcoming Activities

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GCHP Model of Care—Quality Health Outcomes by Design—Wellth

Following the success of the initial Utilization & QI program phases, GCHP and Wellth teams to align on priorities and focuses for Phase 4.

GCHP and Wellth teams to align on enrollment focus for Phase 4

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1. Optimize outreach and enrollment strategies to achieve 5,500 activations in Phase 4

GCHP members were particularly receptive to outreach materials shared during Phases 1-3. To maximize high-value enrollments, Wellth and GCHP will partner on review and approval of additional outreach materials to align with Wellth's best in class enrollment strategy. Additionally, teams to explore pathways for provider referrals for program participation.

2. Leverage daily member engagement to support GCHP's 2024 goals and encourage member retention

As demonstrated by extremely strong in-app engagement, especially with the Spanish-speaking population, Wellth will continue to support and reinforce GCHP's 2024 initiatives and priorities by encouraging members to close MCAS care gaps with the use of health literacy and action rewards, driving members to get timely Rx fills, and promoting available health plan resources. As the program continues to expand, GCHP will realize greater impact on overall measure performance.

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Thank you, Gold Coast Health Plan!

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AGENDA ITEM NO. 4D

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, CFO

DATE: June 24, 2024

SUBJECT: April 2024 Year to Date Financials

SUMMARY:
Staff is presenting the attached April 2024 fiscal year-to-date ("FYTD") unaudited financial statements of Gold Coast Health Plan ("GCHP") for review and approval.

ATTACHMENT:
April 2024 Financial Package

APPENDIX:
- Income Statement YTD
- Balance Sheet
- Statement of Cash Flow
- Statement of Investments and Cash Balances

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR MONTH ENDED April 30, 2024				
	Apr 2024	April 2024 Year-To-Date		Variance
	Actual	Actual	Reforecast	Fav / (Unfav)
Medical Benefits:				
Capitation:				
PCP, Specialty, Kaiser, NEMT & Vision	$ 8,281,865	$ 79,433,741	$ 76,447,178	$ (2,986,563)
ECM	570,953	4,239,081	8,228,473	3,989,391
Total Capitation	8,852,818	83,672,823	84,675,651	1,002,829
FFS Claims:				
Inpatient	22,871,301	175,195,933	169,867,541	(5,328,393)
LTC / SNF	10,888,347	151,207,601	164,102,184	12,894,582
Outpatient	7,597,207	71,406,117	67,080,672	(4,325,444)
Laboratory and Radiology	899,588	10,686,213	8,058,216	(2,627,997)
Directed Payments - Provider	1,091,103	25,031,221	21,902,323	(3,128,897)
Emergency Room	2,645,653	32,542,007	31,098,836	(1,443,170)
Physician Specialty	8,160,588	67,392,972	65,183,061	(2,209,911)
Primary Care Physician	4,546,525	30,282,415	27,462,598	(2,819,817)
Home & Community Based Services	4,087,490	28,722,905	21,926,404	(6,796,500)
Applied Behavioral Analysis/Mental Health Services	3,241,476	30,496,426	31,038,938	542,512
Quality Incentives/Provider Reserves	26,585,020	28,861,073	-	(28,861,073)
Quality Incentive Provider Program (QIPP)	2,129,146	31,624,083	13,277,644	(18,346,439)
Other Medical Professional	474,105	4,149,974	3,907,963	(242,011)
Other Fee For Service	2,656,492	15,999,464	12,502,714	(3,496,750)
Transportation	909,450	2,007,220	2,816,137	808,917
Total Claims	98,783,490	705,521,431	640,228,872	(65,376,752)
Provider Grant Program	-	-	4,166,667	4,166,667
Medical & Care Management	2,805,115	20,735,070	18,360,448	(2,374,622)
Reinsurance	396,068	1,560,083	985,566	(574,516)
Claims Recoveries	(317,481)	(2,642,596)	(1,589,193)	1,053,403
Sub-total	2,883,702	19,736,751	21,923,488	2,270,931
Total Medical Benefits	**110,520,010**	**808,931,004**	**746,828,012**	**(62,102,993)**
Contribution Margin	**8,321,094**	**101,756,520**	**120,984,745**	**(19,228,225)**
General & Administrative Expenses:				
Salaries, Wages & Employee Benefits	4,933,879	48,820,604	47,587,748	(1,232,856)
Training, Conference & Travel	26,414	439,288	947,393	508,106
Outside Services	1,169,225	23,738,536	24,949,474	1,210,938
Professional Services	819,624	8,545,454	7,040,973	(1,504,481)
Occupancy, Supplies, Insurance & Others	1,737,051	11,084,499	10,949,756	(134,743)
ARCH/Community Grants	200,000	615,911	-	(615,911)
Sponsorships	-	3,000	-	(3,000)
Care Management Reclass to Medical	(2,805,115)	(20,735,070)	(18,360,448)	2,374,622
G&A Expenses	6,081,078	72,512,221	73,114,895	602,674
Project Portfolio	3,113,661	21,116,784	19,659,052	(1,457,733)
Total G&A Expenses	**9,194,739**	**93,629,005**	**92,773,947**	**(855,058)**
Total Operating Gain / (Loss)	**(873,645)**	**8,127,515**	**28,210,798**	**(20,083,283)**
Retro Premium Adj	**534,491**	**(12,920,480)**	**-**	**(12,920,480)**
Non Operating				
Revenues - Interest	2,713,001	15,602,574	11,312,857	4,289,717
Expenses - Interest	-	-	-	-
Gain/(Loss) on Sale of Asset	-	-	-	-
Total Non-Operating	**2,713,001**	**15,602,574**	**11,312,857**	**4,289,717**
Total Increase / (Decrease) in Unrestricted Net Assets	**$ 2,373,847**	**$ 10,809,609**	**$ 39,523,655**	**$ (28,714,046)**

STATEMENT OF FINANCIAL POSITION		
	04/30/24	06/30/23
ASSETS		
Current Assets:		
Total Cash and Cash Equivalents	**$ 454,500,102**	**$ 344,166,987**
Total Short-Term Investments	**98,599,499**	**95,269,796**
Medi-Cal Receivable	201,106,224	96,222,357
Interest Receivable	919,439	462,872
Provider Receivable	12,503,782	422,995
Other Receivables	-	59,542
Total Accounts Receivable	**214,529,445**	**97,167,766**
Total Prepaid Accounts	10,362,476	5,545,603
Total Other Current Assets	133,545	135,560
Total Current Assets	**778,125,066**	**542,285,711**
Total Fixed Assets	**8,380,209**	**9,224,593**
Total Assets	**$ 786,505,276**	**$ 551,510,304**
LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurred But Not Reported	$ 108,910,692	$ 84,436,777
Claims Payable	28,021,111	12,923,764
Capitation Payable	8,041,305	8,998,514
Physician Payable	35,104,367	31,865,385
AB 85 Payable	-	-
DHCS - Reserve for Capitation Recoup	34,507,928	10,411,049
Lease Payable- ROU	3,396,342	3,300,319
Accounts Payable	14,265,354	1,455,088
Accrued ACS	3,724,560	3,902,303
Accrued Provider Incentives/Reserve	27,014,998	17,427,573
Accrued Pharmacy	-	-
Accrued Expenses	42,300,929	7,559,682
Accrued Premium Tax	101,110,000	-
Accrued Interest Payable	-	-
Current Portion of Deferred Revenue	-	-
Accrued Payroll Expense	3,577,157	3,189,633
Current Portion Of Long Term Debt	-	-
Quality Withhold	856,147	
Other Current Liabilities	-	-
Total Current Liabilities	**410,830,890**	**185,470,089**
Long-Term Liabilities:		
Lease Payable - NonCurrent - ROU	4,913,120	6,088,559
Deferred Revenue - Long Term Portion	-	-
Notes Payable	-	-
Total Long-Term Liabilities	**4,913,120**	**6,088,559**
Total Liabilities	**415,744,009**	**191,558,647**
Net Assets:		
Beginning Net Assets	359,951,657	176,617,059
Total Increase / (Decrease in Unrestricted Net Assets)	10,809,609	183,334,598
Total Net Assets	**370,761,266**	**359,951,657**
Total Liabilities & Net Assets	**$ 786,505,276**	**$ 551,510,304**

STATEMENT OF CASH FLOWS		
	April 2024	April 2024 YTD
Cash Flows Provided By Operating Activities		
Net Income (Loss)	$ 2,373,847	$ 10,809,609
by operating activities		-
Depreciation on fixed assets	135,222	1,378,095
Disposal of fixed assets	-	-
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilites		-
Accounts Receivable	(32,662,953)	(117,361,679)
Prepaid Expenses	2,443,715	(4,814,858)
Accrued Expense and Accounts Payable	(47,745,547)	82,325,826
Claims Payable	10,318,429	17,379,119
MCO Tax liablity	(46,463,159)	101,110,000
IBNR	(2,436,180)	24,473,915
Net Cash Provided by (Used in) Operating Activities	**(114,036,626)**	**115,300,029**
		-
Cash Flow Provided By Investing Activities		-
Proceeds from Restricted Cash & Other Assets		-
Proceeds from Investments	(62,324)	(3,329,703)
Purchase of Property and Equipment	11,732	(533,711)
Net Cash (Used In) Provided by Investing Activities	**(50,592)**	**(3,863,414)**
		-
Cash Flow Provided By Financing Activities		-
Lease Payable - ROU	(113,395)	(1,103,499)
Net Cash Used In Financing Activities	**(113,395)**	**(1,103,499)**
		-
Increase/(Decrease) in Cash and Cash Equivalents	**(114,200,613)**	**110,333,115**
Cash and Cash Equivalents, Beginning of Period	**568,700,715**	**344,166,986**
Cash and Cash Equivalents, End of Period	**$ 454,500,102**	**$ 454,500,102**

SCHEDULE OF INVESTMENTS AND CASH BALANCES

	Market Value* April 30, 2024	Account Type
Local Agency Investment Fund (LAIF)[1]	$ 42,080,748	Investment
Ventura County Investment Pool[2]	19,054,764	Investment
CalTrust	37,463,987	Short-term investment
Bank of West	455,154,991	Money market account
Bank	(655,391)	Operating accounts
Petty Cash	500	Cash
Investments and monies held by GCHP	***$ 553,099,599***	

Gold Coast Health Plan℠
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Integrity
Accountability
Collaboration
Trust
Respect

April 2024 Year-to-Date Financial Results

June 24, 2024
Sara Dersch, Chief Financial Officer

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April Year-To-Date (YTD) Financial Results Summary

- April's $2.4M increase in net assets is $5.3M favorable to Reforecast, bringing YTD net assets to $10.8M. The YTD variance of $(28.7M) versus Reforecast is primarily the result of investment in the Ventura County care delivery system as well as prior year premium revenue adjustments from the State. Major contributors:
  - YTD Results reflect an additional $18.3M in medical benefit costs associated with the earlier-than-forecasted provisioning of Quality Incentive Pool and Program (QIPP) payments; these investments help our community partners have resources to ensure access to and delivery of high-quality care for our members.
  - Decrease of $12.9M in revenue is a result of a $16.1M "take-back" by the State associated with the State's assessment that our members in 2023 had lower acuity (were healthier in general than originally forecasted) offset by other retroactive favorability.
  - Consolidated (core administration plus Project Portfolio) administrative expenses are $(0.9M) versus Reforecast primarily Operations of the Future readiness.
- While there are, and always will be, economic events that we cannot foresee (ex: retroactive rate adjustments), GCHP management continues to diligently monitor and take action on those Income Statement and Balance Sheet line items that are controllable and monitor those items that are not controllable.

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April YTD P&L: Revenue

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	249,931	234,573	15,358	2,520,037	2,468,244	51,793
Revenue	$ 118.8	$ 85.1	$ 33.7	$ 910.7	$ 867.8	$ 42.9
pmpm	*$ 475.50*	*$ 362.95*	*$ 112.55*	*$ 361.38*	*$ 351.59*	*$ 9.79*
Non-Operating Revenue / (Expense)	$ 2.7	$ 0.9	$ 1.8	$ 15.6	$ 11.3	$ 4.3
pmpm	*$ 10.85*	*$ 3.84*	*$ 7.01*	*$ 6.19*	*$ 4.58*	*$ 1.61*
Medical Benefits	$ 110.5	$ 78.4	$ (32.1)	$ 808.9	$ 746.8	$ (62.1)
pmpm	*$ 442.20*	*$ 334.35*	*$ (107.9)*	*$ 321.00*	*$ 302.57*	*$ (18.4)*
% of Revenue	*93.0%*	*92.1%*		*88.8%*	*86.1%*	
Admin Exp	$ 6.1	$ 7.7	$ 1.7	$ 72.5	$ 73.1	$ 0.6
pmpm	*$ 24.33*	*$ 32.98*	*$ 8.65*	*$ 28.77*	*$ 29.62*	*$ 0.85*
% of Revenue	*5.1%*	*9.1%*		*8.0%*	*8.4%*	
Project Portfolio	$ 3.1	$ 2.8	$ (0.3)	$ 21.1	$ 19.7	$ (1.5)
pmpm	*$ 12.46*	*$ 11.98*	*$ (0.48)*	*$ 8.38*	*$ 7.96*	*$ (0.41)*
% of Revenue	*2.6%*	*3.3%*		*2.3%*	*2.3%*	
Operating Gain/(Loss)	$ (0.9)	$ (3.8)	$ 3.0	$ 8.1	$ 28.2	$ (20.1)
	$ (3.50)	*$ (16.36)*	*$ 12.87*	*$ 3.22*	*$ 11.43*	*$ (8.20)*
Retro Revenue Adjustments	$ 0.5	$ -	$ 0.5	$ (12.9)	$ -	$ (12.9)
pmpm	*$ 2.14*	*$ -*	*$ 2.14*	*$ (5.13)*	*$ -*	*$ (5.13)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ 2.4	$ (2.9)	$ 5.3	$ 10.8	$ 39.5	$ (28.7)
pmpm	*$ 9.50*	*$ (12.52)*	*$ 22.02*	*$ 4.29*	*$ 16.01*	*$ (11.72)*
% of Revenue	*2.0%*	*-3.4%*		*1.2%*	*4.6%*	

- April revenue is greater than Reforecast primarily due to $26.5M in pass-through incentive payments* received from the state for:
  - $13.2M for the Housing and Homeless Incentive Program (community-based investments in addressing homelessness and keeping people housed).
  - $11.9M for other California Advancing and Innovating Medi-Cal (CalAIM)-related incentives.
  - $1.4M for the Behavioral Health Incentive Program (providing patient-centered care using a systematic approach).
- $16.1M Revenue "Take Back" in January is a result of a retroactive reduction in 2023 rates and is partially offset by $3.2M pick-up membership-related retroactivity, resulting in a cumulative adjustment of $(12.9M).

**Note: See "Description of State Incentive Programs" exhibit in the Appendix for additional detail of programs.*

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April YTD P&L: Medical Benefits

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	249,931	234,573	15,358	2,520,037	2,468,244	51,793
Revenue	$ 118.8	$ 85.1	$ 33.7	$ 910.7	$ 867.8	$ 42.9
pmpm	*$ 475.50*	*$ 362.95*	*$ 112.55*	*$ 361.38*	*$ 351.59*	*$ 9.79*
Non-Operating Revenue / (Expense)	$ 2.7	$ 0.9	$ 1.8	$ 15.6	$ 11.3	$ 4.3
pmpm	*$ 10.85*	*$ 3.84*	*$ 7.01*	*$ 6.19*	*$ 4.58*	*$ 1.61*
Medical Benefits	$ 110.5	$ 78.4	$ (32.1)	$ 808.9	$ 746.8	$ (62.1)
pmpm	*$ 442.20*	*$ 334.35*	*$ (107.9)*	*$ 321.00*	*$ 302.57*	*$ (18.4)*
% of Revenue	*93.0%*	*92.1%*		*88.8%*	*86.1%*	
Admin Exp	$ 6.1	$ 7.7	$ 1.7	$ 72.5	$ 73.1	$ 0.6
pmpm	*$ 24.33*	*$ 32.98*	*$ 8.65*	*$ 28.77*	*$ 29.62*	*$ 0.85*
% of Revenue	*5.1%*	*9.1%*		*8.0%*	*8.4%*	
Project Portfolio	$ 3.1	$ 2.8	$ (0.3)	$ 21.1	$ 19.7	$ (1.5)
pmpm	*$ 12.46*	*$ 11.98*	*$ (0.48)*	*$ 8.38*	*$ 7.96*	*$ (0.41)*
% of Revenue	*2.6%*	*3.3%*		*2.3%*	*2.3%*	
Operating Gain/(Loss)	$ (0.9)	$ (3.8)	$ 3.0	$ 8.1	$ 28.2	$ (20.1)
	$ (3.50)	*$ (16.36)*	*$ 12.87*	*$ 3.22*	*$ 11.43*	*$ (8.20)*
Retro Revenue Adjustments	$ 0.5	$ -	$ 0.5	$ (12.9)	$ -	$ (12.9)
pmpm	*$ 2.14*	*$ -*	*$ 2.14*	*$ (5.13)*	*$ -*	*$ (5.13)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ 2.4	$ (2.9)	$ 5.3	$ 10.8	$ 39.5	$ (28.7)
pmpm	*$ 9.50*	*$ (12.52)*	*$ 22.02*	*$ 4.29*	*$ 16.01*	*$ (11.72)*
% of Revenue	*2.0%*	*-3.4%*		*1.2%*	*4.6%*	

- YTD MBR of 88.8%, while exceeding forecast by 2.7%, reflects reinvestment in our care delivery system. The primary driver of the MBR is the increase in QFP payments of $18.3M vs forecast (YTD spend is $31.6M; forecast is $13.7M).
- YTD Medical Benefit spend reflects unforecasted State incentive "pass-through" (meaning Gold Coast is simply the administrator) program expenses totaling $26.5M (note: the expenses are offset by a commensurate payment from the State).
- Remaining Medical Benefits variance of $17.3M is attributed to:
  - Fee for Service (FFS) utilization volume associated with the higher than expected membership and a unit cost increase.
  - Increase in member incentives vs Reforecast.

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April YTD P&L: Medical Benefit Categories

	Apr 2024	April 2024 Year-To-Date		Variance	Variance
	Actual	Actual	Reforecast	Fav / (Unfav)	%
Medical Benefits:					
Capitation:					
PCP, Specialty, Kaiser, NEMT & Vision	$ 8,281,865	$ 79,433,741	$ 76,447,178	$ (2,986,563)	-3.9%
ECM	570,953	4,239,081	8,228,473	3,989,391	48.5%
Total Capitation	8,852,818	83,672,823	84,675,651	1,002,829	1.2%
FFS Claims:					
Inpatient	22,871,301	175,195,933	169,867,541	(5,328,393)	-3.1%
LTC / SNF	10,888,347	151,207,601	164,102,184	12,894,582	7.9%
Outpatient	7,597,207	71,406,117	67,080,672	(4,325,444)	-6.4%
Laboratory and Radiology	899,588	10,686,213	8,058,216	(2,627,997)	-32.6%
Directed Payments - Provider	1,091,103	25,031,221	21,902,323	(3,128,897)	-14.3%
Emergency Room	2,645,653	32,542,007	31,098,836	(1,443,170)	-4.6%
Physician Specialty	8,160,588	67,392,972	65,183,061	(2,209,911)	-3.4%
Primary Care Physician	4,546,525	30,282,415	27,462,598	(2,819,817)	-10.3%
Home & Community Based Services	4,087,490	28,722,905	21,926,404	(6,796,500)	-31.0%
Applied Behavioral Analysis/Mental Health Services	3,241,476	30,496,426	31,038,938	542,512	1.7%
Quality Incentives/Provider Reserves	*26,585,020*	*28,861,073*	-	(28,861,073)	0.0%
Quality Incentive Provider Program (QIPP)	*2,129,146*	*31,624,083*	*13,277,644*	(18,346,439)	-138.2%
Other Medical Professional	474,105	4,149,974	3,907,963	(242,011)	-6.2%
Other Fee For Service	2,656,492	15,999,464	12,502,714	(3,496,750)	-28.0%
Transportation	909,450	2,007,220	2,816,137	808,917	28.7%
Total Claims	98,783,490	705,521,431	640,228,872	(65,376,752)	-10.2%
Provider Grant Program	-	-	4,166,667	4,166,667	100.0%
Medical & Care Management	2,805,115	20,735,070	18,360,448	(2,374,622)	-12.9%
Reinsurance	396,068	1,560,083	985,566	(574,516)	-58.3%
Claims Recoveries	(317,481)	(2,642,596)	(1,589,193)	1,053,403	-66.3%
Sub-total	2,883,702	19,736,751	21,923,488	2,270,931	10.4%
Total Medical Benefits	**110,520,010**	**808,931,004**	**746,828,012**	**(62,102,993)**	**-8.3%**

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April YTD P&L: Administrative Costs

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	249,931	234,573	15,358	2,520,037	2,468,244	51,793
Revenue	$ 118.8	$ 85.1	$ 33.7	$ 910.7	$ 867.8	$ 42.9
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Non-Operating Revenue / (Expense)	$ 2.7	$ 0.9	$ 1.8	$ 15.6	$ 11.3	$ 4.3
pmpm	*$ 10.85*	*$ 3.84*	*$ 7.01*	*$ 6.19*	*$ 4.58*	*$ 1.61*
Medical Benefits	$ 110.5	$ 78.4	$ (32.1)	$ 808.9	$ 746.8	$ (62.1)
pmpm	*$ 442.20*	*$ 334.35*	*$ (107.9)*	*$ 321.00*	*$ 302.57*	*$ (18.4)*
% of Revenue	*93.0%*	*92.1%*		*88.8%*	*86.1%*	
Admin Exp	$ 6.1	$ 7.7	$ 1.7	$ 72.5	$ 73.1	$ 0.6
pmpm	*$ 24.33*	*$ 32.98*	*$ 8.65*	*$ 28.77*	*$ 29.62*	*$ 0.85*
% of Revenue	*5.1%*	*9.1%*		*8.0%*	*8.4%*	
Project Portfolio	$ 3.1	$ 2.8	$ (0.3)	$ 21.1	$ 19.7	$ (1.5)
pmpm	*$ 12.46*	*$ 11.98*	*$ (0.48)*	*$ 8.38*	*$ 7.96*	*$ (0.41)*
% of Revenue	*2.6%*	*3.3%*		*2.3%*	*2.3%*	
Operating Gain/(Loss)	$ (0.9)	$ (3.8)	$ 3.0	$ 8.1	$ 28.2	$ (20.1)
	$ (3.50)	*$ (16.36)*	*$ 12.87*	*$ 3.22*	*$ 11.43*	*$ (8.20)*
Retro Revenue Adjustments	$ 0.5	$ -	$ 0.5	$ (12.9)	$ -	$ (12.9)
pmpm	*$ 2.14*	*$ -*	*$ 2.14*	*$ (5.13)*	*$ -*	*$ (5.13)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ 2.4	$ (2.9)	$ 5.3	$ 10.8	$ 39.5	$ (28.7)
pmpm	*$ 9.50*	*$ (12.52)*	*$ 22.02*	*$ 4.29*	*$ 16.01*	*$ (11.72)*
% of Revenue	*2.0%*	*-3.4%*		*1.2%*	*4.6%*	

- Controlling administrative costs continues to be a Management focus.
- The YTD combined variance of $(900K) between Administrative Expense and Project Portfolio is attributed to Project Portfolio spend, including Operations of the Future preparedness for July "go-live."
- Administrative costs favorability is a result of an increase in the amount of quality-related spend recategorized to Medical Benefits. GCHP has spent more than reforecast on member incentives, thus the increase in the recategorization.
- GCHP Management expects cost discipline will result in administrative costs being equal or less than Reforecast by the end of the year.

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April YTD P&L: Net Assets

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	249,931	234,573	15,358	2,520,037	2,468,244	51,793
Revenue	$ 118.8	$ 85.1	$ 33.7	$ 910.7	$ 867.8	$ 42.9
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Non-Operating Revenue / (Expense)	$ 2.7	$ 0.9	$ 1.8	$ 15.6	$ 11.3	$ 4.3
pmpm	*$ 10.85*	*$ 3.84*	*$ 7.01*	*$ 6.19*	*$ 4.58*	*$ 1.61*
Medical Benefits	$ 110.5	$ 78.4	$ (32.1)	$ 808.9	$ 746.8	$ (62.1)
pmpm	*$ 442.20*	*$ 334.35*	*$ (107.9)*	*$ 321.00*	*$ 302.57*	*$ (18.4)*
% of Revenue	*93.0%*	*92.1%*		*88.8%*	*86.1%*	
Admin Exp	$ 6.1	$ 7.7	$ 1.7	$ 72.5	$ 73.1	$ 0.6
pmpm	*$ 24.33*	*$ 32.98*	*$ 8.65*	*$ 28.77*	*$ 29.62*	*$ 0.85*
% of Revenue	*5.1%*	*9.1%*		*8.0%*	*8.4%*	
Project Portfolio	$ 3.1	$ 2.8	$ (0.3)	$ 21.1	$ 19.7	$ (1.5)
pmpm	*$ 12.46*	*$ 11.98*	*$ (0.48)*	*$ 8.38*	*$ 7.96*	*$ (0.41)*
% of Revenue	*2.6%*	*3.3%*		*2.3%*	*2.3%*	
Operating Gain/(Loss)	$ (0.9)	$ (3.8)	$ 3.0	$ 8.1	$ 28.2	$ (20.1)
	$ (3.50)	*$ (16.36)*	*$ 12.87*	*$ 3.22*	*$ 11.43*	*$ (8.20)*
Retro Revenue Adjustments	$ 0.5	$ -	$ 0.5	$ (12.9)	$ -	$ (12.9)
pmpm	*$ 2.14*	*$ -*	*$ 2.14*	*$ (5.13)*	*$ -*	*$ (5.13)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ 2.4	$ (2.9)	$ 5.3	$ 10.8	$ 39.5	$ (28.7)
pmpm	*$ 9.50*	*$ (12.52)*	*$ 22.02*	*$ 4.29*	*$ 16.01*	*$ (11.72)*
% of Revenue	*2.0%*	*-3.4%*		*1.2%*	*4.6%*	

In summary, the YTD Net Asset variance of $(28.7M) is primarily the result of:

- Current year premium favorability associated with an increase in membership.
- Quality Funding Program increase in provider participation.
- Operations of the Future expense in excess of Reforecast.
- Retroactive 2023 premium rate adjustment not known at time of Reforecast.

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Looking Ahead….

- State actions could result in additional prior period revenue take-backs:
  - Covid Testing Risk Corridor adjustment.
  - Prop 56 payments.
  - Targeted Rate Increase Reconciliation.
  - Deceased Member Takebacks for FY 2014 to April 2024.
  - Final 2023 acuity rate adjustment.
  - 2024 Acuity rate adjustment.
- Potential for reduction in Incurred But Not Paid (IBNP): Expected expenses for services provided but not yet submitted for provider reimbursement) in the last quarter of the year.

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Exhibits

This section contains the following exhibits:

- Description of State Incentive Programs
- Balance Sheet
- Cash and Short-Term Investment Portfolio
- Revenue and Medical Benefit Per Member Month Values
- Membership Breakdown

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Description of State Incentive Programs

Housing and homelessness Incentive Program (HHIP)

- An incentive program launched by DHCS in 2021 to address social determinants of health and health disparities related to engaging unhoused members and housing issues. GCHP was able to earn incentive funds for making investments and progress in addressing homelessness and keeping members housed in the community.
- To date GCHP has made over $10,000,000 in investment to address issues that impact our homeless and at-risk members.
  - Expand Recuperative Care in Ventura County by 125 beds (construction to be complete by 2026)
  - Connect to the Homeless Management Information System (HMIS)
  - Support the Ventura County Continuum of Care and the local Point in Time Count (PIT)

CalAIM Incentive Payment Program (IPP)

- Launched in 2021 IPP supports the implementation and expansion of Enhanced Care Management (ECM), Community Supports, and other CalAIM initiatives. IPP incentives are support four priority areas:
  - Member engagement and service delivery, including reaching new members
  - Building sustainable infrastructure and capacity, including health information technology, workforce, and provider networks
  - Promoting program quality, with measurable impacts on utilization
  - Creating equitable access for ECM Populations of Focus
- To date GCHP has dedicated approximately $13,000,000 in funding to support our network, with additional funding opportunities planned in in 2024 and 2025. Examples of funding include:
  - Six ECM Providers
  - Four Community Supports Providers
  - Two Community Based Organizations to launch Community Health Worker and Doula Services
  - The Ventura County Community Information Exchange (VCCIE)

Student Behavioral Health Incentive Program (SBHIP)

- Implemented in 2022, SBHIP targets interventions that increase access to preventive, early intervention and behavioral health services by school-affiliated behavioral health providers for TK-12 children in public schools.
- GCHP works with five school districts, Oxnard Unified High School District, Fillmore Unified School District, Santa Paula Unified School District, Hueneme Elementary School District and Rio School District.
- SBHIP has supported over 27,000 visits to campus Wellness Centers by over 7,500 students.

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April YTD Balance Sheet: Assets

ASSETS	04/30/24	06/30/23
Current Assets:		
Total Cash and Cash Equivalents	**$ 454,500,102**	**$ 344,166,987**
Total Short-Term Investments	98,599,499	95,269,796
Medi-Cal Receivable	201,106,224	96,222,357
Interest Receivable	919,439	462,872
Provider Receivable	12,503,782	422,995
Other Receivables	-	59,542
Total Accounts Receivable	**214,529,445**	**97,167,766**
Total Prepaid Accounts	10,362,476	5,545,603
Total Other Current Assets	133,545	135,560
Total Current Assets	**778,125,066**	**542,285,711**
Total Fixed Assets	**8,380,209**	**9,224,593**
Total Assets	**$ 786,505,276**	**$ 551,510,304**

- The $235M increase in total Assets/Liabilities is attributed to the following:
  - Medi-Cal Receivable: 2024 Managed Care Organization (MCO) tax for January through April and expected State premiums.
  - Provider Receivable: includes payment advances related to Change Healthcare data breach.
  - Total Prepaid Accounts: primarily QIPP advances to providers that they have not yet earned and prepaid software licenses.

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April YTD Balance Sheet: Liabilities

LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurred But Not Reported	$ 108,910,692	$ 84,436,777
Claims Payable	28,021,111	12,923,764
Capitation Payable	8,041,305	8,998,514
Physician Payable	35,104,367	31,865,385
AB 85 Payable	-	-
DHCS - Reserve for Capitation Recoup	34,507,928	10,411,049
Lease Payable- ROU	3,396,342	3,300,319
Accounts Payable	14,265,354	1,455,088
Accrued ACS	3,724,560	3,902,303
Accrued Provider Incentives/Reserve	27,014,998	17,427,573
Accrued Pharmacy	-	-
Accrued Expenses	42,300,929	7,559,682
Accrued Premium Tax	101,110,000	-
Accrued Interest Payable	-	-
Current Portion of Deferred Revenue	-	-
Accrued Payroll Expense	3,577,157	3,189,633
Current Portion Of Long Term Debt	-	-
Quality Withhold	856,147	
Other Current Liabilities	-	-
Total Current Liabilities	**410,830,890**	**185,470,089**
Long-Term Liabilities:		
Lease Payable - NonCurrent - ROU	4,913,120	6,088,559
Deferred Revenue - Long Term Portion	-	-
Notes Payable	-	-
Total Long-Term Liabilities	**4,913,120**	**6,088,559**
Total Liabilities	**415,744,009**	**191,558,647**
Net Assets:		
Beginning Net Assets	359,951,657	176,617,059
Total Increase / (Decrease in Unrestricted Net Assets)	10,809,609	183,334,598
Total Net Assets	**370,761,266**	**359,951,657**
Total Liabilities & Net Assets	**$ 786,505,276**	**$ 551,510,304**

- Incurred But Not Reported: Expected expenses for services provided but not yet submitted for provider reimbursement are increasing due to claims payments timing, membership levels, and unit cost rates.
- Accounts Payable balance reflects Prop 56 payments of $10.4M.
  - CY19-20: $1.5M
  - CY21: $8.9M
- Accrued Premium Tax reflects our expected Managed Care Organization Tax (this appears only on our Balance Sheet and does not impact our financial results).

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Cash and Short-Term Investment Portfolio

SCHEDULE OF INVESTMENTS AND CASH BALANCES

	Market Value* April 30, 2024	Account Type
Local Agency Investment Fund (LAIF)[1]	$ 42,080,748	Investment
Ventura County Investment Pool[2]	19,054,764	Investment
CalTrust	37,463,987	Short-term investment
Bank of West	455,154,991	Money market account
Pacific Premier	(655,391)	Operating accounts
Petty Cash	500	Cash
Investments and monies held by GCHP	***$ 553,099,599***	

Cash and short-term investments: $553.1M.

- The investment portfolio includes Ventura County Investment Pool $19.1M; LAIF CA State $42.1M; Cal Trust $37.4.

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PMPM and TNE Values

	FYTD 23/24 Reforecast	FYTD 23/24 Actual	FYTD 22/23 Actual	FYTD 21/22 Actual
Average Enrollment	246,824	252,004	247,854	229,367
PMPM Revenue	$ 351.59	$ 361.38	$ 340.86	$ 347.72
Medical Benefits				
Capitation	$ 34.31	$ 33.20	$ 34.18	$ 32.44
Inpatient	$ 68.82	$ 69.52	$ 54.64	$ 68.62
LTC / SNF	$ 66.49	$ 60.00	$ 54.86	$ 59.92
Outpatient	$ 27.18	$ 28.34	$ 23.88	$ 22.59
Emergency Room	$ 12.60	$ 12.91	$ 11.32	$ 10.80
Physician Specialty	$ 26.41	$ 26.74	$ 23.44	$ 22.49
Quality Incentives	$ 5.38	$ 6.22	$ 0.69	$ -
Provider Grant Program *	$ 1.69	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ (0.15)	$ 29.71
All Other	$ 59.71	$ 66.28	$ 53.03	$ 45.41
Total Per Member Per Month	$ 302.57	$ 303.22	$ 255.89	$ 291.97
Medical Benefit Ratio	86.1%	83.9%	75.1%	86.9%
Total Administrative Expenses	$ 92,773,947	$ 93,629,005	$ 78,852,534	$ 53,680,738
% of Revenue	10.7%	10.3%	7.8%	5.6%
TNE	$ 399,475,312	$ 370,761,266	$ 359,814,027	$ 176,562,922
Required TNE	$ 41,438,176	$ 36,934,714	$ 32,913,795	$ 36,609,789
% of Required	964%	1004%	1093%	482%

TNE is a function of net assets and as such will change each month. Asset fluctuation month over month is a normal business function. Reasons for fluctuations can include (but are not limited to):

- Changes in the amounts owed to GCHP by the State ("Accounts Receivable")
- Amounts GCHP owes Providers ("Claims Payable")
- Number of claims cycles paid in that current month (cash reduction)
- Amounts owed to vendors ("Accounts Payable")

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AGENDA ITEM NO. 4E

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer
GCHP Executive Team

DATE: June 24, 2024

SUBJECT: Proposed Budget Fiscal 2024 / 2025 and 3-Year Quality Investment Program

PowerPoint with Verbal Presentation

ATTACHMENTS:

al Results

Gold Coast Health Plan℠
A Public Entity

Integrity
Accountability
Collaboration
Trust
Respect

FY2024-25 Budget and 3-Year Quality Funding Strategy

Ventura County Medi-Cal Managed Care Commission

June 24, 2024

Sara Dersch, Chief Financial Officer
Nick Liguori, Chief Executive Officer
Eve Gelb, Chief Innovation Officer
Paul Aguilar, Chief Human Resources & Organizational Performance Officer

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

Budget Objectives

- In the **Post-Public Health Emergency** era, we now operate in a "normal" financial/premium paradigm in which community-based health plans are funded for 88-90% Member Benefit Ratio (MBR) / 8-10% Administrative Expense Ratio (AER) / 2% margin.
- Having now returned to this constrained funding paradigm, our focus must be on managing the cost and quality of care to ensure GCHP viability for the long term.
- Quality is the essential element of a financial plan to achieve long-term viability. The State strategy to use Quality as the basis for premium rate-setting demands sustained high performance in Quality (Managed Care Accountability Set-MCAS and Consumer Assessment of Health Plans and Systems-CAHPS). Quality is the way we (GCHP and Providers) ensure the maximum funding for the Ventura County Medi-Cal Delivery System ("System") and member health/healthcare.
- GCHP has developed the **FY 2024-25 Budget** and our **3-Year Quality Funding Program (QFP) Strategy** to substantially invest in quality improvement within the System through both the use of health plan premium revenue and a portion of reserves.
- GCHP has also developed the Budget and Strategy around continued build-out of health plan capabilities for managing the cost and quality of care, to provide a superior level of support for providers, and to deliver a superior experience for the members and communities we serve.

The Budget and Strategy are founded on the principal that we must plan (and adequately fund our plan) to get and keep our members connected with Quality care (measured through MCAS) and to ensure high Satisfaction (measured through CAHPS).

This is our ***Mission***.

The financial health and viability of GCHP over the long term depends on our ability to change and continuously improve GCHP and the System to deliver sustained high Quality and Satisfaction.

This is our ***Imperative***.

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Budget Risks

- The FY 2024-25 Budget funds Member Benefits and Quality at a level that exceeds revenue. This involves GCHP investing a portion (~$28M) of reserves to advance sustainable Quality performance in the System and to engage members in their health/healthcare.
- Our broader Quality Funding Program (2025-2027) deploys nearly a quarter of a Billion dollars to improve Quality (member experience and health outcomes). This level of funding involves an investment of reserves that occurs over a 3-year period.
- As GCHP remains in this investment mode (i.e., using a portion of reserves to fund Quality improvement), the risks of prevailing financial uncertainty in Medi-Cal and the risks of significant unexpected increases in the unit costs or utilization of member benefits are amplified.
- While the Medi-Cal industry concurs that further budgetarily-driven, unfavorable revenue adjustments are possible, the industry is also aligned on how to respond to future actions which might exacerbate the lack of Medi-Cal funding soundness. As such, the Management Team does not endorse reserving for significant unknown adjustments (which will take funds away from member and Quality planning) and instead will make financial course-corrections should such State adjustments come to pass. GCHP, alongside other Medi-Cal Health Plans and Providers, continues to actively advocate against further erosion of Medi-Cal funding.
- **Overall, success in this next fiscal year and the 3-year period of sustained Quality investment requires a high level of expert management of the health plan and dedication to fiscal prudence by the Commission and Management.**

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Budget FY 2024-25 | TNE Composition and Planning

Current Reserves		Analysis	Plan
1025%	Unrestricted Reserves 325%	$60M	GCHP Management proposes to plan for a $60M reduction in reserves over the next 3 budgets (spanning July 2024 – June 2027) in the form of compliant and value-based funding for providers.	Investment in providers through enhanced Quality Funding Program. Quality Funding Program funding levels are based on expectations and targets may be adjusted based on priorities and member needs.
		$60M	D-SNP will have 2 financial requirements: – D-SNP expenses (provider and administrative) are expected to produce losses for the first 3+ years of operations, ranging from $17M to $30M+. – D-SNP will require its own reserves on top of the expected initial losses.	Reserve for anticipated losses and retain additional reserves to account for new line of business TNE requirements.
	Restricted Reserves 700%	$258M	These funds are restricted for maintenance of adequate reserves for long term viability of GCHP. These funds were established as GCHP TNE Reserve by Commission approval of the FY 2023-24 Budget (current year). For Medi-Cal alone, this provides for adequate long-term thinking and planning and investments to GCHP and providers.	GCHP is entering a period of industry-wide anticipated premium pressures. Maintain 700% of required TNE.

Summary of Management's Proposed FY2024/25 Budget

Category	FY2024/25 Budget	Comments
Membership	251,125	Higher-than-expected membership levels are driven by successful redetermination efforts and a newly-eligible population cohort. Membership is now relatively stable and is not expected to change majorly. But membership can change if redetermination disenrollment picks up or Kaiser is expanded as a Medicaid Managed Care Plan by the State.
Premium Revenue	$1.089B	As presented, this reflects essentially flat revenue even though membership is favorable; the changing member "mix" accounts for the minimal revenue increase; premium revenue is $1.073B; an additional $16M in investment income brings total revenue to $1.089B. MCO tax (which is a pass-through from the Federal government to the State) of $303.7M brings total receipts to $1.419B.
Consolidated Medical Benefit Cost *(Ratio)*	$1.008B *92.6%*	Prior to the $82.5M Quality Funding Programs, the underlying MBR is 85.0%.
Administrative Expense *(Ratio)*	$109.3M *10.0%*	We are staying consistent with current administrative expense run-rate year over year; while the FY2023/24 focus was on infrastructure needed to transform the organization, the focus of FY2024/25 will be on Quality Programs and Care Delivery innovation. Continuing Operations of the Future budget of $4.0M included in Administrative Expense.
Reserve Increase/(Decrease)	$(28.2M) *(2.6%)*	Net income prior to the Quality Funding Programs is $43.9M, or 4.0% of total revenue (premium revenue plus investment income).

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Medical Benefit Expense Highlights: Categories of Service (COS)

Capitated, fee for service (FFS), and other medical expenditures for current year to date and FY 2024-25 budget are reflected on a per member per month basis.

Capitation

The bulk of capitation is primary care and transportation. It also includes some specialty care, vision and other services.

The rate increase reflects investment in primary care and investment to add capacity to the transportation system.

Fee For Service

Utilization trends for inpatient, outpatient, and mental and behavioral health services have been increasing.

The GCHP Model of Care aims to increase utilization and unit cost for primary care, specialty care and mental health.

FFS primary care costs also include increases driven by the State Targeted Rate Increases.

FFS transportation is mostly emergency transportation.

Other Expenditures

Quality Funding Program represents the expectations and targets for spending in 2024/25 with some value-based rates already dispersed in targeted FFS categories.

Medical Care Management is significantly increased due to increase in member incentives and inclusion of other allowable Quality Improvement health plan costs.

Carelon Care Management is now reflected as a separate line item in Medical Expense.

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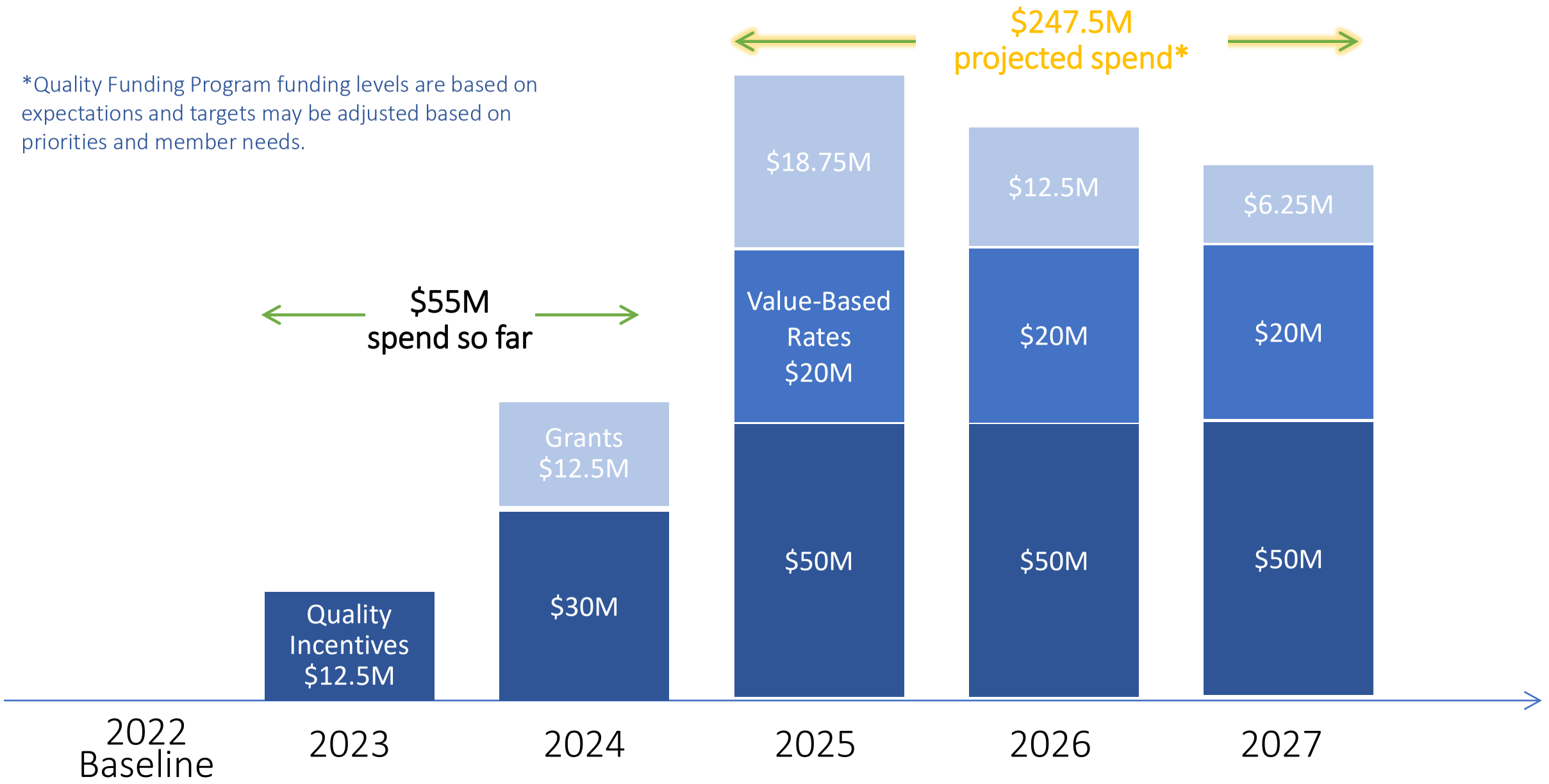
Budget FY2024-25 | Quality Funding Program

*Quality Funding Program funding levels are based on expectations and targets may be adjusted based on priorities and member needs.



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Budget FY2024/25 MBR Components → Getting to 92.6%

85.0%

Includes 2.5% current QIPP

FY 2023-24 current base benefit cost

Quality Funding Program*

2.3%

QIPP Expansion

Continuation of Quality-based Incentives

1.8%

Value-based Rates**

Incremental increases related to improving access to care (ex: evening and weekend hours)

1.2%

Provider and Community Grants

Continued support for Providers and Community Organizations to improve access to care

1.5%

Targeted Rate Increase (TRI)

TRI is supposed to be net neutral, however MCOs retain risk should TRI utilization exceed State forecasts

0.8%

Member Incentives

Increase in member incentives for Wellth expansion, member activities that close MCAS gaps in care, etc.

= 92.6%

*Quality Funding Program funding levels are based on expectations and targets may be adjusted based on priorities and member needs.

**Provider funding increases – capitation and/or reimbursement rates – that are short term, i.e., earned and maintained by achieving improvements to access to care, Quality, and member satisfaction.

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Financial Schedules

Financial schedules accompany this report. GCHP Management will reference the schedules during the discussion of these budget financial details.

Schedule	Description
Schedule 1	Medical Margin Budget: Category of Service *Line-item detail of medical costs on a per member/per month basis sorted by type and categorized by dates (July through December 2024, January through June 2025) coinciding with premium rates.*
Schedule 2	Medical Margin Budget: PMPM Cost by Aid Category *Line-item detail of medical costs sorted by on a per member/per month basis and categorized by demographic grouping ("cohort").*
Schedule 3	Medical Margin Budget *Line-item detail of premium revenue and medical cost components reported in whole dollars.*
Schedule 4	General and Administrative Expenses *Line-item detail of total administrative expenses.*
Schedule 5	Vendor Contract Listing *Listing of all contracted vendors and projected spend.*

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Strategic Initiatives: Overview

Continuous improvement in day-to-day operations including:

- Furthering our commitment to compliance
- Advancing our people-first culture
- Elevating the practice of project management and process improvement
- Improving data, analytics, and managing by metrics

Next phase transformation including:

- Continued implementation of Operations of the Future
- Finance of the future enabling multiple lines of business with D-SNP
- Completion of the Modern Data Warehouse with integration of data from new systems and new lines of business
- Improvements in data exchange
- D-SNP filings and product offering build
- Building optimal provider support functions

Full launch of high-quality model of care leveraging work of the last 2 years including:

- Implementation of expanded Quality Funding Program (now expanded to include rates)
- Building care management programs to ensure high quality care and appropriate utilization of care
- Building ongoing MCAS and new Medicare 5 Star Quality infrastructure
- Wellth and Health Risk Assessments expansion
- Integrating care with our providers and community-based organizations
- Launching Diabetes Management and other chronic condition management programs

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Strategic Initiatives: Dedicated to Care

Initiative	Value Description	Resources	Total $
Continuous Improvement and Project Management	Create a project-capable and continuous improvement organization by elevating the practice of these disciplines.	• 2 Project Managers • Continuous Improvement Consultant • Enterprise-wide project management tool	$550K
Office of the CEO/Communications	Improve internal and external communications including Commission and Provider Relations.	• 1 Commission Support Leader • 1 Commission/Communications Admin • 1 Member and Provider Communications Role • 1 Administration Leader Role • Marketing and Branding Outside Services	$1.1M
Compliance	Advance Compliance with State and Federal regulations.	• 1 Auditor • Auditing Software	$190K
Culture, Celebration, Recognition	Supports the culture of transformation and improves the employee experience through enhanced recognition programs.	• Culture Consultant • Employee Recognition platform and rewards	$500K
Vendor Oversight	Enhance vendor oversight.	• 1 Operations Analyst	$85K
		Total	**$2.4M**

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Strategic Initiatives: Transforming for Care

Initiative	Value Description	Resources	Total $
Finance of the Future	Replacement of core Finance technology with the expansion of current technology integrating Procurement, Accounting, and Human Resources with Budget resulting in real-time access to financial data and improved vendor payment management.	• Consultant to lead implementation • Business Analyst Consultant • Platform (WorkDay)	$720K
Comprehensive Data and Analysis Capabilities	With the implementation of the Data Warehouse, we will develop an enterprise-wide consolidation of data and analytics, eliminating many of the departmental silos.	• 1 Data and Analytics Leadership Role • Consolidation of current analysts	$400K
Modern Data Warehouse	Completion of MDW implementation.	• 1 Data Engineer • Developers consultants	$209K
Data Interchange Capabilities	Improve infrastructure for data exchange within Gold Coast and with outside partner organizations.	• Repurpose existing resource • Consulting services	$320K
D-SNP (Knox-Keene Readiness)	Complete all regulatory required filings and meet requirements to launch D-SNP by 1/1/26.	• 1 DSNP Compliance Manager • 1 Member Materials/Communication Manager • 1 PBM Operations Manager • PBM Implementation Consultant • PBM Vendor • Consulting for bid filings and system configuration	$2.4M
Provider Network Operations	Establish high-functioning provider operations team for optimal network management.	• 1 Contract/Network Operations Director • 1 Network Operations Representatives	$290K
		Total	**$4.3M**

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Strategic Initiatives: Transforming for Care

Operations of the Future: Continuous Improvement Phase

Initiative	Value Description	Technology and Resources	Total $
Post Go-Live Support and Transition	Post go-live support and hyper-care. Support for Core Admin, Medical Management System, Provider Portal, CRM, Mail Room and Print and Fulfillment business processes and technology changes	• IT Temp labor for three-month support • Operations Consultants • Vendor labor support	$1.2M
Member Portal	**Convenient Access and Management**: Members can view health records, ensuring they stay informed and in control of their healthcare. **Cost Transparency and Support**: Provides cost estimates for medical services, digital ID cards, and easy access to customer support, helping members understand their expenses and get assistance quickly. **Health and Wellness Resources**: Offers personalized health tips, wellness programs, secure communication with GC, and educational materials.	• NTT Vendor Development • IT Temp Labor • Conversion & integration requirements	$1.1M
Mailroom Transition	Transition Mailroom activities from Conduent to GCHP managed services	• Document Mgmt System and conversion • IT Contingent Labor • Hire GCHP FTE Staff • Technology procurement	$1.3M
CRM and Voice of Member	Claims and Provider data integration into Salesforce and Member ID Card integration between Salesforce and HealthEdge	• Silverline (Vendor) labor and technical development • IT Temp labor – data integration	$200K
Data Conversion and continued improvement / support	Prior system (Medhok and Conduent) data conversion and support, along with continued development to enhance Core Adm & MMS conversion and analytics	• Medhok Data access and support • Conduent Data access and support • GCHP IT Temp labor	$5.9M
		Total	**$9.7M**

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Strategic Initiatives: Connecting *with Care*

Initiative	Value Description	Resources	Total $
MCAS Operations and Improvement	Achieve 5 measures at HPL, 4 at 75th, 7 at MPL, 1 at 25th and 1 at 10th. Establish structure for ongoing MCAS and 5 Star functions.	• 1 HEDIS/5 Star Data Leader • 1 PNO Quality Specialist • Vendor for external validation of data processes • Expanded MCAS interventions to close gaps • Participation in Quality and Health Equity Collaboratives	$1.5M
Model of Care Implementation	Integrated Care Team, Connecting with Care, Transportation Improvement, HRA full execution, Healthcare Programs.	• 1 Model of Care Leader • 2 Behavioral Health Specialists • System configuration support for TruCare	$700K
Member Experience and Community Care	Member Services Everywhere launched with 5 provider sites and 2 school sites. Voice of the member program implementation including ongoing infrastructure for data gathering, analytics and continuous improvement.	• 7 Contact Center Representatives • 2 Contact Center Managers • 5 Provider-Based Member Ambassadors • 3 Quality Outreach Representatives • 1 Community Health Worker • 1 Voice of the Member Manager • GHCP Van • Journey-mapping, member digital engagement, surveys and focus groups	$2.1M
Benefit Cost Management/ Optimization	Build mature processes with identification of medical cost initiatives within 3 months of staff engagement; execution of initiatives will take anywhere from 6-18 months before medical cost savings are realized.	• Edrington Health consulting (already budgeted)	NA
Provider Strategy and Performance	Full implementation of Quality Finding Program and Community Reinvestment Grants.	• 1 Grant Leader Role • Third Party Grant Administrator • Grant management software	$400K
		Total	**$4.7M**

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Industry Context: Staffing Levels

- GCHP remains in the bottom 1/3rd of headcount-per-10k Medi-Cal members and below national standards. This ratio is a measure of people capacity relative to other managed care plans in a way that normalizes comparison across widely varying membership sizes.
- Local, statewide, and national hiring activity continues to create intense competition for high-value managed care skillsets. After two years of substantial staffing investment by GCHP, we remain in essentially the same relative position - people investments in the Medi-Cal industry, and beyond, is at or greater than our levels.
- The historical pattern holds → health plans that invest the most in health plan staffing produce the highest results in quality and member satisfaction. In 2022, Health Plan of San Mateo, San Francisco Health Plan and Cal Optima achieved the highest rankings nationally, when accounting for both Quality (MCAS/HEDIS) and Member Satisfaction (CAHPS).

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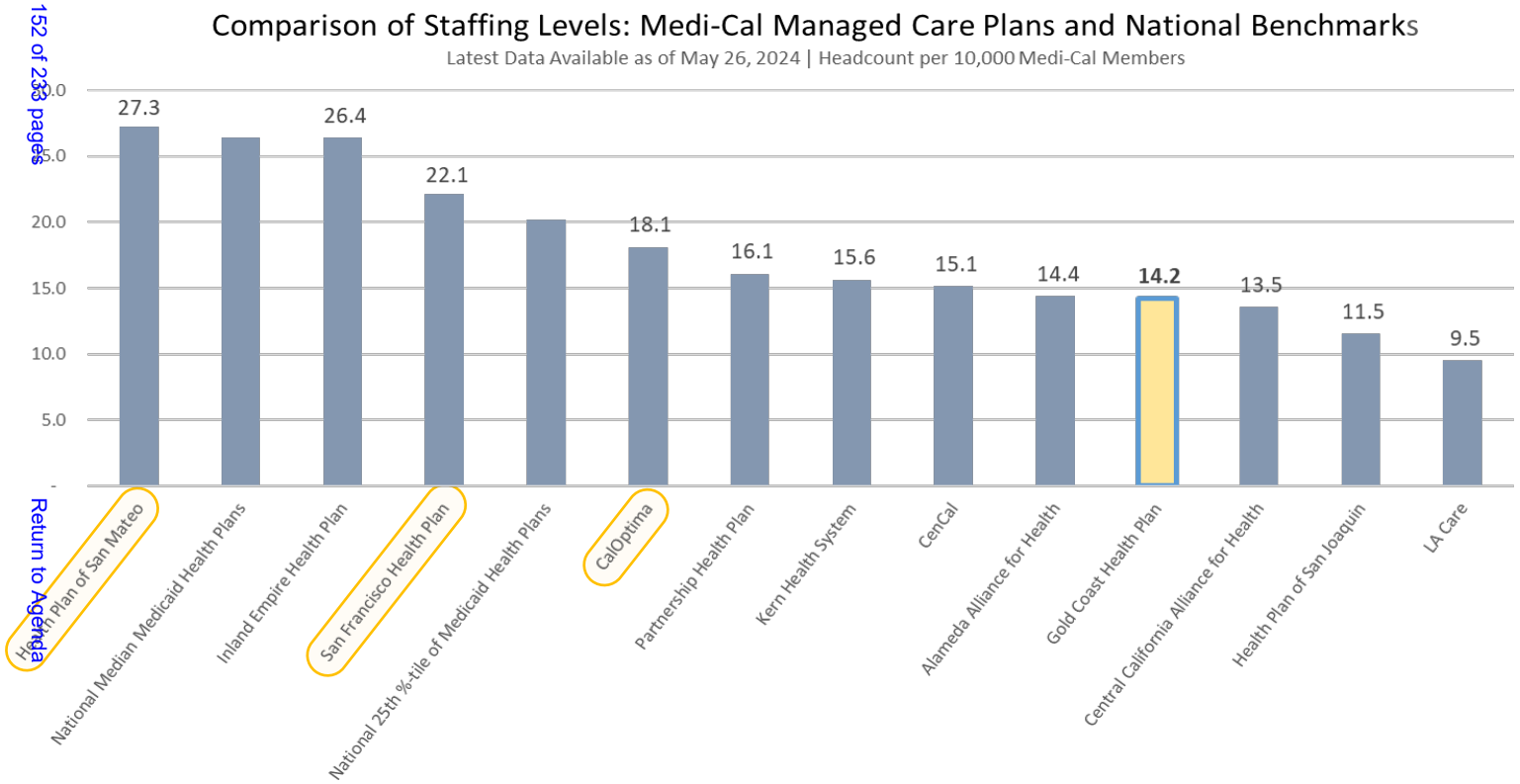

Same Data

Comparison of Staffing Levels Medi-Cal Managed Care Plans and National Benchmarks Latest Data Available as of May 26, 2024 | Headcount per 10,000 Medi-Cal Members	
Health Plan of San Mateo	27.3
National Median Medicaid Health Plans	26.4
Inland Empire Health Plan	26.4
San Francisco Health Plan	22.1
National 25th %-tile of Medicaid Health Plans	20.2
CalOptima	18.1
Partnership Health Plan	16.1
Kern Health System	15.6
CenCal	15.1
Alameda Alliance for Health	14.4
Gold Coast Health Plan	14.2
Central California Alliance for Health	13.5
Health Plan of San Joaquin	11.5
LA Care	9.5

- These data are based on latest facts from LHPC and data publicly posted by the health plans.
- Data are not readily available for some local Medi-Cal health plans - namely Community Health Group and Contra Costa).
- National Median and 25th %-tile figures are from an industry standard health plan industry survey (2022 data).
- Medicaid Managed Care funding is substantially higher, per capita, in most other states (vs California), which is illustrated in the rankings of the National Median and 25th %-tile figures. (California ranked 32 on per-capita Medicaid spending.)

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Staffing Budget

Function	FY 2023-24 (as of May 28, 2024) Active Headcount	Open Requisitions	Forecasted Headcount YE 2023/24	Percentage of Total Headcount	FY 2024-25 BUDGET Added Headcount	Forecasted HC YE 2024/25	Percentage of Total Headcount	Headcount Growth
Health Services	132	0	132	37%	2	134	34%	2%
Operations	55	0	55	15%	10	65	16%	18%
Information Tech	54	0	54	15%	1	55	14%	2%
Policy & Programs	44	0	44	12%	10	54	14%	23%
Compliance	18	0	18	5%	3	21	5%	17%
Finance & Accounting	18	0	18	5%	0	18	5%	0%
Office of CEO & Administration	12	0	12	3%	4	16	4%	33%
Community & Member Relations	9	0	9	3%	5	14	4%	56%
HR & Facilities	10	1	11	3%	0	11	3%	0%
Innovation / DSNP	0	0	0	0%	6	6	2%	N/A
Communications	3	1	4	1%	1	5	1%	25%
Grand Total	**355**	**2**	**357**	**100%**	**42**	**399**	**100%**	**12%**

- In the current fiscal year, GCHP proved to be highly effective in employee retention (95%).
- GCHP Management effectively managed resource investments at budget with 355 active roles vs 357 budgeted roles.
- Headcount investments in FY 2024-25 proposed to be 12% increase in roles, with 42 new positions.
- Increased capabilities added in Member Experience, Contact Center, D-SNP, Quality Improvement Operations, Health Services, and Provider Network Operations.

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Resourcing our Community-based High Quality Health Plan

- **81%** of the new roles are bringing our Model of Care to life by investing in local talent that will engage directly with our members and providers to improve the health of our community.
- Total of 34 positions added to enhance member experience and quality of care:
  - Enhance and expand community-deployed service team with added investments in Provider based Member Ambassador, Community Health Worker and Quality Outreach Roles (10).
  - Expand Member service support and member health outcomes with added Contact Center Representative roles and support roles (9).
  - Increase Quality improvement with investments in Quality operations roles, Behavior Health, Quality reporting roles, and Data, Analytics and Strategy roles (8).
  - Elevate Provider relations and end-to-end service with investments in Provider Network Operations Roles (3).
  - Enhance Member and provider communications and engagement with added Communications and digital content specialist role (1).
  - Build D-SNP capability and readiness by leveraging existing resources, while adding new PBM Operations role, Member Materials role & Communications and Compliance roles (3).
- **19%** of the new roles will support building our infrastructure, compliance, and continuous improvement.

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Appendices

1: Materials from the May 20, 2024 Budget Presentation to Commission

2: Materials from the April 18, 2024 Budget Presentation to Commission

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Appendix 1: Materials from the May 20, 2024 Budget Presentation

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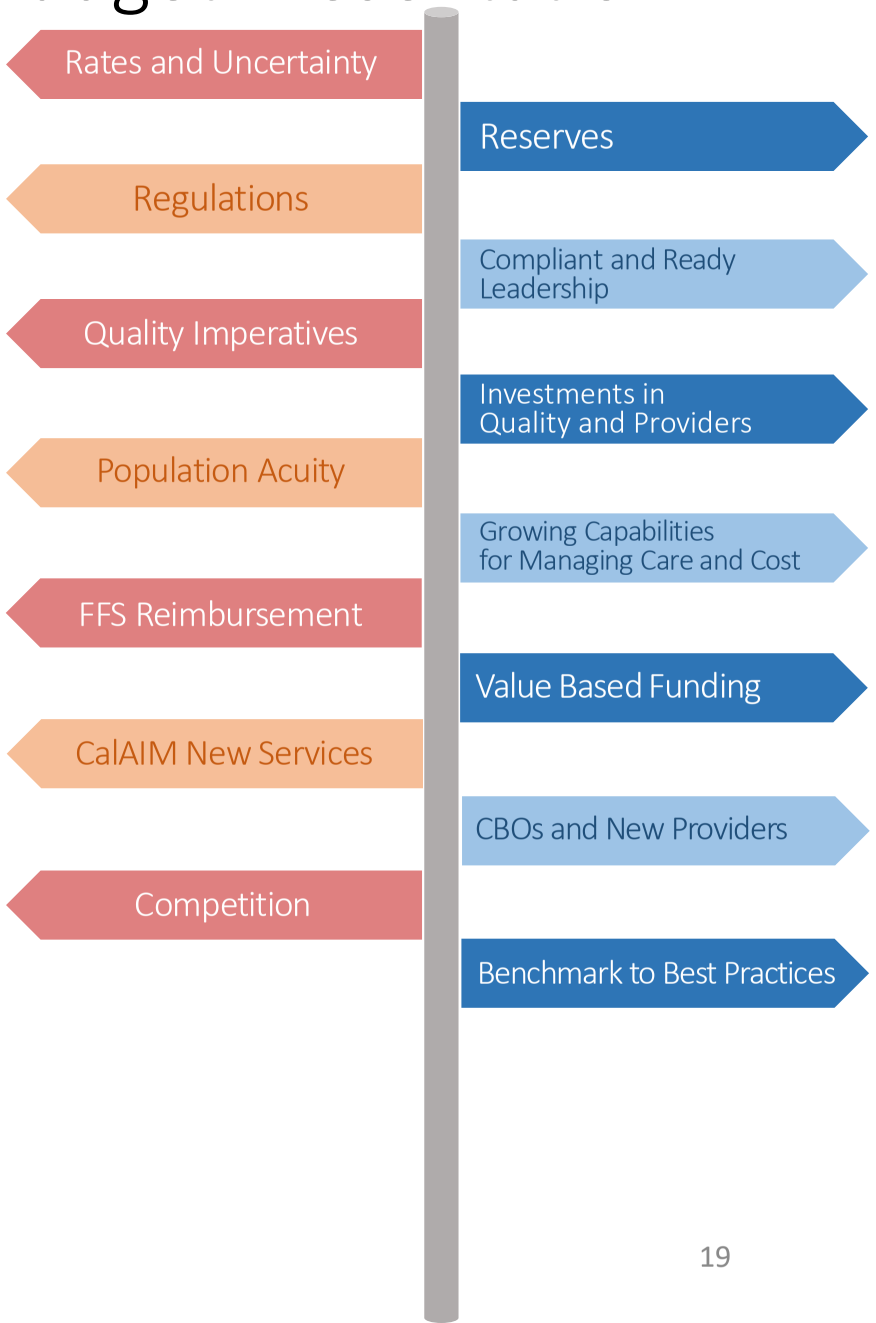
FY2024/25 Budget and 3 Year Planning

Gold Coast Health Plan Executive Finance Committee
May 16, 2024

Nick Liguori, Chief Executive Officer
Sara Dersch, Chief Financial Officer
Eve Gelb, Chief Innovation Officer
Paul Aguilar, Chief Human Resources and Organizational Performance Officer
Dr. Felix Nuñez, Chief Medical Officer
Erik Cho, Chief Policy and Program Officer
Marlen Torres, Executive Director, Strategy and External Affairs



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Topics We Will Review

1. Today's Objectives
2. Budget Design
3. Medi-Cal Industry Environment
   - Opportunities and Challenges
   - Question and Answer Session with Kyle Edrington, Founder of Edrington Health Consulting
   - Provider Environment
   - Quality Environment
4. Gold Coast Health Plan Environment
   - Membership and Associated Premium Rates
   - Medical Benefit Cost Trends
   - Unique Needs of New Members
5. FY2024/25 Proposed Budget

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(1) Understand where we are in the budget process.

(2) Understand Medi-Cal program and industry trends.

(3) Understand the need to plan for to use a portion of our reserves to expand the investment in Quality and Providers begun 2 years ago.

(4) Gain feedback from the Commission.

In April, Management provided the FY2024-25 budget framework outlining planned use of reserves.

Today, we will review the budget as well as important considerations for how management has developed the budget and will successfully implement that budget.

In June, we will bring the final budget packet which will include more-detailed administrative budget content. This administrative content will include the following: the personnel budget, a comprehensive review of existing and new vendor/consultant contracts and related budgets, operations of the future budget, and more.

- GHCP's underlying financial performance today is strong, reflecting a Medi-Cal Managed Care Plan under effective management control, and operating in accordance with parameters of our Medi-Cal premiums.

  Excluding GCHP's Quality Funding Program:

  - 88% of premiums go to Medi-Cal member benefit spend.
  - 10% goes to efficient operations of the health plan and ongoing investments in Operations of the Future.
  - 2% would be available for addition to reserves.

- In order to meet the imperative of our Mission to improve Quality Care and Access for our members and to support the Ventura County Medi-Cal healthcare delivery system, management has developed a pioneering Quality Funding Programs that increases funds available for quality care and services by $90M in FY 2024-25 and by $250M over the next 3 years. These unprecedented new programs build off the funding programs and plan-provider partnerships that produced incredible successes in MCAS improvements in the current fiscal year.

- Bottom line change in reserves: The new Quality Funding Programs will involve a $22.5M spend down of reserves by the end of FY 2024-25. This will appear as a planned $22.5M reduction of reserves in the health plan's income statements.

Environment – Medi-Cal Program and Industry

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Medi-Cal Environment Presents Opportunities and Challenges

New Programs and Populations provide great opportunities to serve our members and our community in new and important ways. These opportunities require significant strategic foresight, coordination and partnering with others to connect members with care, along with sophisticated budgeting with a strong grasp on administrative costs, medical cost management, and other health plan investments for underfunded efforts. Therefore, progressive quality focused plans must balance the opportunities with the risks to remain sustainable.

Do More

- Medi-Cal Managed Care Plans (MCPs) need to broaden their footprint and infrastructure to support social drivers of health and behavioral health initiatives.
- Community Supports are expected to be converted into regular member benefits.
- Adult Expansion, elimination of asset limits, new Medi-Cal benefits, and D-SNP.
- Added requirements such as expanded Transitional Care Services and Health Equity.

Do Better

- Withholding a percentage of payments with an opportunity for MCPs to earn it back by achieving quality and health equity benchmarks.
- New requirement to invest 5% to 7.5% of margin back into the community. MCPs that don't meet quality expectations will have to reinvest an additional 7.5% of their profits into the community.
- Compete with Kaiser.
- New standardized contracts that will strengthen and clarify requirements and expectations regarding oversight and compliance. Greater penalties for poor performance.
- NCQA Health Plan and Health Equity Accreditation.

Get Paid Differently

- Rate transparency to support cost containment and downstream provider margins.
- Regional Rate Setting to create price leverage.
- 2024 Targeted Rate Increases (TRI) and expanded TRI in 2025+.
- Payment based on acuity.
- Managed Care Organization (MCO) Tax if successful would inject funding into the funding pool.

Edrington Q&A – Guest Speaker on Industry Trends

1) What is driving the changes in the Medi-Cal Program that we learned about on the previous slide?
2) How is the Medi-Cal industry-wide "premium environment" changing now and over the next few years? How do you expect GCHP's premiums to change based on actual cost data?
3) Can you provide more detail on regional rate setting? Why is it coming, when is it coming, and what will it mean for GCHP?
4) The historical Medi-Cal premium development paradigm essentially provided managed care plans with near full "reimbursement" of costs, albeit on a 2-year lag. How will regional rate setting change this?
5) How important is GCHP's development of care and cost management capabilities and Model of Care around the following:
    1) Care management of those high-cost members with multiple chronic conditions?
    2) Continued high-Quality performance across all MCAS measures?
6) Open questions from the Commission

Kyle Edrington founded Edrington Health Consulting (EHC) in 2014 and has provided actuarial, financial, and strategic support to Local Medi-Cal health plans for over 15 years, including support for Gold Coast Health Plan since 2018. Kyle and the EHC team currently work with 14 of the 17 Local Medi-Cal health plans as trusted advisors supporting each health plan's operations and strategy. In addition, Kyle contributes to DHCS workgroups and other technical discussions to support its capitation rate development process and strategic direction of Medi-Cal. EHC is a subsidiary of HMA.

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Provider Environment

Understanding the provider delivery system – needs, challenges, and goals – is key to GCHP's strategies, essential to the strength of plan-provider partnership, and GCHP's budget success.

Workforce Shortages Impact Access to Care

The healthcare industry is still feeling the impact of "the great resignation" and has pressing need for primary care providers, certain specialists, and nursing staff. The pressures in finding, hiring, and retaining talent are exacerbated by burdensome administrative issues (such as prior authorization), and the increased cost of living and other drivers that create wage inflation. Additionally, space limitations prevent full execution of staffing plans.

Rate Pressure

Rate Stability and sufficiency is an ongoing issue. Providers are facing lower reimbursement compared to increasing delivery costs with a greater dependency on supplemental funding and funding based on quality performance. It is difficult for providers to get internal commitment and build new capabilities needed for sustained quality when payment is not guaranteed.

Technology is Both an Opportunity and a Challenge

Both the promise of new tools and systems as well as the challenges of data/cyber security. Many are somewhere in the process of new system implementation and felt the immediate impact of and are dealing with the vulnerabilities identified in the Change Healthcare Cybersecurity Issue.

Quality and Community Focus

We have alignment with goals and approaches to lift the health of the community by connecting members with care. Innovation and targeted interventions are needed to address individual needs in areas of:

Chronic conditions

- Hypertension
- Diabetes
- Asthma

Targeted populations:

- School aged children with developmental needs
- Teens with mental health needs
- Frailty driven by age, disability, and/or medical complexity
- Social complexity, especially housing insecurity

Quality Environment

Quality is the basis of evaluation and funding for GCHP today and in the future. Adequate funding for GCHP and the Ventura County delivery system are now and will be increasingly tied to better scores on the Managed Care Accountability Set (MCAS), Consumer Assessment of Health Plans and Systems (CAHPS) and other standardized quality measures aligning with the National Quality Strategy.

Quality Withhold 0.5% of Revenue in 2024, increasing in 2025 and beyond to approximate our margin.	=	8 Managed Care Accountability Set (MCAS) Measures, with 9th measure added in 2025	+	4 Consumer Assessment of Healthcare Providers and Systems (CAHPS) Measures (2 adult and 2 children)	x	Improvement Factor
Quality Sanctions	=	MCAS Measures below Minimum Performance Level (MPL)	x	Volume of Members in the measures that are not at MPL	x	Corrective Actions Factor
Risk Adjusted Rates using Chronic Illness and Disability Payment System(CDPS) + Medicaid Pharmacy (Rx)	=	CDPS: Presence of Certain disease Categories and the severity of the disease based on diagnosis codes	+	Rx: Use of certain medications indicating disease or risk	-	Certain carved out populations

Connecting *with* Care: Members who have access to high quality care and a positive experience with care will have improved health outcomes. Medi-Cal requires it. Our members deserve it. GCHP is leading he way.

This is the Quality Imperative.

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Understanding Challenges and Opportunities in Order to Manage the Business of Gold Coast Health Plan

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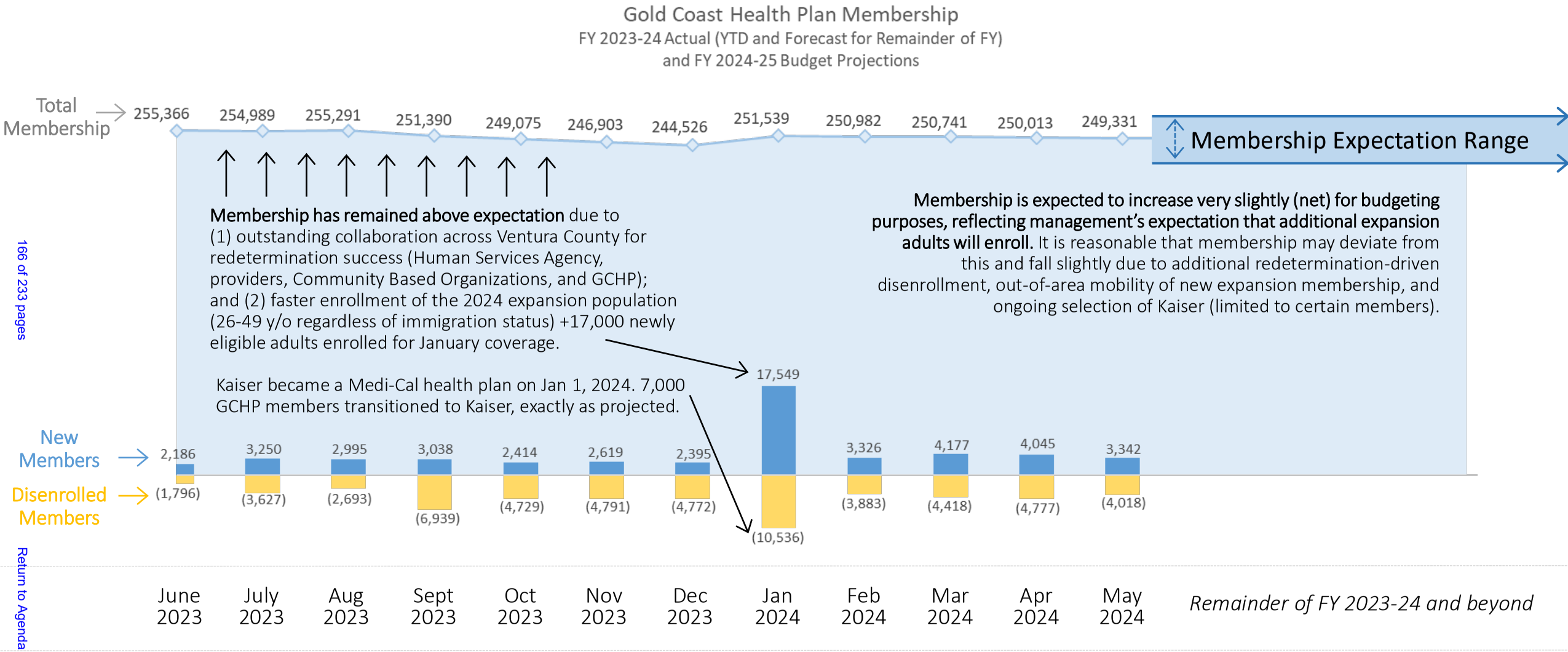
Data Based Foundation for Budgeting: Membership Trends



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Unique Needs of New Members

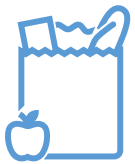
Health Risk Assessments (HRAs) launched in Q1 for our newest members have helped us better understand their needs.

22% of the members rate their health as fair or poor. This is a predicter of health decline and increased utilization.

53% of the members had problems getting care from a doctor in the past 6 months.

17% of members either have used the Emergency Department or Hospital in the past 6 months or had a family member use those resources.

32% of the members felt down, depressed or hopeless in the last 2 weeks.



57% of the members are worried about food running out before they get more money.

48% of the members have seasonal or migrant farmwork as their family's main source of income.

- Medi-Cal populations have grown the most in premium categories of aid that have decreased the fastest.
- While outsiders view Medi-Cal as increasing premiums, the reality for Medi-Cal Managed Care Plans is that premiums are remaining flat due to the interplay of membership mix and rate setting.
- “Fee for Service” reimbursement rate increase demands in the provider delivery system remain high and in fact are significantly greater than funding available in premiums.
- Healthier members left the health plan through redetermination and the Kaiser transition, as expected. The population that remains has a higher acuity (higher need for care and services).
- GCHP’s “Top 10%”population has an extraordinary occurrence of multiple chronic conditions and a great need for programmatic solutions and integrated care team interventions to improve health and “bend the future cost curve.”
- GCHP is developing a full profile of Inpatient and Long-Term Care costs and utilization drivers as well as a responsive solution to keeping these costs in line with available premium funding.

Data Based Foundation for Budgeting: Membership Mix and Premium Development

- DHCS develops premiums at a population cohort level ("Categories of Aid"), based on age (child or adult), level of need (age and disability), and immigration status (UIS, SIS).
- CY 2024 premiums developed favorably for some categories and unfavorably for others – yielding a flat plan-wide composite premium between CY 2023 and CY 2024. Essentially this means there was no more money per-capita to cover cost increases that were being created by contracted provider reimbursement rate increases.

Membership				DHCS Major "Categories of Aid" Premium Rate Categories	Base Premium Rates			
Actual CY 2023	Actual CY 2024	CY 2024 vs CY 2023 Change	CY 2024 vs CY 2023 % Change		Actual CY 2023	Actual CY 2024	CY 2024 vs CY 2023 $ Change	CY 2024 vs CY 2023 % Change
91,687	87,350	(4,337)	-4.7%	Child - SIS	95.84	$ 103.73	7.89	8.2%
3,720	3,788	68	1.8%	Child - UIS	78.69	$ 100.40	21.71	27.6%
27,601	25,946	(1,655)	-6.0%	Adult - SIS	296.66	$ 326.48	29.82	10.1%
5,992	15,990	9,998	166.9%	Adult - UIS	508.72	$ 470.51	(38.21)	-7.5%
71,180	67,563	(3,617)	-5.1%	Adult Expansion - SIS	357.8	$ 331.05	(26.75)	-7.5%
6,385	12,023	5,638	88.3%	Adult Expansion - UIS	761.52	$ 544.21	(217.31)	-28.5%
10,086	9,928	(158)	-1.6%	SPD - SIS	1177.93	$ 1,252.52	74.59	6.3%
1,178	1,221	43	3.7%	SPD - UIS	1824.05	$ 1,333.13	(490.92)	-26.9%
24,583	24,501	(82)	-0.3%	SPD Dual - SIS	579.44	$ 638.58	59.14	10.2%
638	677	39	6.2%	LTC Dual - SIS	579.44	$ 638.58	59.14	10.2%

GCHP experienced some of the largest declines in rates for our fastest growing population cohorts (expansion groups).

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Data Based Foundation for Budgeting: Drivers of Benefit Cost Growth

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Unit Cost

(excluding the Quality Funding Program)

- Reimbursement rate increases contracted in FY 2023-24 grew annual benefit costs by ~4%; LTC and inpatient costs trends are even steeper.
- Reimbursement rate increases are budgeted to further grow annual benefit costs >1% in FY 2024-25.
- DHCS' Targeted Rate Increase (TRI), a resetting of the baseline Medi-Cal payment schedule, added ~1.5% to benefit costs (MHSA, LTC, and other medical costs) in FY 2023-24 and the TRI program will expand in CY 2025 in yet to be defined ways.
- **Going forward, GCHP must prudently align unit cost increases with premium developments → long-term sustainability requires we spend only what we have in premiums.**

- Unit Costs are <u>not</u> decreasing in any way.

Population/Utilization

- After redetermination and the Kaiser transition, we are seeing a higher acuity (higher need) membership remain and a lower acuity group exit. This is as expected. The group that has left has costs that are ~40% lower than those who remain. **GCHP and provider partners must be increasingly effective at managing care and cost of high acuity, multiple chronic condition populations.**
- The 2024 expansion group of 26-49 regardless of immigration status comes to managed care with a history of high ER use for care. Also, there is potentially a pent-up demand for care and services. **GCHP must understand membership needs and tailor solutions that deliver high engagement in regular outpatient primary healthcare, specialty healthcare, and behavioral healthcare**.
- CY 2024 premiums include DHCS/Mercer's assumption that utilization in the 2024 expansion population will decrease over the near term after some early pent-up demand. This is expected by DHCS to result in ~1.3% lower costs in FY 2024-25. **Will this show up?**
- GCHP program interventions aimed at "bending the curve of costs= growth" for higher need members, including those with multipole chronic conditions, is having unprecedented, yet expected, favorable impact in the form of prevented readmissions and greater quality care. **We must expand the use of these pioneering and highly effective programs.**

Proposed Budget
Gold Coast Health Plan

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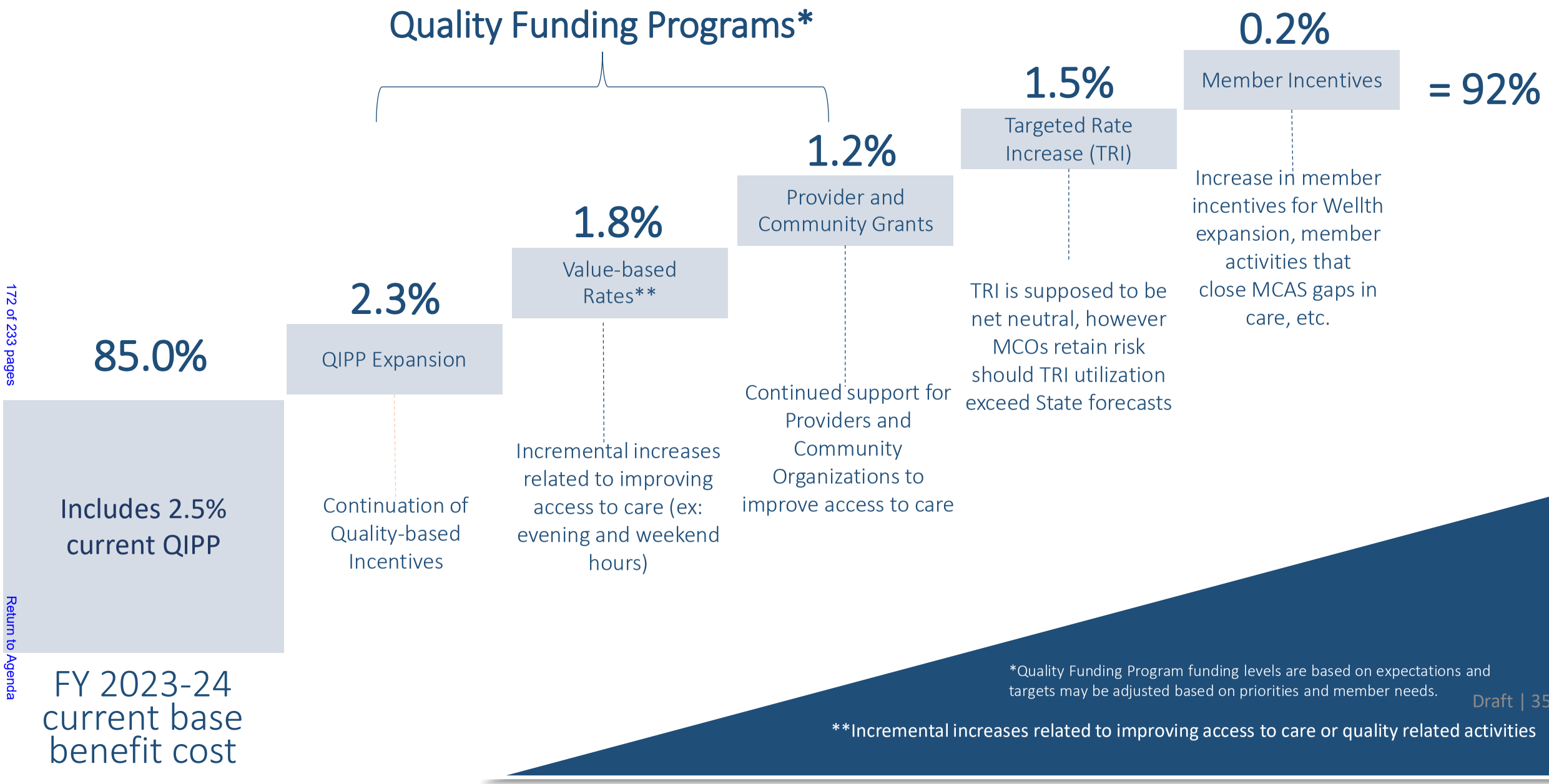
Budget FY2024/25 MBR Components → Getting to 92%



*Quality Funding Program funding levels are based on expectations and targets may be adjusted based on priorities and member needs.

**Incremental increases related to improving access to care or quality related activities

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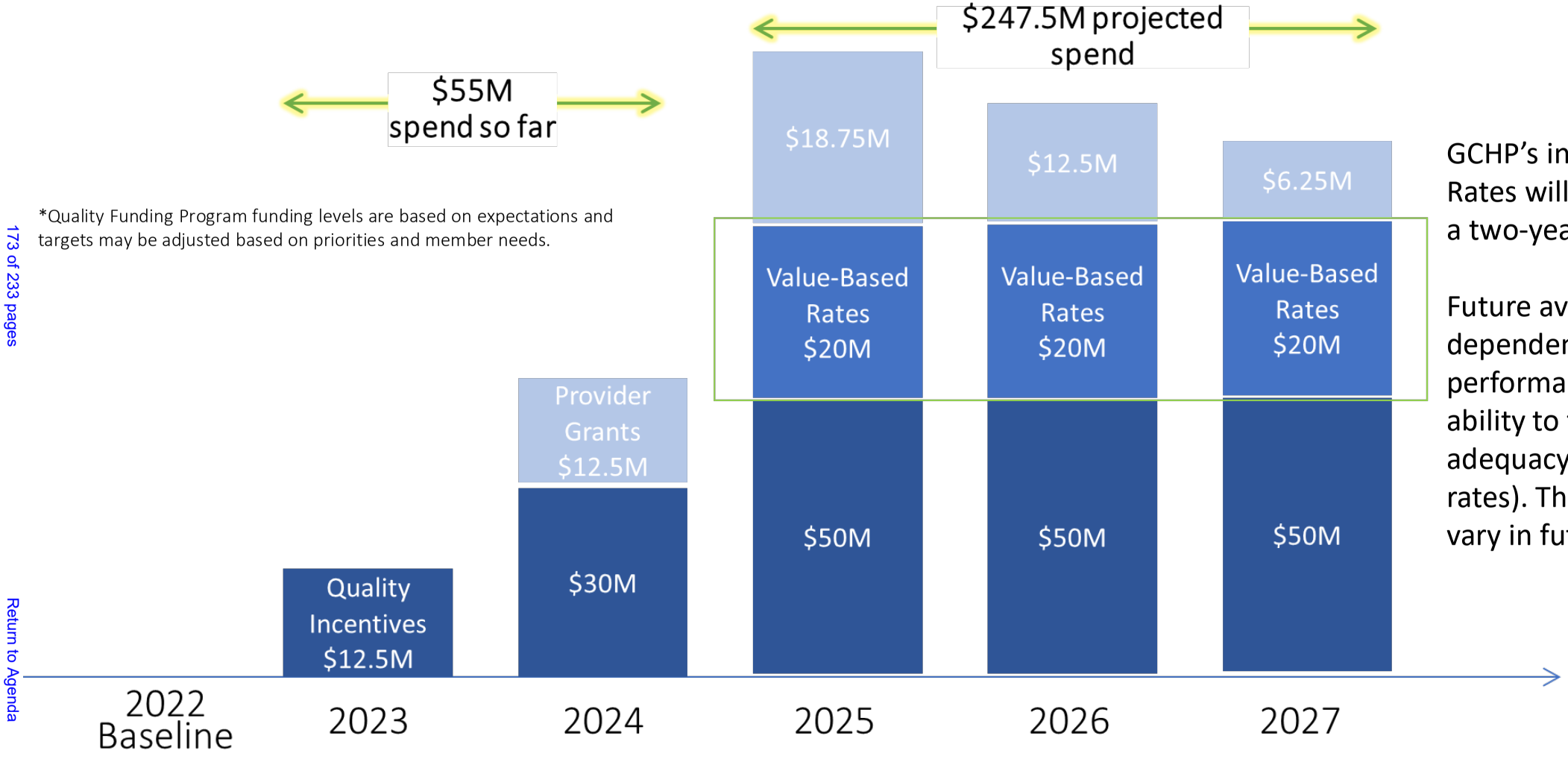
Budget FY 2024-25 | Quality Funding Programs and Value-Based Rates*

Valued Based Rates reward providers based on increased access, efficiency, and/ or quality.



*Quality Funding Program funding levels are based on expectations and targets may be adjusted based on priorities and member needs.

GCHP's initial Value-Based Rates will be available for a two-year period.

Future availability is dependent on provider performance and GCHP's ability to fund (i.e., adequacy of premium rates). The standards may vary in future years.

Summary of Management's Proposed FY2024/25 Budget

	FY2024/25 Budget	Comments
Membership	251,125	Higher-than-expected membership levels are driven by successful redetermination efforts and a newly-eligible population cohort. Membership is now relatively stable and is not expected to change majorly. But membership can change if redetermination disenrollment picks up or Kaiser is expanded as a Medicaid Managed Care Plan by the State.
Premium Revenue	$1.073B	As presented, this reflects essentially flat revenue even though membership is favorable; the changing member "mix" accounts for the minimal revenue increase; an additional $10M in investment income brings total revenue to $1.084B. MCO tax (which is a pass-through from the Federal government to the State) of $303.7M brings total receipts to $1.376B.
Medical Benefit Cost *(Ratio)*	$987.2M *92.0%*	Prior to the $82.5M Quality Funding Programs, the underlying MBR is 88%.
Administrative Expense *(Ratio)*	$107.3M *10.0%*	The $28M reduction in administrative expenses is due to significantly less funding needed for the Operations of the Future build-out in FY 2024-25 and continuous efficiency improvement in the operations of the health plan. The year-over-year administrative expense reduction is also after accounting for proposed new investments in staffing and additional consulting services."
Reserve Increase/(Decrease)	$(22.5M)	Net income prior to the Quality Funding Programs is $60M, or 2% of total revenue (premium revenue plus investment income). The Quality Funding Program produces a planned $(22.5M) decrease to reserves.
Net Increase to Reserves	$0	We will be using our $60M operating margin plus $22.5M in reserves for the Quality Funding Programs.

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A Planned Spend Down of Reserves Has Significant Risks

Going into a planned spend-down position requires us to be even more sensitive to variabilities in our environment that can adversely impact our financial position. Unfavorable changes in any of a multitude of factors could create a far larger spend down than planned. *For instance, think of another $16.3M premium acuity adjustment on top of a planned $22.5M reduction in reserves.*

- Membership Health
  Factors such as redetermination and the introduction of newly-eligible populations could result in a higher-utilizing membership.

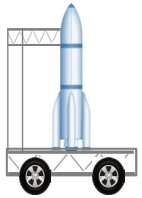
- State Rate Actions
  The State has the ability and precedent to invoke revenue reductions retroactively using the historical utilization as rationale.

- Provider Reimbursement Expectations
  The narrowing gap between premium revenues and medical benefits puts pressure on our ability to fund continued fee-for-service increases.

Management Actions
Including but not limited to

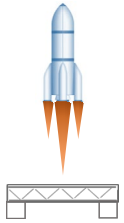
- ✓ Proactive monitoring of member health to ensure acuity needs are met timely, preventing unnecessary care in expensive settings.
- ✓ Rate advocacy with State for premium adequacy.
- ✓ Recalibrate reserve recommendations should unfavorable developments require.
- ✓ Advance sophisticated capabilities for managing care and cost, especially of high acuity, chronic condition populations.
- ✓ High discipline on what we can control.

Effective Execution of an Unprecedented Budget



Getting Ready for Takeoff 2024/25

- Integrated Care Team full implementation
- Voice of the Member (surveys, feedback); deep understanding of member and community need
- Service Everywhere community resource centers
- Performance Management and Leadership Development
- Strengthening project management capability organization-wide
- Financial strength and continued investment in modernizing health plan capabilities to improve health, quality healthcare, and member experience



Launched 2023/24

- State of art operating systems and services and operational performance excellence
  - Core Admin and BPO
  - Care Management System
  - Provider Portal
  - Modern Data Warehouse
  - CRM
- Community Care model bringing healthcare to members where they want it including school, work, home and neighborhood
- Delegation and vendor oversight to drive performance and value
- DSNP Readiness/Knox Keene
- NCQA Accreditation
- Optimized Data, Analytics & Metrics
- Corporate Integrity Agreement implementation

Landing Well 2023/24

- Highly effective system-wide quality improvement program achieving unprecedented MCAS improvement
- Procurement of best-in-class systems to implement the model of care
- Stellar performance on DHCS, MLR and Claims Audits.
- In-house local contact center
- Healthcare Programs and Services connect members with healthcare/services including Wellth, Community Supports, Member Incentive Programs

- All members get care "Whenever/ wherever" they need it (access and equity for all); High MCAS scores reflect this
- High member engagement in health and healthcare (members know, want, get, and stay active in health and regular primary and specialty care and Rx adherence) yields lasting impacts to individual, family, and community health and wellbeing
- The healthcare system and providers of community-based services are higher performing and continuously improving to meet GCHP/DHCS goals for quality, satisfaction, and equity

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- GHCP's underlying financial performance today is strong.
- We are planning a judicious use of reserves to further the Quality Funding Programs.
- We seek your feedback on our proposed FY 2024/25 budget today and in 1:1's scheduled for the next few weeks.

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Strategy and Budget Principles and Framework

Executive Finance Committee
April 18, 2024
Nick Liguori, Chief Executive Officer
Sara Dersch, Chief Financial Officer
Erik Cho, Chief Program and Policy Officer
Dr. Felix Nuñez, Chief Medical Officer

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Framework for Budget Fiscal Year 2024-25 and 3-Year Planning

Budgets bring our Mission, Vision, and Strategies to life. GCHP Management is developing a budget for the Fiscal Year (FY) 2024-25 and the 3-year period July 2024 – June 2027 that will accomplish the following in alignment with our **MISSION**:

1. **GCHP** | Ensure GCHP has the health plan capabilities necessary to meet our Mission of the best health possible, best access possible to quality healthcare, and superior experience for the members and communities we serve – for both Medi-Cal (low income vulnerable) and D-SNP (low income and/or disabled dually eligible) programs.

    - GCHP is now in the second annual budget of a multi-year transformation of health plan capabilities to meet its Mission, having historically performed low relative to other Medi-Cal local/community health plans in Mission-related measures (MCAS, CAHPS, health outcomes).

    - While always seeking to improve Quality and Satisfaction, we must also build (invest in) our capabilities to better manage medical costs to ensure long term financial viability.

2. **PROVIDERS** | Ensure we can make substantial, sustained, and transformational investments in Ventura County's delivery system of healthcare and healthcare-supportive services with the objective of increasing access to - *and provision of* - quality healthcare for the vulnerable members and communities enrolled in Medi-Cal, where and when they need the care and services.

3. **MEMBERS** | The primary purpose of our work and the fundamental principle that guides us in how we do that work is better health for our members and communities. Our members will be the main beneficiaries of all our many and major efforts to crate a more capable health plan and greater access to needed care across the healthcare system.

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Budget FY 2024-25 | Commitments

- Management's objective with the budget is to optimize quality care for our members and to ensure the long-term viability and success of GCHP. We do this by ensuring the Ventura County Medi-Cal delivery system has funding to achieve high standards of access and quality care.
- Transparency is a paramount commitment by Management to Commission.
- Management's aim is to provide all information that supports the Commission in making budget decisions compliant with their fiduciary duty, legal requirements and accountability for the health plan's viability and success.
- GCHP continuous improvement: Per best practice, Management is engaging the Commission earlier (April) and more meaningfully in the budget process than ever before.

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Management values feedback from Commissioners and we are available to answer questions and take in your feedback at any time.

Budget FY 2024-25 | Compliance and Legal Review

- ✓ GCHP Management desires to ensure the fullest funding possible to the Ventura County's Medi-Cal healthcare delivery system, and our funding programs since 2022 demonstrate this commitment.
- ✓ GCHP Management's funding programs are rooted in fundamental principles:
  - We are entrusted with the best use of taxpayer funds.
  - Funding for healthcare services must be adequate for safety net providers dealing with inflationary cost trends.
  - Funding must provide value (access, quality, outcomes) to the health plan and our membership as well as to our State and federal regulators who determine funding and its purpose.
  - Funding must always be compliant with state and federal laws/regulations that define permissible use of funds.
  - Funding must always be reasonable relative to value, services, market standards, industry practices, etc.
- ✓ Compliance is paramount under all circumstances. Compliance under the Corporate Integrity Agreement requires the highest standards of compliance.
- ✓ These slides describe GCHP's plans. BBK (Leeann Habte) on behalf of GCHP is performing a comprehensive legal review of all provider funding, including Quality Incentives, Reimbursement Arrangements, and Grants for compliance with federal and State laws and GCHP's Corporate Integrity Agreement with the Office of the Inspector General. This expert-based review includes consultation with an outside consultant with specialized expertise in value-based funding programs.

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Budget FY 2024-25 | Process and Timeline

April 2024 Key Dates and Deliverables

- April 18th – Executive Finance Committee presentation on background, context, concepts, and process for Budget FY 2024-25 and 3-Year Plan. Staff request: questions and feedback.
- April 22nd – Commission presentation on the same. Staff request: questions and feedback.

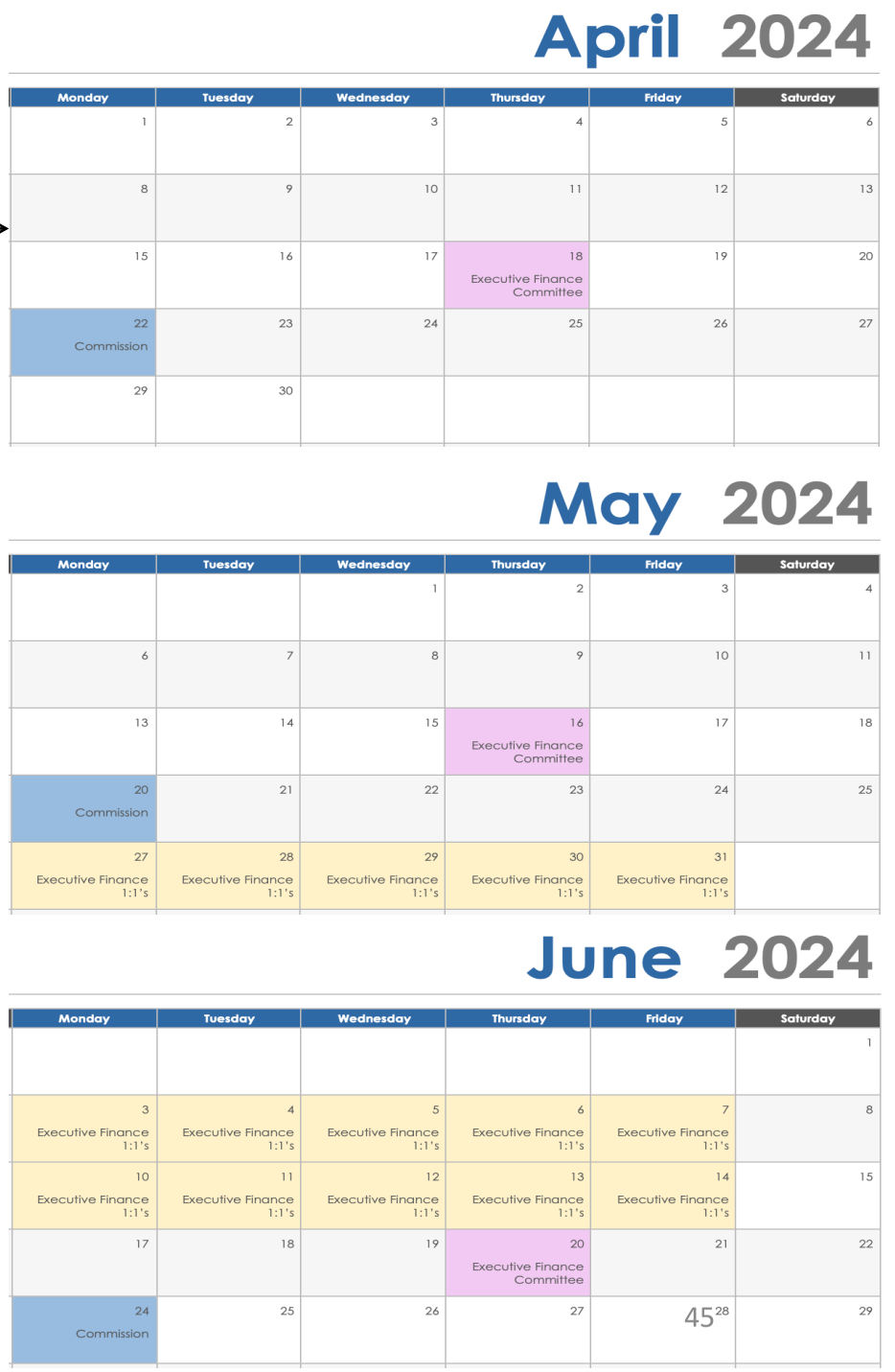
May 2024 Key Dates and Deliverables

- May 16th – Executive Finance Committee presentation on preliminary Budget FY 2024-25 and 3-Year Plan. Staff request: questions and feedback.
- May 20th – Commission presentation on the same. Staff request: questions and feedback.

May 17th to June 14th – 1:1s with Executive Finance Committee

June 2024 Key Dates and Deliverables

- June 20th—Executive Finance Committee presentation on proposed final Budget FY 2024-25. Staff request: recommendation.
- June 24th—Commission presentation on the same. Staff request: approval.
- June 25th—Management begins new budget implementation.



April 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6
8	9	10	11	12	13
15	16	17	18 Executive Finance Committee	19	20
22 Commission	23	24	25	26	27
29	30				

May 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4
6	7	8	9	10	11
13	14	15	16 Executive Finance Committee	17	18
20 Commission	21	22	23	24	25
27 Executive Finance 1:1's	28 Executive Finance 1:1's	29 Executive Finance 1:1's	30 Executive Finance 1:1's	31 Executive Finance 1:1's	

June 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1
3 Executive Finance 1:1's	4 Executive Finance 1:1's	5 Executive Finance 1:1's	6 Executive Finance 1:1's	7 Executive Finance 1:1's	8
10 Executive Finance 1:1's	11 Executive Finance 1:1's	12 Executive Finance 1:1's	13 Executive Finance 1:1's	14 Executive Finance 1:1's	15
17	18	19	20 Executive Finance Committee	21	22
24 Commission	25	26	27	28	29

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Budget FY 2024-25 | TNE Industry Perspective

GCHP Management desires to invest some reserves in value-based financing of the Ventura County healthcare delivery system. The Plan is outlined in the following slides. Here is an updated view of TNE across the Medi-Cal industry.

Industry Perspective | Tangible Net Equity by Medi-Cal Managed Care Plan (as % of required TNE)

Source: "Financial Summary of Medi-Cal Managed Care Plans (Quarters Ending June 30, 2023 and September 30, 2023); GCHP source is internal financial reporting.
Non-Governmental Medi-Cal Plans not included - reserves are generally kept at parent

	June 2022	December 2022	June 2023	September 2023
Kaiser Foundation Health Plan		2154%	2209%	2252%
CalOptima	1340%	1482%	1556%	1577%
Health Plan of San Joaquin	988%	1220%	1447%	1381%
Scan Health Plan	1352%	1332%	1306%	1318%
Health Plan of San Mateo	977%	1268%	1275%	1241%
Central California Alliance for Health	1092%	1156%	1180%	1211%
Gold Coast Health Plan	482%	750%	1094%	1025%
L.A. Care Health Plan	716%	690%	789%	954%
CalViva Health	789%	838%	853%	866%
CenCal Health	563%	666%	811%	820%
Inland Empire Health Plan	725%	712%	794%	796%
Kern Health Systems	545%	623%	729%	741%
Alameda Alliance	605%	677%	758%	737%
Partnership HealthPlan	784%	829%	771%	729%
San Francisco Health Plan	1024%	1413%	784%	710%
Santa Clara Family Health Plan	585%	640%	716%	654%
Contra Costa Health Plan	554%	585%	617%	604%

Kaiser and SCAN are shown for additional perspective. Kaiser is included as it is now a fully licensed Medi-Cal Managed Care Plan. SCAN is a standard bearer for managing D-SNP. GCHP will be responsible for fiscally managing D-SNP and its reserves in the next budget year (FY '25-'26).

GCHP ranks near the middle as compared to other Medi-Cal Plans. GCHP TNE declined slightly due to changes in total assets and liabilities.

Preliminary 2024 financial reports are that LA Care will exceed GCHP's position in Year End rankings due to its pace of reserve growth.

Budget FY 2024-25 | MBR Components

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85.0%

Includes 2.5% current QIPP

FY 2023-24 base benefit cost trended

2.5%

QIPP Expansion

Continuation of Quality-based Incentives

2.0%

Transitional Rates*

Incremental increases related to improving access to care (ex: evening and weekend hours)

1.3%

Provider and Community Grants

Continued support for Providers and Community Organizations to improve access to care

TBD

Targeted Rate Increase (TRI)

TRI is supposed to be net neutral, however MCOs retain risk should TRI utilization exceed State forecasts

TBD

Member Incentives

Increase in member incentives for Wellth expansion, member activities that close MCAS gaps in care, etc.

> 92%

*Incremental increases related to improving access to care or quality related activities

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Budget FY 2024-25 | Actuarial Unit Cost Comparison

- This analysis of GCHP Unit Cost vs. those of other Southern California Medi-Cal regions (7 counties, 7 Medi-Cal Managed Care Plans) provides valuable insight for forecasting future premium rates. This analysis of unit cost closely approximates a comparison of reimbursement rates.
- Key to future rate development will be the maintenance of traditional FFS spending that is "in line" with spending across Medi-Cal plans. **Outlier FFS spending is at risk of not being fully reimbursed as DHCS looks to create greater regional cost parity.**
- Regional rate setting will replace individual plan rate setting in the near future. GCHP Management is actively preparing our reimbursement program to succeed in this new premium paradigm – **a focus on value/quality is one way to ensure long term success** (both financial success and Mission success).
- Key findings of the analysis strongly support Management's plan to focus spending increases for the greatest Quality (MCAS) impact:
  1. **MCAS improvements are principally achieved by greater use of outpatient primary healthcare, specialty healthcare, behavioral healthcare, and transportation to care.**
  2. **Physician Primary Care, Behavioral Healthcare, and Transportation unit costs are low relative to the industry.**

Category of Healthcare Service	GCHP Percentile (100% = Highest Rate in Region)
Inpatient Hospital	100.0%
Hospice	93.2%
Laboratory and Radiology	91.9%
CBAS	83.7%
BHT Services	76.6%
FQHC	76.6%
Physician Specialty	76.5%
Long-Term Care	75.4%
Emergency Room	61.5%
Other Medical Professional	56.6%
Outpatient Facility	55.2%
Mental Health - Outpatient	46.1%
All Other (small category $-wise)	37.6%
Physician Primary Care	37.2%
Home and Community Based Services	34.9%
Transportation	33.7%
Overall	71.6%

Costs are for the adult population and excludes the impact of population acuity and utilization. Counties include Kern, Los Angeles, Riverside, Santa Barbara, San Bernardino, San Luis Obispo, and Ventura.

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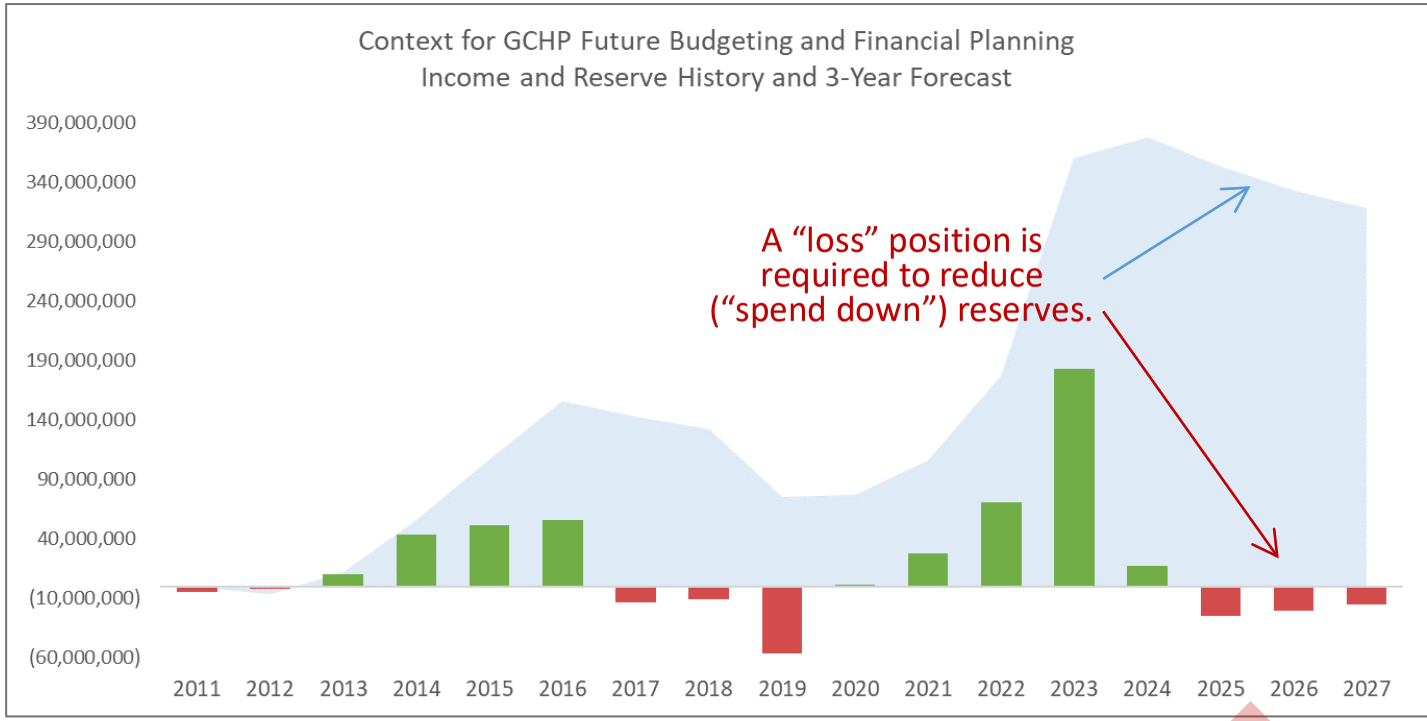
Income and TNE Position

- Net Income adds to or reduces health plan reserves – adds to if Net Income is positive, reduces if negative. You can see the historical relationship in the chart below – when Net Income is positive, reserves grow by that amount; conversely, "losses" reduce reserves.



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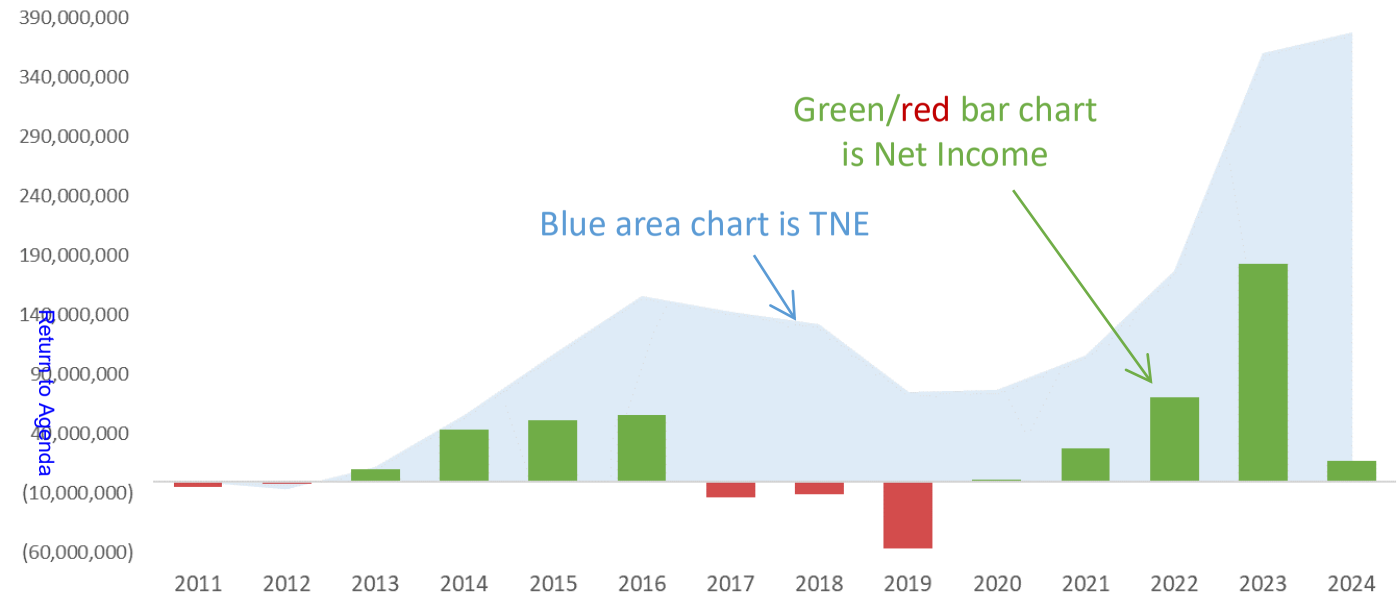

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- To achieve a spend down of some Unrestricted Reserves (i.e., not in the 700% of TNE Policy), GCHP must go into a negative Net Income ("loss") position.

Budget FY 2024-25 | TNE Composition and Planning

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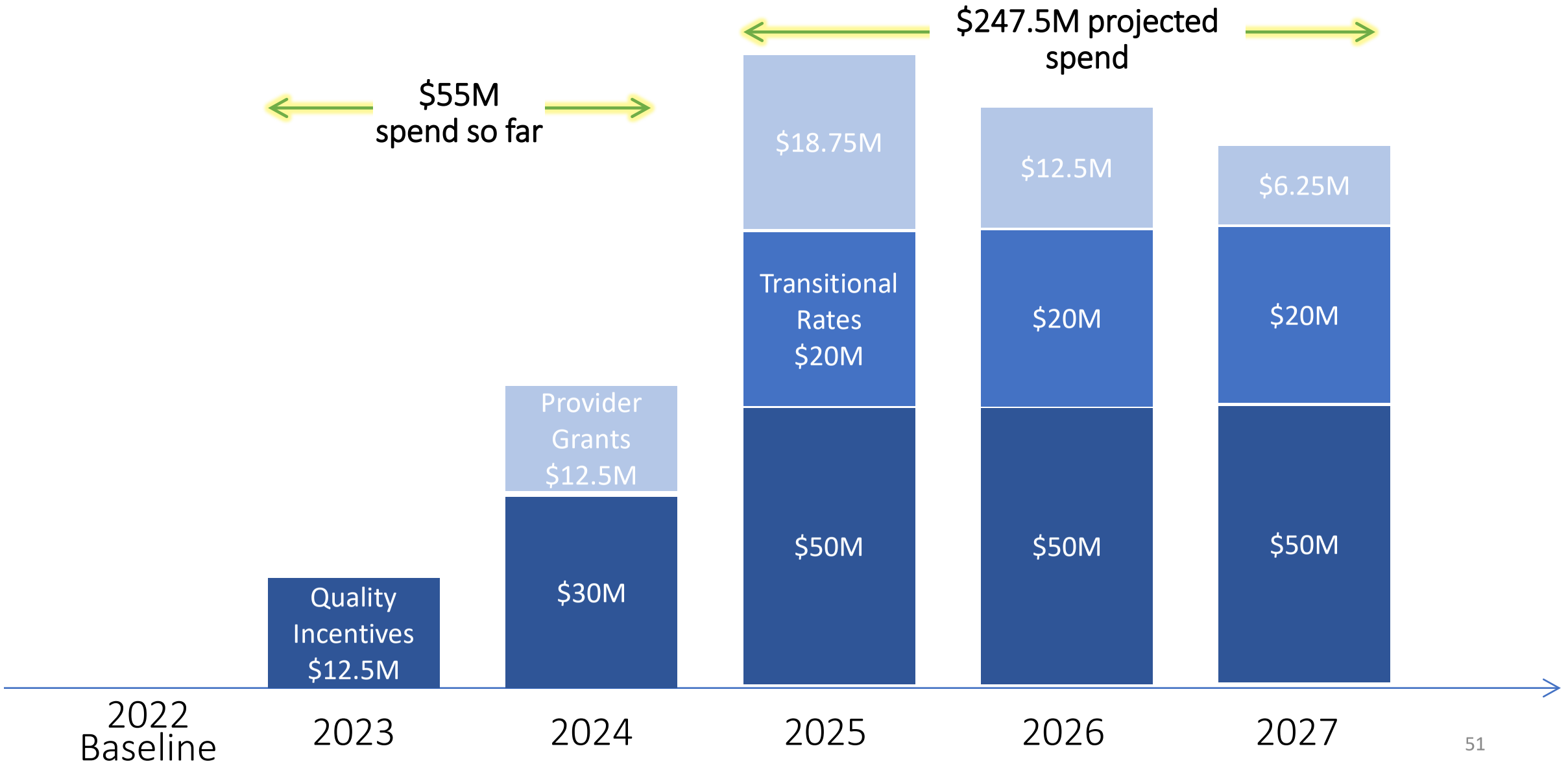
Today		Management Analysis	GCHP Management Recommended Actions
1025%	Unrestricted Reserves 325%	$60M	GCHP Management proposes to plan for a $60M reduction in reserves over the next 3 budgets (spanning July 2024 – June 2027) in the form of compliant and value-based funding for providers.
		$60M	D-SNP expenses (provider and administrative) are highly sensitive to minor changes in our modeling assumptions. Slightly adverse developments increase magnitude of losses. These are expected losses for D-SNP (actuarially developed) which has been filed with DMHC in its Knox Keene license application.
	Restricted Reserves 700%	$258M	These funds are restricted for maintenance of adequate reserves for long term viability of GCHP. These funds were established as GCHP TNE Reserve by Commission approval of the FY 2023-24 Budget (current year). For Medi-Cal alone, this provides for adequate long-term thinking and planning and investments to GCHP and providers. For Medi-Cal AND D-SNP combined, these reserve levels are inadequate. Management recommends adding to these reserves to meet satisfactory TNE for both programs.

- ✓ We seek to invest in providers through enhanced Quality-based funding. To do this, we must plan for 3 years of losses. We will course correct if rates and/or medical cost pressures trend adversely to forecast.
- ✓ GCHP Management and Actuaries recommend combining D-SNP TNE and Medi-Cal TNE to account for combined reserve needs.
- ✓ GCHP's actuarial model for D-SNP financial performance filed with the Knox Keene application expects $30M cumulative losses Years 1-3.
- ✓ An additional $30M reserves (on top of $30M expected losses) is prudent due to significant uncertainty in D-SNP performance/losses in 2026-2029.
- ✓ GCHP is entering a period of industry-wide anticipated premium pressures.

Budget FY 2024-25 | Quality-Focused Funding Increase 23-27



Budget FY 2024-25 | Quality-Focused TNE Investment

Program	FY 2024	FY 2025	FY 2026	FY 2027
PCP Quality Improvement Programs Up To:	$30M	$35M	$35M	$35M
Hospital and other incentives which may include Specialty, Long Term Care and Behavioral Health Integration Up To:		$15M	$15M	$15M
Transitional Rates Up To:		$20M	$20M	$20 M
Provider and Community Grants Up To:	$12.5M	$18.75M	$12.5M	$6.25 M

GCHP's financial targets will drive Quality and Access through provider investments aligned with Commission- Approved spend.

- **Quality Incentives:** $10 MQIPP Expansion to roll out this FY with incentive programs across other provider areas in development.
- **Transitional Rates:** These rates will be impacted, as much as possible, by quality, access to care, and transitions of care activities and improvements.
- **Provider and Community Grants:** We aim to deliver early on the $25M, 2–3-year commitment made starting in FY 23-24 and provide an additional $25M in funding through FY 2027.

D-SNP/Medicare Forecast Impact on TNE

Model Assumptions	Knox Keene Filed Scenario	Lower Stars Higher Reimbursement	Higher Membership, Lower Stars, Lower Savings Higher Reimbursement
Membership by Year 3	5,190	5,190	13,080
CMS Quality Star Rating	4	3.5	3.5
Managed Care Savings (from "unmanaged FFS")	20%	20%	15%
Provider Reimbursement (% of Medicare Fee Schedule)	102.5%	105%	105%
3- Year Cumulative Losses	-$17M	-$39M	-$60M or more*

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* Management is working with actuaries on additional scenario planning

Budget FY 2024-25 | Key Terms (1 of 2)

CMS Quality Star Rating: The Medicare equivalent of the DHCS Managed Care Accountability Set (MCAS). Ratings focus on health plan quality based on measurements of customer satisfaction and the quality of care a plan delivers. Plans are rated on a scale of one to five, with one star representing poor performance and five stars representing excellent performance.

D-SNP: A special needs plan (SNP) is a Medicare Advantage (MA) coordinated care plan specifically designed to provide targeted care and limit enrollment to special needs individuals. A Dual Eligible Special Needs Plans (D-SNPs) is a type of SNP that enrolls individuals who are entitled to both Medicare and Medicaid (Medi-Cal in California).

Medical Benefit Expense: Costs for medical, dental, vision, transportation, meals, and other covered supplemental benefits.

Medical Benefit Ratio (MBR): Ratio of Medical Benefits to Premium Revenue; the percentage of state revenue that is spent on medical care.

Medicare Fee Schedule: A complete listing of fees used by Medicare to pay doctors or other providers/suppliers. This comprehensive listing of fees used to reimburse a physician and/or other providers on a fee-for-service basis.

Medical Management Savings: Savings generated from health plan activities related to the medical management of health services as compared to the Medicare Fee-For-Service costs.

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Net Income: The remaining profit or loss after all expenses have been subtracted from all revenues. The Net Income increases reserves if positive or reduces reserves if negative.

Budget FY 2024-25 | Key Terms (2 of 2)

Premium Revenue: Amount received from the State to provide medical care and other covered services to GCHP members.

Quality Incentive Pool and Program (QIPP): A focused effort to direct funding to Providers for the achievement of Quality measures.

Restricted Reserves: The portion of Tangible Net Equity (TNE) that GCHP is required by policy to maintain (i.e. not be used). For GCHP's existing line of business (Medi-Cal), this amount is currently set at 700% of the Department of Health Care Services (DHCS) required minimum TNE.

Tangible Net Equity (TNE): GCHP total assets (cash, physical property, amounts we are owed) less total liabilities (both realized and incurred, such as amounts GCHP owes to pay current claims, vendors, personnel, etc). GCHP is required to maintain the DHCS formula-derived minimum TNE to ensure continuity of payments and services.

Targeted Rate Increase: To improve access to care, quality and equity, the California Department of Health Care Services (DHCS) is increasing rates to 87.5% of Medicare for certain Medi-Cal services.

Unrestricted Reserves: The portion of GHCP's TNE above and beyond the Commission-specified minimum. The unrestricted reserves will be used to cover expected losses in the first years of D-SNP as well as the quality-related funding for providers and other Commission-approved uses.

Value-Based Care: Care that ties the amount providers earn to the results they deliver for their patients, such as the quality, access and equity.

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Schedule 1 - Medical Margin Budget: PMPM Cost by Category of Service

FY 2024 -25 MEDICAL EXPENSE BUDGET
PMPM COST BY CATEGORY OF SERVICE

	FY 2023-24 as of April 2024 PMPM	Projected Jul-Dec 2024 PMPM	Projected Jan-Jun 2025 PMPM	FY 2024-25 PMPM	% Change	Projected Dollars
Capitation[1]	$ 24.61	$ 25.63	$ 25.80	$ 25.72	4%	$ 77,253,316
Fee For Service						
Inpatient	$ 69.52	$ 77.85	$ 78.61	$ 78.24	13%	$ 235,028,410
Outpatient	$ 28.34	$ 30.31	$ 30.50	$ 30.41	7%	$ 91,342,329
Long Term Care / Skilled Nursing Facility (LTC / SNF)	$ 60.00	$ 60.36	$ 62.55	$ 61.45	2%	$ 184,618,913
Emergency Room	$ 12.91	$ 12.79	$ 12.95	$ 12.87	0%	$ 38,656,501
Physician Specialty	$ 26.74	$ 28.57	$ 28.85	$ 28.71	7%	$ 86,250,542
Transportation	$ 0.80	$ 1.87	$ 1.89	$ 1.88	135%	$ 5,634,296
Primary Care Physician	$ 12.02	$ 13.31	$ 13.29	$ 13.30	11%	$ 39,957,499
Mental and Behaviorial Health Services	$ 12.10	$ 13.71	$ 13.93	$ 13.82	14%	$ 41,503,267
Other Medical Professional	$ 1.65	$ 1.61	$ 1.63	$ 1.62	-2%	$ 4,858,907
Home & Community Based Services	$ 11.40	$ 13.31	$ 13.45	$ 13.38	17%	$ 40,186,776
Laboratory and Radiology	$ 4.24	$ 3.25	$ 3.29	$ 3.27	-23%	$ 9,821,301
Directed Payments - Provider	$ 9.93	$ -	$ -	$ -	-100%	$ -
Other Fee For Service	$ 6.35	$ 7.62	$ 7.74	$ 7.68	21%	$ 23,069,406
Sub-total	**$ 256.00**	**264.54**	**268.67**	**266.61**	**4%**	**$ 800,928,147**
Other Expenditures						
Quality Funding Program	$ 24.00	$ 27.51	$ 27.42	$ 27.46	14%	$ 82,500,000
Prop 56	$ -	$ 3.19	$ 3.20	$ 3.19	0%	$ 9,595,654
Carelon Case Management	$ -	$ 0.83	$ 0.83	$ 0.83	0%	$ 2,500,000
Medical Care Management	$ 8.23	$ 11.57	$ 11.53	$ 11.55	40%	$ 34,708,829
Refunds & Recoveries	$ (1.05)	$ (0.40)	$ (0.40)	$ (0.40)	-62%	$ (1,200,000)
Reinsurance Recoveries	$ 0.62	$ 0.63	$ 0.63	$ 0.63	2%	$ 1,900,000
Sub-total	**$ 31.80**	**$ 43.34**	**$ 43.21**	**$ 43.28**	**36%**	**$ 130,004,483**
Total PMPM Medical Expense	**$ 312.41**	**$ 333.51**	**$ 337.68**	**$ 335.60**	**7%**	**$ 1,008,185,945**
MBR	**88.8%**	**91.6%**	**93.5%**	**92.6%**		**92.6%**

Note

1: Financial impact of Kaiser-aligned members have been removed from YTD results for comparative purposes

Schedule 2 - Medical Margin Budget: PMPM Cost by Category of Aid

FY 2024 -25 MEDICAL EXPENSE BUDGET
PMPM COST BY CATEGORY OF AID

	Child	Adult	Adult Expansion	SPD	SPD Dual	LTC	LTC Dual
Capitation	$ 18.47	$ 31.47	$ 35.30	$ 38.78	$ 6.17	$ 6.17	$ 6.17
Fee For Service							
Inpatient	$ 13.12	$ 132.11	$ 104.73	$ 364.82	$ 9.40	$ 369.40	$ 55.27
Outpatient	$ 4.04	$ 51.70	$ 42.15	$ 114.12	$ 15.28	$ 147.17	$ 8.12
Long Term Care / Skilled Nursing Facility (LTC / SNF)	$ 0.72	$ 13.63	$ 31.67	$ 203.51	$ 138.79	$ 7,763.64	$ 8,720.68
Emergency Room	$ 11.54	$ 16.46	$ 14.48	$ 24.60	$ 1.36	$ 15.71	$ 1.02
Physician Specialty	$ 8.24	$ 48.20	$ 39.51	$ 74.83	$ 15.02	$ 144.22	$ 11.19
Transportation	$ 0.78	$ 1.63	$ 2.72	$ 8.34	$ 0.64	$ 13.47	$ 0.95
Primary Care Physician	$ 7.88	$ 24.79	$ 13.91	$ 24.16	$ 6.98	$ 12.99	$ 4.16
Mental and Behaviorial Health Services	$ 16.72	$ 8.64	$ 9.32	$ 69.13	$ 1.63	$ -	$ 0.19
Other Medical Professional	$ 0.68	$ 1.81	$ 2.05	$ 4.99	$ 1.73	$ 3.00	$ 3.04
Home & Community Based Services	$ 2.09	$ 7.67	$ 10.84	$ 61.34	$ 46.57	$ 24.81	$ 23.63
Laboratory and Radiology	$ 0.99	$ 6.00	$ 4.59	$ 6.22	$ 0.24	$ 5.00	$ 0.08
Other Fee For Service	$ 1.22	$ 6.01	$ 5.67	$ 49.50	$ 17.00	$ 221.51	$ 158.81
Sub-total	**$ 68.01**	**$ 318.66**	**$ 281.65**	**$ 1,005.58**	**$ 254.63**	**$ 8,720.93**	**$ 8,987.14**
Other Expenditures							
Quality Funding Program	$ 20.95	$ 44.48	$ 44.53	$ 118.48	$ 66.33	$ 125.78	$ 66.55
Prop 56 Payment	$ 1.81	$ 9.47	$ 2.77	$ 1.11	$ -	$ 0.86	$ -
Carelon Case Management	$ 0.83	$ 0.83	$ 0.83	$ 0.83	$ 0.83	$ 0.83	$ 0.83
Grant Program	$ 1.30	$ 4.57	$ 4.58	$ 14.85	$ 7.61	$ 15.87	$ 7.64
Refunds & Recoveries	$ (0.40)	$ (0.40)	$ (0.40)	$ (0.40)	$ (0.40)	$ (0.40)	$ (0.40)
Reinsurance Recoveries	$ 0.63	$ 0.63	$ 0.63	$ 0.63	$ 0.63	$ 0.63	$ 0.63
Sub-total	**$ 25.13**	**$ 59.60**	**$ 52.94**	**$ 135.50**	**$ 75.00**	**$ 143.57**	**$ 75.25**
Total PMPM Medical Expense	**$ 111.61**	**$ 409.72**	**$ 369.89**	**$ 1,179.87**	**$ 335.80**	**$ 8,870.68**	**$ 9,068.56**

Schedule 3 - Medical Margin Budget

FY 2024-25 Medical Margin Budget			
	Jul - Dec 2024	Jan - Jun 2025	FY 2024-25
Revenue			
Base Cap	$ 510,105,105	$ 508,282,802	$ 1,018,387,907
Quality Withhold/Earnback	$ (1,284,750)	$ (2,541,414)	$ (3,826,164)
Maternity	$ 14,710,906	$ 15,212,438	$ 29,923,344
ECM Revenue	$ 8,816,116	$ 8,936,959	$ 17,753,075
Prop 56	$ 5,040,177	$ 5,060,511	$ 10,100,689
Hyde (including Prop 56)	$ 479,845	$ 495,922	$ 975,767
TOTAL REVENUE	**$ 537,867,399**	**$ 535,447,218**	**$ 1,073,314,618**
Fee for Service			
01-Inpatient Hospital	$ 107,373,319	$ 108,806,315	$ 216,179,634
02-Outpatient Facility	$ 45,446,200	$ 45,896,129	$ 91,342,329
03-Emergency Room	$ 19,173,228	$ 19,483,273	$ 38,656,501
04-Long-Term Care	$ 90,507,090	$ 94,111,823	$ 184,618,913
05-Physician Primary Care	$ 19,956,811	$ 20,000,687	$ 39,957,499
06-Physician Specialty	$ 42,840,481	$ 43,410,060	$ 86,250,542
07-FQHC	$ 9,371,387	$ 9,477,390	$ 18,848,776
08-Other Medical Professional	$ 2,409,165	$ 2,449,742	$ 4,858,907
09-Mental Health - Outpatient	$ 11,701,580	$ 11,917,359	$ 23,618,940
10-BHT Services	$ 8,849,459	$ 9,034,869	$ 17,884,328
12-Laboratory and Radiology	$ 4,874,507	$ 4,946,794	$ 9,821,301
13-Transportation	$ 2,797,203	$ 2,837,094	$ 5,634,296
14-CBAS	$ 6,039,705	$ 6,087,938	$ 12,127,643
15-Hospice	$ 3,015,840	$ 3,064,055	$ 6,079,895
16-HCBS Other	$ 1,522,411	$ 1,550,933	$ 3,073,344
17-All Other	$ 8,414,082	$ 8,575,430	$ 16,989,511
18-Enhanced Care Management	$ 8,375,310	$ 8,490,111	$ 16,865,421
19-Community Supports	$ 4,018,569	$ 4,101,799	$ 8,120,368
TOTAL FEE FOR SERVICE	**$ 396,686,346**	**$ 404,241,801**	**$ 800,928,147**
Capitation Expense			
TOTAL CAPITATION	**$ 38,429,766**	**$ 38,823,549**	**$ 77,253,316**
Other Expenditures			
Grant Program	$ 6,250,000	$ 6,250,000	$ 12,500,000
Claims Recoveries (non-system adjusted)	$ (600,000)	$ (600,000)	$ (1,200,000)
Reinsurance Recoveries	$ 950,000	$ 950,000	$ 1,900,000
Provider Incentives	$ 10,000,000	$ 10,000,000	$ 20,000,000
QIPP	$ 25,000,000	$ 25,000,000	$ 50,000,000
Prop 56 Payment	$ 4,788,168	$ 4,807,486	$ 9,595,654
Carelon Case Management	$ 1,250,000	$ 1,250,000	$ 2,500,000
Care Management	$ 17,354,414	$ 17,354,414	$ 34,708,829
TOTAL OTHER EXPEDITURES	**$ 64,992,583**	**$ 65,011,900**	**$ 130,004,483**
TOTAL MEDICAL BENEFITS	**$ 500,108,695**	**$ 508,077,250**	**$ 1,008,185,945**
Member Months	**1,499,517**	**1,504,617**	**3,004,133**
MBR	**91.6%**	**93.5%**	**92.6%**

Schedule 4 - General and Administrative Expenses

FY 2024-25 GENERAL AND ADMINISTRATIVE EXPENSES

	FY 2023-24 Reforecast	FY 2024-25 Budget	Year / Year Change	Percent Change	*Notes*
Expense					
Salary Expense	$ 39,992,043	$ 43,352,760	$ 3,360,717	8.4%	
Taxes and Benefits	12,256,448	13,159,773	903,325	7.4%	
Overtime	0	242,916	242,916		Overtime was not broken out and therefore not budgeted for in FY2023-24
Incentive	3,077,622	2,500,000	(577,622)	-18.8%	
Temporary Labor Expense	2,839,974	647,800	(2,192,174)	-77.2%	
Tuition Reimbursement	58,854	50,400	(8,454)	-14.4%	
Training, Conference, and Travel	1,140,008	1,751,576	611,568	53.6%	Travel back to pre-pandemic levels / Healthfairs
Outside Service - Conduent	20,973,109	2,384,918	(18,588,190)	-88.6%	Temination of Conduent Relationship
Outside Services - Other	9,979,576	34,486,245	24,506,669	245.6%	Wellth $6.9M, Carelon $6.4M, Netmark $8M / Partially offset in Conduent Savings
Accounting & Actuarial Services	197,000	180,000	(17,000)	-8.6%	
Legal Expense	3,412,091	2,550,000	(862,091)	-25.3%	Reforecast icluded Jan - Dec 2023 Actuals - 2024/25 expenses projected lower
Consulting Services Expense	2,933,411	2,450,066	(483,345)	-16.5%	Planned reduction in consulting services
Translation Services	351,468	292,000	(59,468)	-16.9%	Reduction due to cessation of redetermination efforts
Committee/Advisory	12,050	0	(12,050)	-100.0%	
Employee Recruitment	1,093,555	1,000,000	(93,555)	-8.6%	Planned reduction in recruitment expense
Employee Appreciation	0	5,750	5,750		
Lease Expense -Equipment	16,193	8,800	(7,393)	-45.7%	
Lease Expense -Office	1,988,476	1,592,628	(395,848)	-19.9%	Over-budgeted in FY 2023-24
Depreciation & Amortization Expense	535,753	4,000,000	3,464,247	646.6%	Certain capitalized expenses were not anticipated in FY 2023-24 Budget
Non-Capital - Furniture & Equip.	18,031	8,400	(9,631)	-53.4%	
Non-Capital Equipment - Computer	571,748	196,800	(374,948)	-65.6%	Reduction in Temp Staff over 2023/24 resulting in lower equipment need
Office & Operating Supplies	112,739	77,674	(35,065)	-31.1%	
Shipping & Postage Expense	374,630	548,130	173,500	46.3%	Printing & Fulfillment brought in-house from Conduent
Printing Expense	747,192	1,124,700	377,508	50.5%	Printing & Fulfillment brought in-house from Conduent
Software Subscriptions	4,701,225	13,390,776	8,689,551	184.8%	Reflects new technology brought in-house; offset in Coduent Savings
Software Licenses-Non-Capital	20,794	48,756	27,962	134.5%	
Software Maintenance & Support	122,810	2,033,889	1,911,079	1556.1%	Increased cost due to bringing several systems in-house
Repairs and Maintainence	284,491	380,143	95,652	33.6%	Increased maintenance in Lease
Telephone/Internet	371,647	613,532	241,885	65.1%	Primarily Call Center related
Advertising and Promotion	646,703	1,795,000	1,148,297	177.6%	Member Incentives and Community Sponsorship
Insurance	1,488,412	1,515,000	26,588	1.8%	
Interest	507,634	225,000	(282,634)	-55.7%	Operations - Based upon a 18 month average expense
Professional Dues, Fees, and Licenses	381,907	276,751	(105,155)	-27.5%	Local Health Plans of California membewrship paid in full in Reforecast
Subscriptions and Publications	37,282	47,114	9,832	26.4%	
Bank Service Fees Expense	5,321	9,000	3,679	69.2%	
Other/ Miscellaneous Expenses	1,653	112,500	110,847	6705.8%	Provider Quality Summit, branded clothing for community events
Care Management Credit	(20,735,070)	(34,708,000)	(13,972,930)	67.4%	Includes items not previously accounted for as Quality Improvement related expenses (Member Incentives, Quality Software, and Quality related software
Total General and Administrative	**90,516,778**	**98,350,798**	**7,834,020**	**8.7%**	
% Admin to Revenue	**8.9%**	**9.0%**			
Operations of the Future (OOTF)	16,057,840	4,000,000	(12,057,840)	-75.1%	
Strategic Initiatives (SI)	0	6,968,667	6,968,667		
Total G&A (Including OOTF and SI)	**106,574,618**	**109,319,464**	**2,744,847**	**2.6%**	
% to Revenue	**10.5%**	**10.0%**			

Schedule 5
Vendor Contract Listing

Contract Number	Vendor	Minority Vendor	Actual Contract Spend as of April 10, 2024	Projected Monthly Spend	Renewal Strategy	Renewal Term (Months)	Estimated FY2024/25 Budget Amt	Renewal End Date	Contract Description
Contract_2022_00699	3M Health Information Systems	No	$134,314	$4,200	Renew for 3 years	36	$50,400	12/15/2027	IT software: All Patients Refined Diagnosis Related Groups (APR DRG) is a system that classifies patients according to their reason of admission, severity of illness and risk of mortality)
Contract_2020_00187	Adecco (Akkodis) USA, Inc.	No	$10,517,690	$41,667	Renew for 1 year	12	$500,000	1/31/2026	IT Temporary labor services
Contract_2020_00191	Advanced Medical Reviews	No	$69,197	$1,500	Renew for 3 years	36	$18,000	10/31/2027	Medical review services
Contract_2022_00751	Affiliated Monitors Inc. [AMI]	No	$177,715	$10,000	Renew for 1 year	12	$120,000	11/1/2025	Corporate integrity services
Contract_2020_00448	Allegis Grp Hold, Inc. dba Teksystems, Inc.	No	$1,408,584	$20,000	Renew for 1 year	12	$240,000	1/31/2026	IT Temporary labor services
Contract_2024_00910	Ash	No	$0	$10,000	Renew for 2 years	24		12/31/2026	Health Risk Assesment
Contract_2020_00218	CAQH	No	$69,104	$1,000	Renew for 2 years	24	$12,000	12/31/2026	Software as a Service (data sharing)
Contract_2023_00806	Carol Hsu	Asian Pacific	$421,685	$5,600	Renew for 2 years	24	$67,200	10/31/2026	Medical record review services
	Case Net LLC	No		$50,000	Renew for 5 years	60	$600,000	6/30/2029	Medical Management Capability License
Contract_2021_00584	Compuwave	Asian Pacific	$102,829	$2,333	Renewal for 1 year	12	$28,000	7/26/2025	IT Infrastructure Software
Contract_2023_00792	Consentia Health LLC	No	$733,600	$50,000	Renew for 1 year	12	$600,000	12/31/2025	CEO and Finance consulting services primarily related to provider contract analytics and rate changes proposed by DHCS.
Contract_2023_00791	Consentia Health LLC	No	$92,000	$8,000	Renew for 1 year	12	$96,000	12/31/2025	Provider consulting services
Contract_2020_00246	Crossroads Staffing Services	Woman-owned	$2,943,888	$15,000	Renew for 1 year	12	$180,000	1/31/2026	Organziation Temporary labor services
Contract_2022_00761	Divurgent, LLC	No	$2,661,286	$150,000	Renew for 3 months	3	$450,000	10/31/2024	OOTF Operational Managemente and SME Support
Contract_2021_00593	Edelstein Gilbert Robson & Smith LLC	No	$130,900	$5,000	Renew for 2 years	24	$60,000	10/8/2026	Consulting services (government advocacy services)
Contract_2021_00596	Edifecs, Inc.	Asian Pacific	$508,231	$14,600	Renew for 2 years	24	$175,200	12/30/2026	IT software: EDI
	Edifecs, Inc.	Asian Pacific		$200,000	Renew for 5 years	24	$2,400,000	6/30/2029	New OOTF Electronic Data Interchange Platform
Contract_2023_00851	Ellit Group LLC	Woman-owned	$146,620	$28,000	Renew for 3 months only	3	$84,000	10/1/2024	OOTF Operational Managemente and SME Support
Contract_2023_00769	Emagined Security, Inc.	No	$174,167	$14,514	Renewal for 1 year	12	$174,167	12/27/2025	IT Security software
Contract_2021_00622	Enterprise Systems Solutions dba LA Networks	No	$263,056	$80,000	Renewal for 1 year	12	$960,000	8/31/2025	IT hardware maintenance
Contract_2020_00200	Ephonamation.com/Ansafone Contact Ctr	No	$55,569	$1,000	Renew for 3 years	36	$12,000	10/31/2027	Outbound calling software
Contract_2020_00580	FloQast, Inc.	No	$123,742	$2,900	Renew for 3 years	36	$34,800	12/31/2027	Finance software used for General Ledger journal entry management.
Contract_2020_00286	Gemini Diversified Services, Inc.	No	$251,521	$5,000	Renew for 1 year	12	$60,000	9/30/2025	Credentialing services
Contract_2021_00614	Health Management Associates Inc.	No	$602,637	$28,000	Renew for 1 year	12	$336,000	7/31/2025	Temporary labor services
Contract_2024_00882	Health Management Associates Inc.	No	$75,587	$150,000	Renew for 1 year	12	$1,800,000	12/1/2025	Finance consulting services
	Healthedge	No		$191,667	Renew for 5 years	60	$2,300,000	6/30/2029	Core Admin Capability License
Contract_2023_00774	Healthwise, Incorporated	No	$51,601	$11,000	Renew for 3 years	36	$132,000	12/31/2027	IT software
Contract_2023_00873	Infomedia Group dba Carenet Healthcare Services	No	$40,707	$26,500	Renew for 6 months	6	$159,000	6/30/2025	Member / Provider Outreach services. (Texting, outbound calls etc.)
Contract_2023_00857	Infomedia Group dba Carenet Healthcare Services	No	$488,955	$50,000	Renew for 1 year	12	$600,000	12/31/2025	Member / Provider Outreach services. (Texting, outbound calls etc.)

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Schedule 5
Vendor Contract Listing

Contract Number	Vendor	Minority Vendor	Actual Contract Spend as of April 10, 2024	Projected Monthly Spend	Renewal Strategy	Renewal Term (Months)	Estimated FY2024/25 Budget Amt	Renewal End Date	Contract Description
Contract_2022_00725	Inovalon, Inc.	No	$1,608,270	$100,000	Renew for 1 year	12	$1,200,000	12/31/2025	Quality Data: IT software - Data Lake
Contract_2020_00319	Inovalon, Inc.	No	$1,245,075	$27,500	Renew for 3 years	36	$330,000	12/31/2027	Quality Data: HEDIS services
Contract_2020_00318	Inovalon, Inc.	No	$1,089,940	$29,583	Renew for 3 years	36	$355,000	12/31/2027	Quality Data: HEDIS services
Contract_2020_00317	Inovalon, Inc.	No	$526,495	$14,833	Renew for 3 years	36	$178,000	12/31/2027	Quality Data: HEDIS services
Contract_2020_00322	Insight Direct USA	No	$2,452,381	$12,000	Renew for 1 year	12	$144,000	9/29/2025	Desktop Value Add Reseller (desktop software and peripherals)
Contract_2023_00807	Insight Direct USA	No	$111,200	$40,000	Renewal for 1 year	12	$480,000	4/17/2026	IT Infrastructure Software
Contract_2020_00321	Insight Direct USA	No	$129,230	$61,000	Renewal for 1 year	12	$732,000	12/15/2025	IT Infrastructure Software
Contract_2020_00337	Insight Direct USA	No	$93,428	$2,917	Renewal for 1 year	12	$35,000	6/29/2025	Network monitoring software. Critical to the business in monitoring network activity and network performance issues.
Contract_2020_00320	Insight Public Sector	No	$2,007,606	$350,000	Renewal for 1 year	12	$4,200,000	12/31/2025	IT Infrastructure Software
Contract_2020_00348	Iron Mountain	No	$111,724	$1,000	Renew for 4 months	4	$4,000	3/7/2025	Data storage
Contract_2023_00799	Jonathan Baker	No	$99,975	$5,500	Renew for 2 years	24	$66,000	2/28/2027	Medical record review services
	KP	No		$250,000	Renew for 5 years	60	$3,000,000	6/30/2029	Print and Fulfillment Capability License
Contract_2020_00361	Lazer Broadcasting Corporation	Hispanic	$96,464	$4,500	Renew for 1 year	12	$54,000	10/31/2025	Communications services
Contract_2020_00366	LinkedIn Corporation	No	$224,066	$3,000	Renew for 2 years	24	$36,000	12/3/2026	Subscription for online business training (hard skills and soft skills) modules.
Contract_2022_00743	LTC Performance Strategies Inc.	No	$75,360	$1,000	Renew for 1 year	12	$12,000	9/29/2025	HR/ Compensation & salary benchmarking services
Contract_2023_00805	Madhavi Gutta	Woman-owned	$279,865	$5,000	Renew for 2 years	24	$60,000	9/30/2026	Medical record review services
Contract_2021_00598	Manifest Medex	No	$503,461	$62,000	Renew for 2 years	24	$744,000	2/14/2027	IT software (Data sharing)
Contract_2024_00878	Milliman	No	$50,000	$8,333	Renew for 3 years	36	$100,000	12/31/2027	Actuarial services for development of the D-SNP program.
Contract_2024_00891	Moss Adams	No	$589,549	$15,000	Renew for 1 year	12	$180,000	10/31/2025	Finance auditor services
Contract_2020_00527	Multiview Corporation	No	$121,306	$3,500	Renew for 2 years	24	$42,000	8/31/2026	General Ledger, Accounts/Payable, and Procurement software.
Contract_2023_00780	Navex Global, Inc.	No	$53,017	$1,667	Renew for 1 year	12	$20,000	2/9/2026	Compliance software
Contract_2023_00779	Navex Global, Inc.	No	$72,007	$2,667	Renew for 1 year	12	$32,000	2/9/2026	Risk Mgmt Compliance software
	NetThing, Inc	No			Reewal for 1 year	12	$600,000	6/30/2025	RPO Staffing, FTE hiring
	Netmark	No		$333,333	Renew for 5 years	60	$4,000,000	6/30/2029	New Business Process Outsource Partner supporting Core Admin functions
Contract_2022_00759	New Level Resources	Woman-owned	$39,634	$4,167	Renew for 1 year	12	$50,000	10/25/2025	Training and HR Support services
Contract_2022_00677	OptumInsight, Inc.	No	$92,714	$2,583	Renew for 5 years	36	$600,000	6/30/2029	Optum Medical Editing, Pricing Software
Contract_2022_00742	Pajaro Consulting LLC	No	$458,892	$25,000	Renew for 1 year	12	$300,000	6/30/2025	Organziation Transformation consulting services
Contract_2021_00668	Perfect Gift, LLC	No	$2,292,583	$125,000	Renew for 3 years	36	$1,500,000	12/31/2027	Gift cards used as incentives for members participation in completion of MCAS-related screenings and tests
Contract_2024_00896	Press Ganey Assoc.	No	$0	$5,000	Renew for 2 years	24	$60,000	2/28/2027	Provider survey services
Contract_2020_00542	Quest Analytics	No	$67,436	$12,750	Renew for 3 years	36	$153,000	8/11/2027	IT software - Provider geocoder software
Contract_2020_00518	Ryan, LLC dba Ryan Tax Compliance Svs LLC	No	$89,901	$8,000	Renew for 1 year	12	$2,000	2/28/2191	Abandoned and unclaimed property services
Contract_2021_00659	SAI360 Inc.	No	$111,696	$3,333	Renew for 1 year	12	$40,000	11/14/2025	Compliance 360 software licenses
	Salesforce	No		$83,333	Renew for 5 years	60	$1,000,000	6/30/2029	CRM Member Serivces platform License
Contract_2023_00862	Simpledatalabs inc dba Prophecy Inc.	Asian Pacific	$200,000	$16,667	Renewal for 1 year	12	$200,000	9/30/2025	IT Infrastructure Software
Contract_2023_00856	Stacy Miller Public Affairs	Woman-owned	$161,627	$15,862	Renew for 3 years	36	$190,344	6/30/2027	Public relations services
Contract_2021_00642	TBJ Consulting	Black	$933,166	$30,000	Renew for 1 year	12	$360,000	12/31/2025	Annual contract for Chief Diversity Officer

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Schedule 5
Vendor Contract Listing

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Contract_2020_00458	Tevora Business Solutions, Inc.	Disabled Veteran	$136,443	$2,917	Renewal for 1 year	12	$35,000	10/31/2025	IT Infrastructure Software
Contract_2021_00639	The Finish Line	Woman-owned	$93,598	$12,500	Renew for 3 years	36	$150,000	8/31/2027	Communications services
	Transaction Application Group	No		$83,333	Renew for 5 years	60	$1,000,000	6/30/2029	Provider and Member Portal Capability License
	TTEC	No		$16,667	Renew for 5 years	60	$200,000	6/30/2029	Call Center Telephany Infrastructure
Contract_2023_00844	UpToDate, Inc.	No	$16,958	$9,000	Renew for 3 years	24	$108,000	6/30/2027	Pharmacy software
Contract_2022_00739	Vendor Credentialing Svs LLC dba Symplr	No	$79,616	$3,333	Renew for 2 years	24	$40,000	9/13/2026	Provider contracting and credentialing software
Contract_2020_00475	Vendor Credentialing Svs LLC dba Symplr	No	$271,654	$4,667	Renewal for 1 year	12	$56,000	1/31/2026	Hosting services, contracting and credentialing software
Contract_2023_00828	Wellth Inc.	Asian Pacific	$1,169,785	$575,290	Renew for 2 years	24	$6,903,480	7/12/2026	Behavioral economic-based member incentive vendor for managing those members with specific chronic conditions.
Contract_2022_00738	Workday Inc.	No	$103,054	$5,583	Renew for 2 years	24	$67,000	9/30/2026	Software used for budgeting administrative (non-medical) costs.
Contract_2020_00476	Xpedite Systems (Easylink) OpenText	No	$371,625	$7,500	Renewal for 2.5 years	18	$7,500	11/30/2025	Fax software. Used for centralized provider and member fax receiving and distribution.

New Vendors / Contracts for Strategic Initiative (SI) Projects

Communications	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$120,000	TBD	Rebranding Initiative with investment in media buyng, managing campaigns and upgrade in website/digital capabilities
Compliance	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$30,000	TBD	Compliance Auding software
Continuous Improvement	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$144,000	TBD	Continuous Improvement Consultant: LEAN SixSigma capability to edcuate and streamline work prcoesses.
Continuous Improvement	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$50,000	TBD	Enterprise Project Management tool that will bring visibility to all projects
Culture and Recognition	BucketList	TBD	N/A	N/A	New Contract Pending	TBD	$120,000	TBD	Implementation of Recognition, Celebration and Work Anniversary program, with platform to manage and provide rewards
Culture and Recognition	Co-Creation	Minority Owned	N/A	N/A	New Contract Pending	TBD	$350,000	TBD	Culture Transformation (Co-Creation). To enhance the work enviroment and overall performance of the organizatoin
D-SNP	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$150,000	TBD	D-SNP: System continued configuration of Core Adimn, MMS, Provider Portal, CRM, Print & fullfilment and Call Center
D-SNP	PSG	TBD	N/A	N/A	New Contract Pending	TBD	$600,000	TBD	D-SNP: PBM Consultant to establish DSNP pharma operations
D-SNP	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$70,000	TBD	DSNP: PBM Vendor system configuration
D-SNP	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$150,000	TBD	DSNP: Consultant for CMS filings and bid (non-actuary)

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D-SNP	Milliman	TBD	N/A	N/A	New Contract Pending	TBD	$150,000	TBD	DSNP: Finance/Actualry Consultant
D-SNP	BBK	TBD	N/A	N/A	New Contract Pending	TBD	$180,000	TBD	DSNP: Legal and Regulatory Services and Filing
D-SNP	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$40,000	TBD	DSNP: Member materials, Enrollment and Communicaitions Consutlant to set up processes and do filings
D-SNP	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$290,000	TBD	DSNP: Core Admin, MMS and Provider Portal System Configuration Support BSA / PM Consultants
Finance of the Future	Moss Adams	TBD	N/A	N/A	New Contract Pending	TBD	$50,000	TBD	Completion of Quality Improvement survey
Finance of the Future	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$112,500	TBD	Workday HRIS Consultant to configure new process and systems
Finance of the Future	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$127,500	TBD	Workday: Finance BA for gathering/documenting business requirements, UAT script development
Finance of the Future	Workday Inc.	TBD	N/A	N/A	New Contract Pending	TBD	$280,000	TBD	Finance and HRIS platform to improve efficiencies, accuracy and timeliness of reporting data.
Finance of the Future	Workday Inc.	TBD	N/A	N/A	New Contract Pending	TBD	$163,000	TBD	Finance and HRIS sustem license fees.
Management of Provider Incentives and Performance	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$150,000	TBD	Consultant for Grant Program development and oversight
Management of Provider Incentives and Performance	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$10,000	TBD	Grant program tracking software
MCAS: Quality	TMG	TBD	N/A	N/A	New Contract Pending	TBD	$200,000	TBD	MCAS intervention of data processes related to MCAS and coding accuracy for diagnoses, design and support
MCAS: Quality	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$91,667	TBD	MCAS: Targeted in home visits to close a variety of MCAS gaps in care
MCAS: Quality	ASH	TBD	N/A	N/A	New Contract Pending	TBD	$67,500	TBD	MCAS: Self-test Kit Expansion COL, CHL, HBD
MCAS: Quality	Alinea	TBD	N/A	N/A	New Contract Pending	TBD	$50,000	TBD	MCAS: Expansion of Mobile Mammogram and other Mobile Services
MCAS: Quality	CareNet	TBD	N/A	N/A	New Contract Pending	TBD	$600,000	TBD	CareNet: MCAS Quality Outreach for WCV, CCS, BCS, and COL.
MCAS: Quality	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$20,000	TBD	MCAS: Benmark and participate in Learning Colaboratives realted to Quality/Community Care
Member Experience	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$310,000	TBD	Member Experinace: CRM Configuration
Member Experience	Press Ganey Assoc	TBD	N/A	N/A	New Contract Pending	TBD	$150,000	TBD	Member Journey and VOM consultants for focus groups, surveying and journey mapping
Member Experience	Various	TBD	N/A	N/A	New Contract Pending	TBD	$120,000	TBD	Contingent Labor for Community Care Events
Model of Care	Arine	TBD	N/A	N/A	New Contract Pending	TBD	$1,000,000	TBD	Chronic Disease Care Management

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Schedule 5
Vendor Contract Listing

Contract Number	Vendor	Minority Vendor	Actual Contract Spend as of April 10, 2024	Projected Monthly Spend	Renewal Strategy	Renewal Term (Months)	Estimated FY2024/25 Budget Amt	Renewal End Date	Contract Description
Model of Care	TBD: Solera	TBD	N/A	N/A	New Contract Pending	TBD	$100,000	TBD	Diabetes Management
Model of Care	Bamboo	TBD	N/A	N/A	New Contract Pending	TBD	$88,000	TBD	Health Information Exchange (HIE) that is used by specific major provider systems to share ADT (Admission, Departure, Transfer) data from the hospital with GCHP.
Model of Care	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$320,000	TBD	Cal-AIM requirement: Data exchange between entities (providers, vendors and other organziations)
Modern Data Warehouse	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$34,000	TBD	Completion of MDW: Short-term data developers / consultants
OOTF - Continuous Improvement	Conduent	TBD	N/A	N/A	New Contract Pending	TBD	$4,750,000	TBD	Pre-Service Transition Support and HSP & Provider Portal Data
OOTF - Continuous Improvement	Conduent	TBD	N/A	N/A	New Contract Pending	TBD	$600,000	TBD	Mailroom Operations - 6 months
OOTF - Continuous Improvement	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$900,000	TBD	Mailroom Document Mgmt System Development and IT contingent labor
OOTF - Continuous Improvement	Netmark	TBD	N/A	N/A	New Contract Pending	TBD	$2,836,000	TBD	Enrollment Data, Testing, Training and PCP Assignments and Hypercare Support
OOTF - Continuous Improvement	Medhok	TBD	N/A	N/A	New Contract Pending	TBD	$500,000	TBD	Pre-Service Transition Support and Medica Management Data
OOTF - Continuous Improvement	Adecco (Akkodis) USA, Inc.	TBD	N/A	N/A	New Contract Pending	TBD	$2,070,000	TBD	Hypercare: Post Go-Live Support with IT and Operations Contingent Labor and Member Portal Development and OOTF Continuous Improvement Widgets
OOTF - Continuous Improvement	NTT Implementation Services	TBD	N/A	N/A	New Contract Pending	TBD	$1,000,000	TBD	Implementation of Member Portal
OOTF - Continuous Improvement	Salesforce	TBD	N/A	N/A	New Contract Pending	TBD	$170,000	TBD	CRM New members services capabilties
OOTF - Continuous Improvement	Silver Implementation Services	TBD	N/A	N/A	New Contract Pending	TBD	$150,000	TBD	CRM New members services capabilties
Provider Network Operations	TBD	TBD	N/A	N/A	New Contract Pending	TBD	$210,000	TBD	Contract Management System to build efficiencies and improve quality

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AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 24, 2024

SUBJECT: Discussion on Dignity's Notice of Contract Termination

VERBAL REPORT

Gold Coast Health Plan℠
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: June 24, 2024

SUBJECT: Chief Executive Officer (CEO) Report

On June 2, 2024, GCHP hosted its Family Day / Día de la Familia and Health Fair at Oxnard College. The Health Fair connected our community with care through numerous preventive health screenings and featured health education workshops, GCHP member orientations, community resources, and more. One of the event's highlights was the entertainment where members enjoyed Zumba, cultural music and dancing. We would like to thank BBK for sponsoring the entertainment.

The event was successful in connecting members with care:

1. We closed 661 gaps in care at the event.
2. 437 members received at least one preventive screening.
3. We distributed $21,000 in earned member incentives.

Members also won Fitbit activity trackers, bicycles, a television, and gift cards to local retailers.

We, along with our partners, administered the following screenings:

Screening	Organization
Asthma Medication Ratio Education	Gold Coast Health Plan Team
HbA1c Self-Administered Test Kits	Livingston Memorial / Ash Wellness
Chlamydia Self-Administered Test Kits	Ash Wellness / Ventura County Ambulatory Care
Blood Pressure Screenings	Livingston Memorial, Community Memorial, Ventura County Health Care Agency, Westminster Free Clinic
Fluoride Varnish	Sugarbug Dental & Clinicas del Camino Real
Brest Cancer Screenings	Alinea
Point of Care A1C	Ventura County Health Care agency

We would like to thank the following providers and community partners for participating at the event:

Partner / Providers	
1. Ventura County Health Care Agency	16. First 5
2. Ventura County Human Services Agency	17. Clinicas del Camino Real
3. Ventura County Behavioral Health: Substance Abuse Program	17. Child Development Resources
4. Ventura County Public Health (VCPH): Cal Fresh Healthy Living	18. Carelon
5. VCPH: Chronic Disease Prevention Zumba	19. Promotoras y Promotores Foundation
6. VCPH: Tobacco Education Prevention Program	20. Community Action of Ventura County
7. VCPH: Women, Infants, and Children	21. Mixteco Indigena Community Organizing Project (MICOP)
8. VCPH: Communicable Disease	22. Tri-Counties
9. VCPH: Immunizations	23. Every Woman Counts
9. Ventura County-California Children Services	24. Oxnard Police Activities League
10. VCPH: Oral Health and Regional Health Equity team	25. Westminster Free Clinic
11.VCPH: Opioid Prevention Program	26. Rainbow Connection
12. VCPH: HIV Program	27. National Health Foundation
13. Ventura County: Child Support	
14. Planned Parenthood	
15. El Concilio	

The health fair proved to be an effective way to close care gaps and connect members with care and we look forward to working with our providers and partners on future health fairs.

I. External Affairs

A. Federal Affairs

Centers for Medicare & Medicaid Services (CMS) Hosts National Health Equity Conference

The Centers for Medicare & Medicaid Services (CMS) hosted its second annual Health Equity Conference on May 29-30, convening leaders in health equity from federal and local agencies, health provider organizations, academia, community-based organizations, and others. The two-day conference weaved the theme "Sustaining Health Equity Through Action" through a variety of sessions. GCHP's Government Relations Team virtually attended the plenary sessions and several panel discussions.

Throughout the conference, coalition building, leveraging work that is already underway, and the need for appropriate data collection and exchange were common themes that underscore the collaborative approach needed to address health equity. California Advancing and Innovating Medi-Cal (CalAIM) was a topic in several panels where the use of Section 1115 Waivers has helped the state cover a spectrum of services including food and medicine interventions. CalAIM highlighted the need for data and collaboration by citing efforts to create universal Healthcare Common Procedure Coding System (HCPCS) codes for food by working with other states that cover similar supports, allowing more uniformity and better data to support and understand the utilization of the benefit. Other discussions included the need to ensure the aging population is included in health equity efforts, as they are often overlooked and face the biggest inequalities, and promoting hiring from the community and those with lived experiences when addressing the needs of those transitioning from the justice system.

Advancing health equity is a priority at the national, state, and local level including state Department of Health Care Services (DHCS) efforts to require managed care plans (MCPs) to create a Diversity, Equity, and Inclusion training program that encompasses sensitivity, diversity, cultural competency and cultural humility, and health equity trainings for all MCP staff, and network providers. GCHP is currently working on the development of the DEI training program in accordance with the requirements that must be fully implemented by Dec. 2025.

Congress Discusses Health Care Issues in Committee Hearings; Facing Spending Cliffs in Early 2025

In advance of the August recess, U.S. Legislators are continuing to work on various aspects of health care. Much of the health care related work will continue in Committees with the Senate floor focused on messaging items and nominations and the House working on appropriations bills as its key focus. In early June, the Senate Committee on Health, Education, Labor, and Pensions (HELP) held a hearing on women's reproductive health – a continued area of focus for Democrats in advance of the November election. The House

Energy and Commerce Oversight and Investigations Subcommittee held a hearing on the 340B prescription drug pricing program, and the House Oversight Select Subcommittee invited Dr. Anthony Fauci to testify on the coronavirus pandemic.

While it is unlikely we will see any large health care related actions from Congress before the November election, several spending deadlines are set to coincide in early 2025, creating the potential for another round of potential shutdowns. The deadline to raise the debt ceiling is in early 2025, followed by the expiration at the end of next year of Trump-era tax cuts and spending caps that dictate the budgets for the military and other federal agencies. The ability to resolve these issues is largely dependent on the outcome of the November election.

B. Redetermination Update

The Institute for Medicaid Innovation (IMI) shared findings from their national Redetermination Survey, in which GCHP participated. The survey represents health plan data from almost every state with Medicaid Managed Care and provides insights on redetermination impacts, including plan forecasting, outreach strategies, and data sharing. The survey found that when preparing for the commencement of the redetermination process and projecting anticipated disenrollments, most plans tended to project higher disenrollments than were actually realized. For example, at the beginning of redeterminations, 50% of surveyed plans estimated that a third of their membership would be disenrolled when in actuality, only 6-15% of their members disenrolled. The survey noted that outreach methods varied widely and included many different and creative approaches; the five most successful outreach strategies were:

- Texting
- Calling
- Letters / Postcards
- Collaborating with Community Health Centers on patient outreach
- Updating enrollee contact information in advance of redetermination

GCHP implemented numerous proactive strategies to inform members of the need to submit renewal information, including all of the strategies listed above.

According to the most recent data available, the Kaiser Family Foundation Unwinding Tracker reports that as of May 23, 2024, at least 22.3 million Medicaid enrollees have been disenrolled from coverage. There continues to be wide variation in disenrollment rates across states, ranging from 55% in Utah and Idaho to 13% in Maine. **California's disenrollment rate is 22%.** Efforts including the implementation of federal waivers and the increase in ex parte renewals have improved the redetermination process, but procedural reasons continue to be the primary reason for disenrollment. DHCS noted that ex parte renewals now account for 65% of redeterminations compared to 30% in December.

The DHCS March 2024 March Unwinding Dashboard reports that the March disenrollment rate was 12% both statewide and in Ventura County. Statewide, 80% of disenrollments are due to procedural reasons; 76% of Ventura County's disenrollments are due to procedural

reasons. The final group of GCHP members received redetermination notices in May; this final cohort of members undergoing redetermination have until Aug. 2024 to provide all necessary information for eligibility determination. A final redetermination report will be shared with the Commission at the August meeting.

C. State Regulatory Update

DHCS Hosts Behavioral Health Stakeholder Advisory Committee

DHCS held a Stakeholder Advisory Committee and Behavioral Health Stakeholder Advisory Committee that included a discussion with DHCS Director Michelle Baass on the recent budget activity. In response to the May budget revision, known as the May Revise, the committee members expressed concerns with the Managed Care Organization (MCO) Tax. Director Baass was largely positive regarding the budget and noted the Early Action Budget Agreement that is currently pending CMS approval, will generate $1.5 billion in additional revenue. The committee members covered a variety of issues ranging from the MCO Tax to data sharing, redeterminations, the Children and Youth Behavioral Health Initiative (CYBHI), Behavioral Health Services Act, and the Health Equity Roadmap.

DHCS shared its vision for a statewide data exchange, including how the Data Exchange Framework (DxF) will create new connections and efficiencies between health and social services providers, improving whole-person care in conjunction with the state's Data Sharing Agreement (DSA) that requires the secure and appropriate exchange of health and human services information. GCHP signed the DSA and complies with the requirements of the DxF that went live for many stakeholders on Jan. 31, 2024. DHCS also discussed the CMS Interoperability Patient Access and Prior Authorization Rules and the CalAIM Data Sharing Authorization Guidance (DSAG). All of these data efforts seek to enable providers to work together and improve individuals' health and wellbeing.

Stakeholders also discussed the issues facing children and youth behavioral health and cited concerns with budget limitations that could impact funding. DHCS shared overviews of several behavioral health initiatives and programs and Community Based Organizations (CBOs) encouraged stakeholders to continue to consider Community Health Workers and Promotores in their work in the community. The next meeting is scheduled for July 24, 2024.

Child Health and Disability Prevention (CHDP) Program Transition to MCPs

In alignment with the CalAIM goal to reduce administrative complexities and as authorized by SB 184, DHCS is sunsetting and/or fully transitioning components of the Child Health and Disability Prevention (CHDP) Program that already exist in other Medi-Cal delivery systems. The CHDP Program transition was finalized and released in March 2024; the transition must be completed by July 1, 2024. DHCS is asking MCPs to work with their counties on the CHDP Transition, which includes the following components:

- Children's Presumptive Eligibility

- Early and Periodic Screening, Diagnostic and Treatment (EPSDT)
- Health Care Program for Children in Foster Care
- CHDP – Childhood Lead Poisoning & Prevention Program
- Newborn Hearing Screening Program

Historically, local CHDP programs provided EPSDT screenings and preventive services; both Medi-Cal fee-for-service and managed care plans are already required to comply with the EPSDT screening and treatment services. GCHP is participating in discussions with the county and may leverage county training materials as part of the transition implementation.

DHCS Proposes Charging MCPs to Administer the CYBHI Fee Schedule

As part of CYBHI, DHCS is expanding access to school-based (or school-linked) behavioral health services provided to students at a school site. Specifically, DHCS, in collaboration with the Department of Managed Health Care (DMHC) and California Department of Insurance, is establishing a statewide multi-payer school-linked fee schedule to reimburse school-linked providers for the provision of specified outpatient mental health and substance use disorder services furnished to students 25 years of age or younger at a school site. DHCS contracted with a third-party administrator (TPA), Carelon Behavioral Health, to administer the school-linked statewide behavioral health provider network. The first cohort is set to go live in July 2024.

DHCS recently released trailer bill language (TBL) that proposes to charge MCPs a "reasonable" fee to support the TPA contract with Carelon Behavioral Health. The TPA must create and administer a process for enrolling and credentialing all eligible practitioners seeking to enroll and for the submission and reimbursement of claims eligible to be reimbursed. The proposed fee underscores the ongoing budget issues facing the state and how DHCS is looking for alternate funding mechanisms to support program implementation. The proposal is strongly opposed by MCPs and GCHP is working with its trade association, Local Health Plans of California (LHPC), to secure amendments that limits plans' financial impact and provides protections for MCPs' existing relationships with Local Education Agencies (LEAs). GCHP's Government Relations Team will continue to provide updates as discussions on the proposed language continue.

DHCS Removes Barriers to Accessing Community Health Worker (CHW) Services in the Emergency Department (ED)

DHCS released APL 24-006, Community Health Worker (CHW) Services Benefit, that adds requirements for the provision of CHW services during Emergency Department (ED) visits, including streamlining network provider enrollment requirements and updating documentation requirements. Specifically, the APL requires MCPs to have a billing pathway for providers, including contracted hospitals, to submit claims for CHW services provided during an ED visit. Additionally, for CHW services rendered in the ED, the treating provider may verbally

recommend CHWs to initiate services and later document the recommendation in the Member's record or the record of the ED visit.

These updates to the CHW Services Benefit will facilitate more timely access to care when members are in the ED and ensure there is a billing pathway for CHW services provided during an ED visit. The CHW Services Benefit changes are consistent with broader efforts, such as CMS' recent Access Rule, that seek to address access to care and ensure services are received in a timely manner.

Dual-Eligible Special Needs Plans (D-SNP) Updates

GCHP's Government Relations Team attended several calls for the CalAIM Managed Long-Term Services and Supports (MLTSS) & Duals Integration Workgroup and Dual Special Need Plan (D-SNP) learning series. The call focused on default enrollment and the 2024 Exclusively Aligned Enrollment (EAE) D-SNP Default Enrollment Pilot project. As aligned with federal rules and current national trends, California's 2024 EAE D-SNP Default Enrollment Pilot initiative allows D-SNPs to enroll newly dual-eligible members of their managed care plan into their affiliated D-SNP. This is a statewide preliminary program that has launched in two counties (San Mateo and San Diego) with three Medi-Medi Plans.

The call also highlighted how dual-eligible beneficiaries are likely to align with one or more of following populations of focus:

- Adults Experiencing Homelessness
- Adults at Risk for Avoidable Hospital or ED Utilization
- Adults with Serious Mental Health and/or Substance Use Disorder (SUD) Needs
- Adults Transitioning from Incarceration
- Adults Living in the Community and At Risk for Long-Term Care Institutionalization
- Adult Nursing Facility Residents Transitioning to the Community

The 2024 EAE D-SNP pilot program aims to ensure access to care and services is not disrupted, reduce the administrative workload for eligible enrollees, and promote increased care coordination for the most vulnerable Californians. Based on the findings from the pilot program, the state may choose to expand the initiative in other counties.

The 2024 D-SNP learning series call on provider network and reimbursement considerations hosted by LHPC addressed stakeholder confusion with the Medicare network adequacy requirements for D-SNPs as well as best practices for building provider capacity. The D-SNP learning series call also provided best practices and strategies for network adequacy evaluation and improvement including encouraging plans to leverage existing networks to predict enrollment, review accessibility in service areas to address coverage gaps, and develop targeted reimbursement and profit-sharing approaches to maximize provider enrollment. Moreover, plans should collaborate with community-based organizations to address the social determinants of health as well as review member feedback and provider

performance data for network improvement. Communication with members, providers, and DHCS/CMS is key for D-SNP approval and network adequacy.

To learn more, DHCS has released the CY 2025 D-SNP Policy Guide, which provides key guidance for CY2025 EAE D-SNPs.

D. State Legislative Update

2024-25 State Budget

Last month, Governor Newsom released the updated 2024-25 budget proposal, known as the "May Revise." The revised budget proposal put forwards a total state budget of $288 billion ($200.9 billion GF) for 2024-25 and slightly reduces General Fund (GF) health and human services expenditures ($70.1 billion GF) by 4.7% compared to 2023-24. To address the existing $27.6 billion budget shortfall, the Administration opted for various one-time and ongoing funding solutions, including reserve withdrawals, funding reductions, expansion pauses and shifts, and revenue and internal borrowing.

Notably, the Administration proposes to eliminate In-Home Supportive Services (IHSS) coverage for undocumented Californians, as well as amend the MCO tax. The Administration proposes to expand the MCO tax to include health plan Medicare revenue in the revenue limit calculation, as well as reduce $6.7 billion from Medi-Cal provider rate increases, Graduate Medical Education, and the Medi-Cal labor workforce over the next few years to alleviate the strain on the GF.

On May 29, 2024, the Legislature released a draft joint legislative budget agreement after a deal was reached between the state Senate and Assembly leaders. In this proposal, the Legislature puts forward a balanced budget that contains a total of $46.9 billion in solutions for 2024-25 and $29.8 billion for 2025-26 to reduce the budget shortfall. The proposed measures to address the budget deficit in 2024-25 include reductions ($16.6 billion), revenues ($10.6 billion), delays ($5.6 billion), fund shifts ($7.2 billion), deferrals ($1.6 billion), and reserves ($5.3 billion). For 2025-26, the Legislature proposes $11.6 billion in reductions, $7.8 billion in revenues, $0.6 billion in delays, $1.8 billion in fund shifts, $0.5 billion in deferrals, and $7.4 billion in reserves.

The Legislature's budget deal rejects the Administration's proposed amended MCO tax proposal to backfill the Medi-Cal GF and opposes proposed cuts to core public health programs. Specifically, the Legislature rejects the May Revise proposal to eliminate the $2.4 billion provider health investments, including targeted provider rate increases, and rather, opts to delay the new provider investments to 2026. With the Administration's proposed MCO shifts, provider rate increases will be limited as the majority of the MCO tax revenue is allocated as a GF budget solution. With the Legislature's recent budget agreement, new health investments from the currently enacted MCO tax will be protected to expand the Medi-Cal provider network and maintain the Medi-Cal delivery system, including protecting targeted provider rate increases in future years.

The Legislature's budget agreement rejects the Administration's reductions to essential state initiatives including CalWORKs, the developmental services rate increases, foster care, and IHSS to protect access to care and services for the most vulnerable Californians. Further, The Legislature's budget plan uses less state reserves overall than the Governor's May proposal and relies on programmatic cuts and reductions to achieve a balanced budget. The Legislature's proposal implements key budgeting reforms to bolster the ability of the state to address future economic downturns. The Legislature proposes to increase the size of California's Rainy-Day Fund by 10% and create a new fund, the Projected Surplus Temporary Holding Account, to store future state surpluses and utilize those funds during the years of economic decline.

GCHP's Government Relations Team has attended numerous hearings on the MCO tax as well as other DHCS budget proposals for 2024-25 and our trade association, LHPC, testified in April 2024 that managed care plans are highly supportive of the MCO tax and how the tax revenue must be reinvested in the Medi-Cal program to help expand the provider network and bolster timely access to care. The budget is a working document and requires a three-party agreement (Administration, Senate, and Assembly) to be chaptered into law. Through state constitutional mandate, the Legislature must pass a balanced budget by June 15. GCHP's Government Relations Team will continue to provide updates as they become available.

Development of Outreach and Education Approval Standards

As a result of low utilization of Medi-Cal non-specialty mental health services, California enacted SB 1019 (2021-22), which requires MCPs to create and administer annual outreach and education to members and providers about covered mental health benefits using culturally and linguistically appropriate standards by Jan. 1, 2025. In developing the outreach and education plan, MCPs must incorporate feedback from local stakeholders, tribal partners, and their Community Advisory Committee (CAC) to ensure that outreach represents diverse racial and ethnic communities. Additionally, outreach and education plans must list multiple points of contact for members to access non-specialty mental health benefits such as the MCP contact information and DHCS ombudsman.

Due to legislative statute, SB 1019 has a highly expeditious timeline as outreach and education plans are due to DHCS for review in Sept. 2024. DHCS will release the final APL on Non-Specialty Mental Health Services: Member Outreach, Education, and Experience Requirements in the upcoming weeks to better clarify MCP responsibilities. Once the final APL is released, GCHP will be responsible for facilitating stakeholder and tribal partner meetings and consulting with members to develop the outreach and education plan and submit the documents to the state for approval. Once DHCS reviews and approves GCHP's outreach and education plan, GCHP must implement the approved plan by Jan. 1, 2025.

State Legislative Activity

Below is a list of priority bills that GCHP's Government Relations Team is currently tracking. This list will continue to be updated as bills move through the legislative process.

Bill Title	Summary	GCHP Potential Impact(s)
AB 236: 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 inaccurate information and ensure their directory is 60% accurate by July 1, 2025, and 95% accurate by July 1, 2028. Beginning July 1, 2025, 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 provider listings will result in monetary penalties for the plans.	Plans have concerns with how the 95% accuracy threshold will be determined, given the numerous components that must be included in the provider directory. LHPC is currently in discussions with the state Senate Committee on Health to address these issues. *Status:* AB 236 has passed in the Assembly and was referred to the Senate Committee on Health on May 1, 2024.
AB 2466: Medi-Cal Managed Care: Network Adequacy Standards	AB 2466 increases network adequacy standards and oversight. A Medi-Cal managed care plan would be considered non-compliant with network adequacy requirements if less 85% of Network Providers had an appointment available within the appointment time standards or the state is provided information that the plan did not deliver timely or accessible health care to members. Additionally, the bill would require annual renewal and approval of previously approved alternative access standards. If a plan is found noncompliant, plans may face contract termination or the consequences of sanctions.	LHPC has taken an oppose unless amended position and noted how the 85% threshold conflicts with the Department of Managed Health Care (DMHC) appointment time standards, as outlined in APL 23-018 and also limits the ability of DHCS to implement recommendations from the *Children Enrolled in Medi-Cal Face Challenges in Accessing Behavioral Health Care* audit report. *Status*: AB 2466 is currently held under submission in the Assembly Committee on Appropriations.

Bill Title	Summary	GCHP Potential Impact(s)
AB 3275: Health Care Coverage: Claim Reimbursement	AB 3275 would require a health plan to reimburse a claim no later than 15 workdays after receipt of the claim and notify the provider within 15 days if the claim is contested or denied. The health plan has 15 days after additional information is submitted to reconsider the claim. To ensure plan compliance, the bill includes interest of 15% per year. AB 3275 requires DMHC and/or California Department of Insurance to develop a categorical list of claims that a health plan is required to pay within a five-day timeframe after receipt of the claim including emergency care levels, skilled nursing facility care, and labor and delivery.	LHPC submitted a letter of opposition and continues to negotiate this bill with the author / Assembly Speaker to seek amendments that would expedite payment timelines for clean claims while lessening the impact on local health plans. There are ongoing conversations between the Legislature, the California Association of Health Plans (CAHP), and LHPC on proposed amendments to the bill. *Status*: AB 3275 was referred to the Senate Committee on Health on May 29, 2024.
AB 815: Health Care Coverage: Provider Credentials	AB 815 mandates the California Health and Human Services Agency (CHHSA) to develop and maintain a provider credentialing board to certify public and private entities and credential providers instead of a health care plan's credentialling process. This bill would require health plans to accept an authorized credential from a board-certified entity, eliminate the ability of a plan to impose other requirements, and mandate plans to administer payment to the board-certified entity.	This bill was initially proposed to create a centralized provider credentialing system. LHPC, CAHP, and other stakeholders expressed opposition, shared concerns, and worked with the sponsors to amend the bill. The bill now proposes creating a standardized provider credentialing form. The amended language is a positive development for plans; however there are still some concerns regarding how the standardized form will take into account credentialing requirements for other lines of business, such as Medicare. GCHP continues to provide feedback on proposed amendments. *Status*: AB 815 was referred to the Senate Committee on Health on June 7, 2024.

Bill Title	Summary	GCHP Potential Impact(s)
AB 1975: Medi-Cal: Medically Supportive Food and Nutrition Interventions	Subject to federal approval and final guidance from DHCS, AB 1975 would make medically supportive food and nutrition interventions a covered Medi-Cal benefit through both the fee-for-service and managed care delivery systems beginning July 1, 2026.	Although GCHP currently offers medically supportive food for individuals that have recently been hospitalized for diabetes or congestive heart failure-related reasons within the past 30 days, this bill would require GCHP to provide medically supportive food and nutrition interventions for up to 12 weeks if found medically necessary for a member. *Status*: AB 1975 was referred to the Senate Committee on Health on May 29, 2024.
SB 516: Health Care Coverage: Prior Authorization	SB 516 restricts a health care plan or insurer from requiring a contracted provider 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 516 allows the plan or insurer to examine the continuation of exemption once every 12 months and rescind an exemption at the end of the 12- month period if certain conditions are met.	If enacted, SB 516 will 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 enrollees. *Status*: There are ongoing conversations with the Administration, Legislature, and LHPC to address concerns with this bill and ensure it aligns with MCP processes. The California Medical Association (CMA) has proposed various amendments, including allowing plans to petition DHCS to reinstitute PA of a covered service depending on increased utilization.

Bill Title	Summary	GCHP Potential Impact(s)
SB 1120: Health Care Coverage: Utilization Review	SB 1120 would require that health plans follow certain requirements when using artificial intelligence (AI) and other types of software tools for utilization management. The bill would mandate that all AI and software tools be equitably applied, based upon individual clinical circumstances and enrollee medical history, not engage in discriminatory practices, and be governed by accountability and reliability policies.	AI is a growing concern in the health care industry; discussions have been ongoing at the state and federal level surrounding how to use AI and reduce the administrative workloads for providers, enrollees, and plans. *Status*: SB 1120 was referred to the Assembly Committee on Health on June 3, 2024.

E. 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 2024:

Organization	Description	Amount
Big Brothers Big Sisters of Ventura County	The mission of Big Brothers Big Sisters of Ventura County (BBSVC) is to build and professionally support one-on-one youth mentoring relationships to ignite the power and promise of youth. GCHP's sponsorship will help support the "Emerald Sock Hop" event to raise funds for youth programs that serve more than 1,000+ youth in Ventura County.	$1,000
Boys and Girls Club of Santa Clara Valley	The Boys & Girls Clubs of Santa Clara Valley provides physically and emotionally safe spaces for our community's youth. GCHP's sponsorship will support their annual "Golf Classic" fundraising event to raise operational funds for the communities of Fillmore, Piru and Santa Paula.	$1,000

Organization	Description	Amount
Cancer Support Community Valley / Ventura / Santa Barbara	The mission of Cancer Support Community Valley / Ventura / Santa Barbara is to ensure that all people impacted by cancer are empowered by knowledge, strengthened by action, and sustained by community. GCHP's sponsorship will help support the "5K Hope Walk," a family friendly, community event that promotes awareness and education about cancer while raising critical funds.	$1,000
For the Troops	For The Troops is a volunteer-run non-profit organization dedicated to providing members of the American military with 'We Care' packages containing basic necessities. GCHP's sponsorship will support their annual "Heroes' Golf Tournament" that raises funds to continue their programs.	$1,000
Forever Found	Forever Found's mission is to prevent, rescue and restore child trafficking victims in Ventura County. GCHP's sponsorship will help support their "14th Annual Forever Found Freedom Gala" to raise awareness to their efforts. Funds raised will provide the necessary financial support for the more than 100 child survivors.	$1,000
Juneteenth Celebration of Ventura County*	The Juneteenth Celebration fosters cross-cultural understanding and awareness of Black heritage, history, and freedom from enslavement. GCHP's sponsorship will help support and continue to fund their education and celebration of Black Heritage. *Sponsored by GCHP's Chief Diversity Officer, Ted Bagley	$1,000
Oxnard Housing Authority	Established in 1945, the Oxnard Housing Authority (OHA) owns and operates 520 units of federally subsidized low-income public housing. GCHP's sponsorship supports OHA's third annual scholarship program for students receiving housing assistance in the Public Housing and Section 8 Program that are attending either a four-year university, community college, or vocational school.	$1,000

Organization	Description	Amount
Promotoras & Promotores Foundation	The Promotoras & Promotores Foundation advocates for individuals and families to obtain appropriate health care and education, and other community services. GCHP's sponsorship will help support Binational Health Week - Wellness and Informational Resource Fair.	$3,500
Rebozo Festival	The Rebozo Festival is a benefit event established to raise funds for Ventura County non-profit charitable organizations focusing on the cultural, social, and educational needs of the community. GCHP's sponsorship provided funding to continue to support non-profit organizations in Ventura County.	$1,000
Ventura County Community Foundation – Sergeant Helus Fund	Established in 1987, the Ventura County Community Foundation specialize in connecting philanthropic resources with community needs, including scholarships and community grants. GCHP's sponsorship supports the "Sergeant Ron Helus Ride For The Blue," an annual event that brings motorcycle riders together from Southern California and raises funds for equipment, wellness training and support for first responders.	$1,000
Sugarbug Dental and Orthodontics	Sugarbug Dental are community leaders in pediatric dentistry with offices in Oxnard and Camarillo. Sugarbug partnered with GCHP and other community leaders and dentists to provide dental screenings and fluoride varnish applications to kids at the GCHP Family Day and Health Fair. GCHP's sponsorship funded materials to provide dental health screenings to members and the community.	$1,822
Rainbow Connection – Tri Counties	Rainbow Connection is a Family Resource Center in Ventura County that serves people with developmental disabilities / special needs and their families. GCHP's sponsorship will go toward their "2nd Annual Down Syndrome Walk and Luncheon." The purpose of this event is to offer a fun environment to socialize, educate families, and connect them with resources and programs.	$1,000

Organization	Description	Amount
Westminster Free Clinic	Westminster Free Clinic's mission is to strengthen the capacity of Ventura County's uninsured, working-poor individuals and their families to thrive by providing free health care and health-supporting services, meeting immediate needs, and serving as a training site for students to explore careers in health care. GCHP's sponsorship will go toward their "Healthy Return to School Events." The goal of these annual events is to distribute backpacks filled with school supplies, oral health kits, books, and other resources to Ventura County low-income Latino children.	$4,500
TOTAL		**$19,822**

F. Community Relations: Community Meetings and Events

In May, the Community Relations team participated in 17 events, provided presentations about GCHP benefits and services, partnered with community-based organizations to host health fairs, and hosted the "Family Day and Health Fair" event. The purpose of these events is to connect with members and community partners to raise awareness about benefits and services and connect members with care.

Food Distributions	
GCHP's Community Relations Team was onsite at these food distributions to provide resources and answer questions about Medi-Cal renewals.	
Organization	**Date**
Sacred Hearts of Ventura County	May 8,2024
New Creations Church	May 15, 2024
Samaritan Center	May 16,2024
Help of Ojai	May 22, 2024
Collaborative Meeting	
The collaborative meeting engages community-based organizations in the sharing of resources, announcements, and upcoming community events.	
Oxnard Collaborative	June 5, 2024
Strengthening Families Collaborative	

Community Events	
School events allow parents / guardians to connect with the school and engage with community organizations. Participants learned about community resources.	
Rio Mesa Health Fair	May 1, 2024
Oxnard College De-stress Wellness event	May 2, 2024
Ocean View Jr. High Resource Fair	May 2, 2024
Cesar Chavez English Language Advisory Committee (ELAC) meeting	May 3, 2024
Hueneme High School Resource Fair	May 23, 2024
District English Language Advisory Committee (DELAC) meeting at Ventura County Office of Education	May 29, 2024
Health Fairs	
Goodwill Job Fair In collaboration with Livingston Memorial, GCHP offered blood pressure screenings to members and provided information about GCHP's benefits and services.	May 9, 2024
BUD ranch – Celery Ranch In collaboration with Livingston Memorial, GCHP offered blood pressure screenings for farmworkers and connected uninsured individuals with partnered agencies to process Medi-Cal applications.	May 7 & 22, 2024
Fillmore School District Health Fair In collaboration with Livingston Memorial, GCHP offered blood pressure screenings and asthma medication ratio education to members and provided information about GCHP's benefits and services.	May 18,2024
GCHP Family Day and Health Fair In collaboration with Livingston Memorial, CMH, Ventura County Public Health, and Clinicas del Camino Real, members received medical screenings for blood pressure, blood sugar, chlamydia, mammograms, dental screenings and fluoride varnish applications, and asthma medication education.	June 2, 2024

Conference	
Metamorphosis Mental Health Conference Promotoras and Promotores Foundation hosted a mental health conference that focused on suicide prevention. The health education staff and GCHP partner for behavioral health services, Carelon, participated and provided information on mental health resources.	May 31, 2024

G. Community Relations: Community Insight Coalition

The Community Insight Coalition identifies and addresses barriers members may have when accessing care and community resources. The goal of the coalition is to work together to address shared challenges to strengthen our community.

In May, the group discussed:

- Senate Bill 1016: Latino and Indigenous Disparities Reduction Act – How to reach out to local representatives and show support for this bill.
- Resources for uninsured individuals.
- Upcoming community events.

The Community Relations team also provided an update on the community care project and the Family Day and Heath Fair. Additionally, GCHP's Wellness and Prevention Program Manager, Rob Davenport, provided an overview presentation about the member incentive program through Wellth.

The next coalition meeting is scheduled for July 9, 2024.

II. PLAN OPERATIONS

A. Membership

	VCMC	CLINICAS	CMH	DIGNITY	PCP-OTHER	ADMIN MEMBERS	NOT ASSIGNED
May-24	97,375	53,080	34,367	7,125	5,023	48,620	2,727
Apr-24	97,121	52,693	34,451	7,122	5,054	48,786	3,499
Mar-24	95,346	53,767	34,660	7,106	5,169	49,599	3,359

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 2024
Total Administrative Members	48,620
Share of Cost (SOC)	610
Long-Term Care (LTC)	706
Breast and Cervical Cancer Treatment Program (BCCTP)	27
Hospice (REST-SVS)	25
Out of Area (Not in Ventura County)	300
DUALS (A, AB, ABD, AD, B, BD)	27,134
Commercial Other Health Insurance (OHI) (Removing Medicare, Medicare Retro Billing, and Null)	21,223

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.
4. Hospice members identified by the flag (REST-SVS) with values of 900, 901, 910, 911, 920, 921, 930, or 931.
5. Out of Area members were identified by the following zip codes:
    a. Ventura Zip Codes include: 90265, 91304, 91307, 91311, 91319-20, 91358-62, 91377, 93000-12, 93015-16, 93020-24, 93030-36, 93040-44, 93060-66, 93094, 93099, 93225, 93252
    b. If no residential address, the mailing address is used for this determination.
6. Other commercial insurance was identified by a current record of commercial insurance for the member.

B. Provider Contracting Update

Provider Network Contracting Initiatives

Provider Network Operations (PNO)

Regulatory / Audit Updates

Provider Network Operations (PNO), in collaboration with Compliance, IT, and Member Services, completed the Network Adequacy Validation (NAV) audit with no preliminary findings. NAV is a federal audit focusing on provider network adequacy, required by the state Department of Health Care Services (DHCS). Moving forward, it will be an annual audit. GCHP submitted supporting documentation in May and participated in virtual interviews June 4-5.

California Advancing and Innovating Medi-Cal (CalAIM) Update

The Ventura County Health Care Agency (VCHCA) notified GCHP that as of June 30 ,2024, it will no longer support the following CalAIM Community Supports services:

- Medically Supportive Food
- Personal Care and Homemaker
- Respite Care

To ensure a seamless transition for members who are currently accessing these services, PNO initiated recruiting and contracting efforts with providers rendering these services through direct contracts with VCHCA. PNO is working internally with the Care Management Team, and with VCHCA, to coordinate member information and Community Supports services

details to ensure continuity of care. PNO is also prepared to execute Letters of Agreement with providers for any contracts that are pending completion.

Operations of the Future

PNO created a training plan and outreach strategy for the July 1, 2024, Provider Portal launch. The team provided a demonstration of the new system to the Commission to share the new design and functionality. The presentation resulted in positive feedback, which helped inform the content for the trainings and expanded outreach strategy to GCHP's broader provider network. The outreach includes routine communications, meetings, and trainings.

Other notable Operations of the Future deliverables include:

- Provider Contract and Credentialing (PCCM) system upgrade
- HealthPayer Core System Implementation

Exclusively Aligned Enrollment / Dual Special Needs Plan (EAE/D-SNP)

PNO continues to support the GCHP expansion into EAE/D-SNP. Most recently, PNO helped prepare responses to the DHCS Readiness Checklist, which assesses preparedness and progress of GCHP ahead of the Jan. 2026 transition to a statewide Medi-Medi Plan (MMP) structure.

PNO will also start the network development for EAE/D-SNP by engaging with the target providers that signed a Letter of Intent.

Provider Network Developments: May 1-31, 2024

Network Developments for New Contracts	
Provider Additions Fulfilling Network Gaps	**Count**
Ocularist	1
Ophthalmologist	1

Note: The numbers above represent contract completion in targeted specialties to close GCHP provider network gaps. PNO continues its outreach to targeted specialties and areas, such as eastern Ventura County, where provider network gaps exist.

GCHP Provider Changes from Feb. to March 2024	
Provider Additions and Terminations	**Count**
Additions	63
Terminations	23
Midwife	0

Note: The additions and terminations above are for GCHP tertiary providers and do not have a significant impact on member access for services.

GCHP Provider Network Additions and Total Counts by Provider Type			
Provider Type	**Network Additions**		**Total Counts**
	Mar-24	**Apr-24**	
Hospitals:	**0**	**0**	**25**
Acute Care	0	0	19
Long-Term Acute Care (LTAC)	0	0	1
Tertiary	0	0	5
Providers:	**182**	**110**	**7,620**
Primary Care Providers (PCPs) & Mid-levels	0	6	512
Specialists	177	82	6,358
Hospitalists	5	22	750
Ancillary:	**1**	**0**	**610**
Ambulatory Surgery Center (ASC)	0	0	8
Community-Based Adult Services (CBAS)	0	0	14
Durable Medical Equipment (DME)	0	0	97
Home Health	0	0	29
Hospice	0	0	23
Laboratory	0	0	40
Optometry	0	0	97

Provider Type	Network Additions		Total Counts
	Mar-24	Apr-24	
Occupational Therapy (OT) / Physical Therapy (PT) / Speech Therapy (ST)	1	0	151
Radiology / Imaging	0	0	68
Skilled Nursing Facility (SNF) / Long-Term Care (LTC) / Congregate Living Facility (CLF) / Intermediate Care Facility (ICF)	0	0	83
Behavioral Health:	**8**	**0**	**510**

C. Delegation Oversight

Delegation Oversight

Gold Coast Health Plan (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 subcontractors
- 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. 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 state Department of Health Care Services (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.

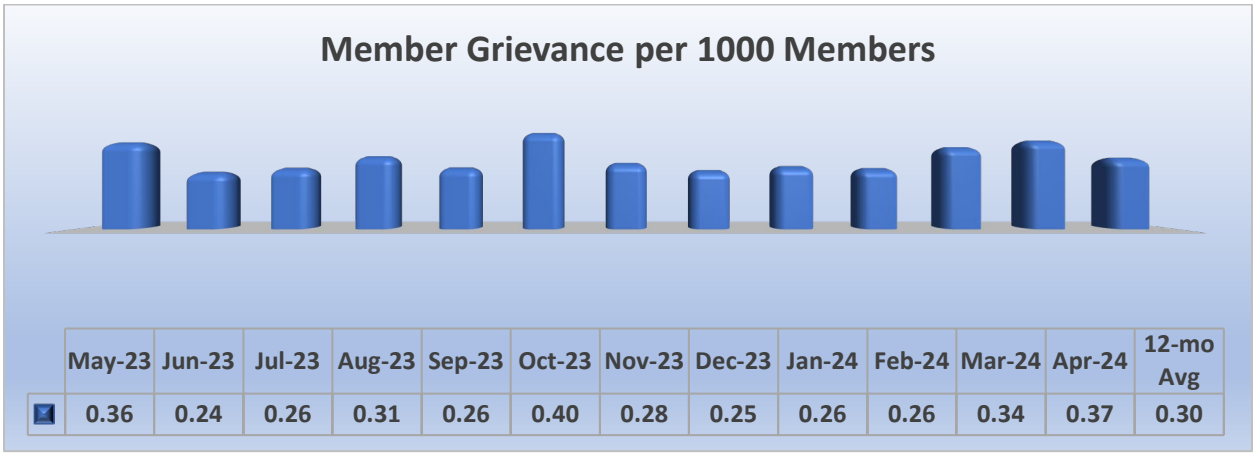
The following table includes audits and CAPs that are open and recently closed. Closed audits are removed after they are reported to the Commission. The table reflects changes in activity through May 31, 2024.

Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Carelon	2024 Q2 Utilization Management (UM) Audit	Open	5/8/2024	Under CAP	N/A
Clinicas del Camino Real (CDCR)	2024 Annual UM Audit	Open	5/2/2024	Under CAP	N/A
CDCR	2023 Q4 Focused Claim Audit	Open	3/8/2024	Under CAP	N/A
CDCR	2023 Annual Claims Audit	Open	2/8/2024	Under CAP	N/A
CDCR	2023 Quarterly Focused Claim Audit (July)	Open	9/7/2023	Under CAP	N/A
CDCR	2024 Q1 Focused Claim Audit	Open	4/5/2024	Under CAP	N/A
Conduent	2022 Annual Claims Audit	Open	8/31/2022	Under CAP	N/A
Conduent	2023 Annual Claims Audit	Open	8/1/2023	Under CAP	N/A
Ventura Transit System (VTS)	2024 Annual Call Center	Open	4/19/2024	Under CAP	N/A

Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
VTS	2024 Driver Credentialing Audit	Open	5/23/2024	Under CAP	N/A
Privacy & Security CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
N/A	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	N/A
Conduent	Oct. 2021 CAPs	Open	11/22/2021	N/A	N/A
Conduent	Nov. 2021 Service Level Agreements (SLA)	Open	1/28/2022	N/A	N/A
Conduent	Jan. 2021 Contract Deficiencies	Open	2/4/2022	N/A	N/A
Conduent	Dec. 2021 Contract Deficiencies	Open	2/11/2022	N/A	N/A
Conduent	March 2022 SLA Deficiencies & Findings	Open	3/11/2022	N/A	N/A

Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	Jan. 2022 SLA CAP	Open	3/25/2022	N/A	N/A
Conduent	Feb. 2022 SLA CAP	Open	4/15/2022	N/A	N/A
Conduent	March 2022 SLA CAP	Open	6/17/2022	N/A	N/A

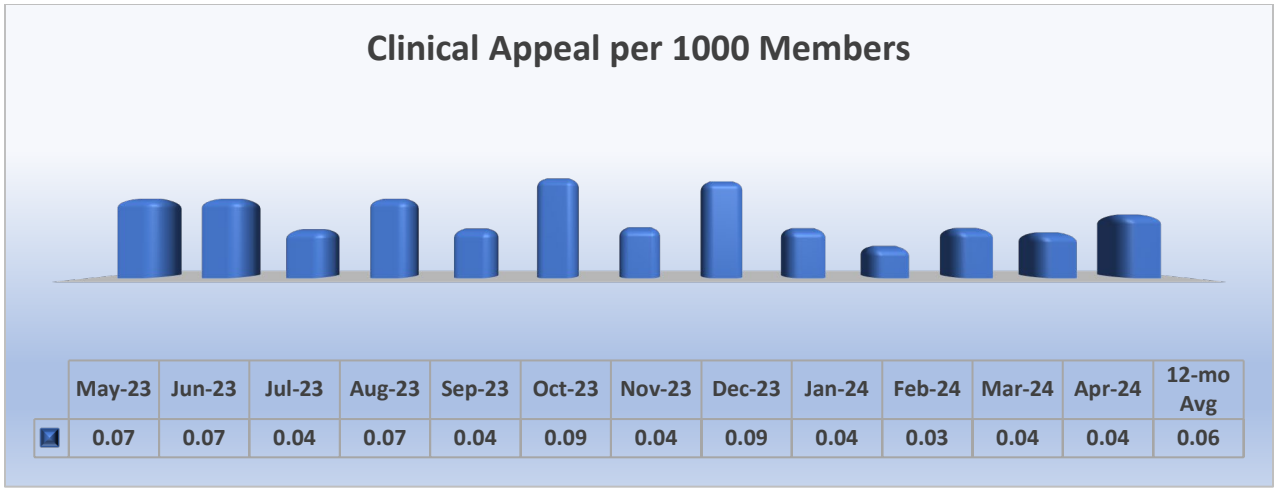
D. Grievance and Appeals



Member Grievances per 1,000 Members

The data show GCHP's volume of grievances decreased in April. In April, GCHP received 64 member grievances. Overall, the volume is still relatively low, compared to the number of enrolled members. The 12-month average of enrolled members is 250,667, with an average annual grievance rate of .30 grievances per 1,000 members.

In April 2024, the top reason reported was "Quality of Care," which is related to member concerns about the care they received from their providers.



	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	12-mo Avg
	0.07	0.07	0.04	0.07	0.04	0.09	0.04	0.09	0.04	0.03	0.04	0.04	0.06

Clinical Appeals per 1,000 Members

The data comparison volume is based on the 12-month average of .06 appeals per 1,000 members.

In April 2024, GCHP received 10 clinical appeals:

1. Three were overturned.
2. Four were upheld.
3. Three were withdrawn.

RECOMMENDATION:

Accept and file.

AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: June 24, 2024

SUBJECT: Chief Medical Officer (CMO) Report

Health Services Update

Health Services continues to work in a highly aligned and focused way towards achievement of critical transformational goals. Both Utilization Management (UM) and Care Management (CM) teams are fully engaged in training on our new medical management software (MMS), TruCare, and will be ready for our go-live on July 1st. We will retain our legacy MMS, MedHok as a view only application for 6 months following TruCare implementation. This will be necessary to maintain continuity for our members, allowing our staff to reference care plans, histories, and documents which may not fully migrate to TruCare. The teams are excited about the opportunity to have greater collaboration and coordination capabilities, and we anticipate that TruCare will inspire new levels of innovation and integration that is vital to our ongoing transformation.

In addition to the mission critical implementation work, Health Service teams continue to move to advance on our work of achievement of National Committee for Quality Assurance (NCQA) accreditation, completing policy and workflow remediation in preparation for our application in 2025. This accreditation is necessary for our move to obtain Knox-Keene licensure and Medicare Dual Special Need Plan (D-SNP) approval. As detailed work is on track in keeping with our established timeline.

We are awaiting final confirmation of the date for our California Department of Health Services (DHCS) annual audit which is tentatively scheduled for the end of September. We are anticipating another full programmatic audit and will be begin preparations following our Operations of the Future go-live.

Overall, Health Services continues to focus on working to reinforce our day-to-day operational commitment to give members greater access to medically necessary care and minimize administrative burden for our network providers.

NCQA Accreditation Project Update

Gold Coast Health Plan (GCHP) is on track to achieve National Committee for Quality Assurance (NCQA) Health Equity Accreditation (HEA) and NCQA Health Plan Accreditation

(HPA) by January 2026, as mandated under CalAIM. The NCQA survey submission timeframes are as follows:

- HEA: GCHP has secured a survey start date of June 10, 2025.
- HPA: A survey start date is pending. The HPA application will be submitted in July 2024 with a requested start date of September 16, 2025.

In preparation for the 2025 surveys, the internal NCQA project team is developing a timeline for a second mock survey with our consultants at The Mihalik Group (TMG) between August – September 2024 for HEA and October – November 2024 for HPA. The initial mock survey was completed between November 2022 – January 2023.

The NCQA project team is continuing to work with the standards-focused workgroups, in collaboration with TMG, to remediate gaps identified in the initial mock reviews and address critical risks. Critical risks include:

- Compliance with rigorous requirements in HEA that require the development of new policies and processes related to organizational diversity, SOGI (sexual orientation and gender identity) data collection, and a practitioner network that can meet the cultural and linguistic needs of individuals
- TruCare Medical Management system implementation by July 1, 2024
- Provider Directory enhancements
- Delegation agreement modifications and scope of oversight

The NCQA project team is working closely with business owners, leadership, and the technical and IT stakeholders on risk minimization.

Below is a high-level timeline for the NCQA accreditation journey.

Aug – Dec 2022	Jan – Jun 2023	Jul – Dec 2023	Jan – Jun 2024	Jul – Dec 2024	Jan – Jun 2025	Jul – Dec 2025	Jan 2026
☑ Aug – Engaged TMG & kicked off NCQA Accreditation project ☑ Nov – Completed 1st HPA mock survey	☑ Jan – Received HPA Readiness Report from TMG & began gap remediation ☑ Jan – Completed 1st HEA mock survey	☑ July – Dec Continued HPA and HEA gap remediation with bi-weekly workgroup sessions	❑ Continue HPA and HEA gap remediation with bi-weekly workgroup sessions	❑ Conduct 2nd HEA mock survey from Aug-Sept ⚑ ❑ Conduct 2nd HPA mock survey from Oct-Nov ⚑ ❑ Remediate gaps identified in 2nd mock survey	❑ All systems to be in production by 1/1/25 ❑ Submit HEA Survey Tool on June 10, 2025 ⚑	❑ Submit HPA Survey Tool in mid-Sept (date pending) ⚑ ❑ NCQA to review GCHP submission	❑ Achieve NCQA HPA & HEA, as required under CalAIM 

⚑ Milestone

Below is the current performance, by Standard Category, as of 5/31/24.

Accreditation	Standard Category	Total Points Possible	Current Points	Percent
Health Plan Accreditation	Credentialing and Re-credentialing (CR)	20	16	80.00%
	Member Experience (ME)	28	12	42.86%
	Network Management (NET)	29	8.5	29.31%
	Population Health Management (PHM)	23	7.5	32.61%
	Utilization Management (UM)	47	8	17.02%
	Quality Improvement (QI)	15	8	53.33%
Health Equity Accreditation	Health Equity (HE)	27	3	11.11%

To earn Accreditation, GCHP must meet **at least 80%** of applicable points in each standards category.

Medi-Cal Rx and Pharmacy Services Update

GCHP Pharmacy Services Department has been monitoring and assisting members who need assistance with processing their prescriptions, understanding the limitations or restrictions based on the coverage criteria by Medi-Cal Rx, and facilitating communication between the members and the pharmacies/providers. We are still answering questions about

the Medi-Cal Rx benefit and collaborating with Care Management and Utilization Management to assist our members with getting access to their medications.

Communication about any Medi-Cal Rx updates have continued to be shared in the Pharmacy newsletter, Provider Operations Bulletin, GCHP website and in multiple GCHP committees to provide awareness to the GCHP team and providers to enable us to help our members. GCHP will continue to work closely with DHCS and Medi-Cal Rx to assist members in accessing their medications.

There have been questions regarding the coverage of weight loss medications by Medi-Cal Rx. For your awareness, within the Glucagon-like Peptide 1 (GLP-1) agonists drug class, there are two medications that are covered by Medi-Cal Rx's Contract Drug List. They are Wegovy (semaglutide) and Saxenda (liraglutide). However, both medications do have Code I restrictions which means that if a prescriber is writing a prescription for one of these medications, they need to include a diagnosis code that confirms member is using it for chronic weight management, and there is a maximum quantity limit per dispensing and only one dispensing every 28 days. For more information, feel free to review the Contract Drug List. Any other medication that is not listed in the Contract Drug List may be prescribed by the provider but it will require a prior authorization to be submitted to Medi-Cal Rx with a justification for medical necessity by the provider.

Starting July 1, 2024, there will be a temporary transition in pharmacy leadership. Dr. Lily Yip, who is currently the Director of Pharmacy Services, will be out on maternity leave from July until end of November/beginning of December. Dr. Yoonhee Kim, who is currently the Clinical Programs Pharmacist, will be assuming the Interim Director of Pharmacy Services role while Dr. Yip is out on leave. The Pharmacy Services department will also be hiring a temporary Clinical Pharmacist to assist Dr. Kim with daily pharmacy operations tasks and projects. And we will have a pharmacy consultant who has many years of experience working for a Medi-Cal and Medicare managed care plan to also provide any guidance for Dr. Kim during this time.

The GCHP Pharmacy Services Department will continue to review and develop policies and procedures for pharmaceutical management to prepare us for NCQA accreditation. We will be reviewing the List of Physician Administered Drugs and authorization process in our quarterly Pharmacy and Therapeutics (P&T) Committee meetings. Our next P&T meeting is scheduled for August 15, 2024.

GCHP has completed a Request for Proposal (RFP) for a Pharmacy Benefit Manager (PBM) in March which will be required to help GCHP prepare and implement a Medicare Part D prescription drug benefit for our Dual Eligible Special Needs Plan (D-SNP) members in 2026. We are currently reviewing the proposals/bids we have received. In May, we started working closely with a pharmacy consultant, Pharmaceutical Strategies Group (PSG), who has the expertise to help guide us in selecting the right PBM vendor to partner with to develop a prescription drug plan that will benefit our members.