

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

**Special Meeting**

**Monday, October 30, 2023 2:00 p.m.**

The meeting is being held virtually pursuant to AB 361.

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

**Conference Call Number: 1-805-324-7279**

**Conference ID Number: 462 336 113#**

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

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

**AGENDA**

**CLERK ANNOUNCEMENT**

All public is welcome to call into the conference call number listed on this agenda and follow along for all items listed in Open Session by opening the GCHP website and going to **About Us > Ventura 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 (VCMGCC) and Committee doing business as Gold Coast Health Plan (GCHP) on the agenda.

Persons wishing to address VCMGCC 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](mailto: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 September 25, 2023 and Special meeting minutes of October 19, 2023.**

Staff: Maddie Gutierrez, MMC Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented

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

Staff: Scott Campbell, General Counsel

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

3. **Addition of New Provider Advisory Committee (PAC) Members**

Staff: Erik Cho, Chief Policy & Program Officer  
Marlen Torres, Executive Director of Strategy & External Affairs  
Vicki Wrighster, Senior Director, Provider Network Operations

RECOMMENDATION: GCHP's management team recommends that the three (3) individuals recommended be approved by the Commission as new PAC members. Once approved by the Commission, they will be contacted of their official appointment.

## **PRESENTATIONS**

4. **Redetermination Grant Award Presentation**

Staff: Marlen Torres, Executive Director of Strategy & External Affairs

RECOMMENDATION: Receive and file the presentation.

5. **Improving Quality through a Model of Care**

Staff: Eve Gelb, Chief Innovation Officer  
Felix L. Nuñez, M.D., Chief Medical Officer  
Erik Cho, Chief Policy & Program Officer

RECOMMENDATION: Receive and file the presentation.

## **FORMAL ACTION**

### **6. Contract Approval – KP LLC., Print and Fulfillment Services**

Staff: Alan Torres, Chief Information & System Modernization Officer

RECOMMENDATION: It is recommended that the Commission approve awarding a competitively bid contract for Print and Fulfillment Services to KP LLC.

### **7. Quality Improvement Committee 2023 Third Quarter Report**

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

RECOMMENDATION: Approve the 2022 QI Program Evaluation. Receive and file the complete report as presented.

### **8. Moss Adams 2022/23 Financial Audit Results**

Staff: Sara Dersch, Chief Financial Officer  
Stelian Damu, Moss Adams Representative  
Kimberly Sokoloff, Moss Adams Representative

RECOMMENDATION: Accept and file the audit results as presented.

### **9. August Financials**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the August 2023 financial packages.

## **REPORTS**

### **10. Chief Executive Officer (CEO) Report**

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report

## **11. Chief Medical Officer (CMO) Report**

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

RECOMMENDATION: Receive and file the report

## **12. Human Resources (H.R.) Report**

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

RECOMMENDATION: Receive and file the report

## **ADJOURNMENT**

Date and location of the next meeting to be determined at the November 20, 2023, regular Commission Meeting

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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:** October 30, 2023

**SUBJECT:** Regular Commission Meeting Minutes of September 25, 2023 and Special Meeting Minutes of October 19, 2023

### **RECOMMENDATION:**

Approve the minutes.

### **ATTACHMENT:**

Copy of regular commission meeting minutes of September 25, 2023 and special commission meeting minutes of October 19, 2023.

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

**September 25, 2023**

**CALL TO ORDER**

Committee Chair Dee Pupa called the meeting to order at 2:05 pm. in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

**INTERPRETER ANNOUNCEMENT**

The interpreter made her announcement.

**ROLL CALL**

Present: Commissioners Anwar Abbas, Shawn Atin, Allison Blaze, M.D., James Corwin, Melissa Livingston, Supervisor Vianey Lopez, Anna Monroy, Dee Pupa, Sara Sanchez, and Scott Underwood, D.O.

Absent: Commissioners Laura Espinosa, and Jennifer Swenson

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

Also in attendance were the following GCHP Staff: Anna Sproule, Bob Bushey, Vicki Wrighster, Kim Timmerman, Carmen Moran, James Cruz, M.D., Lupe Gonzalez, Lily Yip, Shivany Pillay, Corey Stevenson, David Tovar, Lupe Harrion, Paula Cabral, and Sandi Walker.

Guest: Jeff Baltas, Dom Diomeda, Kari Shanker, Tracy Gallaher, Masood Babeian from Ventura Transit, and Amit Jain,

**PUBLIC COMMENT**

Dr. Sandra Aldana stated she had a question regarding the Provider Grant Program. She stated it was unclear what was meant by "Funds for Equipment" in the slide presentation for agenda item 4. She asked if it referred to exam tables that move up and down for wheelchair users in order to transfer more easily.



Commissioner Chair Dee Pupa moved Consent item #3 to Formal Action.

## **CONSENT**

1. **Approval of Ventura County Medi-Cal Managed Care Regular Commission meeting minutes of August 28, 2023.**

Staff: Maddie Gutierrez, MMC Clerk to the Commission

**RECOMMENDATION:** Approve the minutes as presented.

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

STAFF: Scott Campbell, General Counsel

**RECOMMENDATION:** It is recommended that the Committee and Commission should make the findings and determine that teleconferencing under AB 361 will promote and protect the public's health, safety, and welfare.

Commissioner Abbas motioned to approve Consent items 1 and 2. Supervisor Lopez seconded the motion.

Roll Call Vote as follows:

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

**NOES:** None.

**ABSENT:** Commissioners Laura Espinosa, and Jennifer Swenson

The clerk declared the motion carried.

## **PRESENTATIONS**

4. **Provider Grants Program**

Staff: Erik Cho, Chief Policy & Program Officer

**RECOMMENDATION:** Receive and file the presentation.



CPPO Erik Cho stated there was no change in the Access & Practice Transformation from the prior presentation that had been given to Commission in August. We have a \$25M commitment over the next two years.

Commissioner Laura Espinosa arrived at 2:12 p.m.

CPPO Cho reviewed the purpose, intended outcomes, awards, and eligibility for the Equipment Grant Program. He stated there was a \$50,000 maximum for a grant request, but multiple grant requests can be submitted. This program will be launched immediately. This grant is NOT open to all sites or providers. There will be a rolling review period and grants will be reviewed in a timely manner. We are working to connect members to care. Bringing in equipment will help in closing gaps of care in MCAS and will improve scores in quality measures.

The Recruitment & Retention Grant Program was also reviewed. Chief Medical Officer, Felix Nunez stated this grant program can be impactful in expanding our network. The purpose, intended outcomes, awards, and eligibility was also reviewed. CPPO Cho noted these grant programs will support the MCAS “High-5 push” allowing our provider network to add necessary tools. These programs will accelerate quality care outcomes, support connections to care and increase the number of providers within our network.

Commissioner Blaze asked if the money goes to the individual provider or the group. CPPO Cho responded it goes to the group. Commissioner Espinosa asked what professionals are covered within the outlined agreement. CPPO Cho stated it will enhance the workforce and add categories. Commissioner Monroy asked CPPO Cho to elaborate on if there are limitations or if it is first come first serve. CPPO Cho stated there is no limit. General Counsel, Scott Campbell stated the budget was approved for \$25million. If there is more demand, the budget can be adjusted. Adjustments will be presented to the commission in January 2024.

Commissioner Pupa asked if there was no split between the two programs. CPPO Cho stated not at the moment. Commissioner Abbas asked if the grants were only for FQACs. CPPO Cho stated there were restrictions. Commissioner Pupa asked about the time frame for both programs. CPPO Cho stated these programs will be launched in the next few days.

Commissioner Livingston stated there are many grants at the state level, CPPO Cho stated those will be explored. Commissioner Abbas asked CPPO Cho to define the direction for programs to come. CPPO Cho stated there is a data element with a quality incentive. Commissioner Espinosa asked if equipment for members is being contemplated, CPPO Cho stated not at this time, as it does not fall under a grant program. Commissioner Espinosa asked if it would be provider-to-provider in order to give to the member. CMO Nunez stated blood pressure monitors can be provided to members, as well as glucose monitors can also be provided.





Commissioner Pupa stated she looks forward to more updates. CEO Nick Liguori stated more information will be shared in the future on new grant programs as they are developed and anticipated feedback from the Commission. Supervisor Lopez noted it was a two-year program, and asked if there was a deadline. CPPO Cho stated that for these grants there is no deadline. We are accessing what the outlet will be, and then go from there.

Commissioner Espinosa motioned to approve agenda item 4. Commissioner Pupa seconded the motion.

Roll Call Vote as follows:

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

**NOES:** None.

**ABSENT:** Commissioner Jennifer Swenson

The clerk declared the motion carried.

## **UPDATES**

### **5. Transportation Update**

Staff: Erik Cho, Chief Policy & Program Officer

**RECOMMENDATION:** Receive and file the update

CPPO Cho is presenting more information on transportation, as requested by the Commission. Commissioner Atin had asked about market comparisons regarding transportation. CPPO Cho stated he followed up on data on utilization versus our peers. Across the State there is utilization between 6-10%, ours is about 8.5%. CEO Liguori stated we connected with local health plans across California. Transportation is a primary focus. We want to get members to their healthcare providers.

Commissioner Livingston asked if there was a monthly limit on transportation. CPPO Cho responded there is no limit for the service.

CPPO Cho stated the next question was regarding capacity; and if we have adequate capacity. CPPO Cho stated that we are working to expand capacity. We are not focusing on just being adequate, we need increase in vehicles, which will happen in stages, and the increase will give a significant capacity increase.



Commissioner Espinosa asked about transportation that does not originate from the members' home. CPPO Cho stated the transportation does not have to start from the home. Commissioner Espinosa stated there needs to be extra effort in outreach, for example, farmworkers – They might need to be picked up from the fields where they work. Commissioner Espinosa noted VTTS training has advanced significantly.

CPPO Cho stated he will review the third phase of improvements with Aarete. CEO Liguori gave background information on the Aarete contract. He noted that the State has asked us to be logistics managers, and we do not have the expertise say what went wrong. The State is increasing scrutiny. Chief Compliance Officer, Robert Franco stated DHCS focused on transport benefit. There was a focused audit on transportation. DHCS reminded plans that findings could contain financial penalties.

CPPO Cho reviewed the measurable improvement in transportation and the impact on quality. He reviewed our 2024 target, noting we want to have a 15% increase to close care gaps. CMO Nunez noted the gaps are part of the High-5 and is critical to the close of gaps.

Commissioner Abbas asked CMO Nunez about the expansion on breast cancer screening. HPL. CEO Liguori replied that through the transportation initiative we will move breast cancer screening to above 90%. Commissioner Corwin asked if the prescheduled visits are specific to the medical diagnostic. He asked if it gets the member home too, as well as to the appointment. CPPO Cho replied yes. He stated the targets are achievable, noting that historically this is one of lowest performers for us.

CPPO Cho reviewed Aarete's Phase 3 deliverables. We want to make ourselves leaders in transportation. Aarete is a key partner in where we want to be.

Commissioner Abbas motioned to approve agenda item 5. Supervisor Lopez seconded the motion.

Roll Call Vote as follows:

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

NOES: None.

ABSENT: Commissioner Jennifer Swenson

The clerk declared the motion carried.



## **FORMAL ACTION**

### **3. Additional Funding – Aarete Consulting, SOW 1, Transportation Consulting**

Staff: Erik Cho, Chief Policy & Program Officer

**RECOMMENDATION:** It is the Plan's recommendation that the Commission recommend the Ventura County Medi-Cal Managed Care authorize the CEO to execute an amendment to SOW 1 with Aarete, Consulting to assist GCHP in implementing recommended transportation services improvements. Amendment 1 will expire on January 31, 2024, with a not-to exceed amount of \$490,000.

CPPO Cho reviewed the additional funding request with the Commission. The additional funding will not exceed \$490,000. The funding will complete the Phase 3 deliverables needed.

Commissioner Espinosa stated this item was originally listed under Consent, normally Consent items are non-controversial, and are grouped into one motion. She did appreciate the presentation on transportation prior to this item. She noted that there is a big jump between \$75,000 to \$490,000. Commissioner Espinosa stated she foresees additional costs in the future. She asked what future costs will be. CPPO Cho stated there will be additional costs but does not know what the numbers will be. General Counsel, Scott Campbell stated there is an amendment to the VTS contract which will be presented with more detail. CEO Liguori stated there will be continued increases for transportation, increase in healthcare utilization and associated costs. There will be additional consulting costs.

Commissioner Abbas asked if this is only a consulting cost for almost a half million dollars per year, and asked if there will be an end date on this cost. CPPO Cho stated this is a one time for the length of the engagement, but will last several months, and will be for one year.

Commissioner Abbas motioned to approve agenda item 3. Commissioner Sanchez seconded the motion.

Roll Call Vote as follows:

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

**NOES:** None.

**ABSENT:** Commissioner Jennifer Swenson

The clerk declared the motion carried.



## **6. Contract Approval – Outbound Member Communications**

Staff: Anna Sproule, Executive Director of Operations  
Rachel Lambert, Senior Director of Care Management  
Kimberly Timmerman, Senior Director of Quality Improvement

**RECOMMENDATION:** It is the Plan's recommendation that the Commission authorize the CEO to execute a contract with CareNet. The term of the contract will be 2 years of services commencing October 1, 2023, and expiring on September 30, 2025, for an amount not to exceed \$4M.

Sr. Director of Operations, Anna Sproule stated an RFP for Outbound Member Communications Services. Seventeen vendors were contacted, eight vendors responded. A brief list was created. CareNet took the lead position. Ms. Sproule noted we have worked with CareNet in the past. CareNet will provide personalized resources that align with GCHP quality and performance goals. CareNet will elevate the member experience while increasing operational efficiency and improving outcomes.

Commissioner Atin stated this is an extensive process, and prior experience with similar clients is important. He asked if there has been outreach to the clients to see if they are satisfied. Ms. Sproule stated CareNet is a small vendor in the industry. CMO Nunez stated CareNet has experience with our population. We need to close gaps as quickly as possible. He noted that care gaps will be targeted and CareNet is the best vendor.

Commissioner Pupa stated that their track record shows improvement in MCAS scores. Chief Diversity Officer, Ted Bagley, stated that we also did a diversity check.

Commissioner Blaze asked if they could communicate with the member in Spanish, and are they prepared to answer questions when meeting with the provider. Kim Timmerman, Director of Quality Improvement, stated that if they are not able to answer, they will direct members to their PCP (primary care physician). CareNet will be involved with language requests, they will have English/Spanish agents to serve the members, along with thirty-two other languages. CEO Liguori stated CareNet can connect the member with our Care Team. Commissioner Monroy asked how outreach will be done. Ms. Timmerman stated a three-way call will be done.

CMO Nunez stated CareNet has been extremely successful in a short period of time. They can get meals to members with a successful campaign, and the turn around is quick.



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

Roll Call Vote as follows:

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

**NOES:** None.

**ABSENT:** Commissioner Jennifer Swenson

The clerk declared the motion carried.

## **7. Contract Approval – Netmark Services, Claims Processing Services**

Staff: Alan Torres, Chief Information & System Modernization Officer

**RECOMMENDATION:** It is the Plan's recommendation that the Commission authorize the CEO to execute a contract with Netmark Business Services LLC. The term of the contract will be 9 months of implementation and 5 years of services commencing October 1, 2023, and expiring on June 30, 2029, for an amount not to exceed \$24M.

Chief Information & System Modernization Officer, Alan Torres, stated he is seeking approval for RFP #5, which is claims processing. Ten vendors were contacted, six responded. There was a scoring and evaluation process. The qualitative and quantitative scoring was done. The final negotiated pricing was done, and the contract was awarded to Netmark Business Services. Netmark has experience with health plans. The contract is not to exceed \$24 million, and the term of the contract is a nine-month implementation and five-year contract. General Counsel, Scott Campbell, stated we checked references. He noted that when we had a backlog of claims, Netmark was timely in getting us back up to speed. He also stated that GCHP met with Conduent, and no bid protest was filed.

Commissioner Espinosa asked if for service agreements we must adhere to going with the lowest bid. Mr. Campbell stated we do not have to. Commissioner Pupa stated due diligence was done and this is very cost effective. Commissioner Atin asked if reference checks were done. Exec. Director of Procurement, Bob Bushey state reference checks were done, and they were excellent. Ms. Bushey stated that they helped with transition in the past. CEO Liguori stated we also reached out to industry networks in addition to the protocol.



Commissioner Abbas motioned to approve agenda item 7. Commissioner Monroy seconded the motion.

Roll Call Vote as follows:

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

**NOES:** None.

**ABSENT:** Commissioner Jennifer Swenson

The clerk declared the motion carried.

## **8. July 2023 Financials**

**Staff:** Nick Liguori, Chief Executive Officer  
Sara Dersch, Chief Financial Officer

**RECOMMENDATION:** Staff requests that the Commission approve the July 2023 financial packages.

CEO Liguori introduced new Chief Financial Officer, Sara Dersch. He also noted that this is Mr. Michael Munguia's last day. He served GCHP for three years.

CEO Liguori noted there is uncertainty happening in financials. Redetermination is currently going on and the volume of applications is challenging. We will not know our membership for months to come. There is uncertainty in membership counts, premiums, and paying correct claims. We do not know who to cover at this point but will continue paying all claims until we hear from DHCS. We will have a mid-year budget update in January.

CFO Dersch stated she is looking for to bringing increased/new rigor and discipline around the budgeting process, financial reporting, and explaining results. She will be as transparent as possible. CFO Dersch stated she continues to review fiscal year 2022/23, along with the Moss Adams results. She did note that medical costs in July were favorable to the budget. Long-Term-Care (LTC) were unfavorable. Administrative costs are a bit higher than expected. CFO Dersch also stated that she will be filling Finance Department vacancies soon.

Commissioner Espinosa welcomed CFO Dersch, and stated she was glad that she had moved into our community.

Commissioner Abbas motioned to approve agenda item 8. Commissioner Pupa seconded the motion.

Roll Call Vote as follows:

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

NOES: None.

ABSENT: Commissioner Jennifer Swenson

The clerk declared the motion carried.

## **REPORTS**

### **9. Chief Executive Officer (CEO) Report**

Staff: Nick Liguori, Chief Executive Officer

**RECOMMENDATION:** Receive and file the report.

Marlen Torres, Executive Director of Strategy & External Affairs gave her external affairs report, redetermination efforts, an update on All-Plan Letters (APLs), as well as State legislative activity. She also reviewed community events that she and her team attended. CEO Liguori asked that Ms. Torres expand on ECM eligibility. Ms. Torres stated there are several populations of focus, that we have transitioned into receiving services. From a DHCS perspective there were a number of documents that were due. She noted that CPPO Cho and CMO Nunez who are the implementers of the ECM focus, and they would be able to give a more detailed explanation. CPPO Cho stated we will start serving that population on 1/1/2024. He stated that we are becoming less restrictive on the DHCS guidelines. We will work to serve more members of our community. CMO Nunez stated we look at the needs of our membership and expand accordingly.

Chief Compliance Officer, Robert Franco, stated that we continue with the Delegation Oversight Program and audits have been completed. There will be additional requirements coming in 2024. Vicki Wrighster, Director of Network Operations, gave a brief update, she stated her team is focusing on what it means to be a COHS, what it means for our fundamental structure and operations as we move forward into CalAIM. Another primary focus is identifying network gaps – it is critical for our members and the care that they need to receive. We are focused on DME and other specialties that are critical to the members. The Team is also focusing on NCQA accreditation, provider contracting, updates to policies and procedures, and provider onboarding.

CEO Liguori stated membership is still uncertain and is a concern for the plan.





Commissioner Pupa stated that we currently delegate our behavioral health, maternal mental health is on the dashboard and want to make sure that it will be tracked. CMO Nunez stated that it is an area of focus.

#### **10. Chief Diversity Officer (CDO) Report**

Staff: Ted Bagley, Chief Diversity Officer

**RECOMMENDATION:** Receive and file the report.

Chief Diversity Officer Ted Bagley stated that he works closely with Ms. Torres, on Community Relations, he noted Ms. Torres is proactive, not reactive. Mr. Bagley noted there are no new diversity cases. He stated he is attending NCQA meetings and noted that the State requires quite a lot. CDO Bagley stated we are working in a timely manner.

CDO Bagley stated he is tracking culture statistics, which also include vendors. He noted that Bob Bushey, Executive Director of Procurements does an excellent job tracking vendor diversity. He also reviewed Executive staff demographics. He noted that succession planning will come, there is still more work to do. CDO Bagley will continue to present data updates.

Commissioner Espinosa motioned to approve agenda item 10. Supervisor Lopez seconded the motion.

Roll Call Vote as follows:

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

**NOES:** None.

**ABSENT:** Commissioner Jennifer Swenson

The clerk declared the motion carried.

#### **ADJOURNMENT**

The meeting was adjourned at 4:49 p.m.

Approved:

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Maddie Gutierrez, MMC  
Clerk to the Commission



**Ventura County Medi-Cal Managed Care Commission (VCMCC)  
Commission Meeting  
Special Meeting via Teleconference**

**October 19, 2023**

**CALL TO ORDER**

Committee Chair Dee Pupa called the meeting to order at 3:33 pm via teleconference.

**INTERPRETER ANNOUNCEMENT**

The interpreter made her announcement.

**ROLL CALL**

Present: Commissioners Anwar Abbas, Shawn Atin, Allison Blaze, M.D., James Corwin, Supervisor Vianey Lopez, Anna Monroy, and Dee Pupa.

Absent: Commissioners Laura Espinosa, Melissa Livingston, Sara Sanchez, Jennifer Swenson and Scott Underwood, D.O.

Attending the meeting for GCHP were Nick Liguori, Chief Executive Officer, Sara Dersch, Chief Financial Officer, Paul Aguilar, Chief of Human Resources & Organization Performance Officer, Robert Franco, Chief Compliance Officer, Eve Gelb, Chief Innovation Officer, Susana Enriquez-Euyoque, Veronica Estrada, and Scott Campbell, General Counsel.

**PUBLIC COMMENT**

None.

**CONSENT**

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

Staff: Scott Campbell, General Counsel

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



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

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Shawn Atin, Allison Blaze, M.D., James Corwin, Supervisor Vianey Lopez, Anna Monroy, and Dee Pupa

NOES: None.

ABSENT: Commissioners Laura Espinosa, Melissa Livingston, Sara Sanchez, Jennifer Swenson and Scott Underwood, D.O.

The clerk declared the motion carried.

### **ADJOURNMENT**

Commission Chair, Dee Pupa, announced the meeting was adjourned at 3:36 p.m.

Approved:

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Maddie Gutierrez, MMC  
Clerk to the Commission

## **AGENDA ITEM NO. 2**

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

**FROM:** Scott Campbell, General Counsel

**DATE:** October 30, 2023

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

### **SUMMARY/RECOMMENDATION**

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

### **BACKGROUND/DISCUSSION:**

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

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

COVID-19 continues to present a threat to the health and safety of Commission and Committee members, and its personnel. Although vaccines are now widely available, many people in the State and County are still not fully vaccinated and remain susceptible to infection and the vaccinations have not proven successful in stemming the spread of COVID-19. In recent week both the rate of persons testing positive (now at many weeks high of 7.1%) and Covid-19 hospitalizations continue to remain too high and an average of 19 people die from Covid-19 each day, up from last month's average. Additionally, several Commissioners and Committee members attend meetings in medical facilities or offices and allowing members of the public to attend meetings at these posted locations when they may not be vaccinated would pose a threat to the health or safety of attendees. Further, on February 3, 2023, a new set of non-emergency COVID-19 prevention regulations were issued by Cal/OSHA which carry over some of the same requirements imposed by earlier regulations, including social distancing measures. These new measures will continue to be imposed, unless changed, until February 3, 2025. Thus, facts supporting the continued findings exist.

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

#### **CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:**

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

#### **FOLLOW UP ACTION:**

That the Commission and Committee make the findings under AB361 at their next joint meeting.

#### **ATTACHMENT:**

None.

### **AGENDA ITEM NO. 3**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Marlen Torres, Executive Director, Strategy and External Affairs  
Erik Cho, Chief Policy and Program Officer  
Vicki Wrighster, Senior Director, Provider Network Operations

**DATE:** October 30, 2023

**SUBJECT:** Addition of New Provider Advisory Committee (PAC) Members

#### **SUMMARY:**

Gold Coast Health Plan (GCHP) has been actively recruiting new members to join the PAC as it currently is comprised of only four out of 11 required members. Ms. Torres, Mr. Cho and Ms. Wrighster served as the reviewing committee which consisted of reviewing all applications and interviewing the interested applicants. Thus, the reviewing committee is recommending the following individuals to join the PAC:

1. **Salley Grove, Post Acute Manager, Common Spirit / Dignity Health:** In her current role, Ms. Grove leads efforts around complex case management, collaboration with internal and external partners to coordinate transitions of care for patients and has an interest in innovation and strategy in population health and new approaches to care for optimal patient health outcomes. Ms. Grove serves as a Board of Director for the Brain Injury Center of Ventura County.
2. **Amanda Larsen, Senior Director of Business Development, Mission HealthCare:** Ms. Larsen has over 20 years' experience in Home Health Care including hospice and skilled nursing facilities. In her current role, Ms. Larsen is responsible for strategic development, marketing, and sales. Finally, Ms. Larsen serves as a member of the Board of Directors for the Ventura County Homecare Association and Ventura County Medical Resource Foundation.
3. **Kristine Supple, Director of Population Health, Community Memorial Hospital:** In her current role, Ms. Supple, developed and provides leadership for the Population Health Programs at CMH, where her clinical team provides care management, disease management, chronic care and high-risk case management and behavioral health integration services. Additionally, Ms. Supple has expertise in value-based program development, clinical analytics, driving population health initiatives, and direct patient care. In addition to executing her administrative role, she continues to care for patients.

Finally, Ms. Supple is a founding member of the Ventura County Community Health Improvement Collaborative (VCCHIC).

**RECOMMENDATION:**

GCHP's management team recommends that the three (3) individuals recommended be approved by the Commission as new PAC members. Once approved by the Commission, they will be contacted of their official appointment. The next meeting will take place on Tuesday, December 5, 2023. The GCHP management team will continue recruiting efforts to fill the remaining 4 seats and will present those individuals at the November 20, 2023, Commission meeting.

**AGENDA ITEM NO. 4**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Marlen Torres, Executive Director of Strategy & External Affairs

DATE: October 30, 2023

SUBJECT: Redetermination Grant Award Presentation

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:**

*Medi-Cal Continuous Coverage Grant Awardees*

# Medi-Cal Continuous Coverage Grant Awardees

Monday, October 30, 2023

Marlen Torres  
Executive Director, Strategy and External Affairs



# Agenda

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1. Continuous Coverage Enrollment Navigator Program Overview

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2. Process and Timeline

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3. Eligibility to Apply

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4. Selection of Awardees

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# Enrollment Navigator Program (ENP)

GCHP’s Enrollment Navigator Program is a partnership with community-based organizations across Ventura County that have experience in reaching and assisting diverse populations and have demonstrated success in retention and enrollment of Medi-Cal eligible beneficiaries.



# Request for Applications (RFA) Overview

The purpose of this RFA is to solicit applications from interested organizations to participate in GCHP's Enrollment Navigator Program (ENP) to support Medi-Cal retention and enrollment goals.

- During the COVID-19 pandemic, Medi-Cal disenrollments were postponed, allowing new and existing Medi-Cal beneficiaries to stay on Medi-Cal.
- On April 1, 2023, normal processes to redetermine Medi-Cal eligibility began impacting vulnerable populations the most.

The RFA is a critical mechanism in administering and delivering support to hard-to-reach, underserved, and vulnerable populations with targeted activities for retention and enrollment goals.

- Focus on targeted populations with:
  - Application Assistance
  - Retention Assistance
  - Outreach and education activities
  - Assistance with trouble shooting and accessing health care services

# Request for Applications (RFA) Overview (cont.)

## Metrics

- Select one to three populations of focus listed above and clearly articulate their experience with the selected population(s) of focus.
- Identify the population and the geographic area targeted by the proposed project.
- Identify the specific strategies that will be implemented to address the populations of focus.
- Demonstrate how a majority of the individuals that will benefit from the proposed project will be GCHP members.
- Explain how the proposed strategies will be implemented over the course of 12 months.
- Identify the expected outcomes that it seeks to attain through the proposed project.
- Provide specific, measurable, attainable, realistic, and time-based goals and objectives.
- Outline the duties and responsibilities of key staff who will be implementing the proposed project.
- Describe how it will assess progress towards attainment of the grant goals and objectives.

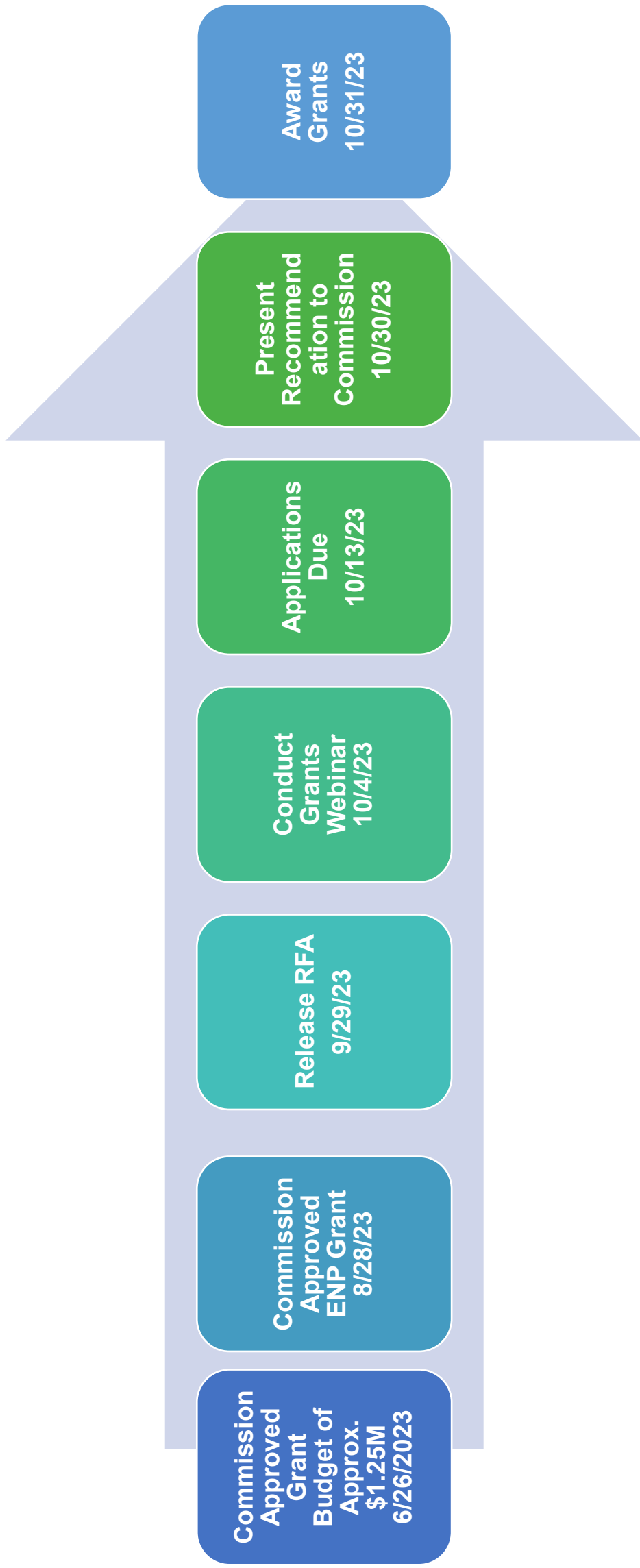
# ENP Participant Eligibility

Be a 501(c)(3) tax-exempt organization with a 509(a) designation indicating that the organization is not a private foundation, or

Be a public or government entity, and

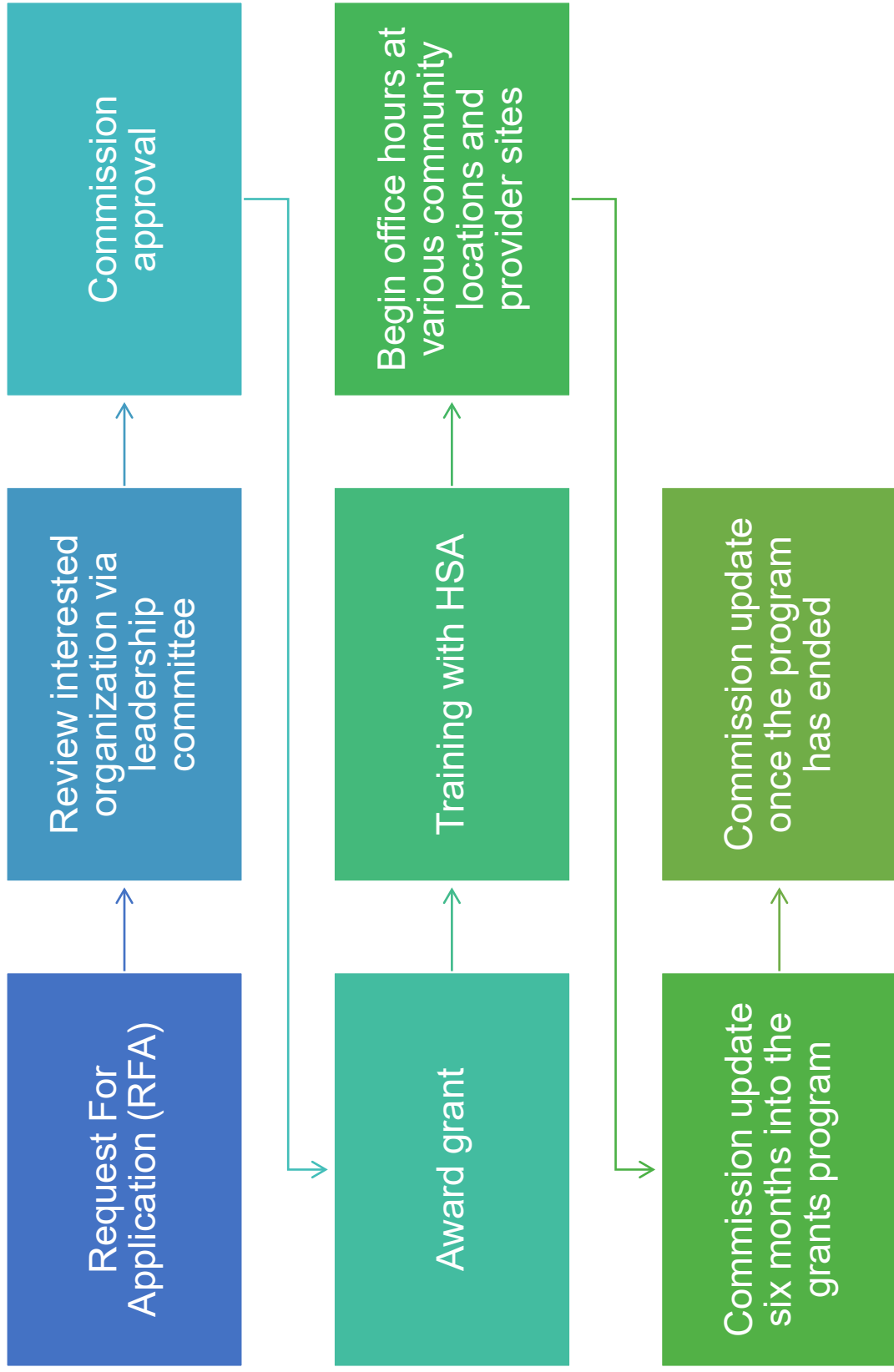
Provide high quality health care and/or health enhancing supportive services primarily to Medi-Cal recipients and to other medically indigent populations within Ventura County.

# Grants Timeline



**Grant Contract Period: Calendar Year 2023-24**  
**Project begin date: November 1, 2023**

# Community Organizations Grants Application Process





# Selection of Awardees (cont.)

Community Based Organization	Summary	Geographic Area Served	Populations of Focus	Grantee Metrics	Award Amount
<b>Mixteco Indigena Community Organizing Project (MICOP)</b>	Established in 2001, MICOP's mission is to support, organize and empower the indigenous migrant community in California's Central Coast. The community that MICOP serves is primarily composed of low-income farmworkers from the southern states of Mexico.	Oxnard Santa Clara Valley (Santa Paula, Fillmore and Piru)	Persons with Mental Health Aged Persons Young People of Color Immigrants and Families of Mixed Immigration Status Persons with Limited English Proficiency Low Wage Workers and their Families or Dependents	<b>Current Proposal:</b> Assist monthly with: <ul style="list-style-type: none"><li>• 215 applications, 70 new enrollments, and 225 redeterminations</li><li>• 180 clients in accessing and utilizing health care services each month</li><li>• Reach 2,000 clients through direct outreach, education, and assistance, each month</li><li>• Reach 14,000 clients monthly through media outreach</li></ul> <b>GCHP Proposal: Support</b>	<b>\$318,000</b>
<b>Interface Children and Family Services</b>	Founded in 1973, Interface Children & Family Services is a comprehensive non-profit community-based organization that provides Ventura County individuals and families evidence-based, culturally inclusive, trauma-informed, and developmentally appropriate services and supportive programming.	Santa Clara Valley (Santa Paula, Fillmore, and Piru)	Persons who are Homeless Young People of Color Persons with Limited English Proficiency Low Wage Workers and their Families and Dependents Justice Involved Individuals	<b>Current Proposal:</b> <ul style="list-style-type: none"><li>• Impact 2,254 vulnerable and underserved populations</li><li>• Provide 200 individuals with access to health care and other health-related supports</li><li>• 80 flyers / brochures delivered to 8 partners/local agencies &amp; 10 sent via ICFS and Justice Services social media platforms</li></ul> <b>GCHP Proposal: Support with modifications.</b> Work with Interface to provide breakdown of targeted outreach by direct membership interaction. For example, outreach to 1,500 individuals; complete 150 redeterminations per month.	<b>\$209,535</b>



# Selection of Awardees (cont.)

Community Based Organization	Summary	Geographic Area Served	Populations of Focus	Grantee Metrics	Award Amount
El Concilio Family Services	Founded in 1977, El Concilio Family Services' mission is to aid the underserved community in Ventura County by delivering immigration-citizenship services, youth development empowerment, and one-on-one informational assistance to the community.	Oxnard Santa Paula Camarillo Ventura	Persons with Mental Health Disorders Aged Persons Young People of Color Immigrants and Families of Mixed Immigrants Status Persons with Limited English Proficiency Low Wage Workers and their Families or Dependents	<b>Current Proposal:</b> In the year, El Concilio projects outreaching 144, 882 individuals <ul style="list-style-type: none"><li>• Education Outreach will be offered to 13,200 individuals</li><li>• Distribute flyers to 78, 041 individuals</li><li>• Assist at least 1,000 members complete their applications</li></ul> <b>GCHP Proposal: Support with modifications.</b> Identify target goals for number of completed redeterminations.	<b>\$250,196.90</b>
National Health Foundation (NHF)	Founded in 1973, the NHF currently serves as a provider of recuperative care services for individuals experiencing homelessness. NHF's Recuperative Care is a Housing-First/Low-Barrier model of interim housing for those experiencing homelessness recently discharged from a hospital but still in need of recuperating from an acute medical condition.	Ventura County including Simi Valley and Thousand Oaks	Persons with Mental Health Disorders Persons with Substance use Disorders Needs Aged Persons Persons with Limited English Proficiency Justice Involved Individuals	<b>Pending Discussions</b>	

# Selection of Awardees

Community Based Organization	Summary	Geographic Area Served	Populations of Focus	Grantee Metrics	Award Amount
Camarillo Health Care District	Local public agency established in 1969. Camarillo Health Care District is recognized throughout California and the nation as an innovative champion of wellness and aging services.	Camarillo Somis Las Posas and Santa Rosa Valley	Aged Persons Persons with Disabilities	Pending Discussions	
Community Action of Ventura County	Community Action of Ventura County is a proud member of a nationwide network that comprises more than 1,000 Community Action Agencies (CAAs), commitment to providing anti-poverty services.	Oxnard Santa Clara Valley (Santa Paula, Fillmore, and Piru) Ojai East County (Simi Valley)	Aged Persons Persons who are Homeless, Young People of Color Immigrants & Families of Mixed Immigration Status, Persons with Limited English Proficiency, Justice Involved Individuals Low- Wage Workers and their Families and Dependents	Pending Discussions	
Total Grant Awards: \$777,732					



**AGENDA ITEM NO. 5**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Erik Cho, Chief Policy & Program Officer  
Eve Gelb, Chief Innovation Officer  
Felix Nuñez, MD, Chief Medical Officer

**DATE:** October 30, 2023

**SUBJECT:** Model of Care

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:**

*Model of Care*

# Gold Coast Health Plan Model of Care

October 30, 2023

Erik Cho, Chief Policy and Program Officer  
Eve Gelb, Chief Innovation Officer  
Felix Nuñez, MD, Chief Medical Officer

# Executive Summary

GCHP's priority and plan is to achieve our mission for the members and communities we serve.

## **The best health outcomes The greatest access to Quality care Superior member experience**

To achieve this, we are building and managing a modern health plan based on the industry leading “Model of Care” (MOC):

- Established by CMS and NCQA , the MOC is the vital quality improvement tool for ensuring unique needs of each member enrolled in a health plan are identified and addressed.
- In 2010, the Patient Protection and Affordable Care Act (ACA) reinforced the importance of the MOC as a fundamental component of Medicare Special Needs Plans (SNPs) quality improvement by requiring the National Committee for Quality Assurance (NCQA) to execute the review and approval of each SNP's MOC based on standards and scoring criteria established by CMS.
- By adopting MOC as the blueprint for GCHP, we will have growing positive impact on Medi-Cal member health and wellbeing while we prepare to successfully build and operate a D-SNP program in 2026.

# What to expect today

- What is the Model of Care – NCQA
- How is Model of Care being implemented – GCHP
- Impacts of selected initial Model of Care programs and solutions – member incentives and provider grants/incentives
- What's next

# MODEL OF CARE - PRINCIPLES



# NCQA Model of Care: Greater than the Sum of its Parts

NCQA provides a road map for an organization's MOC through a set of standards that are further broken down into elements and factors.

Standard—Overarching requirement based on best practice	Element—Essential piece of the standard that must exist to meet the standard	Factor—A process or tool that produces the desired result
Description of the Population—Demonstrates understanding of their experience and needs	2 Elements—Ensure ability to describe the demographic, health and social characteristics of the target population and the most vulnerable members	8 Factors such data on member health, social and demographic and the unique characteristics of the most vulnerable, and community relationships to support members
Care Coordination—Ensures that needs and preferences are met	6 Elements--Ensure the right staffing, collection of health risk information, individualized care plan, interdisciplinary care team, and transition of care process	33 Factors such as organizational charts, job descriptions, health risk assessment tools and workflows, care plan templates, communication plans, and tracking tools
Network—Relevant facilities and providers to address unique and specialized needs	3 Elements—Ensures that the providers have the specialized expertise, use clinical guidelines, engage with the care team and are properly trained on the model of care	12 Factors such as training materials, clinical guidelines, tracking tools, provider specializations, credentialing procedures.
Quality and Performance Improvement—Continuously improve ability to deliver services and care	5 Elements—Demonstrate the process and capability to set and measure health outcomes and patient satisfaction and improve continuously	21 Factors such as quality committee structures, quality measurements and targets, satisfaction surveys, quality data structures, quality improvement resources.



# Model of Care ♦ Advancing GCHP as a Modern Health Plan

Operational and Organizational Performance to Achieve Mission



# Selected Initial Model of Care Programs/Solutions

## Member Incentives and Provider Grants/Incentives

Standard—Overarching requirement based on best practice	Element—Essential piece of the standard that must exist to meet the standard	Factor—A process or tool that produces the desired result
Description of the Population—Demonstrates understanding of their experience and needs	2 Elements—Ensure ability to describe the demographic, health and social characteristics of the target population and the most vulnerable members	8 Factors such data on member health, social and demographic and the unique characteristics of the most vulnerable, and community relationships to support members
Care Coordination—Ensures that needs and preferences are met	6 Elements--Ensure the right staffing, collection of health risk information, individualized care plan, interdisciplinary care team, and transition of care process	33 Factors such as organizational charts, job descriptions, health risk assessment tools and workflows, care plan templates, communication plans, and tracking tools
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Quality and Performance Improvement—Continuously improve ability to deliver services and care	5 Elements—Demonstrate the process and capability to set and measure health outcomes and patient satisfaction and improve continuously	21 Factors such as quality committee structures, quality measurements and targets, satisfaction surveys, quality data structures, quality improvement resources.

# Wellth Program Overview



## Physical and behavioral health conditions

*Prioritizing the highest risk members to maximize ROI and program benefits*

## Program Description

Care plan adherence program for high-risk members with chronic conditions. Members receive daily reminders, behavior reinforcements and can earn rewards for demonstrating adherence via the Wellth app.



## Program Goals

### Objectives

- Care Received in the Right Settings
- Total Cost of Care Reduction
- Care Plan Adherence

### Tracked Metrics

- Improvements to Medication Adherence (PDC)
- Improvements to Clinical Lab Values (A1c and BP)
- Member Satisfaction (NPS > +50)

## Health Tasks



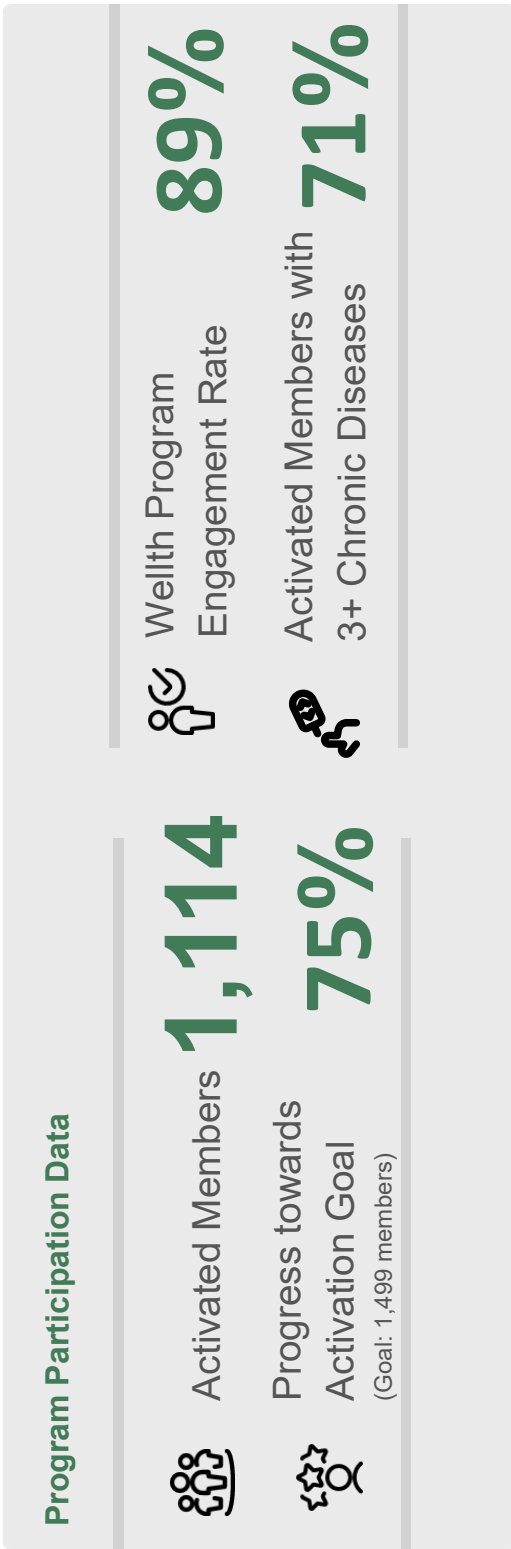
## Go-Live Date

**September 12, 2023**

# Wellth Engagement Summary

The Wellth & Gold Coast Health Plan program had a smooth program launch and is showing extremely strong member engagement and activations in the first month of the program.

The excellent uptake and engagement is expected to translate to care received in the right settings, improvements to clinical values, and boosts to proportion of days covered (PDC) which will be reviewed in the coming months pending claims data.



# Quality Incentive for Provider Performance Improvement



- Provider assigns chief-level co-sponsor(s) of Joint Quality Program Office (JQPO); GCHP co-sponsors are CMO and CPPO; Co-sponsors jointly report to Boards on a semi-annual basis (April and Sept).
- JQPO operates a **biweekly Joint Operating Meeting** (JOM); Sponsor attendance required 80% of time; Defined meeting deliverables (reporting) for Provider and GCHP.
- Key deliverable: Provider “MCAS Quality Improvement Work Plan” approved annually by GCHP Quality Committee.
- ✓ EMR data integration/sharing
- Other focus of incentive → expand integration to a broader data set and improve to sustained high levels of encounter accuracy, completeness, and timeliness.
- Focus is MCAS Performance for GCHP membership attributed to Provider for PCP
- 10 Measures – 5 selected by Provider, 5 selected by GCHP
- Measures remain the same for the 2-year term of the Quality Incentive Agreement
- Measurement Year (MY) | MY1 = Calendar Year 2023, MY2 = CY2024
- Determination of MY results to be performed by GCHP (using Inovalon, by April of the following year, auditably, based on all available claims and supplemental data (e.g., EMR, charts).
- Quality-based rate increases (which links Capitation or FFS expenditures to Value) both in the form of the percentage of the bonus and adjustments to PCP capitation rates are achieved in “tranches” based on level of performance.

# Quality Incentive Pool and Program (QIPP) Update

The GCHP Quality Incentive Pool and Program has launched with the 3 systems who have the greatest amount of our assigned members.

Over 90% of GCHP members who are assigned to a PCP can now be benefitted by the QIPP.

- The meetings outlined in the QIPP agreements are underway with the participating providers and have led to significant insight.
- These provider systems are activated, engaged, and making progress.
- Even more of our PCP-assigned members will be brought into the program through an additional proposed agreement and a modified QIPP for small providers.

# What's Next



Launched



On the Launch Pad

Mission Accomplished When Launched

Description of the Population—Demonstrates understanding of their experience and needs	Inovalon	Modern Data Warehouse Advanced Analytics Function Health Risk Assessments	Community Service Centers Member App
	Digital Member Engagement (Wellth) Health Education Care Coordination Care Management Transportation Expansion	Chronic Disease Management Routine/Campaign Outreach Care Transitions Integrated Care Team Contact Center Services Provider Located Services	Value-based contracts
Care Coordination—Ensures that needs and preferences are met	CBO Incentives Community Supports Provider Grants	Recuperative Care	CAHPS Improvement Structure
Network—Relevant facilities and providers to address unique and specialized needs	Provider Quality Incentive (QIPP) MCAS Improvement Structure	NCQA Accreditation	
Quality and Performance Improvement—Continuously improve ability to deliver services and care			

## AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Alan Torres, Chief Information & System Modernization Officer

DATE: October 30, 2023

SUBJECT: Contract Approval – KP LLC., Print and Fulfillment Services

### BACKGROUND/DISCUSSION:

#### Project Background

By this request, GCHP staff is asking that the Ventura County Medi-Cal Managed Care Commission approve awarding a competitively bid contract for Print and Fulfillment Services. This contract approval was reviewed by the Executive Finance Committee on Thursday, October 26, 2023. Following the health plan industry's standard practice of regularly evaluating capabilities and performance against the nationwide market of system and service providers, GCHP began a comprehensive procurement of technologies and services, (reference the initiative list below in table 1). GCHP intends to implement these solutions by July 1, 2024. The Commission has authorized GCHP staff to undertake improvements throughout the Plan to improve medical care and outcomes and become a leader in the delivery of health care services to members. The specific initiative relative to this request was to survey the marketplace through a competitive bidding process (RFP 7) for Print and Fulfillment Services. These services will be aligned with the modernized capabilities of the new Health Edge Health Rules Core Administration. The scope of services for this contract is as follows: printing and fulfillment of documents that are generated out of the Health Edge Rules Core Administration platform such as: printing and fulfillment of documents that are generated out of the Health Edge Rules Core Administration platform such as: Member ID Cards, Member Welcome Kits, member mailings, claims and payment materials, ad-hoc letters, authorizations and all other Medical Management related letters.

**Table 1**

<b>RFP 1</b>	EDI Services
<b>RFP 2</b>	Core Claims Processing Software
<b>RFP 3</b>	Medical Management Software
<b>RFP 4</b>	Provider and Member Portal Software
<b>RFP 5</b>	BPO (Claims Processing Services)
<b>RFP 6</b>	Mailroom and Claims Editing Services
<b>RFP 7</b>	Print and Fulfillment Services



<b>RPF 8</b>	Call Center Software/Technology
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### **Procurement Background**

On May 10, 2023, staff issued a Request For Proposal, (RFP) for Print and Fulfillment Services to the following 16 vendors:

Advanced Color Graphics	Orange County Direct mail OCDM
KP LLC	Zelis
RR Donnelley	Change Healthcare/Optum
The DOT Corporation	Netmark Business
National Printing	Catalyst Solutions
Spectra Integration	Conduent
Command Companies	Coffey Communications
InfoSend	O'Neil Printing

The RFP was also posted on GCHP's website. Set forth below is the schedule utilized for the RFP.

<b>Event</b>	<b>Date</b>	<b>Time (If applicable)</b>
RFP Released	5/10/2023	
Intent to Propose Notification Due By	5/16/2023	5pm, PT
Questions Due	5/22/2023	5pm, PT
Questions Answered	5/26/2023	
Proposal Due Date	<b>7/5/2023*</b>	5pm, PT
Short List Established and Contractual Discussions Begin	8/1/2023	

GCHP received ten (10) responsive proposals. A cross functional evaluation team was formed with representation from IT, (2 team members), Operations, (4 team members), Communications, (1 team member) and Procurement, (1 team member) to evaluate the proposals. Using predetermined evaluation criteria and weights, the team scored each proposal from the RFP's qualitative and quantitative requirements.

The scoring results from the evaluation team using a blend of onshore and offshore resources is as follows:

### **Evaluation Matrix Scores (High to Low):**

Rank	Vendor	Score
1	Conduent	53.68
2	KP	51.51
3	RR Donnelley	50.69
4	Netmark Business Services	49.93
5	Advantage Color Graphics	47.40
6	Command Print	45.61
7	O'Neil Digital Solutions	44.16
8	Change HealthCare	43.94
9	Dot Printing	32.98
10	National Graphics	27.59

### **Contract Negotiations**

The team developed a short of the top 3 scoring vendors, which included, Conduent, KP and RR Donnelley. Contractual negotiations commenced immediately with all 3 vendors. KP's contractual changes were minimal while Conduent and RR Donnelley's Proposal response included a significant number of changes and many in very critical area's such as limits of liability, insurance limits, warranties, information security protections, indemnification, etc. Conduent and RR Donnelley were both asked to make another attempt to minimize changes. They both responded with updated documents, but the contractual risks associated with these agreements remained higher than those with KP. Concurrently, GCHP conducted satisfactory reference checks with KP customers, San Francisco Health Plan (Medi-Cal plan in SF) and Covered CA and finalized contractual documents with minimal changes to GCHP's Business Associate Agreement, Master Services Agreement, and Statement of Work to include all GCHP's required service level measurements.

### **Pricing**

The current contract for Operational Print and Fulfillment is with Conduent, GCHP's BPO vendor. The pricing schema under this contract is in a Per Member Per Month (PMPM) format and PMPM pricing is based on number of Members and other factors. The PMPM is not allocated by service type uniformly, nor does the contract break out print on a per piece basis. There is not enough detail or transparency in this format to accurately show actual Operational Print and Fulfillment costs. For Collateral Print, the 2022 spend with the incumbent vendor, Coffey Print, was \$584,778. In the new environment, KP has provided pricing of \$393,547, a savings of 32%.

Note: The total 5-year pricing below represents *post* Proposal final negotiated pricing with KP and the pricing listed in the RR Donnelley and Conduent proposals. In addition to the total costs for print and fulfillment, an estimated \$2.8M per year is budgeted for postage. Postage costs are paid as a “pass-through” cost that is paid to the vendor at the same cost the vendor pays. Postage is *not* included within the below print costs.

KP	\$16,984,657
RR Donnelley	\$16,592,563
Conduent	\$20,935,393

GCHP concluded negotiations and finalized a contract that is acceptable to GCHP and Proposers were notified of the recommendation to award the contract to KP LLC. GCHP has notified the respective vendors of its recommendation to award the contract to KP LLC (KP).

### **KP’s Overall Value and Reason for Recommendation**

Although Conduent had an overall higher evaluation score, it was the most expensive, GCHP staff is recommending the contract be awarded to KP for several reasons. GCHP staff reached agreement with KP first on price and terms of the contract. KP has a long history of creating workflow and portal-based solutions for healthcare companies. They are experts at solving complex business problems using print, direct Mail, fulfillment, email, document automation, geocoding, and more. KP’s solutions include easy-to-use tools for data management, automating documents, and multichannel outputs - all using the industry’s highest levels of security and compliance certifications. Lastly, given KP’s experience working with other California Medi-Cal Plans, GCHP is confident that KP understands the business and provides best in class services and capabilities. Further, as described above, Conduent and RR Donnelley insisted on including terms in the contracts that were significantly less favorable than the terms agreed to by KP. Other factors include:

- **KP’s Operational experience**
  - Proven experience delivering print and fulfillment processing best practices.
  - Years of experience in the area of business process monitoring.
  - Years of experience supporting other Medi-Cal health plans in California
- **Document Automation**
  - KP continues to invest in best-of-class technology and workflow solutions for processing and managing complex incoming data for transformation to printed or digital delivery such as solutions for the print, mail, cleansing, digital delivery and fulfillment of customer communications.
- **IT Security**
  - KP has passed GCHP’s Security Risk Assessment. The proposed KP agreement includes a business associate agreement that incorporates stringent privacy and security standards for vendors who handle Protected Health Information, as established by the Department of Health Care Services. KP also indemnifies

GCHP for the liability and costs associated any breach of PHI and agrees to carry insurance coverage of \$5 million privacy liability and network security or cyberliability insurance per occurrence and in the aggregate annually, plus \$5 million umbrella coverage.

**FISCAL IMPACT:**

The total cost over the projected useful life of the 8-month implementation period and 5-year agreement (11/1/2024 - 6/30/2029) is projected to not exceed \$18M, which includes a six percent contingency, should for example, membership increase, GCHP need additional third-party integrations beyond the current known scope, or if regulatory mandates for printed materials change. This is at or below fair market value and based on fair and open competition.

**RECOMMENDATION:**

It is the Plan's recommendation that the Ventura County Medi-Cal Managed Care Commission authorize the CEO to execute a contract with KP LLC. The term of the contract will be 8 months of implementation and 5 years of services commencing November 1, 2023, and expiring on June 30, 2029, for an amount not to exceed \$18M.

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

## **AGENDA ITEM NO. 7**

**TO:** Ventura County Medi-Cal Managed Care Commission

**FROM:** Felix L. Nuñez, MD, MPH, Chief Medical Officer  
Kim Timmerman, MHA, CPHQ, Sr. Director of Quality Improvement

**DATE:** October 30, 2023

**SUBJECT:** Quality Improvement Committee – 2023 Third/Fourth Quarter Report

### **SUMMARY:**

The Department of Health Care Services (“DHCS”) requires Gold Coast Health Plan (“GCHP”) to implement an effective quality improvement system and to ensure that the governing body routinely receives written progress reports from the Quality Improvement Committee (“QIC”).

The attached PPT report contains a summary of activities of the QIC and its subcommittees.

### **APPROVAL ITEMS:**

- 2022 Quality Improvement (“QI”) Evaluation

### **FISCAL IMPACT:**

None

### **RECOMMENDATION:**

Staff recommends that the Ventura County Medi-Cal Managed Care Commission approve the 2022 QI Evaluation as presented and receive and file the complete report as presented.

### **ATTACHMENTS:**

- 1) Timmerman, K., (2023). Quality Improvement, Ventura County Medi-Cal Managed Care Commission, Quality Improvement Committee Report – Q3/Q4 2023, Presentation Slides.

# Quality Improvement Committee Report Q3-Q4 2022

October 30, 2023

Felix L. Nuñez, MD, MPH – Chief Medical Officer  
Kimberly Timmerman, MHA, CPHQ - Sr. Director,  
Quality Improvement



# Q3-Q4 2023 Quality Improvement Update

## Presentation Agenda



2022 Quality Improvement Evaluation



MY 2023 Managed Care Accountability Set



Healthcare Quality Week Provider Recognition

# Q3-Q4 2023 Quality Improvement Update



**2022 Quality  
Improvement  
Evaluation**

*Approval Requested*




Healthcare  
Quality Week  
Provider  
Recognition



MY 2023  
Managed Care  
Accountability  
Set





# Quality Improvement Evaluation

## **Background:**

- DHCS requirement
- NCQA accreditation requirement

## **Intent:**

- Document completed and ongoing QI activities that address quality of clinical care and service.
- Trend performance measures to determine goal achievement and continued opportunities for improvement.
- Evaluate overall effectiveness of QI Program.

## **Objectives (28 Total):**

- Improve Quality and Safety of Clinical Care Services
- Improve Quality and Safety of Non-Clinical Care Services
- Improve Member Safety
- Assess and Improve Member Experience
- Ensure Organizational Oversight of Delegated Activities

# Objective 1

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## Improve Quality and Safety of Clinical Care Services

<b>Advanced Prevention: Tobacco Cessation</b> Increase member awareness of benefits of tobacco cessation and the rates of cessation interventions in members identified as tobacco users.	
100% of identified smokers receive counseling and 32% receive cessation medication	Not Met
<b>Advanced Prevention: Initial Health Assessment</b> Increase rates of Initial Health Assessment (IHA)/Individual Health Education Behavior Assessment (IHEBA) completion by providers.	
All DHCS Requirements Met	Met
<b>Advanced Prevention: Adverse Childhood Experience</b> Promote awareness and increase adverse childhood experiences (ACE) screening rates for pediatric and adult members using a standardized screening tool.	
Increase ACE screenings by 2% over MY 2021	Not Met
<b>Advanced Prevention: Lead Screening in Children</b> Promote awareness and increase the percentage of children who had one or more capillary or venous lead blood test for lead poisoning by their 2nd birthday.	
Meet or exceed the DHCS MPL (50 <sup>th</sup> Medicaid percentile)	Met

## Advance Prevention: Behavioral Health

Assess and develop interventions that promote member access to behavioral health care services.

Meet or exceed DHCS MPL (50 <sup>th</sup> Medicaid percentile) on the FUA-30 and FUM-30 measures	Partially Met
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- FUA-30 increased 16.00% points from 8.64% (MY 2021) to 24.64% (MY 2022) and met the DHCS MPL
- FUM-30 MY 2022 rate was 29.35% but did not meet the DHCHS MPL

## Advance Prevention: Chronic Disease

Assess and develop interventions that promote member management of chronic diseases

Aim to minimize impact of COVID-19 on the delivery of care for chronic conditions	Met
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MY 2022 rate increases: AMR (+1.19), CBP (+4.38), and CDC-H9 (-3.89 lower rate is better)

## Advance Prevention: COVID-19

Assess and develop interventions that promote member access to preventive health care services during the COVID-19 pandemic.

Aim to minimize impact of COVID-19 on the delivery of preventive health services through secure digital text outreach focused on preventive care	Met
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### **MCAS Measure: Breast Cancer Screening (BCS)**

**Increase percentage of members, 50-74, who had a mammogram to screen for breast cancer.**

Meet or exceed the DHCS MPL (50<sup>th</sup> Medicaid percentile)

Met

BCS rate increased 3.22% points from 52.78% (MY 2021) to 56.00% (MY 2022)

### **MCAS Measure: Cervical Cancer Screening (CCS)**

**Increase percentage of women, 21-64 years of age, who completed a cervical cancer screening.**

Meet or exceed DHCS MPL (50<sup>th</sup> Medicaid percentile)

Met

### **MCAS Measure: Chlamydia Screening in Women (CHL)**

**Increase the percentage of women, 16-24, identified as sexually active, who had at least one chlamydia screening during the measurement year.**

Meet or exceed DHCS MPL (50<sup>th</sup> Medicaid percentile)

Not Met

MY 2022 CHL rate was 53.26% and ranked in the 25<sup>th</sup> Medicaid percentile

### **MCAS Measure: Childhood Immunization Status Combo 10 (CIS-10)**

**Increase percentage of two-year old children who complete all required Combo 10 vaccines on or before their 2<sup>nd</sup> birthday.**

Increase MY 2022 CIS-Combo 10 rate by 2%

Not Met

MY 2022 CIS-10 rate was 40.88% and met the DHCS MPL (50<sup>th</sup> Medicaid percentile)

### MCAS Measure: Developmental Screening in Children (DEV)

Increase the percentage of children screened for risk of developmental, behavioral, and social delays using a standardized screening tool in the 12 months preceding, or on, their 1st, 2nd or 3rd birthday.

Increase administrative rate by 2%

Not Met

The DEV rate declined 0.63% point from 39.58 (MY 2021) to 39.58% (MY 2022)

### MCAS Measure: Well-Child Visits in the First 30 Months of Life (W30-15 and W30-30)

1. Increase the percentage of children with 6+ well-care exams by the 15th month.
2. Increase the percentage of children with 2+ well-care exams between 15th and 30th months.

Meet or exceed the DHCS MPL (50<sup>th</sup> Medicaid percentile)

Partially Met

- W30-15 did not meet MPL but rate increased 26.26% from 21.12% (MY 2021) to 47.38% (MY 2022)
- W30-30 met MPL and rate increased 7.74% from 60.40% (MY 2021) to 68.14% (MY 2022)

### MCAS Measure: Child & Adolescent Well-Care (WCV)

Increase the percentage of members, 3-21 years of age, who had at least one comprehensive well-care visit with a PCP or OB/GYN during the measurement year.

Meet or exceed the DHCS MPL (50<sup>th</sup> Medicaid percentile)

Not Met

WCV rate improved 8.39% points from 33.94% (MY 2021) to 42.33% (MY 2022)

# Quality Improvement Projects

In 2022, GCHP worked on quality improvement projects which utilized quality improvement tools to implement, study and evaluate the outcomes of interventions aimed at improving quality of care and measure performance.

## ✓ 2021-2022 COVID-19 QUALITY IMPROVEMENT PROJECT

Interventions aimed to improve outcomes in three healthcare domains impacted by the Public Health Emergency: behavioral health, chronic diseases, and child/adolescent health. Interventions were launched resulting in rate improvement in the following measures :

- Antidepressant Medication Management (AMM)
- Asthma Medication Ratio (AMR)
- Child and Adolescent Well Care (WCV)

## ✓ 2021-2022 HBA1C CONTROL PLAN – DO – STUDY - ACT IMPROVEMENT PROJECT

Utilized a Chronic Disease Self-Management Program to decrease the Comprehensive Diabetes Care HbA1c > 9.0 rate among members 18 years of age and older who reside in Santa Paula. Intervention resulted in an 11.95% improvement in HbA1c > 9.0 among the target population.



# Quality Improvement Projects

## ✓ 2021-2022 WOMEN'S HEALTH STRENGTHS – WEAKNESSES – OPPORTUNITIES – THREATS IMPROVEMENT PROJECT

Completed 12 interventions focused on increasing women's health screenings for the BCS, CCS, and CHL measures focused on three strategies: (1) increase member engagement in the cervical cancer screening member incentive program; (2) increase women's health screenings in the provider setting by working with clinics to reduce workflow barriers; and (3) educate women on resources available to reduce cultural and linguistic barriers. Both the BCS and CCS measures met the DHCS MPL and the BCS measure increased 3.22%. There was no significant rate improvement in the CCS and CHL measures.

## ✓ 2020-2023 CERVICAL CANCER DISPARITY PERFORMANCE IMPROVEMENT PROJECT

Collaboration with a large FQHC clinic to improve screening rates for women 24-29 years of age. Interventions included (1) a point-of-care (POC) member incentive program, (2) co-branded GCHP/clinic outreach letter, and (3) Saturday Pap Clinics. The clinic's rate increased from 36.41% to 37.54%, indicating a statistically significant improvement. The POC intervention was expanded to other clinics and has proven to be effective in increasing member engagement.



# Quality Improvement Projects

## ✓ 2020-2023 WELL-CHILD (AGE 12-17) PERFORMANCE IMPROVEMENT PROJECT

Partnership with large pediatric clinic to improve well-care exam rates for adolescents 12-17 years of age. Interventions included (1) a clinic-led text outreach program to schedule the exam (2) a health-plan led data improvement project to improve provider taxonomy mapping. The clinic's rate increased from 37.78% to 47.95% (statistically significant improvement). The data improvement project that corrected the taxonomy mapping proved to be effective with improving GCHP's overall WCV rate.

## Objective 2

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# Improve Quality and Safety of Non-Clinical Care Services

## Cultural & Linguistics Needs & Preferences

Ensure adequate resources to address the cultural, ethnic and linguistic needs of our members.

Develop and implement action plan to provide members with available resources to meet cultural, ethnic and linguistic needs.

Met

### Primary and Specialty Care Access

- Primary Care
  - Non-urgent primary care within 10 business days of request
  - Urgent care within 24 hours
- Specialty Care
  - Non-urgent specialty care appointment within 15 business days
  - Non-urgent ancillary services within 15 business days

Standards met for minimum of 90% of providers

Partially Met

- Non-urgent standards met for minimum of 94.5% of providers, a 4% increase from the previous survey
- Urgent standards met for minimum of 87.3% of providers

<b>After Hours Availability</b> Members can reach a provider after hours.	
Standards met for minimum of 100% of providers	Not Met
Standards met for 98.4% of providers	
<b>Network Adequacy</b> Network Adequacy as demonstrated by availability of practitioners	
<ul style="list-style-type: none"> <li>• PCP-to-member ratios and Physician Supervision to NP/PA ratios</li> <li>• PCP located within 30 minutes or 10 miles</li> <li>• Core specialists located within 60 minutes or 30 miles</li> <li>• Hospitals located within 30 minutes</li> <li>• Develop process for network certification</li> </ul>	Met
<b>Provider Satisfaction</b>	
<ul style="list-style-type: none"> <li>• Analyze results and identify opportunities for improvement</li> <li>• Development and implementation of action plan to improve</li> </ul>	Met

## Objective 3

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Improve Member  
Safety

<b>Facility Site Monitoring</b> <ul style="list-style-type: none"> <li>• Compliance with Facility Site Review (FSR) requirements</li> <li>• Compliance with Physical Accessibility Reviews (PARS)</li> <li>• Conduct facility site monitoring to ensure safety practices</li> </ul>		
Completed Facility Site Reviews and Physical Accessibility Reviews 100% on time	Met	
<b>Credentialing/Recredentialing</b> Implement a well-defined credentialing and recredentialing process for evaluating and selecting practitioners/providers to provide care to members		
Complete Credentialing/Recredentialing 100% on Time	Met	
<b>Pharmacy</b> Prevent increases in the following statistics related to opioid use in GCHP members: <ul style="list-style-type: none"> <li>• Unique opioid users</li> <li>• Unique concurrent users of opioids and benzodiazepines</li> <li>• Unique concurrent users of opioids and antipsychotics</li> </ul>		
<ul style="list-style-type: none"> <li>• Maintain performance compared to prior year and less than a 5% increase in each category</li> </ul>	Partially Met	
<ul style="list-style-type: none"> <li>• Unique utilizers decreased by 810 members</li> <li>• Unique concurrent users of opioids and benzodiazepines decreased by 462 members</li> <li>• Unique concurrent users of opioids and antipsychotics increase by 88 members</li> </ul>		

## Objective 4

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# Assess and Improve Member Experience

## Member Access & Satisfaction

- Assess member access and satisfaction
- Assess member complaints and grievances

Development and implementation of action plan to improve

Met

## Call Center Monitoring

- ASA: 30 seconds or less
- Abandonment Rate: 5% or less
- Phone quality results:  $\geq 95\%$

Partially Met

- ASA and abandonment rates were not met between January and April due a decrease in call center agents and the hiring and training of new agents
- GCHP implemented weekly quality audits and rates met benchmarks between May to December



## Objective 5

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Ensure Organizational  
Oversight of  
Delegated Activities

## Delegation Oversight

Complete delegation oversight for the following delegated activities: credentialing; quality improvement; utilization management; members' rights; and claims.

100% of all audits completed with CAPs closed timely

Met

# 2022 QI Work Plan

## Evaluation Summary

### **Overall Summary:**

- Objectives That Met Goals: 15
- Objectives That Partially Met Goals: 6
- Objectives That Did Not Met Goals: 7

### **Next Steps:**

- Priority metrics added to MY 2023 QI Work Plan for continued improvement focus
- Assess barriers to goal achievement and intervention refinement needed
- Evaluate QI program resources, committees, and structure to optimize effectiveness of quality improvement efforts

# Q3-Q4 2023 Quality Improvement Update



2022 Quality Improvement Evaluation  
*Approval Requested*



Healthcare Quality Week Provider Recognition



MY 2023 Managed Care Accountability Set

Healthcare Quality Week, a celebration by the National Association for Healthcare Quality (NAHQ), aims to increase awareness about the positive impact healthcare quality professionals have in their organizations and communities.

For GCHP, this week serves as a recognition of the incredible impact that healthcare professionals and our provider network have on the lives of our members. Together, we will continue to improve the quality of care and services provided to GCHP members.



The graphic features a large central image of a smiling woman with her arms crossed. To her left is the text "Healthcare Quality week™ Brought to you by the National Association for Healthcare Quality". To her right is the date "OCT. 15-21" and the website "hqw.NAHQ.org". Below these are several smaller images showing diverse healthcare professionals in various settings, including a group of people in a meeting, a doctor with a patient, and a group of people in a classroom or training session.

**Together, we are a **FORCE** for quality. Join now.**

# Healthcare Quality Week Provider Recognition



## Ventura County Health Care Agency

Breast Cancer Screening – 75<sup>th</sup> percentile

Childhood Immunizations – 95<sup>th</sup> percentile

Las Islas Family Med Grp



Prenatal Care – 95<sup>th</sup> percentile

Sierra Vista Family Medical Center



## Clinicas del Camino Real

Immunizations for Adolescents – 95<sup>th</sup> percentile

HbA1c Control for Patients with Diabetes – 95<sup>th</sup> percentile

Clinicas del Camino Real, Inc. Oxnard



Lead Screening in Children – 95<sup>th</sup> percentile

Karen R Burnham Health Center



# Healthcare Quality Week Provider Recognition



## Community Memorial Health Center

Cervical Cancer Screening – 95<sup>th</sup> percentile

CMH Airport



Postpartum Care - 95<sup>th</sup> percentile

CMH Center for Family Health-Saviors



## Dignity Health Medical Group

Follow Up After Emergency Department for Substance Use—  
95<sup>th</sup> percentile

Dignity Health Medical Group E Daily Dr

# Q3-Q4 2023 Quality Improvement Update



2022 Quality Improvement Evaluation

*Approval Requested*



Healthcare Quality Week Provider Recognition



**MY 2023  
Managed Care  
Accountability  
Set**



# MY 2023 Managed Care Accountability Set (MCAS)

- 18 Measures Held to DHCS Minimum Performance Level
- 5 domains

Children's Health		Behavioral Health	
WCV	Child and Adolescent Well – Care Visits	FUA	Follow Up After an ED Visit Substance Use Disorder - 30 Days
W30-6+	Well-Child Visits in the First 0 to 15 Months of Life – 6+ Well-Child Visits	FUM	Follow Up After an ED Visit Mental Health - 30 days
W30-2+	Well-Child Visits in the First 15 to 30 Months of Life – 2+ Well-Child Visits	Chronic Disease Management	
UIS-10	Childhood Immunization Status – Combo 10	AMR	Asthma Medication Ratio
IMA-2	Immunizations for Adolescents – Combo 2	CBP	Controlling High Blood Pressure
DEV	Developmental Screening in the First Three Years of Life	HBD	Hemoglobin A1c Control for Patients With Diabetes – > 9%
LSC	Lead Screening in Children	Reproductive Health	
TFL	Topical Fluoride for Children	CHL	Chlamydia Screening in Women
Cancer Prevention		PPC - Pre	Prenatal and Postpartum Care: Timeliness of Prenatal Care
BCS	Breast Cancer Screening	PPC - Pst	Prenatal and Postpartum Care: Postpartum Care
CCS	Cervical Cancer Screening		

# MY 2023 Q4 MCAS Push

- Care management focus on MCAS for intensive member support subset of members along the member journey including phone, in provider and in-person interaction
- Member outreach to close gaps in care – CareNet, outreach temps, internal staff
- Partner with providers to target 6 health fairs by the end of the year to close MCAS gaps in care
- Resource providers with imbedded outreach staff
- Expand intervention with Carelon to include on-site at ED, after hours Carelon work and workflow to engage GCHP care management team with those that Carelon cannot engage
- Expand Wellth intervention to more members with chronic conditions who have gaps in care
- Engage home health/home lab vendor for home based MCAS gaps closure
- Improve data to fix data issues with measure and ensure accurate numerators and denominators for MCAS measures

# MCAS Measure Dashboard





Questions?

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**Recommendation:**

**Approve the 2022 QI Program Evaluation**

*Thank you*



**AGENDA ITEM NO. 8**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer  
Moss Adams Representatives

DATE: October 30, 2023

SUBJECT: Gold Coast Health Plan 2023 Audit Results

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:**

*GCHP Fiscal Year 2023 Audit Results*

# Discussion with the Ventura County Medi-Cal Managed Care Commission

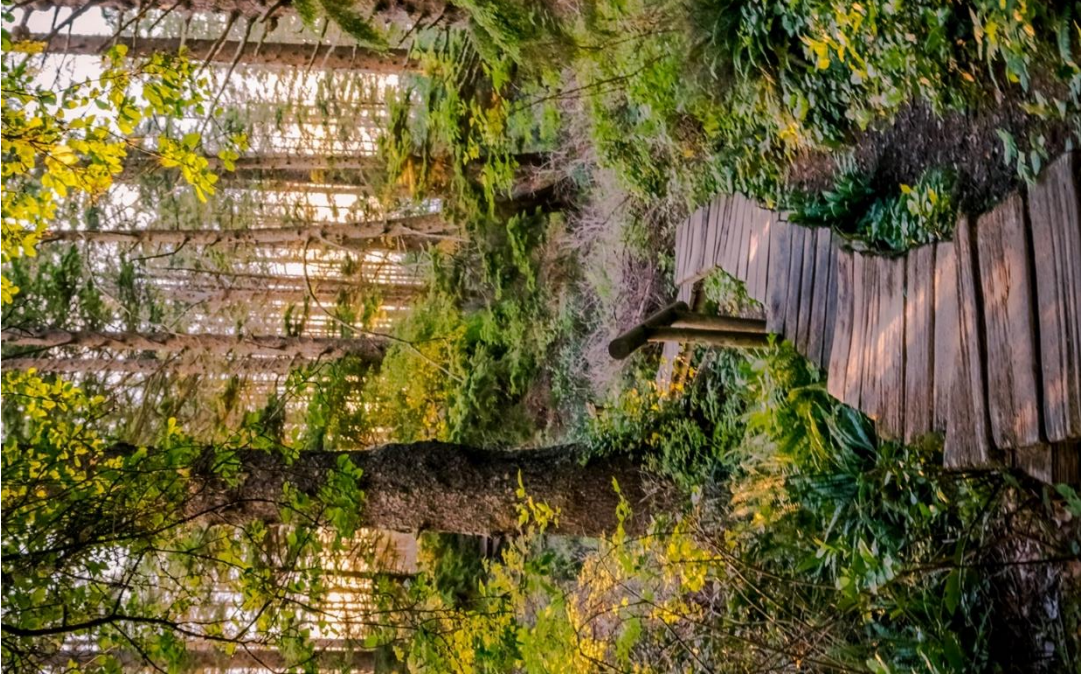


# Agenda

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1. Matters Required to be Communicated with Those Charged with Governance
2. New Accounting Standard
3. Your Service Team
4. About Moss Adams

Better Together: Moss Adams & Gold Coast Health Plan





# Scope of Services

We have performed the following services for Gold Coast Health Plan:

## Attest Services



- Annual financial statement audit as of and for the year ended June 30, 2023

## Nonattest Services



- Assist management with drafting the financial statements for the year ended June 30, 2023, excluding management's discussion and analysis
- Consulting services associated with Adaptive Insights financial and budgeting solution



# Significant Risks Identified

During the audit, we identified the following:

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



Historic Estimated Medical Claims Liability (IBNP) and  
Historic Actual Medical Claims Liability (IBNP) (in millions)



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

:

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

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# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our audit of the financial statements included obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control or to identify deficiencies in the design or operation of internal control. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are also responsible for communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Accounting Practices:

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures

## MOSS ADAMS COMMENTS

The Plan adopted Governmental Accounting Standards Board Statement No. 96 regarding Subscription-Based Information Technology Arrangements. The change in accounting principle was applied retroactively in the June 30, 2023 financial statements.

The quality of the entity's accounting policies and underlying estimates are discussed throughout this presentation. There were no changes in the entity's approach to applying the critical accounting policies.





# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Unusual Transactions

#### MOSS ADAMS COMMENTS

No significant unusual transactions were identified during our audit of the entity's financial statements.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Difficulties Encountered During the Audit

We are to inform those charged with governance of any significant difficulties encountered in performing the audit. Examples of difficulties may include significant delays by management, an unreasonably brief time to complete the audit, unreasonable management restrictions encountered by the auditor, or an unexpected extensive effort required to obtain sufficient appropriate audit evidence.

## MOSS ADAMS COMMENTS

No significant difficulties were encountered during our audit of the entity's financial statements.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Disagreements With Management

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the entity's financial statements, or the auditor's report.

## MOSS ADAMS COMMENTS

There were no disagreements with management.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

Circumstances that affect the form and content of the auditor's report

## MOSS ADAMS COMMENTS

There were no circumstances that affected the form and content of the auditor's report.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

Other findings or issues arising from the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process

## MOSS ADAMS COMMENTS

There were no other findings or issues arising from the audit to report.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Uncorrected Misstatements

#### MOSS ADAMS COMMENTS

Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended June 30, 2023 could potentially cause future-period financial statements to be materially misstated, even though we have concluded that the uncorrected misstatements are immaterial to the financial statements, including disclosures, under audit.

No uncorrected misstatements were identified as a result of our audit.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Representations requested of management

We requested certain representations from management that are included in the management representation letter expected to be dated October 30, 2023

## MOSS ADAMS COMMENTS

A copy of the full management representation letter is available, upon request.

October 30, 2023

Moss Adams LLP  
101 Second Street, Suite 900  
San Francisco, CA 94105

We are providing this letter in connection with your audit of the financial statements of Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan ("GCHP" or the "Plan"), which comprise the statements of net position and the related statements of revenues, expenses, and changes in net position, and cash flows as of June 30, 2023 and 2022, and for the years then ended and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$1,060,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 30, 2023,

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 28, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

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# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Management's consultation with other accountants

When we are aware that management has consulted with other accountants about significant auditing or accounting matters, we discuss with those charged with governance our views about the matters that were the subject of such consultation.

## MOSS ADAMS COMMENTS

We are not aware of instances where management consulted with other accountants about significant auditing or accounting matters.





# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

Significant issues arising from the audit that were discussed, or the subject of correspondence with management

## MOSS ADAMS COMMENTS

No significant issues arose during the audit that have not been addressed elsewhere in this presentation.



# New Accounting Standard

**GASB**  
**96**

## Subscription-Based Information Technology Arrangements

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



# Your Service Team



**Kimberly Sokoloff**  
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Better Together: Moss Adams & Gold Coast Health Plan



## About Moss Adams



Better Together: Moss Adams & Gold Coast Health Plan

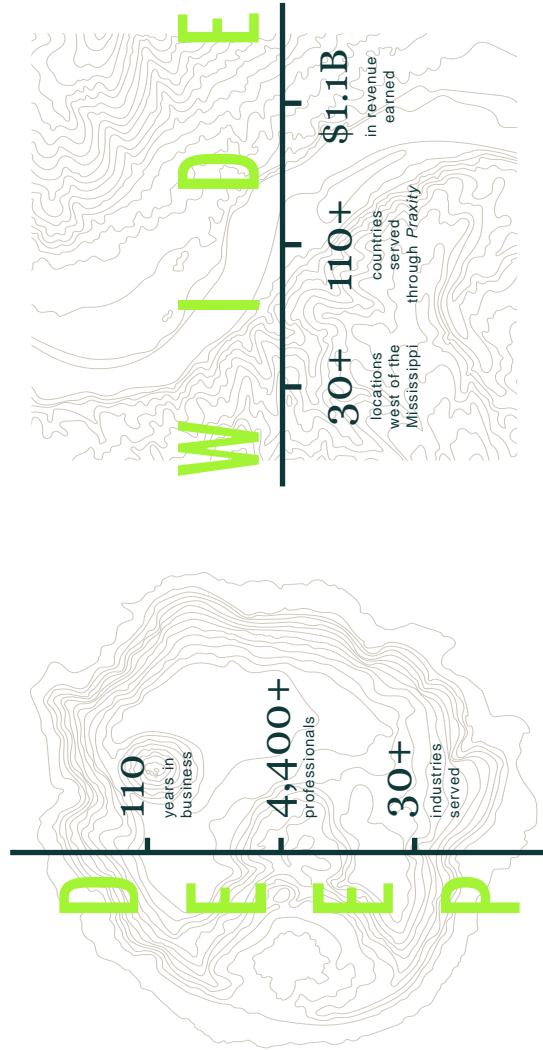


# About Moss Adams

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

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

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



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

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

Data as of January 2023

Better Together: Moss Adams & Gold Coast Health Plan



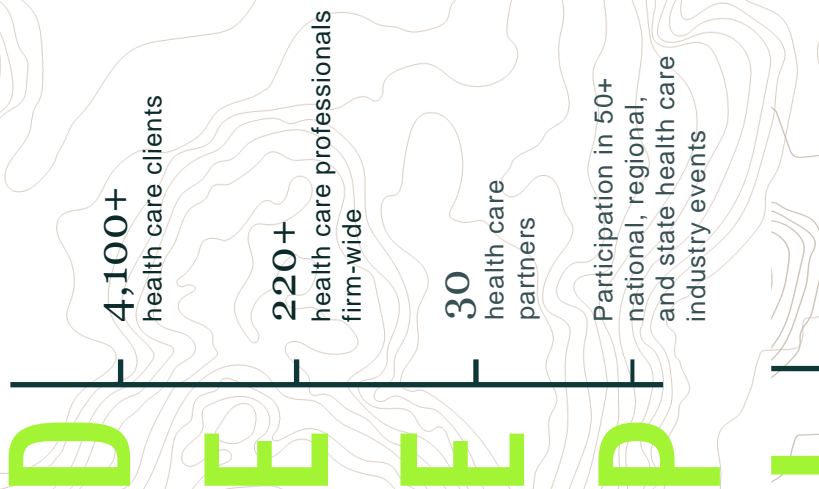
# National Health Care Industry Group

Expertise

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.

Better Together: Moss Adams & Gold Coast Health Plan



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.

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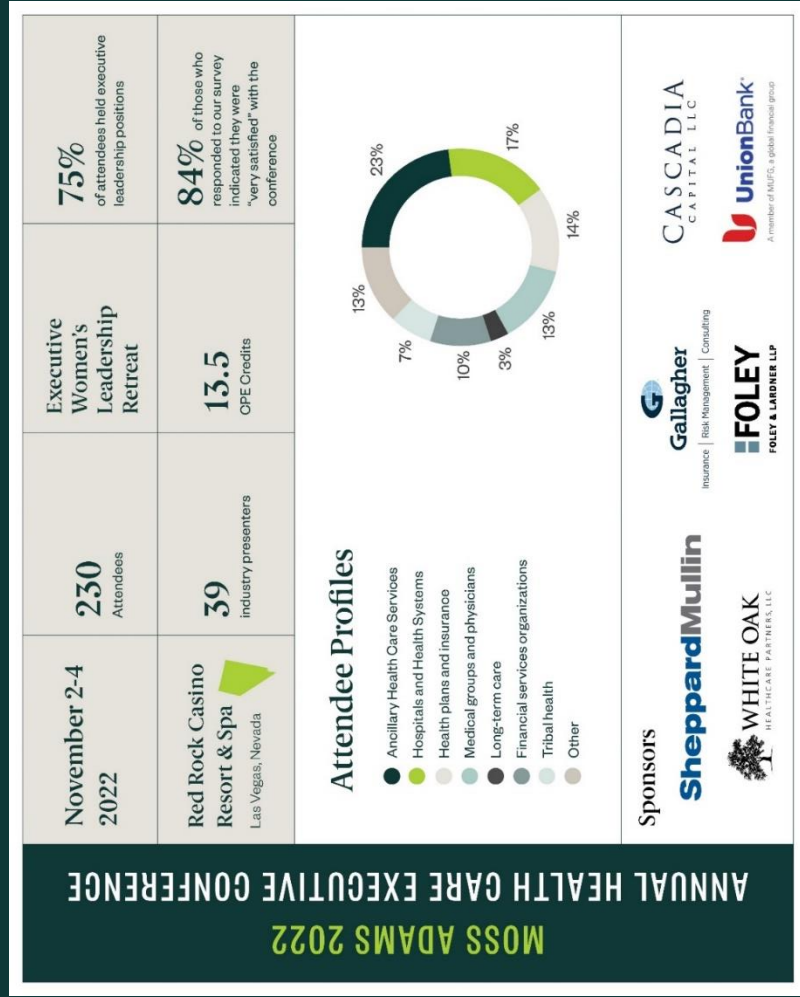


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Report of Independent Auditors  
and Financial Statements

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

June 30, 2023 and 2022

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## **Management's Discussion and Analysis**

# **Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis**

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The intent of the Management's Discussion and Analysis is to provide readers with an overview of the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's ("GCHP" or the "Plan") financial activities for the fiscal years ended June 30, 2023 and 2022. This overview is provided in conjunction with the Plan's fiscal year ended June 30, 2023, financial statements. Readers should review this overview in conjunction with GCHP's financial statements and accompanying notes to the financial statements to enhance their understanding of the financial performance.

## **Gold Coast Health Plan Overview**

On June 2, 2009, the Ventura County Board of Supervisors approved the implementation of a county-organized health system ("COHS") model to transition Ventura County Medi-Cal members from a fee-for-service model to a managed care model. Ordinance No. 4409 (April 2010) established the Ventura County Medi-Cal Managed Care Commission as an oversight entity. The Commission's 11 members oversee a single plan—Gold Coast Health Plan—to serve Ventura County Medi-Cal beneficiaries.

As a COHS, the Plan has an exclusive contract (the "Contract") with the State of California (the "State") Department of Health Care Services ("DHCS") to arrange for the provision of health care services to Ventura County's approximately 248,000 Medi-Cal beneficiaries at June 30, 2023. The Plan receives virtually 100 percent of its revenue in the form of capitation from the State of California.

## **Overview of the Financial Statements**

This annual report consists of financial statements and notes to those statements, which reflect GCHP's financial position and results of operations for the fiscal years ended June 30, 2023 and 2022. The financial statements of GCHP include the statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements.

- The statements of net position include all GCHP's assets and liabilities, using the accrual basis of accounting.
- The statements of revenues, expenses, and changes in net position present the results of operating activities during the fiscal year and the resulting change in net position.
- The statements of cash flows report the net cash provided by operating activities, as well as other sources, and uses of cash from investing, capital, and related financing activities.

The following discussion and analysis addresses GCHP's overall program activities.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

## Financial Highlights

The table below presents condensed statements of net position of the Plan as of June 30, 2023, 2022, and 2021:

**Table 1 – Condensed Statements of Net Position as of June 30**

	(Dollars in Thousands)						
	2023	2022	2021	2023 - 2022 Change		2022 - 2021 Change	
		(as restated)		Amount	Percentage	Amount	Percentage
ASSETS							
Current assets and other assets	\$ 550,528	\$ 414,557	\$ 358,015	\$ 135,971	32.8 %	\$ 56,542	15.8 %
Capital assets, net	982	1,224	1,198	(242)	(19.8)%	26	2.2 %
Total assets	<u>\$ 551,510</u>	<u>\$ 415,781</u>	<u>\$ 359,213</u>	<u>\$ 135,729</u>	32.6 %	<u>\$ 56,568</u>	15.7 %
LIABILITIES							
Current liabilities	\$ 186,134	\$ 231,008	\$ 246,472	\$ (44,874)	(19.4)%	\$ (15,464)	(6.3)%
Noncurrent liabilities	6,088	8,156	7,280	(2,068)	(25.4)%	876	12.0 %
Total liabilities	<u>192,222</u>	<u>239,164</u>	<u>253,752</u>	<u>(46,942)</u>	(19.6)%	<u>(14,588)</u>	(5.7)%
NET POSITION							
Invested in capital assets	982	1,224	1,198	(242)	(19.8)%	26	2.2 %
Unrestricted net position	<u>358,306</u>	<u>175,393</u>	<u>104,263</u>	<u>182,913</u>	104.3 %	<u>71,130</u>	68.2 %
Total net position	<u>359,288</u>	<u>176,617</u>	<u>105,461</u>	<u>182,671</u>	103.4 %	<u>71,156</u>	67.5 %
Total liabilities and net position	<u>\$ 551,510</u>	<u>\$ 415,781</u>	<u>\$ 359,213</u>	<u>\$ 135,729</u>	32.6 %	<u>\$ 56,568</u>	15.7 %

## Fiscal Year 2023

- As of June 30, 2023 and 2022, total assets were \$551,510,000 and \$415,781,000, respectively, an increase of \$135,971,000 or 32.8 percent due to an increase in cash and cash equivalents.
- Total liabilities as of June 30, 2023, were \$192,222,000 compared with \$239,164,000 as of June 30, 2022, a 19.6 percent decrease. The decrease was primarily driven by a decrease in accrued medical expenses.
- The Plan's total net position increased by \$182,671,000, or 103.4 percent, during fiscal year 2023. This increase in net position was attributable to favorability in capitation rates from the State and overall reduced utilization because of the COVID-19 pandemic, which resulted in a net position at June 30, 2023, of \$359,288,000 compared to a net position of \$176,617,000 at June 30, 2022.
- Tangible Net Equity ("TNE") at June 30, 2023, was 1092 percent of the DHCS required minimum of \$32,914,000.

## Fiscal Year 2022

- As of June 30, 2022 and 2021, total assets were \$415,781,000 and \$359,213,000, respectively, an increase of \$56,568,000 or 15.7 percent due to an increase in cash and cash equivalents.
- Total liabilities as of June 30, 2022, were \$239,164,000 compared with \$253,752,000 as of June 30, 2021, a 5.7 percent decrease. The decrease was primarily driven by a decrease in accrued medical expenses.



# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

- The Plan's total net position increased by \$71,156,000, or 67.5 percent, during fiscal year 2022. This increase in net position was attributable to favorability in capitation rates from the State and overall reduced utilization because of the COVID-19 pandemic, which resulted in a net position at June 30, 2022, of \$176,617,000 compared to a net position of \$105,461,000 at June 30, 2021.
- TNE at June 30, 2022, was 482 percent of the DHCS required minimum of \$36,610,000.

## Results of Operations

As mentioned above, GCHP's fiscal year 2023 operations and nonoperating revenues and expenses, net resulted in a \$182,617,000 increase in net position. As mentioned above, GCHP's fiscal year 2022 operations and nonoperating revenues and expenses, net resulted in a \$71,156,000 increase in net position. The following table shows the changes in revenues and expenses for 2023 compared to 2022 and 2022 compared to 2021:

**Table 2 – Revenues, Expenses, and Changes in Net Position for**

	Fiscal Years Ended June 30			2023 to 2022 Change		2022 to 2021 Change	
	(Dollars in Thousands) (as restated)						
	2023	2022	2021	Amount	Percentage	Amount	Percentage
Capitation revenues	\$ 1,053,304	\$ 1,046,588	\$ 985,385	\$ 6,716	0.6 %	\$ 61,203	6.2 %
Total operating revenues	1,053,304	1,046,588	985,385	6,716	0.6 %	61,203	6.2 %
Provider capitation	101,667	89,283	87,192	12,384	13.9 %	2,091	2.4 %
Claim payments to providers and facilities	639,652	646,212	570,844	(6,560)	(1.0)%	75,368	13.2 %
Prescription drugs	(454)	81,765	159,068	(82,219)	(100.6)%	(77,303)	(48.6)%
Other medical	22,989	23,964	16,624	(975)	(4.1)%	7,340	44.2 %
Reinsurance, net of recoveries	(2,932)	(8,375)	(3,549)	5,443	(65.0)%	(4,826)	136.0 %
Total health care expenses	760,922	832,849	830,179	(71,927)	(8.6)%	2,670	0.3 %
Salaries, benefits, and compensation	29,291	17,340	14,635	11,951	68.9 %	2,705	18.5 %
Professional fees	39,549	28,060	29,220	11,489	40.9 %	(1,160)	(4.0)%
General administrative fees	4,347	2,662	3,086	1,685	63.3 %	(424)	(13.7)%
Supplies, occupancy, insurance, and other	1,618	1,144	620	474	41.4 %	524	84.5 %
Premium tax	39,515	89,424	77,637	(49,909)	(55.8)%	11,787	15.2 %
Depreciation	4,036	3,599	1,732	437	12.1 %	1,867	107.8 %
Total administrative expenses	118,356	142,229	126,930	(23,873)	(16.8)%	15,299	12.1 %
Total operating expenses	879,278	975,078	957,109	(95,800)	(9.8)%	17,969	1.9 %
Operating income	174,026	71,510	28,276	102,516	143.4 %	43,234	152.9 %
Interest income	9,385	215	459	9,171	4265.3 %	(244)	(53.3)%
Interest expense	(739)	(569)	(597)	(171)	30.0 %	28	(4.7)%
Total nonoperating revenues and expenses, net	8,646	(354)	(138)	9,000	(2544.2)%	(216)	156.4 %
Increase in net position	182,672	71,156	28,138	111,516	156.7 %	43,018	152.9 %
Total net position, beginning of year	176,617	105,461	77,323	71,156	67.5 %	28,138	36.4 %
Total net position, end of year	\$ 359,288	\$ 176,617	\$ 105,461	\$ 182,672	103.4 %	\$ 71,156	67.5 %

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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## Enrollment, Capitation Revenue and Health Care Expenses

### Enrollment

Enrollment is divided into aid categories, which correspond to specific rates of capitation to be received by the Plan from the State. During fiscal year 2023, the Plan served an average of 247,855 members per month, compared to an average of 229,367 members per month in fiscal year 2022 and an average of 213,586 members per month in fiscal year 2021. The increase in enrollment is attributed to the moratorium on redeterminations because of the COVID-19 pandemic.

**Table 3 – Medi-Cal Enrollment by Aid Category**  
(Shown as Average Member Months)

Enrollment Category	2023	2022	2021
Child	94,297	92,327	89,885
Adult	38,421	32,471	28,535
Adult Expansion	80,891	71,794	63,226
Seniors and Persons with Disabilities ("SPD")	11,389	10,530	10,310
SPD - Dual	22,155	21,525	20,748
Breast and Cervical Cancer Treatment Program ("BCCTP")	-	-	76
Long Term Care ("LTC")	46	46	49
LTC - Dual	656	674	757
	<hr/>	<hr/>	<hr/>
Total average monthly enrollment	247,855	229,367	213,586

Significant aid categories are defined as follows:

1. Child: Qualifying members under age 19.
2. Adult: Qualifying members between the ages of 19 and 64.
3. Adult Expansion ("AE"): Refers to members who became eligible for the Medi-Cal program effective January 1, 2014, as a result of the implementation of the Affordable Care Act ("ACA") and the expanded eligibility criteria for Medicaid.
4. Senior and Persons with Disabilities ("SPD")\*: Includes individuals who are 65 years of age and older who receive supplemental security income (SSI) checks, or are medically needy if their income and resources are within the Medi-Cal limits, and individuals who met the criteria for disability set by the Social Security Administration and the State Program-Disability and Audit Program Division.
5. Long-Term Care ("LTC")\*: Includes frail, elderly, nonelderly adults with disabilities and children with developmental disabilities, and other disabling conditions requiring long-term care services.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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6. Breast and Cervical Cancer Treatment Program ("BCCTP"): Provides cancer treatment for eligible low-income California residents who are screened by the Cancer Detection Program: Every Woman Counts ("CDP:EWC") or Family Planning, Access, Care and Treatment ("Family PACT") programs and found to be in the need of treatment for breast and/or cervical cancer. For the CY2021 rate year this category of aid was rolled into the SPD category of aid.

\* "Dual" coverage refers to enrollees who are eligible for both Medi-Cal and Medicare Parts A, B, and D.

## Fiscal Year 2023

### Capitation Revenue

Premium revenue (capitation received by the Plan from the State) is determined by rates set by the State at the beginning of the plan year and generally are effective for the entire year. The State may, on occasion, provide updated rates during the fiscal year. Total revenue for fiscal year 2023 was \$1,053,000,000 a 0.6 percent increase from the prior year. The increase was primarily attributable to favorability in capitation rates from the State.

### Health Care Expenses

Aggregate health care expenses were \$760,922,000 in fiscal year 2023, compared to \$832,849,000 in fiscal year 2022, which is a decrease of 8.6 percent. The Plan's medical loss ratio, or health care expenses as a percent of operating revenues (net of Managed Care Organization ("MCO") taxes), was 75.1 percent in fiscal year 2023, compared to 87.0 percent in fiscal year 2022.

Note the following regarding the components of health care expenses:

1. Provider capitation represents monthly payments for members assigned to primary care providers who have agreed to accept risk to provide specific services (when needed) to their members. Rates are fixed by contract and are generally known at the beginning of the fiscal year. Capitation expense for fiscal year 2023 was \$101,667,000, or \$12,384,000 higher than in fiscal year 2022. The increase was primarily due to higher capitated membership from prior year and the implementation of capitation for Enhanced Care Management ("ECM") services effective January 1, 2022.
2. Prescription drugs expenses were \$(454,000), or \$82,219,000 lower in fiscal year 2023 than in the prior year. The 100.6 percent decrease in costs was primarily due to the pharmacy benefit carve-out beginning January 1, 2022.
3. Other medical, including care management, expense was \$22,989,000 in fiscal year 2023, or \$975,000 and 4.1 percent lower than in fiscal year 2022. The decrease was primarily due to a reduction in utilization.
4. Total reinsurance, net of recoveries and provider refunds resulted in a \$2,932,000 reduction to health care expenses in fiscal year 2023, versus \$8,375,000 in fiscal year 2022.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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## Administrative Expenses

Total administrative expenses were \$118,356,000 in fiscal year 2023, compared to \$142,229,000 in fiscal year 2022, for a decrease of \$23,873,000. The decrease was predominantly due to premium tax expense, which was \$39,515,000 in fiscal year 2023 compared to \$89,424,000 in fiscal year 2022, a decrease of \$49,909,000.

Senate Bill ("SB") X2-2, which passed in March 2016, redefined the premium tax payment and calculation. Per SB X2-2, the tax rate was a pre-determined liability based on DHCS projected Medi-Cal membership and specified rates and was effective through June 30, 2019. Assembly Bill ("AB") 115 re-established a managed care enrollment tax, using a modified tiered taxing model. On April 3, 2020, the federal government approved the State's revised proposal to implement a tax on MCOs to help fund the Medi-Cal program. The new AB115 MCO tax is effective from January 2020 through December 2022.

Other administrative expenses increased from the prior year due to increased expenses related to new enterprise projects as compared to prior years and increases in staffing.

## Fiscal Year 2022

### Capitation Revenue

Premium revenue (capitation received by the Plan from the State) is determined by rates set by the State at the beginning of the plan year and generally are effective for the entire year. The State may, on occasion, provide updated rates during the fiscal year. Total revenue for fiscal year 2022 was \$1,046,588,000, a 6.2 percent increase from the prior year. The increase was primarily attributable to favorability in capitation rates from the State.

### Health Care Expenses

Aggregate health care expenses were \$832,849,000 in fiscal year 2022, compared to \$830,179,000 in fiscal year 2021, which is an increase of 0.3 percent. The Plan's medical loss ratio, or health care expenses as a percent of operating revenues (net of Managed Care Organization ("MCO") taxes), was 87.0 percent in fiscal year 2022, compared to 91.5 percent in fiscal year 2021.

Note the following regarding the components of health care expenses:

1. Provider capitation represents monthly payments for members assigned to primary care providers who have agreed to accept risk to provide specific services (when needed) to their members. Rates are fixed by contract and are generally known at the beginning of the fiscal year. Capitation expense for fiscal year 2022 was \$89,283,000, or \$2,091,000 higher than in fiscal year 2021. The increase was primarily due to higher capitated membership from prior year and the implementation of capitation for ECM services effective January 1, 2022.
2. Prescription drugs expenses were \$81,765,000, or \$77,303,000 lower in fiscal year 2022 than in the prior year. The 48.6 percent decrease in costs was primarily due to the pharmacy benefit carve-out beginning January 1, 2022.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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3. Other medical, including care management, expense was \$23,964,000 in fiscal year 2022, or \$7,340,000 and 44.2 percent higher than in fiscal year 2021. The increase was primarily due to an increase in care management expenses from the prior year due to additional staffing and software costs.
4. Total reinsurance, net of recoveries and provider refunds resulted in a \$8,375,000 reduction to health care expenses in fiscal year 2022, versus \$3,549,000 in fiscal year 2021.

## Administrative Expenses

Total administrative expenses were \$142,229,000 in fiscal year 2022, compared to \$126,930,000 in fiscal year 2021, for an increase of \$15,299,000. The increase was predominantly due to premium tax expense, which was \$89,423,000 in fiscal year 2022 compared to \$77,637,000 in fiscal year 2021, an increase of \$11,786,000.

SB X2-2, which passed in March 2016, redefined the premium tax payment and calculation. Per SB X2-2, the tax rate was a pre-determined liability based on DHCS projected Medi-Cal membership and specified rates and was effective through June 30, 2019. AB 115 re-established a managed care enrollment tax, using a modified tiered taxing model. On April 3, 2020, the federal government approved the State's revised proposal to implement a tax on MCOs to help fund the Medi-Cal program. The new AB115 MCO tax is effective from January 2020 through December 2022.

Other administrative expenses increased from the prior year due to increased expenses related to new enterprise projects as compared to prior years and increases in staffing.

## Tangible Net Equity

GCHP is required by DHCS to maintain certain levels of TNE. Regulatory TNE levels are determined by formula and are based on specified percentages of revenue and medical expenses. Driven by its operating performance, the Plan's TNE at June 30, 2023, was \$359,288,000, which exceeded the required TNE amount of \$32,914,000. The Plan's TNE at June 30, 2022, was \$176,617,000, which exceeded the required TNE amount of \$36,610,000.

**Table 4 – Tangible Net Equity (TNE)**  
(Dollars in Thousands)

	June 30, 2023	(as restated) June 30, 2022	June 30, 2021
Actual TNE, beginning balance	\$ 176,617	\$ 105,461	\$ 77,323
Change in net position	182,671	71,156	28,138
Actual TNE, ending balance	<u>\$ 359,288</u>	<u>\$ 176,617</u>	<u>\$ 105,461</u>
Required TNE	<u>\$ 32,914</u>	<u>\$ 36,610</u>	<u>\$ 36,073</u>

**Ventura County Medi-Cal Managed Care Commission  
dba Gold Coast Health Plan  
Management's Discussion and Analysis**

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**Requests for Information**

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of GCHP's operations. If the reader has questions or would like additional information about GCHP, please direct the request to GCHP, 711 East Daily Drive, Suite 106, Camarillo, CA 93010 or call 805-437-5500.

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## **Report of Independent Auditors**

The Commission

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (a discrete component unit of the County of Ventura, California), which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during the year ended June 30, 2023, Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan adopted the accounting requirements of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



### ***Other Matter***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

[Signature]

San Francisco, California

October XX, 2023

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## **Financial Statements**

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Statements of Net Position**  
**June 30, 2023 and 2022**

	2023	2022 (as restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 344,166,985	\$ 207,279,854
Short-term investments	95,269,796	93,427,202
Capitation receivable	96,222,357	96,372,009
Provider receivables	422,995	892,634
Reinsurance and other receivables	522,414	4,135,513
Prepaid expenses and other assets	5,681,145	2,283,083
Total current assets	542,285,692	404,390,295
CAPITAL ASSETS, net	982,367	1,224,095
INTANGIBLE RIGHT TO USE LEASE, net of accumulated amortization	4,661,876	5,865,606
INTANGIBLE RIGHT TO USE SUBSCRIPTION, net of accumulated amortization	3,580,350	4,301,008
Total assets	<u>\$ 551,510,285</u>	<u>\$ 415,781,004</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Medical claims liability	\$ 144,395,047	\$ 143,514,151
Capitation payable	11,256,966	28,842,731
Payable to the State of California	10,411,049	25,002,750
Accounts payable	2,118,616	1,869,914
Accrued payroll and employee benefits	3,189,633	2,277,953
Accrued premium tax	-	21,565,800
Accrued expenses and other	11,461,986	4,660,084
Current portion of lease and subscription liability	3,300,321	3,274,413
Total current liabilities	186,133,618	231,007,796
LEASE LIABILITY, net of current portion	4,638,462	5,946,158
SUBSCRIPTION LIABILITY, net of current portion	1,450,095	2,210,011
Total liabilities	192,222,175	239,163,965
<b>NET POSITION</b>		
Net invested in capital assets	982,367	1,224,095
Unrestricted net position	358,305,743	175,392,944
Total net position	359,288,110	176,617,039
Total liabilities and net position	<u>\$ 551,510,285</u>	<u>\$ 415,781,004</u>

See accompanying notes.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30, 2023 and 2022**

	2023	2022 (as restated)
OPERATING REVENUES		
Capitation revenues	\$ 1,053,304,059	\$1,046,588,089
Total operating revenues	1,053,304,059	1,046,588,089
OPERATING EXPENSES		
Health care expenses		
Provider capitation	101,666,937	89,282,591
Claim payments to providers and facilities	639,652,210	646,211,940
Prescription drugs	(454,456)	81,764,901
Other medical	22,989,135	23,964,068
Reinsurance, net of recoveries	(2,931,966)	(8,374,426)
Total health care expenses	760,921,860	832,849,074
ADMINISTRATIVE EXPENSES		
Salaries, benefits, and compensation	29,291,137	17,339,956
Professional fees	39,548,921	28,060,304
General administrative fees	4,347,303	2,662,324
Supplies, occupancy, insurance, and other	1,617,969	1,144,060
Premium tax	39,516,214	89,423,556
Depreciation and amortization	4,035,654	3,598,928
Total administrative expenses	118,357,198	142,229,128
Total operating expenses	879,279,058	975,078,202
Operating income	174,025,001	71,509,887
NONOPERATING REVENUES AND EXPENSES, NET		
Interest income	9,384,542	214,572
Interest expense	(738,472)	(568,771)
Total nonoperating revenues and expenses, net	8,646,070	(354,199)
Increase in net position	182,671,071	71,155,688
NET POSITION, beginning of year	176,617,039	105,461,351
NET POSITION, end of year	\$ 359,288,110	\$ 176,617,039

See accompanying notes.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	2023	2022 (as restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Capitation revenues received	\$ 1,038,862,010	\$ 1,063,456,487
Reinsurance premiums paid	(4,331,309)	(3,581,673)
Payments to providers and facilities	(768,871,075)	(854,209,240)
Payments of premium tax	(61,082,014)	(87,266,976)
Payments of administrative expenses	(70,241,108)	(51,191,550)
Net cash provided by operating activities	<u>134,336,504</u>	<u>67,207,048</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(275,716)	(543,789)
Interest payments	(666,883)	(475,208)
Payments on subscription liability	(2,479,964)	(2,014,788)
Payments on lease liability	(1,226,848)	(1,140,837)
Net cash used in capital and related financing activities	<u>(4,649,411)</u>	<u>(4,174,622)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	-	(75,000,000)
Proceeds from sale of investments	-	25,000,000
Interest income	7,200,038	300,424
Net cash provided by (used in) investing activities	<u>7,200,038</u>	<u>(49,699,576)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	136,887,131	13,332,850
Cash and cash equivalents, beginning of year	<u>207,279,854</u>	<u>193,947,004</u>
Cash and cash equivalents, end of year	<u><u>\$ 344,166,985</u></u>	<u><u>\$ 207,279,854</u></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 174,025,001	\$ 71,509,887
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	4,035,654	3,598,928
Changes in assets and liabilities		
Receivables	4,573,997	9,970,713
Prepaid expenses and other assets	(3,398,062)	(178,150)
Medical claims liability	880,896	(30,253,267)
Capitation payable	(17,585,765)	2,143,284
Payable to the State of California	(14,591,700)	10,065,829
Accounts payable	248,701	186,332
Accrued premium tax and other liabilities	(13,852,218)	163,492
Net cash provided by operating activities	<u><u>\$ 134,336,504</u></u>	<u><u>\$ 67,207,048</u></u>

See accompanying notes.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Notes to Financial Statements

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## **Note 1 – Organization and Operations**

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (“GCHP” or the “Plan”) is a county-organized health system (“COHS”) organized to serve Medi-Cal beneficiaries living in Ventura County, California. The formation of GCHP was approved by the Board of Supervisors of the County of Ventura in December 2009 through the adoption of Ordinance No. 4409.

As a COHS, GCHP maintains an exclusive contract (the “Contract”) with the State of California Department of Health Care Services (“DHCS”) to arrange for the provision of health care services to Ventura County’s approximately 248,000 Medi-Cal beneficiaries. All of GCHP’s revenues are earned from the State of California (the “State”) in the form of capitation payments. Revenue is primarily based on enrollment and capitation rates as provided for in the Contract. The Plan began providing services to Medi-Cal beneficiaries in July 2011. In August 2013, the State of California transferred the Healthy Families Program members in Ventura County into the Medi-Cal program, Targeted Low Income Program. In January 2014, the federal Affordable Care Act (“ACA”) expanded health coverage to certain adults age 19 or older and under 65 and resulted in new enrollment through Adult Expansion (“AE”) and other population groups. In January 2022, the DHCS launched a new program to improve the health and wellbeing of Medi-Cal members beyond traditional medical services, make services work together better, and improve the quality of services called California Advancing and Innovating Medi-Cal (“CalAIM”). Upon implementation of the program, the Plan began offering a new benefit, Enhanced Care Management (“ECM”), and new services called Community Supports.

## **Note 2 – Compliance with the DHCS, Concentration Risk, and Restricted Net Position**

GCHP’s contract with the DHCS includes several financial and nonfinancial requirements. As established by the contract, GCHP is required to meet and maintain a minimum level of tangible net equity (“TNE”). TNE is defined as the excess of total assets over total liabilities, excluding subordinated liabilities and intangible assets.

Required and actual TNE are as follows:

	June 30,	
	2023	2022
	(in thousands)	
Actual TNE, beginning balance	\$ 176,617	\$ 105,461
Change in net position	182,671	71,156
Reportable TNE	<u>\$ 359,288</u>	<u>\$ 176,617</u>
Required TNE	<u>\$ 32,914</u>	<u>\$ 36,610</u>

The ability of GCHP to continue as a going concern is dependent on its continued compliance with the DHCS requirements. The loss of this contract would have an adverse effect on GCHP’s future operations.

**Ventura County Medi-Cal Managed Care Commission  
dba Gold Coast Health Plan  
Notes to Financial Statements**

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**Note 3 – Summary of Significant Accounting Policies**

**Basis of presentation** – GCHP is a county-organized health system governed by an 12-member Ventura County Medi-Cal Managed Care Commission appointed by the Ventura County Board of Supervisors. Effective for the fiscal year ended June 30, 2011, GCHP began reporting as a discrete component unit of the County of Ventura, California. The County made this determination based on the County Board of Supervisors having the right to elect 100 percent of the GCHP Commissioners.

**Basis of accounting** – GCHP uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus. The accompanying financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board ("GASB").

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair value of financial instruments** – The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of these financial instruments. The carrying amounts reported in the statement of net position for capitation receivable, provider receivables, reinsurance and other receivables, prepaid expenses and other assets, medical claims liability, capitation payable, accounts payable, payable to the State of California, accrued payroll and employee benefits, accrued premium tax and other liabilities approximate their fair values as they are expected to be realized within the next fiscal year.

**Cash and cash equivalents** – Cash and cash equivalents include highly liquid instruments purchased with an original maturity of three months or less when purchased.

**Custodial credit risk-deposits** – Custodial credit risk is the risk that in the event of a bank failure, GCHP may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. As of June 30 2023 and 2022, all accounts were covered by posted collateral.

**Investments** – Investments are stated at fair value in accordance with GASB Codification Section 150. The fair value of investments is estimated based on quoted market prices, when available. For debt securities not actively traded, fair values are estimated using values obtained from external pricing services or are estimated by discounting the expected future cash flows, using current market rates applicable to the coupon rate, credit and maturity of the investments.

All investments with an original maturity of one year or less when purchased are recorded as current investments, unless designated or restricted for long-term purposes.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Notes to Financial Statements**

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**Capitation receivable** – Capitation receivable represents capitation revenue for the years ended June 30, 2023 and 2022, received subsequent to June 30, 2023 and 2022, respectively. Capitation receivable also includes final revenue rate adjustments based on communications from the DHCS. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history, financial condition, and current economic conditions. Subsequent adjustments to the contracted rates or enrollments are recognized in the period the adjustment is determined.

**Provider receivables** – Provider receivables are recorded for all claim refunds due from providers. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history, financial condition, and current economic conditions.

**Reinsurance** – In the normal course of business, the Plan seeks to reduce the loss that may arise from events that cause unfavorable medical claim results by reinsuring certain levels of risk in various areas of exposure with a reinsurer. Amounts recoverable from reinsurance are estimated in a manner consistent with the development of the medical claim liability.

Amounts recoverable from reinsurers that relate to paid claims are classified as assets and as a reduction to medical expenses incurred. Reinsurance premiums paid are included in medical expenses.

**Capital assets** – Capital assets are stated at cost at the date of acquisition. The costs of normal maintenance, repairs, and minor replacements are expensed when incurred. Capital assets acquired but not yet placed into service are reported as construction in progress. Construction-in-progress assets are not depreciated until they are placed into service.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Long-lived assets are periodically reviewed for impairment. The estimated useful lives of three to seven years are used for furniture, fixtures, computer equipment, and software. Leasehold improvements are depreciated over the life of the lease or estimated useful life, whichever is shorter. Depreciation expense for the years ended June 30, 2023 and 2022, was approximately \$517,000 and \$520,000, respectively.

**Medical claims liability, capitation payable, and medical expenses** – GCHP establishes a claims liability based on estimates of the ultimate cost of claims in process and a provision for claims incurred but not yet reported, which is actuarially determined based on historical claims payment experience and other operational changes. In cases where adequate historical claims payment experience does not yet exist for a new population, a book-to-budget methodology is used in which GCHP relies on state-developed medical rates or medical loss ratios to estimate claims liabilities.

Such reserves are continually monitored and reviewed, with any adjustments made as necessary in the period the adjustment is determined. Management believes that the claims liability is adequate and fairly stated; however, this liability is based on estimates, and the ultimate liability may differ from the amount provided.



# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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GCHP has provider services agreements with several health networks in Ventura County, whereby the health networks provide care directly to covered members or through subcontracts with other health care providers. Payment for the services provided by the health networks is on a fully capitated basis. The capitation amount is based on contractually agreed-upon terms with each health network. GCHP may withhold amounts from providers at an agreed-upon percentage of capitation payments made to ensure the financial solvency of each contract. The capitation expense is included in provider capitation in the statements of revenues, expenses, and changes in net position.

**Payable to the State of California** – The liability at June 30, 2023 and 2022, was approximately \$10,411,000 and \$25,003,000, respectively, due to State of California funding programs that have minimum Medical Loss Ratio (“MLR”) requirements and potential amounts due back to the State. The majority of the balance as of June 30, 2023 and 2022 represents an estimate due back to the State of California for the Proposition 56 programs in effect for State fiscal year 2021 and an estimate for the ECM risk corridor for the period of January 1, 2022 through June 30, 2023. During the year ended June 30, 2023, GCHP paid approximately \$16,400,000 based on the May 2023 determination letter received from the State of California for the Proposition 56 programs for the bridge period of July 1, 2019 to December 31, 2020. As of June 30, 2023, the remaining Proposition 56 program accrual for the State fiscal year 2021 was approximately \$3,172,000. As of June 30, 2023 and 2022, the estimated amount due related to the ECM risk corridor was approximately \$7,239,000 and \$1,721,000, respectively. The liability may vary depending on actual claims experience and final reconciliation and audit results. This liability is presented in the payable to the State of California in the accompanying statements of net position.

**Accounts payable and accrued expenses** – GCHP is required to estimate certain expenses, including accrued payroll, payroll taxes, and professional services fees, as of each statement of net position date and make appropriate accruals based on these estimates. Estimates are affected by the status and timing of services provided relative to the actual level of services performed by the service providers. The date on which certain services commence, the level of services performed on or before a given date, and the cost of services are often subject to judgment. These judgments are based upon the facts and circumstances known at the date of the financial statements. For the periods presented in the financial statements, there were no material adjustments to the estimates for accrued payroll, payroll taxes, and professional services fees.

**Premium deficiency reserves** – GCHP performed an analysis of its expected future health care and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve would be accrued. A premium deficiency reserve was not required as of June 30, 2023 or 2022.

**Accrued compensated absences** – GCHP’s policy permits eligible employees to accrue vacation based on their individual employment agreements. Unused vacation may be carried over into subsequent years, up to limits indicated in their employment agreements. Accumulated vacation will be paid to the employee upon separation from service with GCHP. All compensated absences are accrued and recorded in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, and are included in accrued payroll and employee benefits in the accompanying statements of net position.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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**Premium taxes** – Senate Bill (“SB”) X2-2, which passed in March 2016, redefined the premium tax payment and calculation. Per SB X2-2, the tax rate was a pre-determined liability based on DHCS projected Medi-Cal membership, and specified rates and was effective through June 30, 2019. Assembly Bill (“AB”) 115, *Committee on Budget, Chapter 348, Statutes of 2019*, re-established a managed care enrollment tax, using a modified tiered taxing model and the implementation of the tax is projected to generate a net state benefit of approximately \$7 billion over the three-year duration of the tax. On April 3, 2020, the federal government approved the State’s revised proposal to implement a tax on Managed Care Organizations (“MCO”) to help fund the Medi-Cal program. This MCO tax is effective from January 2020 through December 2022. As this MCO tax expired on December 31, 2022, the Plan did not record a MCO tax liability or premium tax refund receivable as of June 30, 2023. The DHCS calculated GCHP’s total MCO tax liability for the year ended June 30, 2022, to be approximately \$89,424,000. A premium tax refund receivable of approximately \$3,160,000 was recognized as of June 30, 2022, and is included in the reinsurance and other receivables balance on the accompanying statements of net position.

**Net position** – Net position is broken down into three categories, defined as follows:

*Net invested in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable (if any) to the acquisition, construction, or improvement of those assets.

*Restricted* – This component of net position consists of external constraints placed on net asset used by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. There were no amounts classified as restricted net position as of June 30, 2023 or 2022.

*Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net invested in capital assets.”

**Revenue recognition** – Capitation revenue received under the Contract is recognized during the period in which GCHP is obligated to provide medical service to the beneficiaries. This revenue is based on estimated enrollment provided monthly by the DHCS and capitation rates as provided for in the DHCS Contract. Enrollment and the capitation rates are subject to retrospective changes by the DHCS. As such, capitation revenue includes an estimate for amounts receivable from or refundable to the DHCS for these retrospective changes in estimates. These estimates are continually monitored and reviewed, with any changes in estimates recognized in the period when determined.

During the years ended June 30, 2023 and 2022, GCHP received approximately \$31,485,000 and \$30,998,000, respectively, of supplemental fee revenue from the DHCS as a hospital quality assurance fee (“HQA”) as a result of SB 229 and SB 335, respectively.

**Ventura County Medi-Cal Managed Care Commission  
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Notes to Financial Statements**

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DHCS implemented a managed care Designated Public Hospital (“DPH”) Quality Incentive Pool (“QIP”) that was expanded effective July 1, 2020, under which managed care plans were directed to make QIP payments tied to performance on designated performance metrics in four strategic categories: primary care, specialty care, inpatient care, and resource utilization. The QIP payments are linked to delivery of services under the managed care plan contracts and increase the amount of funding tied to quality outcomes. During the years ended June 30, 2023 and 2022, GCHP received approximately \$117,294,000 and \$61,732,000, respectively, in QIP payments.

DHCS also established a Directed Payments DPH Enhanced Payment Program (“EPP”) under which managed care providers were directed to reimburse California’s 21 DPHs for network contracted services delivered by DPH systems, enhanced by either a uniform percentage or dollar increment based on actual utilization of network contracted services. The State will evaluate the extent to which enhanced payments are achieving the goals identified. During the years ended June 30, 2023 and 2022, GCHP received approximately \$41,396,000 and \$29,827,000, respectively, through the EPP.

DHCS also established a Private Hospital Directed Payment Program (“PHDPP”) under which managed care providers were directed to reimburse private hospitals as defined in WIC 14169.51, based on actual utilization of contracted services. The enhanced payment is contingent upon hospitals providing adequate access to service, including primary, specialty, and inpatient (both tertiary and quaternary) care. During the years ended June 30, 2023 and 2022, GCHP received approximately \$93,840,000 and \$60,881,000, respectively, through the PHDPP.

GCHP passed these HQAF, QIP, EPP and PHDPP funds through to providers. These amounts were not reflected in the accompanying financial statements for the years ended June 30, 2023 and 2022, as the amounts passed through to the providers do not meet requirements for revenue recognition under Government Accounting Standards (“GAS”).

GCHP has an agreement with the DHCS to receive an intergovernmental transfer (“IGT”) through a capitation rate increase of \$38,968,000 and \$21,359,000 recorded in years ended June 30, 2023 and 2022, respectively. Under the agreement, these funds that are distributed to providers are not reported on the statements of revenues, expenses and changes in net position, or the statements of net position, as these amounts do not meet requirements for revenue recognition under GAS. GCHP did not retain any of this IGT during the years ended June 30, 2023 and 2022, for administrative costs.

DHCS has established the CalAIM Incentive Payment Program (“IPP”). Under the program, GCHP is eligible to receive incentive payments from DHCS based on the successful completion of DHCS-established development goals, objectives, and measures of the program’s priority areas. The Plan received approximately \$6,027,000 of the approximately \$12,054,000 for calendar year 2022 in April 2022 and received notification from DHCS in June of 2023 that the remaining \$6,027,000 was awarded to the Plan. The amount was recognized as revenue during the year ended June 30, 2023. The Plan also recorded approximately \$5,123,000 as a payable to providers participating in the program with the remaining \$904,000 retained by the Plan as an administrative fee allowed under the program.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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**Operating revenues and expenses** – GCHP’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with arranging for the provision of health care services. Operating expenses are all expenses incurred to arrange for the provision of health care services, as well as the costs of administration. Claims adjustment expenses are an estimate of the cost to process the claims and are included in operating expenses. Nonexchange revenues and expenses are reported as nonoperating revenues and expenses.

**Administrative expenses** – Administrative expenses are recognized as incurred and consist of administrative expenses that directly relate to the implementation and operation costs of the Plan. Capitation contract acquisition costs are expensed in the period incurred.

**Defined contribution plan** – GCHP has adopted, and its employees are participants in, the California Public Agencies Self-Directed Tax-Advantaged Retirement System (“CPA STARS”). CPA STARS is a California public trust organized under the laws of the State of California and includes the STARS 401(a) Retirement Plan (the “401 Plan”), which is a retirement plan under Section 401(a) of the Internal Revenue Code. GCHP participation in the 401 Plan is defined by the 401(a) Trust Agreement and the 401 Plan Agreement between GCHP and CPA STARS.

All regular employees participate in the CPA STARS 401 Plan. Employee contributions to the 401 Plan are not allowed. GCHP makes employer contributions to the 401 Plan in an amount annually determined under the 401 Plan Agreement. For the years ended June 30, 2023 and 2022, GCHP contributions to the 401 Plan were \$3,075,000 and \$2,137,000, respectively.

**Deferred compensation plan** – GCHP has adopted, and its employees are participants in, the CPA STARS 457(b) deferred compensation plan (the “457 Plan”). The 457 Plan was created in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their annual salary until future years. GCHP participation in the 457 Plan is defined by the 457 Trust Agreement between GCHP and CPA STARS. Employee participation in the 457 Plan is voluntary, and GCHP has not made any contributions. As such, there were no GCHP employer contributions for the years ended June 30, 2023 and 2022.

**Leases** – GCHP recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$50,000 and that meet the definition of an other than short-term lease. GCHP uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using GCHP’s incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

**Income taxes** – GCHP operates under the purview of the Internal Revenue Code, Section 501(a) and corresponding California Revenue and Taxation Code provisions. As such, GCHP is not subject to federal or state taxes. Accordingly, no provision for income tax has been recorded in the accompanying financial statements.

**Risk management** – GCHP is exposed to various risks of loss from torts, business interruption, errors and omissions, and natural disasters. Commercial insurance coverage is purchased by GCHP for claims arising from such matters. No claims have exceeded commercial coverage.

**Ventura County Medi-Cal Managed Care Commission  
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**Recent accounting pronouncements** – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (“GASB 96”). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITA”) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

During the year ended June 30, 2023, GCHP implemented GASB 96 on a retroactive basis by restating June 30, 2022, balances, as required. These changes had an effect on the beginning net position of GCHP. GCHP recognized approximately \$5,258,000 in a subscription liability as of July 1, 2021, due to the implementation of GASB 96; however, this entire amount was offset by an intangible right to use subscription asset. The implementation of GASB 96 had the following effect on net position as reported as of June 30, 2022:

Net position as of June 30, 2022, as previously reported	\$ 176,562,902
GASB 96 SBITAs	<u>54,137</u>
Net position as of June 30, 2022, as restated	<u><u>\$ 176,617,039</u></u>

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (“GASB 101”). GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. GCHP is reviewing the impact of the adoption of GASB 101 for the fiscal year ending June 30, 2025.

#### **Note 4 – Cash and Investments**

**Investments** – The Plan invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, and money market funds.



# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Notes to Financial Statements

**Interest rate risk** – In accordance with its Annual Investment Policy (“investment policy”), GCHP manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with the Plan’s expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. The Plan maintains a low-weighted average maturity strategy, targeting a portfolio with maturities of three years or less, with the intent of reducing interest rate risk. Portfolios with low weighted average maturities are less volatile because they are less sensitive to interest rate changes. As of June 30, 2023, the weighted average maturity of GCHP’s investments, including cash equivalents was approximately 1 day.

The Plan’s investments as of June 30, 2023, are summarized as follows:

Investment Type	Fair Value	Maximum Maturity*	Weighted Average Maturity (Years)	Weighted Average Maturity (Days)
CalTrust Investment Fund	\$ 35,924,706	N/A	-	1
Local Agency Investment Fund	40,693,940	N/A	-	1
Ventura County Investment Pool	18,651,150	N/A	-	1
	<u>\$ 95,269,796</u>		<u>-</u>	<u>1</u>

\* Per investment policy (Gov’t code section 53601)

**Credit risk** – GCHP’s investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from two nationally recognized rating services: Standard and Poor’s Corporation (“S&P”) and Moody’s Investor Service (“Moody’s”). For an issuer of short-term debt, the rating must be no less than “A-1” (S&P) or “P-1” (Moody’s), while an issuer of long-term debt shall be rated no less than an “A.”

Credit ratings of investments and cash equivalents as of June 30, 2023, are summarized below:

Investment Type	Fair Value	Minimum Legal Rating*	Ratings as of Year-End (S&P / Moody's)				
			Exempt From Rating	A-1 / P-1	A1 / AA+	A1 / A+	A2 / A
CalTrust Investment Fund	\$ 35,924,706	None	\$ 35,924,706	\$ -	\$ -	\$ -	\$ -
Local Agency Investment Fund	40,693,940	None	40,693,940	-	-	-	-
Ventura County Investment Pool	18,651,150	None	18,651,150	-	-	-	-
	<u>\$ 95,269,796</u>		<u>\$ 95,269,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Per investment policy (Gov’t code section 53601)

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Notes to Financial Statements

Credit ratings of investment and cash equivalents as of June 30, 2022, are summarized below:

Investment Type	Fair Value	Minimum Legal Rating*	Exempt from rating	Ratings as of Year-End (S&P / Moody's)			
				A-1 / P-1	A1 / AA+	A1 / A+	A2 / A
CalTrust Investment Fund	\$ 34,780,107	None	\$ 34,780,107	\$ -	\$ -	\$ -	\$ -
Local Agency Investment Fund	40,269,787	None	40,269,787	-	-	-	-
Ventura County Investment Pool	18,377,308	None	18,377,308	-	-	-	-
	<u>\$ 93,427,202</u>		<u>\$ 93,427,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Per investment policy (Gov't code section 53601)

**Concentration of credit risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. GCHP's Policy does not contain any specific provisions to limit exposure to concentration of credit risk, but conforms to the California Government Code section 53601 to meet the percentage limits of investment holdings.

The Plan's percentage of portfolio as of June 30, 2023, is summarized below:

Investment Type	Issuer	Fair Value	Percentage of Portfolio
CalTrust Investment Fund	Wells Fargo	\$ 35,924,706	37.7%
Local Agency Investment Fund	State of California Treasurer	40,693,940	42.7%
Ventura County Investment Pool	County of Ventura Treasurer	18,651,150	19.6%
Total Funds Available for Investments		<u>\$ 95,269,796</u>	<u>100.0%</u>

The Plan's percentage of portfolio as of June 30, 2022, is summarized below:

Investment Type	Issuer	Fair Value	Percentage of Portfolio
CalTrust Investment Fund	Wells Fargo	\$ 34,780,107	37.2%
Local Agency Investment Fund	State of California Treasurer	40,269,787	43.1%
Ventura County Investment Pool	County of Ventura Treasurer	18,377,308	19.7%
Total Funds Available for Investments		<u>\$ 93,427,202</u>	<u>100.0%</u>

**Investments** – GCHP categorizes its fair value investments within the fair value hierarchy established by U.S. GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

**Level 3** – Significant unobservable inputs.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

*External investment pools* – CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A board of trustees supervises and administers the investment program of the trust. CalTrust has four pools: money market account, short-term, medium-term, and long-term. The Plan has deposits in the Short-Term Fund. Investments in CalTrust Short-Term Fund are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

The Plan is a voluntary participant in CalTrust. The Plan's investment in this pool is reported in the accompanying financial statements at fair value based on the Plan's pro rata share of the respective pool as reported by CalTrust. As of June 30, 2023 and 2022, the Plan held approximately \$35,925,000 and \$34,780,000 in CalTrust, respectively.

The California State Treasurer's Office makes available the Local Agency Investment Fund ("LAIF") through which local governments may pool investments. Each governmental entity may invest up to \$65 million in the fund. Investments in the LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The Plan is a voluntary participant in the LAIF. The fair value of the GCHP's investments in the LAIF is reported in the accompanying financial statements based on the GCHP's pro rata share of the fair value provided by the LAIF for the entire LAIF portfolio. As of June 30, 2023 and 2022, the Plan held approximately \$40,694,000 and \$40,270,000 in LAIF, respectively.

The Ventura County Investment Pool ("VCIP") is available to local public governments, agencies, and school districts within Ventura County (the "County"). Wells Fargo Bank NA serves as custodian for the pool's investments. The portfolio is typically comprised of U.S. agency securities and high-quality short-term instruments, resulting in a relatively short-weighted average maturity. Fair value calculations are based on market values provided by the County's investment custodian. Investments in the VCIP are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The Plan is a voluntary participant in the VCIP. The fair value of the GCHP's investments in the VCIP is reported in the accompanying financial statements based on the GCHP's pro rata share of the fair value provided by the VCIP for the entire VCIP portfolio. As of June 30, 2023 and 2022, the Plan held approximately \$18,651,000 and \$18,377,000, respectively in VCIP.



# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Notes to Financial Statements

The following tables present the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall.

The Plan had the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments not subject to fair value hierarchy				
CalTrust Investment Fund	\$ 35,924,706			
Local Agency Investment Fund	40,693,940			
Ventura County Investment Pool	18,651,150			
	<u>\$ 95,269,796</u>			

The Plan had the following recurring fair value measurements as of June 30, 2022:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments not subject to fair value hierarchy				
CalTrust Investment Fund	\$ 34,780,107			
Local Agency Investment Fund	40,269,787			
Ventura County Investment Pool	18,377,308			
	<u>\$ 93,427,202</u>			

## Note 5 – Administrative Services Agreements

**Conduent, Inc. (“Conduent”), formerly Affiliated Computer Services** – GCHP entered into an agreement with Conduent on June 28, 2017, to provide certain operational services, for a two-year term with 4 to 6 month extensions beginning July 1, 2017. On May 1, 2019, GCHP and Conduent entered into a new agreement extending service through June 30, 2024. Included in the extension is a project to replace the existing technology platform with a new system and realign business processes. Compensation for these services is based on a per-member, per-month cost at varying membership levels. These costs are recorded as expenses in the period incurred. Total expenses for services provided for the years ended June 30, 2023 and 2022, were approximately \$21,888,000 and \$18,803,000, respectively, and are reported in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Notes to Financial Statements**

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**Carelon Behavioral Health, LLC (“Carelon”)** – On April 14, 2014, GCHP entered into a two-year agreement with Carelon, previously known as Beacon Health Strategies, to provide administrative services to arrange for and support the administration of behavioral health services for GCHP. The agreement with Carelon has been extended until February 28, 2024. Total expenses for Carelon were approximately \$2,641,000 and \$2,320,000 for the years ended June 30, 2023 and 2022, respectively, and are included in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

**Note 6 – Capital Assets**

Capital asset activity during the years ended June 30, 2023 and 2022, consisted of the following:

	Balance June 30, 2022	Increases	Transfers	Decreases	Balance June 30, 2023
Capital assets					
Leasehold improvements	\$ 1,804,976	\$ -	\$ -	\$ -	\$ 1,804,976
Software and equipment	2,433,862	275,716	-	-	2,709,578
Furniture and fixtures	1,197,450	-	-	-	1,197,450
Total capital assets	5,436,288	275,716	-	-	5,712,004
Less accumulated depreciation and amortization for					
Leasehold improvements	1,209,872	191,328	-	-	1,401,200
Software and equipment	1,832,059	297,906	-	-	2,129,965
Furniture and fixtures	1,170,262	28,210	-	-	1,198,472
Total accumulated depreciation	4,212,193	517,444	-	-	4,729,637
Total capital assets, net	\$ 1,224,095	\$ (241,728)	\$ -	\$ -	\$ 982,367
	Balance June 30, 2021	Increases	Transfers	Decreases	Balance June 30, 2022
Capital assets					
Leasehold improvements	\$ 1,804,976	\$ -	\$ -	\$ -	\$ 1,804,976
Software and equipment	1,890,073	543,789	-	-	2,433,862
Furniture and fixtures	1,197,450	-	-	-	1,197,450
Total capital assets	4,892,499	543,789	-	-	5,436,288
Less accumulated depreciation and amortization for					
Leasehold improvements	1,014,968	194,904	-	-	1,209,872
Software and equipment	1,554,964	277,095	-	-	1,832,059
Furniture and fixtures	1,124,095	48,126	-	1,959	1,170,262
Total accumulated depreciation	3,694,027	520,125	-	1,959	4,212,193
Total capital assets, net	\$ 1,198,472	\$ 23,664	\$ -	\$ 1,959	\$ 1,224,095

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Notes to Financial Statements**

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**Note 7 – Medical Claims Liability**

Medical claims liability and capitation payable consists of the following:

	June 30,	
	2023	2022
Claims payable or pending approval	\$ 12,923,764	\$ 10,321,402
Capitation payable	11,256,966	28,842,731
Provisions for claims incurred but not yet reported and other	84,436,777	101,083,947
Directed payments to providers payable	47,034,506	32,108,802
	<u>\$ 155,652,013</u>	<u>\$ 172,356,882</u>

The cost of health care services is recognized in the period in which care is provided and includes an estimate of the cost of services that has been incurred but not yet reported. GCHP estimates accrued claims payable based on historical claims payments and other relevant information. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of claims paid is dependent on future developments, management is of the opinion that the accrued medical claims payable is adequate.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Notes to Financial Statements**

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The following is reconciliation of the medical claims liability and capitation payable activity for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Medical claims liability and capitation payable at beginning of year	\$ 172,356,882	\$ 200,466,865
Incurred		
Current	781,200,206	849,611,294
Prior	<u>(29,527,231)</u>	<u>(4,226,260)</u>
Total incurred	<u>751,672,975</u>	<u>845,385,034</u>
Paid		
Current	678,008,464	716,563,984
Prior	<u>94,631,221</u>	<u>153,031,147</u>
Total paid	<u>772,639,685</u>	<u>869,595,131</u>
Net balance at end of year	151,390,172	176,256,768
Provider and reinsurance receivable of paid claims, beginning	6,815,523	2,915,637
Provider and reinsurance receivable of paid claims, ending	<u>(2,553,682)</u>	<u>(6,815,523)</u>
Medical claims liability and capitation payable at end of year	<u>\$ 155,652,013</u>	<u>\$ 172,356,882</u>

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately adjudicated and paid. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claim payments becomes known. This information is compared to the originally established prior reporting period liability. Negative amounts reported for incurred, related to prior years, result from claims being adjudicated and paid for amounts less than originally estimated. Results for the years ended June 30, 2023 and 2022, included decreases of prior year incurred of approximately \$29,527,000 and \$4,226,000, respectively. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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#### Note 8 – Commitments and Contingencies

**Lease commitments** – GCHP leases office space and equipment under long-term operating lease agreements. A summary of the principal and interest amounts for the remaining leases is as follows as of June 30, 2023:

<u>Years Ending June 30,</u>	<u>Minimum Lease Principal</u>	<u>Interest</u>
2024	\$ 1,307,696	\$ 281,221
2025	1,423,799	209,806
2026	1,387,326	132,814
2027	1,013,209	71,943
2028	814,128	17,913
	<u>\$ 5,946,158</u>	<u>\$ 713,697</u>

**Intangible right to use lease** – The Plan reported approximately \$1,194,000 and \$1,212,000 as amortization expense on the statements of revenues, expenses and changes in net position in the years ended June 30, 2023 and 2022, respectively. Accumulated amortization was approximately \$3,620,000 and \$2,426,000 as of June 30, 2023 and 2022, respectively.

**Subscription-Based Information Technology Arrangements** – The Plan has several subscription contracts that expire at various dates through 2027, some of which have renewal options. For those contracts where renewal options are reasonably certain to be exercised, the Plan recognizes renewal option periods in the determination of its intangible right to use subscription asset and liability balances. The Plan uses an average rate of 2.4% to determine the present value of its subscription liabilities. The Plan reported approximately \$2,325,000 and \$1,867,000 as amortization expense on the statements of revenues, expenses and changes in net position in the years ended June 30, 2023 and 2022, respectively. Accumulated amortization was approximately \$4,130,000 and \$1,867,000 as of June 30, 2023 and 2022, respectively.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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A summary of the principal and interest amounts for the subscription payments is as follows as of June 30, 2023:

<u>Years Ending June 30,</u>	Minimum Subscription Principal	Interest
2024	\$ 1,927,018	\$ 66,633
2025	1,005,227	35,188
2026	303,563	10,795
2027	141,307	3,429
2028	-	-
	<u>\$ 3,377,115</u>	<u>\$ 116,045</u>

**Litigation** – Through the course of ordinary business, the Plan became party to various administrative proceedings, mediations, and was party to various legal actions and subject to various claims arising as a result. During the year ended June 30, 2023, the Plan has successfully resolved some matters, and other administrative and legal matters are still proceeding. As a result of pending administrative and legal matters, the Plan has recorded a liability for these contingencies. It is the opinion of management that the ultimate resolution of such claims will not have a material adverse effect on the financial statements.

**Regulatory matters** – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties. Management believes that GCHP is in compliance with fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

In September 2021, GCHP received a request from DHCS to submit a corrective action plan related to claims processing backlogs due to a new claims processing system implementation during the year ended June 30, 2021. On March 23, 2022, the Plan received notification from the DHCS that its corrective action plan was approved.

**Patient Protection and Affordable Care Act (“PPACA”)** – The ACA allowed for the expansion of Medicaid members in the State of California. Any future federal or state changes in eligibility requirements or federal and state funding could have an impact on the Plan. With the changes in the executive branch, the future of PPACA and impact of future changes in Medicaid to the Plan are uncertain at this time.

**AGENDA ITEM NO. 9**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer  
CC: Nick Liguori, Chief Executive Officer

DATE: October 30, 2023

SUBJECT: August 2023 Period Year to Date Financials

**SUMMARY:**

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

**August 2023 Headlines:**

1. MTD membership, revenue, and healthcare costs approximate budget.
2. MTD and YTD Utilization trends in LTC/SNF put pressure on results while IP trends are favorable.
3. Timing of G&A and Project Pipeline expenses cause some variance “noise” (budget timing does not necessarily reflect actual outlay and amortization timing; this will be presented in more detail at our next Commission meeting).
4. Balance sheet contains to reflect a healthy assets position.
5. Results do not contemplate retroactive redetermination-related disenrollment. Note that we have been informed that we will have 5,500 FYTD retroactive disenrollments in October totaling estimated premium takeback of \$2.0M.

## Financial Summary:

(\$Ms except pmpms)	MTD			YTD		
	Actual	Budget	Var Fav / (Unfav)	Actual	Budget	Var Fav / (Unfav)
Member Months	254,573	252,069	0	510,077	507,325	0
Revenue	\$ 88.5	\$ 87.7	\$ 0.8	\$ 177.1	\$ 176.4	\$ 0.7
<i>pmpm</i>	\$ 347.61	\$ 347.89	\$ (0.28)	\$ 347.11	\$ 347.67	\$ (0.56)
Health Care Costs	\$ 77.1	\$ 77.0	\$ 0.2	\$ 142.5	\$ 154.2	\$ (11.8)
<i>pmpm</i>	\$ 303.04	\$ 305.29	\$ (2.25)	\$ 279.32	\$ 304.01	\$ (24.69)
<i>% of Revenue</i>	87.2%	87.8%		80.5%	87.4%	
Admin Exp	\$ 10.1	\$ 7.4	\$ 2.7	\$ 18.8	\$ 15.0	\$ 3.9
<i>pmpm</i>	\$ 39.77	\$ 29.55	\$ 10.23	\$ 36.95	\$ 29.51	\$ 7.44
<i>% of Revenue</i>	11.4%	8.5%		10.6%	8.5%	
Operating Gain/(Loss)	\$ 1.2	\$ 3.3	\$ (2.1)	\$ 15.7	\$ 7.2	\$ 8.6
	\$ 4.79	\$ 13.05	\$ (8.26)	\$ 30.84	\$ 14.15	\$ 16.69
Non-Operating Revenue / (Expense)	\$ 1.2	\$ 0.8	\$ 0.4	\$ 2.6	\$ 1.7	\$ 0.9
<i>pmpm</i>	\$ 4.91	\$ 3.33	\$ 1.57	\$ 5.08	\$ 3.31	\$ 1.77
<i>% of Revenue</i>	1.4%	1.0%		1.5%	1.0%	

### MTD

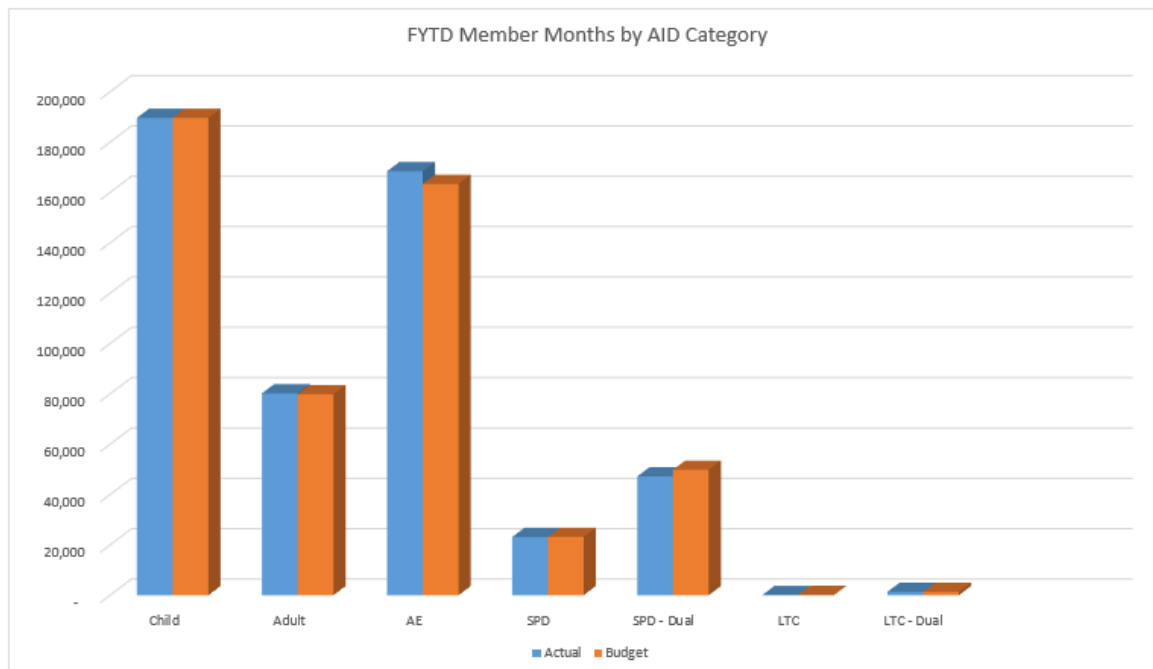
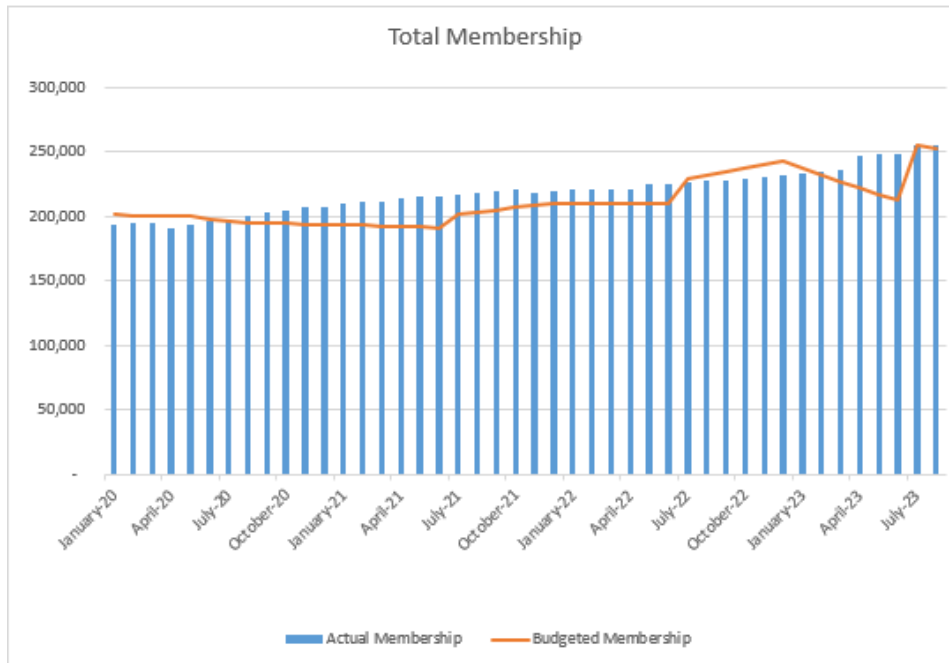
- Operating Gain (which excludes interest income) of \$1.2M was \$(2.1M) unfavorable to budget. This variance is due primarily to timing of General and Administrative expenses in the budget: the budget contemplates a straight-lined estimate for the Project Portfolio, thus causing the variances; this will be revised in the upcoming forecast.
- Membership, revenue, and healthcare costs (in total) all approximated budget. Note that the medical expense includes provider incentives.
- CGHP continued to experience pressure in LTC/SNF expenses but is trending positive in IP expenses. These trends were observed in July, as well. The LTC/SNF variance is attributable to a new state regulation which increased required reimbursements to 100% of the Medi-Cal fee schedule retroactive to 1/1/2023.
- The MTD results brought an increase to unrestricted net assets of \$2.5M, \$(1.7M) less than projected.

### YTD

- Operating Gain of \$15.7M was \$8.6M favorable to budget. This variance is primarily due to the timing of the Provider Incentives and Grants Programs: July budget included a projected spend of \$7.0M with only \$2.0M in actual spend due to the timing of finalization of QIPP with our largest providers.
- GCHP experienced a combined \$2.4M pick-up between IP and LTC/SNF.
- All other health spend categories remain reasonable to budget.
- The YTD unrestricted net assets gain is \$18.3M, \$9.5M favorable to budget.



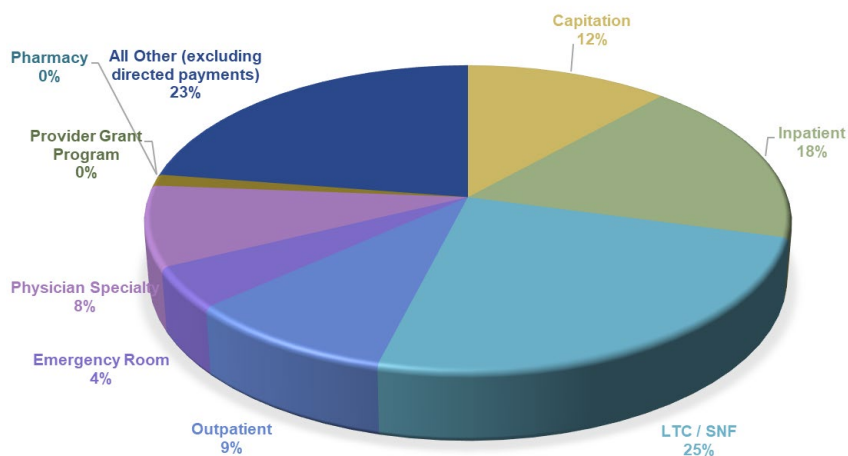
## Membership



## Cost of Care by Category

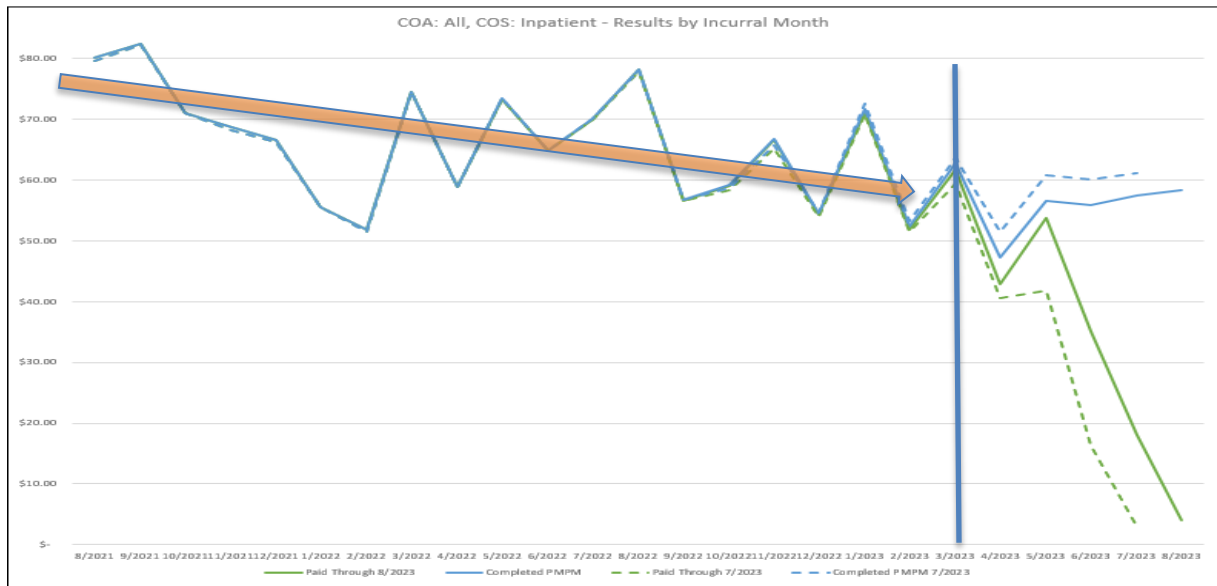
	FYTD 23/24 Budget	FYTD 23/24 Actual	FYTD 22/23 Actual	FYTD 21/22 Actual
Average Enrollment	253,662	255,039	247,854	229,367
PMPM Revenue	\$ 347.67	\$ 347.11	\$ 340.86	\$ 347.72
<b>Medical Expenses</b>				
Capitation	\$ 33.70	\$ 32.57	\$ 34.18	\$ 32.44
Inpatient	\$ 73.23	\$ 48.99	\$ 54.64	\$ 68.62
LTC / SNF	\$ 53.15	\$ 69.17	\$ 54.86	\$ 59.92
Outpatient	\$ 24.88	\$ 26.22	\$ 23.88	\$ 22.59
Emergency Room	\$ 12.42	\$ 12.29	\$ 11.32	\$ 10.80
Physician Specialty	\$ 24.75	\$ 23.74	\$ 23.44	\$ 22.49
Provider incentives	\$ 13.80	\$ 3.38	\$ 0.69	\$ -
Provider Grant Program	\$ 9.86	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ (0.15)	\$ 29.71
All Other (excluding directed payments)	\$ 58.22	\$ 62.97	\$ 53.03	\$ 45.41
Total Per Member Per Month	\$ 304.01	\$ 279.32	\$ 255.89	\$ 291.97
Medical Loss Ratio	87.4%	80.5%	75.1%	86.9%
Total Administrative Expenses	\$ 14,971,990	\$ 18,846,241	\$ 78,852,534	\$ 53,680,738
% of Revenue	8.5%	10.6%	7.8%	5.6%
TNE	\$ 194,459,364	\$ 375,670,305	\$ 359,814,027	\$ 176,562,922
Required TNE	\$ 35,128,651	\$ 34,068,759	\$ 32,913,795	\$ 36,609,789
% of Required	554%	1103%	1093%	482%

% OF TOTAL MEDICAL EXPENSE



## Inpatient hospital costs

Decline in moving average is apparent through March 2023:



## Cash and Short-Term Investment Portfolio

At August 31<sup>st</sup> the Plan had \$483.8 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool \$18.7 million; LAIF CA State \$41.2 million; Cal Trust \$36.2 million.

## Medi-Cal Receivable

At August 31<sup>st</sup> the Plan had \$121 million in Medi-Cal Receivables due from the DHCS.

## **RECOMMENDATION:**

Staff requests that the Commission approve the August 2023 financial packages.

## **CONCURRENCE:**

N/A

## **ATTACHMENT:**

N/A

**SCHEDULE OF INVESTMENTS AND CASH BALANCES**

	Market Value*	Account Type
	August 31, 2023	
Local Agency Investment Fund (LAIF) <sup>1</sup>	\$ 41,289,868	investment
Ventura County Investment Pool <sup>2</sup>	\$ 18,720,399	investment
CalTrust	\$ 36,254,344	short-term investment
Bank of West	\$ 378,325,973	money market account
Pacific Premier	\$ 9,229,714	operating accounts
Mechanics Bank <sup>3</sup>	\$ -	operating accounts
Petty Cash	\$ 500	cash
<b>Investments and monies held by GCHP</b>	<b>\$ 483,820,797</b>	

	Jul-23	Aug-23	FYTD 23-24
<b>Local Agency Investment Fund (LAIF)</b>			
Beginning Balance	\$ 40,693,939	\$ 40,968,210	\$ 40,968,210
Transfer of Funds from Ventura County Investment Pool	-	-	-
Quarterly Interest Received	274,271	321,658	\$ 321,658
Quarterly Interest Adjustment	-	-	-
<b>Current Market Value</b>	<b>\$ 40,968,210</b>	<b>\$ 41,289,868</b>	<b>\$ 41,289,868</b>
<b>Ventura County Investment Pool</b>			
Beginning Balance	\$ 18,651,150	\$ 18,720,399	\$ 18,720,399
Transfer of funds to LAIF	-	-	-
Interest Received	69,249	-	\$ -
<b>Current Market Value</b>	<b>\$ 18,720,399</b>	<b>\$ 18,720,399</b>	<b>\$ 18,720,399</b>

## **AGENDA ITEM NO. 10**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nick Liguori, Chief Executive Officer

DATE: October 30, 2023

SUBJECT: Chief Executive Officer (CEO) Report

### **I. EXTERNAL AFFAIRS:**

#### **A. Federal Updates**

##### **U.S. House and Senate Representation Changes**

Gov. Gavin Newsom appointed Laphonza Butler to fill late Sen. Dianne Feinstein's vacant Senate seat. The recent passing of Sen. Feinstein further erodes California's longstanding seniority in the U.S. Senate that began with the departure of now Vice President Harris. Sen. Butler most recently served as president of EMILYs List, an organization that works to elect Democratic women who support abortion rights. She was previously the head of SEIU Local 2015, as well as working in public policy at Airbnb. Details on her health care policy positions outside of abortion rights are unknown at this time.

As the Senate dynamics shift, House Republicans are also in a moment of flux with the recent ousting of Rep. Kevin McCarthy (CA) as Speaker of the House. After passing a Continuing Resolution to fund the government through Nov. 17, 2023, thus avoiding a government shutdown, House Democrats joined eight other Republicans in approving a motion for Rep. McCarthy to vacate his leadership role. The motion was introduced by Rep. Matt Gaetz (FL) introduced the motion. This is the first time in history that a Speaker of the House has been removed in a no confidence vote. Rep. Patrick McHenry (NC) will serve as the Speaker Pro Tempore and is responsible for overseeing the election of a replacement. Given that this is uncharted territory, it is unclear if Rep. McHenry will conduct any legislative business, but it is highly unlikely that bills – health policy related or otherwise – will be voted on in the House. GCHP's Government Relations Team continues to monitor House and Senate activity and will provide updates as they become available.

##### **Centers for Medicare & Medicaid Services (CMS) Releases Final Medicaid and CHIP Core Measure Sets for Adult, Child, and Behavioral Health**

CMS recently released the [final rule](#) "Medicaid Program and CHIP; Mandatory Medicaid and Children's Health Insurance Program (CHIP) Core Set Reporting." The rule establishes requirements for mandatory annual state reporting of the Core Set of Children's Health Care

Quality Measures for Medicaid and the Children's Health Insurance Program (CHIP), the behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid, and the Core Sets of Health Home Quality Measures for Medicaid. This federal regulation applies to the states, and the state will ultimately need to adjust quality reporting requirements to comply with this guidance. States must comply with the requirements by reporting on the 2024 Core Sets, which must be submitted and certified by Dec. 31, 2024.

GCHP is committed to improving quality scores and will provide feedback to streamline and align state and federal reporting requirements as opportunities arise.

## **B. Redetermination Update**

As state redetermination efforts continue, California has among the lowest disenrollment rates (26%) in the nation. The state Department of Health Care Services (DHCS) continues to [publish](#) monthly unwinding data at the county level and recently published the final August 2023 data. It shows that of the total redeterminations that were completed, more than 9,000 resulted in continued coverage, while more than 3,000 were discontinued. The Kaiser Family Foundation (KFF) Medicaid Enrollment and Unwinding [Tracker](#) reports that as of Oct. 2, 2023, at least 7.8 million Medicaid enrollees have been disenrolled nationwide.

The KFF has also begun looking into unwinding data by race and ethnicity and [reports](#) that as of Sept. 2023, California is among the nine states reporting data that allows for analysis of disenrollment patterns by race and ethnicity. The state data collection efforts vary widely, making comparisons and broader inferences to non-reporting states challenging. In California, there are no consistent trends that point to disparities for certain groups of color and disenrollment rates by race and ethnicity range only vary by a percentage. Although states are not required to report on demographic data on Medicaid renewal outcomes, its availability can help states identify vulnerable populations, target outreach, and implement strategies to address inequities.

To help states pursue strategies to support the unwinding period and facilitate the renewal process, CMS has approved 321 [federal waivers](#) across 52 states and territories. California has 10 approved waivers in place, including waivers that authorize the state to temporarily: (1) waive the beneficiary asset test at renewal for individuals enrolled on a non-Modified Adjustment Gross Income (MAGI) basis; and 2) reinstate eligibility effective on the individual's prior termination date for individuals who were disenrolled based on a procedural reason and are subsequently redetermined eligible for Medicaid during the state's reconsideration period. GCHP's Government Relations Team will continue to provide updates as new data becomes available.

## **C. State Regulatory Updates**

### **Preparations Underway for the Adult Expansion of Medicaid for Eligible Adults Ages 26-49**

Beginning Jan. 1, 2024, California will expand full scope Medi-Cal for eligible adults between the ages of 26-49, regardless of immigration status. Individuals who meet the eligibility criteria

will be granted full scope Medi-Cal, including the transition of those currently on limited-scope Medi-Cal due to immigration status. This new law mirrors prior state policy including the Young Adult Expansion and the Older Adult Expansion; the Young Adult Expansion provides full scope Medi-Cal to those between the ages of 19-25 while the Older Adult Expansion provides full scope Medi-Cal to individuals over fifty. These laws are part of California's push to increase equitable access to vital health care services for all Californians regardless of age or citizenship status. DHCS estimates that 15,470 individuals are expected to transition to full-scope Medi-Cal in Ventura County. To ensure a successful expansion for the 26-49 population, California's FY2023-24 budget includes \$1.4B (\$1.2B GF) in 2023-24 and \$3.4B (\$3.1B GF) at full implementation.

DHCS recently held a stakeholder webinar on the Adult Expansion and is in the process of developing a global outreach toolkit that will include program messaging, flyers, call scripts, social media graphics, and other communication resources. The toolkit will be shared with counties, managed care plans, and other health care partners in the coming weeks. The messaging will aim to dispel any fears and/or concerns that enrollment in Medi-Cal will be used against those without permanent immigration status. The state will also engage in direct communication outreach. California will launch media advertising to target potentially eligible adults and ensure messaging surrounding the 26-49 expansion is available in the 19 threshold languages. Lastly, DHCS will continue to meet with stakeholders through its various workgroups and forums to ensure a smooth integration and address any concerns.

### **Managed Care Plans (MCPs) Prepare for Several State Initiatives Take Effect in 2024**

Several other initiatives take effect in 2024, including the Data Exchange Framework (DxF), the Managed Care Plan (MCP) Transition, and the Justice-Involved Initiative. Significant work is underway internally to prepare for and comply with the new requirements. To satisfy the DxF requirements, GHCP is working with stakeholders to prepare for the ability to exchange data between approved entities by Jan. 31, 2024. Additionally, planning is underway to comply with the MCP Transition, including the submission of strategy deliverables, revised policies and procedures, and data exchange implementation planning. Lastly, last October, DHCS announced a six-month delay in the Justice Involved Initiative go-live date, moving the phase one effective date from Apr. 1, 2024 to Oct. 1, 2024. The Justice Involved Initiative establishes services for Medi-Cal eligible youth and adults for up to 90 days prior to release from correctional facilities and requires MCPs to coordinate with correctional facilities to support members as they transition into managed care and Enhanced Care Management (ECM) Services post-release. MCPs are anticipating the release of the revised Justice Involved Initiative Policy Guide that will include needed implementation guidance to assist plans in meeting the requirements. DHCS noted that additional time allows more time finalize policy and implement necessary IT modifications; the delayed go-live date has been well-received by stakeholders who are working to coordinate across agencies to prepare for the effective roll-out of the new initiative statewide.

GCHP's Government Relations Team is attending stakeholder calls, monitoring communications, and disseminating information to the impacted GCHP departments upon release.



## All-Plan Letters (APLs)

DHCS has issued several draft and [final APLs](#) focusing on a range of issues over the past month. Notably, the highly anticipated Diversity, Equity, and Inclusion (DEI) Training Program [APL 23-025](#) was released in mid-September. The APL describes the requirements for Managed Care Plans (MCPs) to develop and implement a DEI training program and roll out an initial pilot by Jan. 1, 2025, and ensure full implementation by Dec. 31, 2025. To comply, MCPs must have a Chief Health Equity Officer (HEO) to oversee the training program, which includes the training of all MCP staff, network providers, subcontractors, and downstream subcontractors serving MCP members, within 90 days of their start date and during times of re-credentialing or contract renewals. GCHP is reviewing the requirements in detail and will submit revised policies and procedures as required in the APL.

DHCS also released draft APLs for stakeholder review and feedback on Dyadic Services, the Student Behavioral Health Incentive Program (SBHIP), and Quality Improvement (QI) and Health Equity Transformation requirements. GCHP submitted feedback to our trade association, Local Health Plans of California (LHPC), on the QI and HE Transformation requirements. The draft APL proposes the MCPs must conduct member satisfaction surveys beginning Jan. 1, 2026, in accordance with NCQA requirements and participate in a minimum of two Performance Improvement Projects (PIPs) per year. GCHP's feedback included technical fixes and clarification requests, and advocates for transparent and routine timelines to allow MCPs to plan accordingly. Additionally, GCHP submitted feedback to LHPC on the Dyadic Services draft APL requesting clarifications and noting potential implications of proposed changes.

GCHP's Government Relations Team continues daily monitoring of the DHCS APL website to ensure timely review and analysis of DHCS regulatory activity.

## D. State Legislative Update

After the Legislature's Sept. 14 deadline to pass bills, five priority bills being tracked by GCHP Government Relations are awaiting action from Gov. Gavin Newsom. The Governor had until Oct. 14, 2023, to sign or veto passed legislation.

During this year's legislative session, hundreds of bills were presented on a variety of topics including housing and homelessness, reproductive rights, election security, climate change, and health and human services. Many of the health care-related bills focused on the expansion of behavioral and mental health services, the establishment of network capacity and quality measures to ensure adequate and timely care, and echoed the state's continued commitment to improve and modernize the Medi-Cal delivery system.

The status of the priority bills tracked by Government Relations this legislative session is listed below. Eight bills failed to pass the state Legislature.



## Passed by the Legislature and Awaiting Governor Action

<i>Bill Number</i>	<i>Summary</i>	<i>GCHP Impacts</i>
<a href="#"><u>AB 719</u></a> (Boerner) Medi-Cal: Non-Medical and Non-Emergency Medical Transportation	<p>AB 719 mandates DHCS to require MCPs contract with public paratransit operators to establish reimbursements rates for Non-Medical Transportation (NMT) and Non-Emergency Medical Transportation (NEMT) trips that are provided by a public transit operator and do not include fixed-route transportation services.</p> <p>Medi-Cal covers medical and nonmedical transportation for eligible enrollees. NEMT is provided to Medi-Cal beneficiaries to access necessary services and benefits and when ordinary transport is “medically contraindicated.” NMT is the transportation of Medi-Cal members to covered services through public or private transports. The purpose of this bill is to ensure that public transit operators who provide both NMT and NEMT are reimbursed by MCPs in a timely, efficient, and accurate manner for covered transportation services.</p>	<p>Currently, GCHP provides both NMT and NEMT at no cost to members. If this bill passes, GCHP will be statutorily required to partner with transportation providers in Ventura County and costs to the plan for NEMT and NMT may increase, subject to utilization.</p> <p>The overall fiscal impacts of AB 719 on Medi-Cal managed care plans are unspecified at this time but expected to increase, based on utilization.</p>
<a href="#"><u>AB 425</u></a> (Alvarez) Medi-Cal: Pharmacogenomic Testing	<p>Although Medi-Cal covers biomarker testing, AB 425 would establish pharmacogenomic testing as a separate covered benefit under Medi-Cal and condition the implementation on federal approval and financial participation. By proactively employing evidence-based technologies to determine how an individual’s genetic makeup interacts with certain medications, there is expected to be less harmful drug reactions and greater health equity for Medi-Cal enrollees.</p>	<p>GCHP will be required to cover pharmacogenomic testing, subject to utilization controls. Currently, all Medi-Cal beneficiaries have coverage for biomarker testing, which includes pharmacogenomics testing. This bill will ensure that pharmacogenomic testing is its own covered benefit under Medi-Cal.</p> <p>According to the California Health Benefits Review Program</p>

		(CHBRP) analysis, the fiscal impact of this new benefit is between \$17.6 million and \$54.2 million (General Fund and federal funds) and there is expected to be significant cost offsets through less emergency room visits and hospital admissions.
<a href="#">SB 326</a> (Eggman) The Behavioral Health Services Act	<p>SB 326 seeks to rename the Mental Health Services Act (MHSA) to the Behavioral Health Services Act (BHSA) and modernize BHSA through increased accountability, oversight, and the expansion of BHSA funds to treat substance use disorders (SUDs).</p> <p>The bill proposes that BHSA funds be allocated toward full-service partnerships (FSPs), housing interventions, and behavioral health services and supports. SB 326 amends reserve caps to 25% for small counties and 20% for large counties. This bill also requires County Behavioral Health Programs (CBHPs) to submit annual updates and integrated plans to the state and expands the oversight authority of DHCS to ensure county compliance.</p> <p><i>Note:</i> This modernization proposal will be presented on the March 5, 2024, statewide primary election to California voters for approval.</p>	<p>SB 326 will be beneficial for all Californians, including GCHP members, as passage of the bill will standardize access to care and provide short-term and long-term supports to those suffering from mental health and/or SUDs.</p> <p>GCHP covers outpatient mental health services for mild-to-moderate cases, while Ventura County is in charge of specialty mental health services (SMHS) and substance use disorder treatment. The modernization of CBHPs will help ensure that GCHP members have greater access to quality and timely county mental health and SUD services.</p>
<a href="#">AB 1202</a> (Lackey) Medi-Cal: Health Care Services Data: Children and Pregnant or Postpartum Persons	AB 1202 mandates that each Medi-Cal MCP must inform DHCS of the number and geographic distribution of Medi-Cal providers necessary for a plan's compliance with time, distance, and appointment standards for pediatric primary care.	This bill adds GCHP reporting requirements related to network adequacy for pediatric primary care. The exact due dates for MCPs to submit their information are expected to be forthcoming from DHCS; however, DHCS will be required to submit their report

	<p>DHCS is required to create and publicize a legislative report on the data, findings, and recommendations to increase MCP accountability and submit the report to the Legislature by Jan. 1, 2025.</p>	<p>to the Legislature and post the report on their website by Jan. 1, 2025.</p> <p>AB 1202 aligns with current DHCS priorities; DHCS recently issued guidance (APL 23-001) on the Annual Network Certification (ANC), which strengthens the requirements for MCPs to submit current statistics on the composition of providers and information on whether the MCP network provides all medically necessary services for its membership.</p>
<p><a href="#">AB 1085</a> (Maienschein) Medi-Cal: Housing Support Services</p>	<p>This bill requires DHCS to seek federal approval and financial participation to make housing support services a Medi-Cal benefit for Californians. This must occur no earlier than Jan. 1, 2025, and no later than July 1, 2026.</p> <p>The fiscal impact for DHCS to attain necessary federal approvals and provide housing support services is unknown but anticipated to be significant.</p>	<p>GCHP currently offers:</p> <ul style="list-style-type: none"> <li>• Housing deposits which are one-time funding for security deposits, first month's utilities, and home health care equipment.</li> <li>• Housing tenancy and sustaining services which include education on money management and maintaining housing.</li> <li>• Housing transition navigation which encompasses assistance with identifying and acquiring housing.</li> </ul> <p>Additional federal funding for housing supports may increase funding streams available to GCHP to expand these services for at-risk members and ensure their complex needs are met.</p>

**Failed to Pass State Legislature**

<i>Bill Number</i>	<i>Summary</i>	<i>GCHP Impacts</i>
<a href="#">SB 299</a> (Eggman) Medi-Cal: Redetermination	<p>SB 299 was recently amended with replacement language that establishes and implements the California New Motor Voter Program, in conformance with federal law.</p> <p><i>As initially drafted, SB 299 would have amended existing law and removed “loss of contact with a beneficiary, as evidenced by the return of mail,” as a circumstance requiring prompt redetermination and would delete the requirement for a county to send a notice of action terminating eligibility if the prepopulated form is returned and the purpose for the redetermination is loss of contact with the beneficiary.</i></p>	<p>SB 299 was recently amended with replacement language that focuses on Voter Registration. This bill failed to meet the policy committee deadline pursuant to Rule 61(a)(10). This bill may be acted upon in 2024.</p>
<a href="#">AB 236</a> (Holden) Health Care Coverage: Provider Directories	<p>AB 236 mandates health care plans to ensure provider directories are up-to-date and accurate on an annual basis. Plans would be mandated to delete erroneous information and ensure their directory is 60% accurate by Jan. 1, 2024, and 95% accurate by Jan. 1, 2027. Beginning July 1, 2024, plans are required to remove providers from the directory if plans have not financially compensated that provider in the prior year, with some limited exceptions. Failure to meet deadlines and inaccurate provider listings will result in monetary penalties for the plan.</p>	<p>This bill requires plans with Knox-Keene licensure to implement additional processes to review and update provider directories beginning Jan. 1, 2024.</p>
<a href="#">AB 586</a> (Calderon) Medi-Cal: Community Supports - Climate	<p>AB 586 adds climate change or environmental remediation devices as an additional Community Support under the California Advancing and</p>	<p>The inclusion of climate change or environmental remediation devices provides GCHP with</p>

Change or Environmental Remediation Devices	<p>Innovating Medi-Cal (CalAIM) initiative. Examples of devices include air conditioners, electric heaters, and backup power sources.</p> <p>The fiscal impacts to seek federal approval and provide this community support is estimated to cost DHCS potentially millions of dollars.</p>	additional flexibility in offering Community Supports to members.
<a href="#">AB 1338</a> (Petrie-Norris) Medi-Cal: Community Supports	<p>AB 1338 requires DHCS to seek federal approval and add fitness, physical activity, recreational sports, and mental wellness memberships as an additional Community Support under the CalAIM initiative that MCPs may elect and offer to members.</p> <p>DHCS costs to seek federal approval and implement the new Community Support is indeterminate but expected to be in the millions of dollars.</p>	AB 1338 enhances other Community Supports that GCHP currently offers. GCHP currently provides medically supportive food for eligible members following hospitalization as well as personal homemaker services, which includes meal preparation and money management.
<a href="#">AB 1168</a> (Bennett) Emergency Medical Services (EMS): Prehospital EMS	AB 1168 creates protections, through the State Legislature, to allow a city or fire district to control, deliver and oversee prehospital emergency services regardless of whether the local entity previously signed a joint power agreement (JPA) with a county.	AB 1168 would overturn the prior decision in the City of Oxnard v. County of Ventura (2021), where the trial court and Court of Appeal ruled in favor of the County of Ventura. If the City of Oxnard and other cities were able to control prehospital emergency medical and ambulance services, proponents of the bill argue that marginalized communities within city borders will have greater access in a timely manner to prehospital EMS.
<a href="#">AB 55</a> (Rodriguez) Medi-Cal: Workforce Adjustment for	AB 55 establishes a “workforce adjustment” additional payment for ground ambulance providers that meet specified workforce standard	If enacted, AB 55 would require GCHP to establish a value-based purchasing model in accordance with the specifications detailed by

Ground Ambulance Transports	<p>requirements. These supplemental payments will ensure payment for ambulatory services are equivalent to 80% of the Medicare rate.</p> <p>Additionally, this bill would require DHCS to direct Medi-Cal plans to implement a value-based purchasing model that provides reimbursement for Network Providers that meet the workforce standard requirement and furnishes ambulance transport services.</p>	DHCS and administer the workforce adjustment payment for applicable providers.
<a href="#">SB 324</a> (Limón) Health Care Coverage: Endometriosis	SB 324 restricts a health plan, insurer, and the Medi-Cal program from mandating prior authorization (PA) or any pre-claim review for any clinically necessary treatment for endometriosis, as determined by the treating physician and on par with evidence-based, nationally recognized clinical procedures.	The bill may result in increased costs as the removal of PA may lead to greater utilization of treatment for endometriosis and providers prescribing and/or administering endometriosis treatment.
<a href="#">SB 598</a> (Skinner) Health Care Coverage: Prior Authorization	<p>SB 598 restricts a health care plan or insurer from requiring a contracted provider to acquire 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.</p> <p>SB 598 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.</p>	<p>If enacted, SB 598 would require MCPs to align PA protocols with the revised state and federal requirements.</p> <p>GCHP will continue to monitor federal and state PA requirements as there continues to be an increased focus on streamlining the process for stakeholders.</p>

The Legislature is set to reconvene for the second part of the two-year session on Jan. 3, 2024.

## A. Community Relations: Sponsorships

Through its sponsorship program, GCHP continues to support the efforts of community-based organizations in Ventura County. The following organizations were awarded sponsorships in October:

Organization	Description	Amount
Rainbow Connection Family Resource Center Tri-Counties Regional Center (TCRC)	TCRC provides person- and family-centered planning, services, and supports for individuals with developmental disabilities to maximize opportunities and choices for living, working, learning, and recreating in the community. The sponsorship supports the “1 <sup>st</sup> Annual Down Syndrome Awareness Walk” aimed to raising awareness about Down Syndrome and support for individuals and families in Ventura County.	\$2,500
National Association for the Advancement of Colored People (NAACP)	NAACP serves to achieve equity, political rights, and social inclusion by advancing policies and practices that expand human and civil rights, eliminate discrimination, and accelerate the well-being, education, and economic security of Black people and all persons of color. The sponsorship is allocated to the “Freedom Fund Banquet,” a fundraising event that enables the Ventura County chapter to fund branch sustainment, educational awareness, and community outreach.	\$2,500
Mercy House Living Centers	Mercy House Living Centers aims to end homelessness by providing housing opportunities, programs, and supportive services. The sponsorship is for the “Fall Festival and Hygiene Drive,” a resource fair where individuals who are unhoused can learn about community resources and receive hygiene products.	\$1,000
<b>TOTAL</b>		<b>\$6,000</b>

## B. Community Relations: Community Meetings and Events

In September and early October, the Community Relations Team participated in various collaborative meetings and community events. The purpose of these events is to connect with community partners and members to raise awareness about services for the most vulnerable Medi-Cal beneficiaries.

Organization	Description	Date
Harrington Elementary School	The Back-to-School night at Harrington Elementary School is an event for parents and	Sept. 12, 2023



<b>Back-to-School Event</b>	students to connect with school staff and find out what is coming up for the school year. Community organizations provided resources and information to participating families and faculty.	
Ocean View Junior High School <b>Back-to-School Event</b>	The Back-to-School night at Ocean View High School is an event for parents and students to connect with school staff and find out what is coming up for the school year. Community organizations provided resources and information to participating families and faculty.	Sept. 13, 2023
Poder Popular <b>Food Distribution / Medi-Cal Renewal Workshop</b>	Poder Popular hosts a weekly food distribution where community organizations share information and resources. GCHP team members were onsite to provide resources and answer questions about Medi-Cal renewal forms.	Sept. 14, 2023 Sept. 28, 2023 Oct. 5, 2023
Promotoras y Promotores Foundation <b>Ventura College Marketplace</b>	The Promotoras y Promotores Foundation hosts a resource fair at Ventura College where various community organizations share resources and information with participants. GCHP staff shared information about Medi-Cal renewals and answered questions.	Sept. 16, 2023
Lazer Media <b>Fiestas Patrias</b>	Fiestas Patrias is a cultural event that brings people together to celebrate Mexican Independence Day and embrace Mexican history and culture. GCHP team members were onsite to provide resources and answer questions about Medi-Cal renewal forms. GCHP was one of the event sponsors.	Sept. 17, 2023
Sunkist Elementary School <b>Back-to-School Event</b>	Back-to-School night at Sunkist Elementary School is an event for parents and students to connect with school staff and find out what is coming up for the school year. Community organizations provided resources and information to participating families and faculty.	Sept. 19, 2023
Piru Neighborhood Council (PNC) <b>Piru Food Distribution</b>	The PNC promotes better living conditions, better education, improved housing, and a greater participation in the community for and by the people of Piru and the surrounding area. Their monthly food pantry distribution provides Ventura County residents with food boxes. Various community organizations share resources and information to participants.	Sept. 20, 2023
<b>Organization</b>	<b>Description</b>	<b>Date</b>



Employment Development Department  <b>Farmworker Resource Fair</b>	The Employment Development Department hosted the Farmworker Resource Fair. Participants learned about services available to the agricultural community, including community and employment resources.	Sept. 21, 2023
Adelante Comunidad Conejo  <b>Open-Air Marketplace</b>	An open-air free marketplace where community organizations share resources and information with participants.	Sept. 23, 2023
Indivisible Ventura  <b>Swap Meet Justice</b>	Swap Meet Justice is a citizen and family resource fair. Various community organizations share resources and information with attendees at Oxnard College. GCHP team members provided resources and answered questions about Medi-Cal renewals.	Sept. 24, 2023
Sierra Linda Elementary School  <b>Back-to-School Event</b>	The Back-to-School night at Sierra Linda Elementary School is an event for parents and students to connect with school staff and find out what is coming up for the school year. Community organizations provided resources and information to participating families and faculty.	Sept. 26, 2023
One Step A La Vez  <b>Food Distribution</b>	One Step A La Vez hosts their bi-monthly food distribution where participants receive a box of food and learn about community resources and information that is available to them.	Sept. 27, 2023
The Port of Hueneme  <b>Banana Festival</b>	The Banana Festival brings people together to appreciate the port and learn more about its vital economic role in Ventura County. Various community organizations shared information and resources. GCHP team members were onsite to provide resources and answer questions about Medi-Cal renewals.	Sept. 30, 2023
Moorpark College  <b>Student Health Fair</b>	The Student Health Fair at Moorpark College gave an opportunity for students and faculty to learn about sexual health, mental health, and wellness. GCHP team members were onsite to provide resources and answer questions about Medi-Cal renewals.	Oct. 3, 2023
<b>Organization</b>	<b>Description</b>	<b>Date</b>

One Step A La Vez <b>Circle of Care</b>	One Step A La Vez focuses on serving communities in the Santa Clara Valley by providing a safe environment for 13- to 19-year-olds and bridging the gaps of inequality while cultivating healthy individuals and community. Circle of Care is a monthly meeting with community leaders to share resources, network, and promote community events.	Oct. 4, 2023
The City of Oxnard <b>Multicultural Festival</b>	The Multicultural Festival is a free community event focused on bringing a greater breadth of diversity, education, and understanding of culture awareness. Participants enjoyed live music, performances, food, and more! GCHP team members were onsite to provide resources and answer questions about Medi-Cal renewals.	Oct. 7, 2023
<b>Total community meetings and events</b>		<b>16</b>

## I. PLAN OPERATIONS

## A. Membership

	VCMC	CLINICAS	CMH	DIGNITY	PCP- OTHER	KAISER	ADMIN MEMBERS	NOT ASSIGNED
Sep-23	91,541	49,437	34,945	7,188	5,113	7,037	51,003	2,531
Aug-23	93,242	50,319	35,510	7,249	5,181	7,098	52,307	2,528
Jul-23	93,132	49,969	35,455	7,244	5,165	7,096	52,011	2,748

### 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	Sept 2023
Total Administrative Members	51,003
Share of Cost (SOC)	632
Long-Term Care (LTC)	722
Breast and Cervical Cancer Treatment Program (BCCTP)	118
Hospice (REST-SVS)	34
Out of Area (Not in Ventura County)	436
DUALS (A, AB, ABD, AD, B, BD)	27,124
Commercial Other Health Insurance (OHI) (Removing Medicare, Medicare Retro Billing, and Null)	23,512

### 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:

- Share of Cost (SOC-AMT) > zeros
  - AID Code is not 6G, 0P, 0R, 0E, 0U, H5, T1, T3, R1 or 5L
- LTC members identified by AID codes 13, 23, and 63.
- BCCTP members identified by AID codes 0M, 0N, 0P, and 0W.
- Hospice members identified by the flag (REST-SVS) with values of 900, 901, 910, 911, 920, 921, 930, or 931.
- 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)

The state Department of Health Care Services (DHCS) has several ongoing provider network readiness assessments which they use to monitor a Managed Care Plan's (MCP's) network for newly launched covered services. The ongoing network readiness assessments include Long Term Services & Support (LTSS), Doula Services, and Community Health Worker (CHW) services. Network readiness assessments require MCPs to submit evidence of contracting efforts ranging from provider outreach documentation, completing templates, and submitting executed agreements. In September, PNO submitted readiness deliverables for doula services, subacute facilities, and Intermediate Care Facilities–Developmentally Disabled (ICF-DD). In addition to the network readiness assessment deliverables, PNO submitted regulatory deliverables for Operational Readiness and the Quarterly Monitoring Report Template (QMRT).

Other notable deliverables and collaborations include:

- Regulatory: Hospital Directed Payments Contract Sampling – DHCS template that identifies all subcontractors and downstream subcontractors who assume a capitated risk.
- GCHP: Provider Onboarding Process for Non-traditional Providers – Updated provider onboarding process to include a readiness assessment across multiple business units.
- GCHP: HealthPayer Core System Implementation

PNO is working in phases to improve its provider data accuracy by reassessing and updating its provider data intake processes and cleaning up provider data in sPayer, GCHP's Provider Contracting and Credentialing (PCCM) system. As such, PNO amended the hospitalist count to 676 from 167. This change does not affect the total number of providers. It adjusts the categories for these providers from the specialty category to the hospitalist category. Using August's provider data, the updated count is 676. Remediation steps involved collaborating with an IT business analyst to identify the root cause, updating provider type definitions and process, configuring a report, system data corrections and running the new report.

As part of PNO's initiative to improve provider access, PNO added Durable Medical Equipment, Emergency Medicine, General Medicine, Home Health, Obstetrics & Gynecology, and Enhanced Care Management (ECM) providers to the GCHP network. Additionally, PNO is performing targeted outreach for Skilled Nursing Facilities, doula services and pediatric

subacute facilities. Our team continues to support and provide deliverables for DHCS program initiatives, NCQA accreditation, DHCS Operational Readiness, company projects, provider contracting, updates to policies and procedures, provider onboarding, and communications.

### Provider Network Developments: Sept. 1-30, 2023

Network Developments for New Contracts	
Provider Additions Fulfilling Network Gaps	Count
Durable Medical Equipment (DME)	3
OB/GYN	1
Home Health	1
Emergency Medicine	1
General Surgeon	1
Enhanced Care Management (ECM)	1

#### Additional Network Developments:

- Additions: 135
- Terminations: 17

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

GCHP Provider Network Additions and Total Counts by Provider Type			
Provider Type	Network Additions		Total Counts
	July-23	Aug-23	
<b>Hospitals</b>	<b>0</b>	<b>0</b>	<b>25</b>
Acute Care	0	0	19
Long-Term Acute Care (LTAC)	0	0	1
Tertiary	0	0	5
<b>Providers</b>	<b>208</b>	<b>145</b>	<b>6,337</b>
Primary Care Providers (PCPs) & Mid-levels	8	6	485
Specialists	200	139	5,176
Hospitalists	0	0	676
<b>Ancillary</b>	<b>19</b>	<b>6</b>	<b>1,029</b>
Ambulatory Surgery Center (ASC)	0	0	7
Community-Based Adult Services (CBAS)	0	0	14
Durable Medical Equipment (DME)	1	0	95
Home Health	0	0	25
Hospice	1	0	23
Laboratory	0	0	40
Optometry	3	0	96
Occupational Therapy (OT) / Physical Therapy (PT) / Speech Therapy (ST)	3	0	146

Radiology / Imaging	0	0	60
Skilled Nursing Facility (SNF) / Long-Term Care (LTC) / Congregate Living Facility (CLF) / Intermediate Care Facility (ICF)	0	0	82
Behavioral Health	11	6	441

### C. 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 and GCHP is required to monitor the delegate closely as it is a risk to GCHP when delegates are unable to comply.*

Compliance will continue to monitor all CAPs. GCHP's goal is to ensure compliance is achieved and sustained by its delegates. It is a 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 closed. Closed audits are removed after they are reported to the Commission. The table reflects changes in activity through Sep. 30, 2023.

Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Carelon	2022 Annual Claims Audit	Open	6/22/2022	Under CAP	N/A
Carelon	2023 Claims Audit	Open	5/11/2022	Under CAP	N/A
Carelon	Annual UM, QI, C&L, R&R Audit	Open	8/31/2023	Under CAP	N/A

Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Carelon	2023 Annual Call Center Audit	Open	N/A	N/A	N/A
Cedars Sinai	2023 Annual Credentialing and Recredentialing Audit	Closed	N/A	N/A	Audit closed on 9/5/2023 – no deficiencies found.
Clinicas del Camino Real (CDCR)	Annual Utilization Management Audit	Closed	7/5/2023	9/19/23	N/A
CDCR	Quarterly Utilization Management Audit – Q3 2023	Open	8/25/2023	Under CAP	N/A
CDCR	2022 Annual Claims Audit	Closed	5/5/23	9/21/23	N/A
CDCR	2023 Quarterly Focused Claim Audit	Open	9/7/2023	Under CAP	N/A
CDCR	2023 Annual Call Center Audit	Closed	N/A	N/A	N/A
Children's Hospital Los Angeles (CHLA)	2023 Annual Credentialing and Recredentialing Audit	Closed	N/A	N/A	Audit closed on 8/21/2023 – no deficiencies found.
City of Hope	2023 Annual Credentialing and Recredentialing Audit	Scheduled	N/A	N/A	N/A

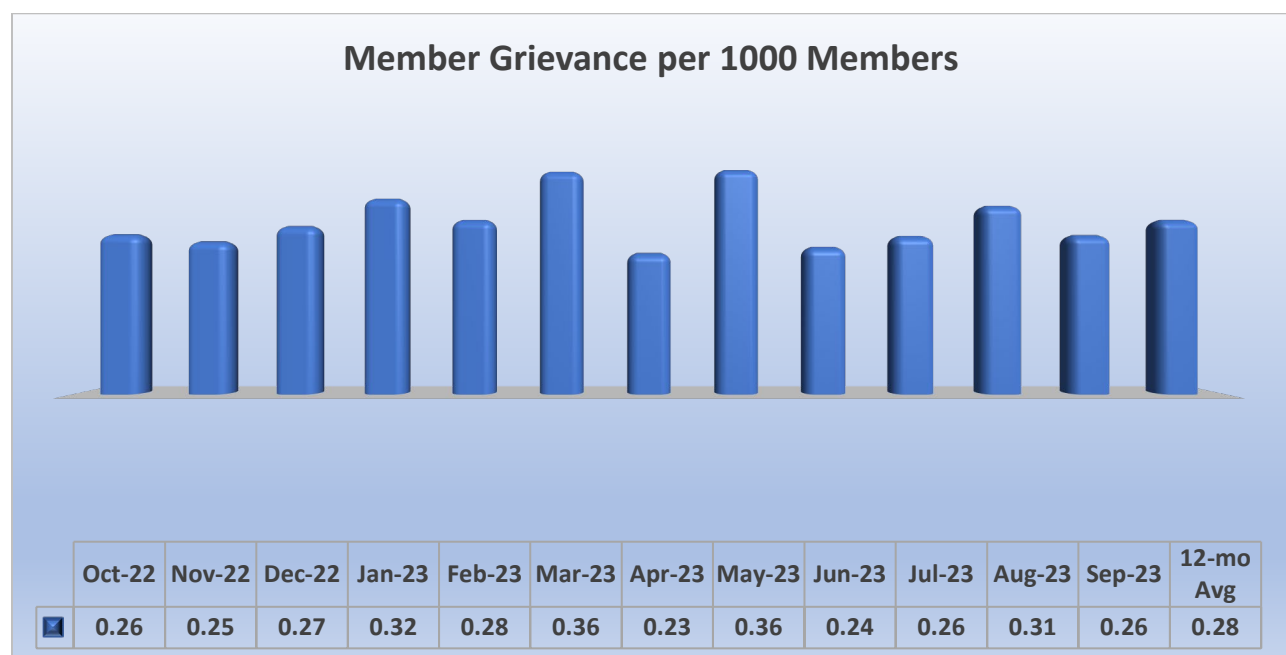
Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	2017 Annual Claims Audit	Open	12/28/2017	Under CAP	Issue will not be resolved until new claims platform conversion
Conduent	2022 Annual Claims Audit	Open	8/31/2022	Under CAP	N/A
Conduent	2023 Annual Claims Audit	Open	8/1/2023	Under CAP	N/A
UCLA Medical Group	2023 Focused Credentialing and Recredentialing Audit	Closed	N/A	N/A	N/A
VSP	2022 Annual Claims Audit	Open	12/7/2022	Under CAP	N/A
VSP	2023 Annual QI, C&L Audit	Open	7/27/2023	Under CAP	N/A
Ventura Transit System (VTS)	2023 Focused Call Center Audit	Scheduled	N/A	N/A	N/A
VTS	2023 Quarterly Audit – Credentialing and Subcontracting	Open	5/11/2023	Under CAP	N/A
VTS	2022 Annual Non-Medical Transportation (NMT) / Non-Emergency Medical Transportation (NEMT) Audit	Open	11/17/2022	Under CAP	N/A



Delegate	Audit Year / Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
VTS	2022 Call Center Audit	Open	5/26/2022	Under CAP	N/A
VTS	2022 Call Center Focused Audit	Open	10/27/2022	Under CAP	N/A
VTS	NMT Scheduling Grievances CAP	Open	5/6/2022	Under CAP	N/A
VTS	Subcontracting CAP	Open	7/22/2022	Under CAP	N/A
<b>Privacy &amp; Security CAPs</b>					
Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
N/A	N/A	N/A	N/A	N/A	N/A
<b>Operational CAPs</b>					
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 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

Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	March 2022 SLA Deficiencies & Findings	Open	3/11/2022	N/A	N/A
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

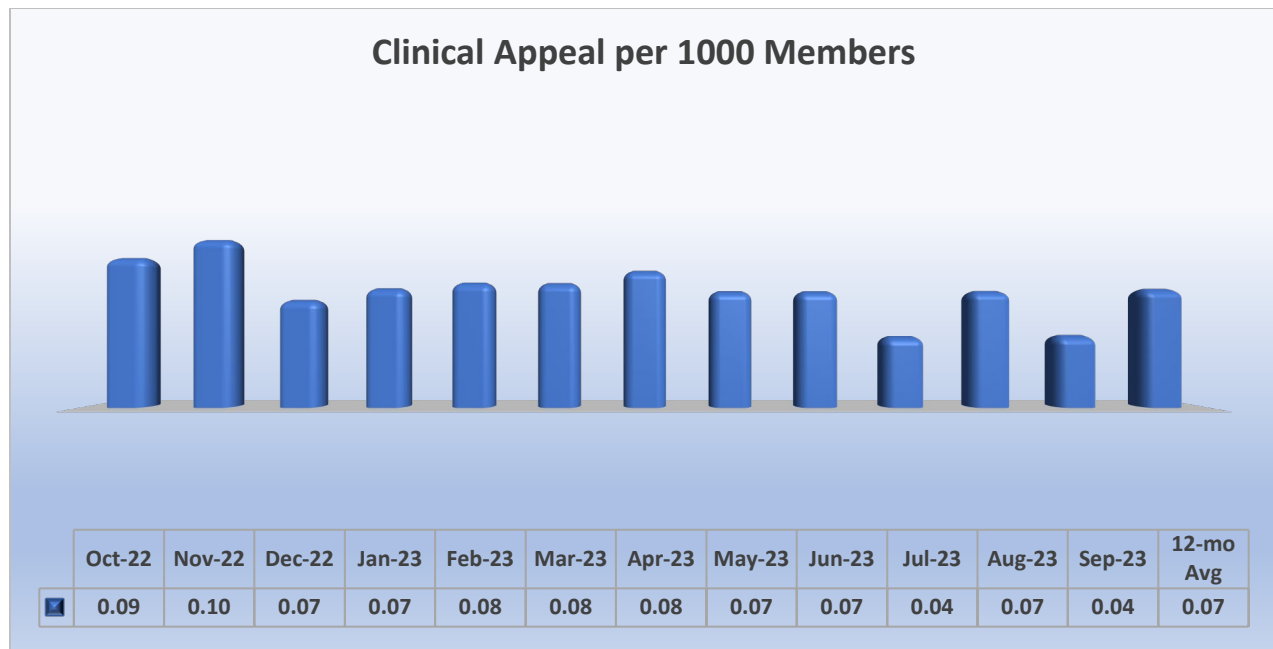
#### D. GRIEVANCE AND APPEALS



#### Member Grievances per 1,000 Members

The data show GCHP's volume of grievances has increased. In September, GCHP received 65 member grievances. Overall, the volume is still relatively low, compared to the number of enrolled members. The 12-month average of enrolled members is 250,860, with an average annual grievance rate of .28 grievances per 1,000 members.

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



### Clinical Appeals per 1,000 Members

The data comparison volume is based on the 12-month average of .07 appeals per 1,000 members.

In Sept. 2023, GCHP received 11 clinical appeals:

1. Four were overturned
2. Two were upheld
3. One was withdrawn
4. Four are in progress

### RECOMMENDATION:

Receive and file

## **AGENDA ITEM NO. 11**

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: October 30, 2023

SUBJECT: Chief Medical Officer (CMO) Report

### **INFLUENZA / COVID VACCINATION COORDINATION**

A cross functional team of Gold Coast Health Plan (GCHP) staff are coordinating efforts to educate and promote the benefits of the influenza and COVID vaccines. The focus of the outreach will be done in coordination with network partners and local agencies and will include a focus on vaccinations for all eligible age groups. Dr. James Cruz, GCHP Senior Medical Director, will lead the coordination of collaborative efforts. To date there are no predicted shortages of vaccines as per the Center for Disease Control updates, and current predictions show a normal level of influenza activity and no indicators of a bad 2023-2024 season.

### **DIRECTOR OF PHARMACY SERVICES**

Effective September 21, 2023 Dr. Lily Yip has been promoted to Director of Pharmacy Services. Dr. Yip has been employed with Gold Coast Health Plan since October 2022, when she assumed the role of Clinical Programs Pharmacist. During her tenure Dr. Yip has provided leadership and guided the pharmacy department during a period of transformation. She is a highly experienced, innovative, and collaborative leader with extensive training that makes her uniquely well suited for her new role. Dr. Yip is an Advanced Practice Pharmacist with over 12 years of experience providing clinical pharmacy services and creating clinical pharmacy programs at various medical groups including AltaMed, Facey Medical Group and Sansum Clinic. She graduated from USC School of Pharmacy and also completed a PGY-1 Pharmacy Practice Residency in Ambulatory Care at USC. She is a Certified Diabetes Care and Education Specialist (CDCES) and a Board Certified Ambulatory Care Pharmacist (BCACP). She has spent most of her career working closely with physicians and specialists in providing diabetes care management and is passionate about ensuring that we provide the best care for the most vulnerable.

### **SENIOR MEDICAL DIRECTOR**

On boarding of Dr. Cruz has been completed and he has assumed day to day oversight of the Utilization Management (UM) and Pharmacy Services Departments. Current focus of his work is to prioritize our fourth quarter quality efforts striving to achieve improved performance

on our Managed Care Accountability Set (MCAS) metrics. These efforts have necessitated the pivoting of staff priorities as part of these fourth quarter efforts.

Dr. Cruz has been working with UM Department leadership to assess process and workflows to ensure alignment with organizational workplans that seek to improve member access and connecting members to care. He has been engaged in the work of configuration of our new medical management system (TruCare). This work has focused on the structuring of the system to maximize our ability to work as one team on our key objectives which place our members at the center of our focus. His work has also involved review of UM policies, procedures, and workflows with an eye on refinement and alignment with regulatory and accreditation standards consistent with organizational objectives towards launch of a Dual Eligible Special Needs Plan (D-SNP) line of business in 2026.

Dr. Cruz along with Dr. Lily Yip, Director of Pharmacy Services, have been leading efforts to assess our Pharmacy Services Department as part of our organizational alignment around key objectives. Together they are reviewing the organizational structure of the department, workflows, and policies and procedures, and priorities to ensure they are focused on enterprise high performance, building of a model of care, regulatory compliance, successful accreditation, advising on the contracting with a pharmacy benefits management company (PBM), and launch of the D-SNP line of business.

### **PHARMACY SERVICES DEPARTMENT UPDATES**

As noted previously in this report our Pharmacy Services Department is undergoing a realignment in keeping with key organizational priorities. The department has begun work to restructure its leadership, add additional personnel, lead the development of a request for proposal (RFP) for a PBM, and review and refine all current workflows and policies to align necessary organization development and the launch of our D-SNP line of business. A key element of this process is the reconvening of our Pharmacy and Therapeutics Committee (P & T Committee). The committee is necessary for compliance with accreditation and regulatory standards and will inform the work of our Pharmacy Service Department. Specifically, the committee will review and implement community provider feedback and/or recommendations regarding GCHP's formulary and medical necessity criteria for specific drugs and therapies. As well as ensure GCHP's formulary and medical necessity criteria for specific drugs and therapies meet all Department of Health Care Services (DHCS) Medi-Cal Managed Care Plan contract and other regulatory agency requirements for Pharmacy. The committee will reconvene on November 16, 2023.

### **CARE MANAGEMENT DEPARTMENT UPDATES**

Rachel Lambert, Senior Director of Care Management, has continued to align care management resources to organizational objectives in connecting members to care and community services necessary to support health and wellness. The department looks to further develop our integrated care team model and our care transitions program in keeping with our model of care workplans. In this fourth quarter of our quality measurement year the department has been pivoting resources to support our fourth quarter push to achieve

organizational high performance. During this time care management will prioritize the deployment of resources in a manner that continues to support members with high and rising care coordination and transition needs while supporting other members with care gaps that need to be closed before the end of this measurement year.

### **Medi-Cal Rx Update**

As of September 23, 2023, the DHCS started Phase IV of the Medi-Cal Rx Reinstatement process. Medi-Cal Rx started requiring prior authorizations for new start enteral nutrition orders for members 22 years of age and older. There was also a series of utilization management claim edits that were reinstated to encourage the appropriate utilization of medications per the Medi-Cal Rx [Contract Drugs List \(CDL\)](#).

Starting on November 10, 2023, Medi-Cal Rx will have completed the retirement of the transition policy for members 22 years of age and older. This means that if there's a medication that requires a prior authorization, whether it's a new start or a previously used medication, a new prior authorization will need to be submitted by the provider.

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. Lately, we have received a lot of questions about how members can get access to the COVID-19 vaccines, the COVID-19 at home test kits, and the RSV vaccines. The Pharmacy Services department has shared the information with the members, the GCHP website, the pharmacy newsletter, GCHP staff, and will also include the information in the next issue of the member newsletter.

These changes will not affect members under the age of 22 at this time. DHCS will continue to provide more information regarding the ongoing Medi-Cal Rx reinstatement process.

Communication about the Medi-Cal Rx reinstatement changes have been 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. We have shared the appropriate resources to member services at the call center, the providers, as well as the internal GCHP team. GCHP will continue to work closely with DHCS and Medi-Cal Rx to assist members in accessing their medications.

GCHP will also be reconvening the Pharmacy & Therapeutics Committee to review the current policies and procedures for pharmaceutical management to prepare us for NCQA accreditation. We will also be reviewing the physician administered drug list and authorization process and prepare for the Part D pharmacy benefit for the upcoming Dual Eligible Special Needs Plan (D-SNP) for 2026.

### **Medi-Cal Rx Resources:**

[Medi-Cal Rx Bulletin & News](#)

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

## **AGENDA ITEM NO. 12**

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Paul Aguilar, Chief Human Resources & Organization Performance Officer

DATE: October 30, 2023

SUBJECT: Human Resources (H.R.) Report

### **Human Resources Activities**

The Human Resource team has been focused on enabling the organization to achieve our number one priority, which is to improve quality. During the first quarter of the fiscal year, our efforts have centered around (1) aligning our employees to our business priorities, via our new performance management process and (2) ensuring we are acquiring the right talent to deliver on these priorities. Below is a summary of the fiscal year Q1 activities (July through September)

Organization: During the quarter we hired 22 people, which increased our overall headcount to 293 roles. The average time to fill these roles were 54/days. One of the measures used to ensure we are acquiring the right talent with the experiences needed to drive performance is the percentage of hires with Managed Care experience. Of the 22 hires, 55% have prior managed care experience. We aim to increase this percentage throughout the year with targeted managed care sourcing strategy. One key hire to highlight during the quarter was Sara Dersch as our Chief Financial Officer, who started September 18<sup>th</sup> and brings a wealth experience to the organization.

Attrition: During the quarter we had 7 people leave the organization, with 4 retirements and three voluntary resignations. Our attrition for the last twelve months remains low at 5.28%.

Engagement: On September 8<sup>th</sup>, we held our One Team Appreciation Day event held at the Oxnard Performance Arts Center. We have roughly 140 employees attend the event to celebrate our success over the last year. Employees enjoyed connecting with each other, engaging with a few activities, while enjoying a great lunch.

Organization Performance: In July we completed our fiscal year 2022/23 performance reviews, with distribution of merit increases to reward and recognize performance of our employees. The average merit increase paid out to employees was 5%, with a range between 3.5% to 7% based on performance. In addition, we launched our new Performance Management Process, with the focus on aligning employee work and focus to our business priorities. Both Manager and Employee new Performance Management Process training was completed in early August. In addition, the cascade of our

organization goals were completed by management to ensure all employees understood their impact to the organization goals and align their individual goals to these priorities. We successfully had 95% of our employee complete individual goals. All of these efforts will create one alignment on our business priorities this year and drive great results.

Looking forward we are preparing for our annual Benefit enrollment in November, continue to place strong emphasis on recruiting and assessing the organization to identify opportunities to leverage and develop our people by positioning them in the right roles that advance our priorities and create the best employee experience.

**RECOMMENDATION:**

Receive and file.