

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

Regular Meeting

Monday June 27, 2022 2:00 p.m.

Due to the public health emergency, the Community Room at Gold Coast Health Plan is currently closed to the public.

The meeting is being held virtually pursuant to AB 361.

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

Conference Call Number: 1-805-324-7279

Conference ID Number: 271 502 806#

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

CALL TO ORDER

INTERPRETER ANNOUNCEMENT

OATH OF OFFICE

New Commissioner: Sara Sanchez

ROLL CALL

PUBLIC COMMENT

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

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

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

CONSENT

- 1. Approval of Ventura County Medi-Cal Managed Care Regular Meeting Minutes of May 23, 2022, and Special Meeting Minutes of June 13, 2022.**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the Regular Meeting Minutes of May 23, 2022 and Special Meeting Minutes of June 13, 2022.

- 2. Findings to Continue to Hold Remote Teleconference/Virtual Community Advisory Committee Meetings Pursuant to Assembly Bill 361.**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: It is recommended that the Committee adopt the findings to continue to meet remotely.

- 3. Additional Funding DR Management – Scope Of Work (SOW) #4**

Staff: Anna Sproule, Senior Director of Operations

RECOMMENDATION: GCHP staff recommends the Commission approve adding \$9,075 to this agreement for a total amount of \$49,075.

CLOSED SESSION

- 4. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.
- 5. REPORT INVOLVING TRADE SECRETS**
Discussion will concern: New Program and Service
Estimated Date of Public Disclosure: Fall of 2022

FORMAL ACTION

6. Contract Award Approval - Stacy Miller Public Affairs, Inc.

Staff: Susana Enriquez-Euyoque, Sr. Manager of Communications & Marketing

RECOMMENDATION: GCHP recommends approving the contract with Stacy Miller Public Affairs, Inc. for an amount not to exceed \$209,000 through the period ending June 30, 2023.

7. Contract Approval – National Committee for Quality Assurance (NCQA) Accreditation Consulting Services

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Kimberly Timmerman, MHA, CPHQ, Director, Quality Improvement

RECOMMENDATION: Based on the overall scores, the evaluation team recommends awarding this initiative and contract to The Mihalik Group, based on fair and open competition.

8. Additional Funds Approval – NXTThing RPO, LLC

Staff: Michael Murguia, Sr. Executive Director of Human Resources

RECOMMENDATION: The Plan recommends the Commission approve the funding of this agreement for an amount up to \$170,000.

9. May 2022 Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the May 2022 financial package.

10. 2022/2023 Operating and Capital Budget

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: The Plan requests that the Commission approve the FY 2022-23 Operating and Capital Budgets, and the corresponding contract renewals outlined in the appendix of the budget.

REPORTS

11. Chief Executive Officer (CEO) Report

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

12. Chief Medical Officer (CMO) Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer

RECOMMENDATION: Receive and file the report.

CLOSED SESSION

13. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

ADJOURNMENT

Date and location of the next meeting to be determined at the July 25, 2022 meeting.

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

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

AGENDA ITEM NO. 1

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Maddie Gutierrez, MMC, Clerk for the Commission
DATE: June 27, 2022
SUBJECT: Minutes of May 23 2022, Regular Commission Meeting, and June 13, 2022,
Special Commission Meeting

RECOMMENDATION:

Approve the minutes.

ATTACHMENT:

Copy of Minutes for the May 23, 2022 Regular Commission Meeting and June 13, 2022
Special Commission Meeting.

**Ventura County Medi-Cal Managed Care Commission (VCMMCC)
dba Gold Coast Health Plan (GCHP)
May 23, 2022, Regular Meeting Minutes**

CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 2:03 p.m. The Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

The interpreter made her announcement for non-English speakers. Translation is available.

ROLL CALL

Present: Commissioners Anwar Abbas, Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, and Scott Underwood, D.O.

Absent: Commissioners Shawn Atin, Allison Blaze, M.D., James Corwin, and Jennifer Swenson.

Attending the meeting for GCHP were Nick Liguori, Chief Executive Officer, Kashina Bishop, Chief Financial Officer, Robert Franco, Chief Compliance Officer, Ted Bagley, Chief Diversity Officer, Alan Torres, Chief Information Officer, and Scott Campbell, General Counsel.

Additional staff participating on the call: Dr. Anne Freese, Pauline Preciado, Kim Timmerman, Carolyn Harris, Nicole Kanter, David Tovar, Susana Enriquez, Paula Cabral, Sandi Walker, Adriana Sandoval, Vicki Wrihster, Jamie Louwerens, Josephine Gallella, Luis Aguilar, Victoria Warner, Vicky Connaughton, Calley Cederlof, Lisbet Hernandez, Bob Bushey, Lupe Gonzalez, Rachel Lambert, Veronica Estrada, and Michael Maestaz.

PUBLIC COMMENT

None.

Commissioners Allison Blaze, M.D., Jennifer Swenson, joined the meeting after Roll call was taken.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Regular Meeting Minutes of April 25, 2022

Staff: Maddie Gutierrez, MMC Clerk to the Commission

RECOMMENDATION: Approve the Regular Meeting Minutes of April 25, 2022.

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

Staff: Scott Campbell, General Counsel

RECOMMENDATION: It is recommended that the Commission adopt the findings to continue to meet remotely.

Commissioner Pupa motioned to approve Consent items 1, and 2. Supervisor Ramirez seconded.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, Jennifer Swenson, and Scott Underwood, D.O.,

NOES: None.

ABSENT: Commissioners Shawn Atin and James Corwin.

Commissioner Chair Pupa declared the motion carried.

Chief Executive Officer Nick Liguori introduced Chief Compliance Officer Robert Franco. CEO Liguori stated that one of the major areas of concern but can also be an opportunity is the impact of rapidly changing Medi-Cal policies and regulations. There is a transformation and implementation with the CalAIM waiver, especially around delegation oversight. In 2024 there will be contracts with new and higher performance standards, such as quality standards which will be associated with monetary policy penalties, or direct contracting with Kaiser, recent action taken by DHCS and Managed Healthcare against LACare.

During DHCS annual medical audit violations were identified related to the transportation benefit and will be subject to the imposition of monetary sanctions or a recently released draft

All-Plan letter confirming for Medi-Cal plans that DHCS can and may enforce compliance through administrative and monetary penalties. This is the foundation of a future Medi-Cal program that must achieve better outcomes, higher quality, and greater member satisfaction.

UPDATES

3. Compliance Program Update

Staff: Robert Franco, Chief Compliance Officer

RECOMMENDATION: Receive and file the update.

Chief Compliance Officer, Robert Franco provided a Compliance Overview PowerPoint. CCO Franco presented an organizational chart listing employees and titles. He also noted there are open positions which need to be filled. He hopes to have all open positions filled by June 30, 2022. CCO Franco presented the 2021 Compliance review table which noted core compliance functions and accomplishments in 2021. He noted there was a decrease in the number of cases for fraud, waste, and abuse. There has been an increase in privacy incidents due to new staff brought in by Conduent. Our Privacy Officer is working with Conduent to identify the cause and ensure corrective actions to sustain compliance.

CCO Franco noted that DHCS has also undergone a huge amount of change and we continue to work on building strong relationships with the new contract manager and branch chief.

We just received an update from DHCS with a request to move the audit up one week. Our audit is going to be July 25- August 2, and it will be virtual. This will be a full scope audit. The review period is focused on June 1, 2021, through May 31, 2022. They will be including prior authorization review, delegated UM activities, behavioral health treatment, mental health, and substance abuse. This year the focus is on access of care.

A warning letter was sent by DHCS- they are looking at non-emergency transportation, as well as cultural linguistics, and again fraud, waste, and abuse.

CCO Franco reviewed audit risks. He stated we have a new audit team; they will be looking at six areas. They will look at prior year findings – we only had one finding in two years, which is a great accomplishment. We have reviewed all DHCS medical audits and identified issues across all plans. We are going to all the different departments to ensure everyone is engaged. We have an Audit readiness Program and have already had our kick-off meeting with business owners. Our first set of deliverables is due June 7th.

Supervisor Ramirez stated she would like to see a copy of the Transportation Warning Letter and the date it was sent out. CCO Franco stated he will send her a copy. He also noted the letter was sent out in March. Supervisor Ramirez stated all Commissioners should get a copy for review. CCO Franco stated he would send it out to all Commissioners.

Commissioner Espinosa motioned to approve Agenda Item 3, Compliance Program Update. Commissioner Abbas seconded.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, Jennifer Swenson, and Scott Underwood, D.O.,

NOES: None.

ABSENT: Commissioners Shawn Atin and James Corwin.

Commissioner Chair Pupa declared the motion carried.

FORMAL ACTION

4. Appointment to the Executive/Finance Committee

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Make any necessary appointments to the Executive Finance Committee to fill the fifth seat.

General Counsel, Scott Campbell stated this action is to fill the remaining seat on the Executive Finance Committee. The four other seats were filled by the Commission Chair, the Vic-Chair, Commissioners Abbas, and Corwin. There is a fifth seat any Commissioner can participate. Currently, Commissioner Swenson is on the committee. Due to her absence from the last Commission meeting, the Commission voted to wait until this meeting to fill the fifth seat. This committee will meet four times per year.

Vice Chair Espinosa nominated Commissioner Swenson be appointed to the Executive Finance Committee. Supervisor Ramirez seconded the nomination. Commissioner Swenson stated she would be happy to serve.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, Jennifer Swenson, and Scott Underwood, D.O.,

NOES: None.

ABSENT: Commissioners Shawn Atin and James Corwin.

Commissioner Chair Pupa declared the motion carried.

5. Coffey Communications Contract – Additional Funding

Staff: Susana Enriquez-Euyoque, Sr. Manager of Communications & Marketing

RECOMMENDATION: GCHP recommends adding \$468,000 to the Coffey Communications Fulfillment Service Order for printing and postage through the period ending Dec. 31, 2023.

Ms. Enriquez-Euyoque stated the Coffey Communications provides several services, including printing and mailing member notices. We now have additional membership, DHCS requirements and a notice sent on behalf of AHP, but we have not received reimbursement for that yet. All these items/mailings have driven costs up and we need additional funding.

Commissioner Espinosa asked what these costs are for. Ms. Enriquez-Euyoque stated there have been several printings and mailing costs, as well as postage. The vendor gets the notices out to the homes of our members.

Commissioner Blaze asked what the previous budget was. She asked what the percentage increase is from the previous budget. Ms. Enriquez-Euyoque referred to Bob Bushey, Procurement Officer, stated we have spent close to \$950,000 on this contract over four years. This equals approximately \$250,000 per year.

Commissioner Monroy asked what the percentage is pending the AHP reimbursement. Ms. Enriquez-Euyoque stated the amount is estimated at \$80,000 for the mailing of the plan pilot.

Supervisor Ramirez motioned to approve Agenda Item 4, Coffey Communication Contract – additional funding. Commissioner Monroy seconded.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, Jennifer Swenson, and Scott Underwood, D.O.,

NOES: None.

ABSENT: Commissioners Shawn Atin and James Corwin.

Commissioner Chair Pupa declared the motion carried.

6. April Financials 2022 Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the April 2022 financial package.

Chief Financial Officer, Kashina Bishop, stated TNE target range has been achieved. TNE in April is 435%. The May net gain was \$7.7 million. Fiscal year to date net gain is \$54.6 million. Our medical loss ratio is 87.8% and administrative ratio is 5.5% Net premium revenue is \$806.5 million – which is over budget by \$7.6 million. We have received approximately \$945,000 for the vaccine incentive program.

Our membership is just under 232,000 and still growing slightly. FYTD health care costs are \$707.7 million and \$24.9 million which is 3% under budget.

Commissioner Espinosa asked if the over 50+ expansion is being considered. CFO Bishop stated it will be taken into consideration and we anticipate a slight increase in membership.

ER Costs decreased due to the pandemic, but over the past year have remained stable.

Inpatient claims costs have increased slightly from prior months but otherwise stable in comparison to other months. CFO Bishop stated there have been a more favorable turn around on claims with Conduent

CFO Bishop stated FYTD Administrative Expenses are \$44.2 million and 17% under budget. Outpatient costs has been very stable over the past several months.

CFO Bishop reviewed the financial statement summary and noted that there was a gain of \$7.7 for the month and TNE is 435%.

Commissioner Pupa stated she had questions. She stated CFO Bishop reference Medi-Cal receivables, April 30th the Plan had 93.7 million in receivables due from DHCS – she asked if it was an outlier. CFO Bishop responded that looking at the balance sheet, it is not a significant change from what has been seen in prior months. It is mostly prior month's capitation payment plus some other retro that we would estimate. It is in line with what we have as a receivable.

Commissioner Pupa stated it was great that we are doing as well as we are but it's a balance between TNE and income and what is reinvested into providers, and when looking at fiscal year 2021, total PMPM was about \$319.36. Looking at actuals for 2022 the difference in PMPM cost is about \$21. With 200,000 members that is about \$4,000,000 per month. She asked if some costs are missing. Costs are higher but that's because enrollment is higher, but when looking at PMPM basis there is a significant difference between. CFO Bishop stated that big drop is being driven by pharmacy – due to the pharmacy carve out which was effective January and is driving the biggest PMPM drop reported.

Commissioner Pupa asked about rates. CFO Bishop stated that with the pharmacy carve-out you see an impact to rate settings for the coming period, lowering our costs. It is accounted for in our revenue and expense. We are aware of finding the balance. The strategic plan when it comes to provider contracting is very important. We are in the process of looking at a strategy and a long-term view.

Commissioner Swenson motioned to approve Agenda Item 6 April 2022 financials. Commissioner Monroy seconded.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, Jennifer Swenson, and Scott Underwood, D.O.,

NOES: None.

ABSENT: Commissioners Shawn Atin and James Corwin.

Commissioner Chair Pupa declared the motion carried.

Commissioner Pupa stated we would like to try something different at this meeting in the interest of time. Unless there are any reports that the Commission would like to pull and review. We would like to receive and file the reports 7 through 11.

Commissioner Swenson stated she liked the new way of doing things.

CEO Liguori stated this is being done to create more time for discussion of Closed Session items.

REPORTS

7. Chief Executive Officer (CEO) Report

Staff: Nick Liguori, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

8. Chief Medical Officer (CMO) Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer

RECOMMENDATION: Receive and file the report.

9. Chief Information Officer (CIO) Report

Staff: Alan Torres, Chief Information Officer

RECOMMENDATION: Receive and file the report.

10. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

11. Executive Director of Human Resources (H.R.) Report

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

Supervisor Ramirez motioned to receive and file Reports- Agenda items 7-11. Commissioner Abbas seconded.

Roll Call Vote as follows:

AYES: Commissioners Anwar Abbas, Allison Blaze, M.D., Laura Espinosa, Anna Monroy, Dee Pupa, Supervisor Carmen Ramirez, Jennifer Swenson, and Scott Underwood, D.O.,

NOES: None.

ABSENT: Commissioners Shawn Atin and James Corwin.

Commissioner Pupa stated the motion carries.

Commission Roundtable - Future Commission Agenda Presentations

12. Commissioner Requests

Commissioner Abbas – No requests
Commissioner Atin - No requests
Commissioner Blaze – No requests
Commissioner Corwin – No requests
Commissioner Monroy – No requests
Commissioner Pupa – No requests
Supervisor Ramirez – COVID – Anticipated complications, costs Monthly updates with impact to community and GCHP
Commissioner Underwood – No requests

Open session ended at 2:53 p.m.

General Counsel, Scott Campbell asked the Commissioners to dial into the Zoom call #1. The Zoom call #2 will immediately follow.

CLOSED SESSION

13. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

14. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

ADJOURNMENT

General Counsel Campbell stated there was no reportable action in Closed Session. The meeting was adjourned at 4:25 p.m.

Approved:

Maddie Gutierrez, MMC
Clerk to the Commission

**Ventura County Medi-Cal Managed Care Commission (VCMMCC)
dba Gold Coast Health Plan
Special Meeting Minutes
June 13, 2022**

CALL TO ORDER

Supervisor Carmen Ramirez called the meeting to order at 12:07 p.m.

ROLL CALL

Present: Commissioners Anwar Abbas, Allison Blaze, M.D., James Corwin, Anna Monroy, Supervisor Carmen Ramirez, and Sara Sanchez.

Absent: Commissioners Shawn Atin, Laura Espinosa, Dee Pupa, Jennifer Swenson and Scott Underwood, D.O.

Attending the meeting for Gold Coast Health Plan (GCHP) were Chief Executive Officer Nick Liguori, CPPO Eric Cho, CFO Kashina Bishop, CMO Nancy Wharfield, M.D., CDO Ted Bagley, CIO Alan Torres, Marlen Torres – Sr. Executive Director of Strategy & External Affairs, Sr. Executive Director of Human Resources, Michael Murguia, Anna Sproule, Sr. Director of Operations, Susana Enriquez-Euyoque, and Ana Rangel, Interpreter.

Tom Kiskin, reporter for Ventura County Star was also present

PUBLIC COMMENT

None.

Commission Vice-Chair Laura Espinosa joined the meeting at 12:09 p.m.

CONSENT

- 1. Findings to Continue to Hold Remote Teleconference/Virtual Community Advisory Committee Meetings Pursuant to Assembly Bill 361.**

Staff: Scott Campbell, General Counsel

RECOMMENDATION: It is recommended that the Committee adopt the findings to continue to meet remotely.

Commissioner Shawn Atin joined the meeting at 12:12 p.m.

Supervisor Carmen Ramirez motioned to approve Consent item 1. Commissioner Anwar Abbas seconded.

Roll Call vote as follows:

AYES: Commissioners Anwar Abbas, Shawn Atin, Allison Blaze, M.D., James Corwin, Laura Espinosa, Anna Monroy, Supervisor Carmen Ramirez, and Sara Sanchez.

NOES: None.

ABSENT: Commissioners Dee Pupa, Jennifer Swenson, and Scott Underwood, D.O.

Open session ended at 12:14 p.m.

General Counsel, Scott Campbell asked the Commissioners to dial into the Zoom call.

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

3. REPORT INVOLVING TRADE SECRETS

Discussion will concern: New Program and Service
Estimated Date of Public Disclosure: Fall of 2022

ADJOURNMENT

General Counsel Campbell stated there was no reportable action in Closed Session. The meeting was adjourned at 1:05 p.m.

Approved:

Maddie Gutierrez, MMC
Clerk to the Commission



AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: June 27, 2022

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

SUMMARY/RECOMMENDATION:

At its June 13, 2022, special meeting, the Ventura County Medi-Cal Managed Care Commission (“Commission”) dba as Gold Coast Health Plan (“Plan”) made findings pursuant to Assembly Bill 361 to continue to meet remotely. To continue this practice, it is required, that the Commission determine that the COVID-19 state of emergency proclaimed by the Governor still exists and has been considered by the Commission in deciding to continue to have teleconference meetings and that state or local officials have imposed or recommended measures to promote social distancing in connection with COVID-19, and that as result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees. Because these findings must be made every thirty (30) days, it is time to remake the findings.

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. Newly enacted AB 361 provides an exception to these procedures in order to allow for fully virtual meetings during proclaimed emergencies, including the COVID-19 pandemic.

Since March of 2020 and the issuance of Governor Newsom’s Executive Order N-29-20, which suspended portions of the Brown Act relating to teleconferencing, the Commission and the Plan’s Committees have had virtual meetings without having to post the location of the legislative body members attending virtually. Most public agencies have been holding public meetings using virtual platforms since this time. In June of 2021, Governor Newsom issued Executive Order N-08-21, which provided that the exceptions contained in EO N-29-20 would sunset on September 30, 2021.

On September 10, 2021, the Legislature adopted AB 361, which allows public agencies to hold fully virtual meetings under certain circumstances without the posting of the agenda from each location a legislative body member is attending. Governor Newsom signed the bill into law on September 16, 2021. Because it contained an urgency provision, it took immediate effect.

Specific Findings Required under AB 361

Under AB 361, the Commission, can hold virtual meetings without providing notice of the Commissioner's teleconference location if the Commission makes the determination that there is a Governor-proclaimed state of emergency which the Commission will consider in their determination, and one of two secondary criteria listed below exists:

1. State or local officials have imposed or recommended measures to promote social distancing in connection with COVID-19; or
2. The Commission determines that requiring a meeting in person would present an imminent risk to the health or safety of attendees.

COVID-19 continues to present an imminent threat to the health and safety of Commission members, and its personnel, and the Governor's declaration of a COVID-19 emergency still exists. Although vaccines are now widely available, many people in the State and County are still not fully vaccinated and remain susceptible to infection. Additionally, several Commissioners 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, a new variant is spreading through the county and world and social distancing requirements still exist. Persons who have Covid-19 due to this new variant are experiencing more severe effects than the prior variant.

Re-Authorization is Required Within 30 Days

The Commission made the findings listed above at its October 25, 2021 and at many following meetings, Consistent with the provisions of Government Code Section 54953(e), the findings must be made every 30 days "after teleconferencing for the first time" under AB 361. Thus, if the Commission desires to continue to meet remotely without having to post the location of each teleconference location, the Commission must again find that the COVID-19 emergency still exists and that one of the two following findings can be made: that state or local officials have imposed or recommended measures to promote social distancing in connection with COVID-19, or, that a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees.

It is recommended that the Commission make these findings.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

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

FOLLOW UP ACTION:

That the Commission make the findings under AB361 at its July 25, 2022, Regular Commission meeting.

ATTACHMENT:

None.



AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission
From: Anna Sproule, Senior Director of Operations
Date: June 27, 2022
Subject: Additional Funding DR Management – Statement Of Work (SOW) #4

SUMMARY:

The Plan requires additional funding for DR Management SOW #4.

BACKGROUND/DISCUSSION:

In April of 2019 the Commission approved awarding a contract to DR Management to provide program management services for the Enterprise Transformation Project (“ETP”). The new HSP claims system technology of the project went live in May '21 and has required a significant amount of GCHP post go-live support. In July of 2021, and under a new and separate statement of work, GCHP contracted with DR Management on an as-needed time and materials basis through December 31, 2021.

Due to staff vacancies in the Operations department, a new statement of work was issued to DR Management to provide staff augmented operations services for GCHP's Operations department commencing January 1, 2022, and ending May 31, 2022. This Statement of Work #4 includes:

- Coordinating operational efforts to remediate contract/system deficiencies
- Management of testing and closure of claims system changes
- Operations report review and validation related to claims system reports

At the April 25, 2022, Commission meeting the Commission approved SOW 4 for a projected amount of \$40,000. The actual amount was \$49,075 due to necessary increased work (at GCHP request) related to claims performance oversight and claims issue root cause resolution.

FISCAL IMPACT:

There is no impact to the current fiscal year. The amount is included in the approved FY21/22 budget plan.

Table 1: DR Management SOW #4 Total Contract Value

Statement of Work #4	Amount	Period	Budgeted
Operations Support	\$40,000	1/01/2022 – 5/31/2022	Yes
Additional Funding	\$9,075	1/01/2022 – 5/31/2022	Yes
Total amount	\$49,075		

RECOMMENDATION:

GCHP staff recommends the Commission approve adding \$9,075 to this agreement for a total amount of \$49,075.

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

AGENDA ITEM NO. 6

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Susana Enriquez-Euyoque, Sr. Manager of Communications & Marketing

DATE: June 27, 2022

SUBJECT: Contract Award Approval - Stacy Miller Public Affairs, Inc.

SUMMARY:

On April 20, 2022, Gold Coast Health Plan (GCHP) issued a formal Request for Proposal (RFP) to three interested vendors for a strategic public relations and marketing program to support GCHP and the Medi-Cal program for Ventura County. Only one vendor, Stacy Miller Public Affairs, Inc. (SMPA), submitted a proposal on the response due date of April 27, 2022. The responses of the vendors GCHP solicited are listed below:

Vendor	Intent to Bid	Proposal Received
Stacy Miller Public Affairs, Inc.	Yes	Yes
Fiona Hutton	No	No
Scott Public Relations	No response	No

GCHP has worked with SMPA previously, most recently to promote the COVID-19 vaccine incentive program.

The new contract includes with SMPA includes the following services:

- Internal / external communications strategies and plans, including social / digital media, to promote programs and services
- Branding / image identity development
- Media relations and training
- Government relations / advocacy
- Exigency situational management

SMPA's familiarity with GCHP and its role in the community is beneficial to GCHP in that the work to develop and execute a communication plan can begin immediately. This work will supplement the work GCHP staff performs in instances where staff resources are unavailable, or it would be more appropriate to use this vendor.

RECOMMENDATION:

GCHP recommends approving the contract with Stacy Miller Public Affairs, Inc. for an amount not to exceed \$209,000 through the period ending June 30, 2023.

FINANCIAL IMPACT:

Funding for this contract is included in the FY 2022-23 budget.



AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

From: Nancy Wharfield, MD, Chief Medical Officer
Kimberly Timmerman, MHA, CPHQ, Director, Quality Improvement

Date: June 27, 2022

Subject: Contract Approval – National Committee for Quality Assurance Accreditation Consulting Services

BACKGROUND/DISCUSSION:

Project Background

Gold Coast Health Plan (“GCHP”) is seeking to engage a qualified consultant entity to achieve initial National Committee for Quality Assurance (“NCQA”) Health Plan Accreditation for the Medicaid product line by 2025, as required by Department of Health Care Services (“DHCS”) California Advancing and Innovating Medi-Cal (“CalAIM”) mandates.

The goals of the project include the following:

- Consult on the design and implementation of project plan/roadmap and timeline to achieve the highest level of NCQA Accreditation
- Conduct organizational readiness and gap analysis; identify critical gaps and focus areas
- Conduct mock audit and file review with scoring, findings, and recommendations
- Assist with compilation of compliance documentation, program descriptions, policies/procedures, and analytic quality reports
- Provide and/or consult on the tool/platform for document organization, e.g., evidence library, to manage NCQA documentation and submission via NCQA ISS Tool
- Share best practices for health plan success
- Assist in developing a plan for continued sustainability of NCQA compliance and ongoing maintenance of NCQA Health Plan Accreditation

Procurement Background

On April 4, 2022, staff issued a Request For Proposal, (RFP) directly to eight vendors. The Plan received seven responsive proposals, two of which were received from the public posting. Prior to the RFP being issued a cross functional evaluation team was formed to include the Chief Medical Officer, the Sr. Director Population Health, the Director of Quality Improvement, the Quality Improvement Project Manager, the Privacy Officer, the Manager of Information Security

and the Procurement Officer. Using predetermined evaluation criteria and weights, the team scored each proposal from the RFP's qualitative and quantitative requirements.

The scoring results from the evaluation team are as follows:

Overall Scores (High to Low):

Vendor	Score
The Mihalik Group	60.44
Health Management Associates	55.24
Quality First Healthcare	50.59
QualOrg	40.00
Clearlink Partners	38.80
Change Healthcare	36.37
NTT Data	36.14

FISCAL IMPACT:

This initiative was budgeted for the FY 2022 - 23 project budget with an estimate of \$150,000. The RFP process revealed that this was an underestimate by approximately \$75,000.

The total price of the contract award to The Mihalik Group is a not to exceed amount of \$225,000.

RECOMMENDATION:

Based on the overall scores, the evaluation team recommends awarding this initiative and contract to The Mihalik Group, based on fair and open competition.

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



AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Michael Murguia, Sr. Executive Director of Human Resources
DATE: June 27, 2022
SUBJECT: Additional Funding Approval – NXTThing RPO, LLC

SUMMARY:

GCHP staff seeks to add additional funding to the existing NXTThing Recruitment Firm Agreement. NXTThing actively participates in the recruitment and placement of prospective job candidates (including, arranging interview appointments, supplying and checking applicants' references, providing GCHP with all pertinent information regarding the candidate(s) and conveying a favorable impression of GCHP to each candidate).

BACKGROUND/DISCUSSION:

NXTThing assists the HR team in filling open positions. There are currently 40 open positions and NXTThing is working on filling 14 of the 40. Their Recruitment Firm Agreement was executed in March '22 and they have currently filled 6 positions.

For the upcoming fiscal year, there will be an additional 35 new positions. Current attrition stands at 10-12% on 250 employees. In total, there will be 60-65 potential open positions to fill over the next twelve (12) months.

HR and Procurement are currently working on soliciting the marketplace to develop a pool of preferred recruiters. This initiative is projected to be completed in August.

FISCAL IMPACT:

NXTThing charges a flat fee per hire and recently completed filling 6 positions; their flat fee is significantly less than the traditional percent based contingency search firm fee structure resulting in a lower overall recruiting cost to GCHP. If NXTThing fills the current 14 in flight positions and another 6-8 open positions prior to completing the sourcing initiative above, the projected spend will be approximately \$170,000. Up until this year 2022 we averaged 25 hires a year. We will end this fiscal budget at close to 75 hires which is triple our normal rate. This and many other factors are driving a significant cost in recruiting.

RECOMMENDATION:

The Plan recommends the Commission approve the funding of this agreement for an amount up to \$170,000.

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



AGENDA ITEM NO. 9

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 27, 2022
SUBJECT: May 2022 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached May 2022 fiscal year-to-date (“FYTD”) financial statements of Gold Coast Health Plan (“GCHP”) for review and approval.

BACKGROUND/DISCUSSION:

The staff has prepared the May 2022 unaudited FYTD financial packages, including statements of financial position, statement of revenues and expenses, changes in net assets, statement of cash flows and schedule of investments and cash balances.

Financial Overview:

GCHP experienced gains of \$8.5 million for May 2022. As of May 31st, GCHP is favorable to the budget estimates by \$47.1 million. The favorability is due to medical expense estimates that are currently less than budget by \$30.8 million, administrative and project expenses that are under budget by \$9.0 million, revenue that is favorable to budget by \$7.5M primarily due to vaccine incentive program not in budget and favorable CY2022 rate increase.

Financial Report:

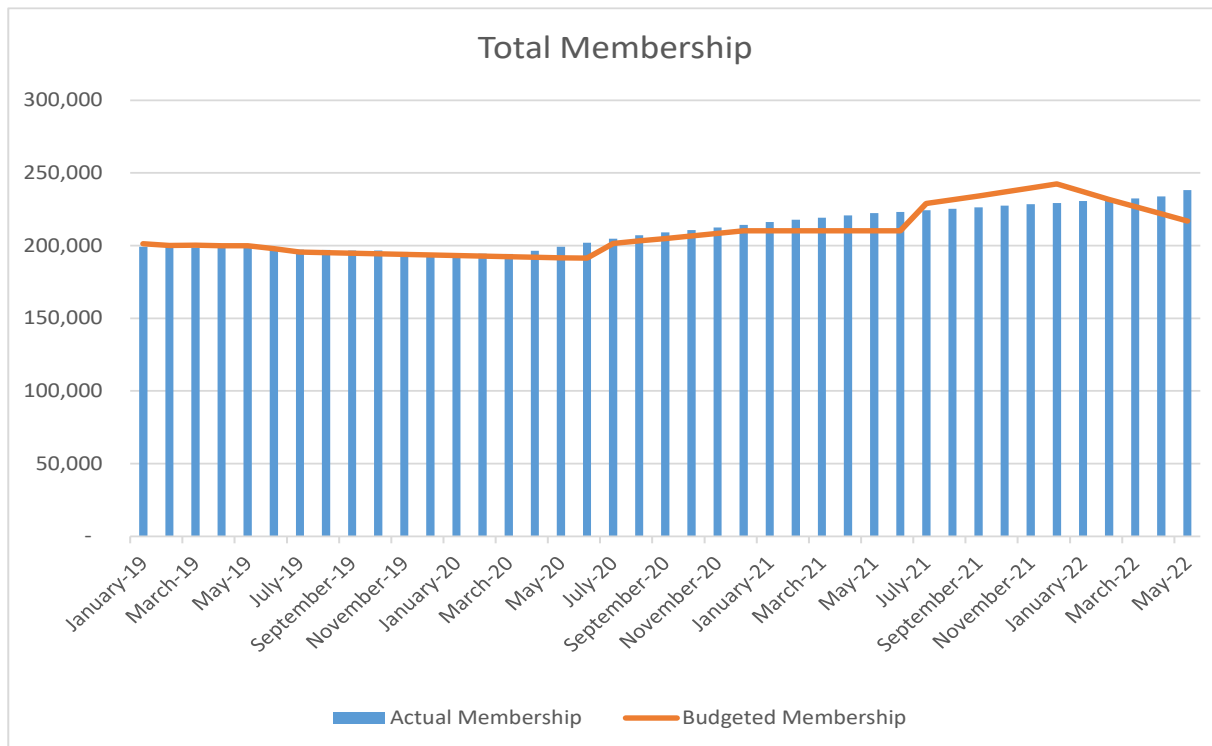
GCHP is reporting a net gain of \$8.5 million for May 2022.

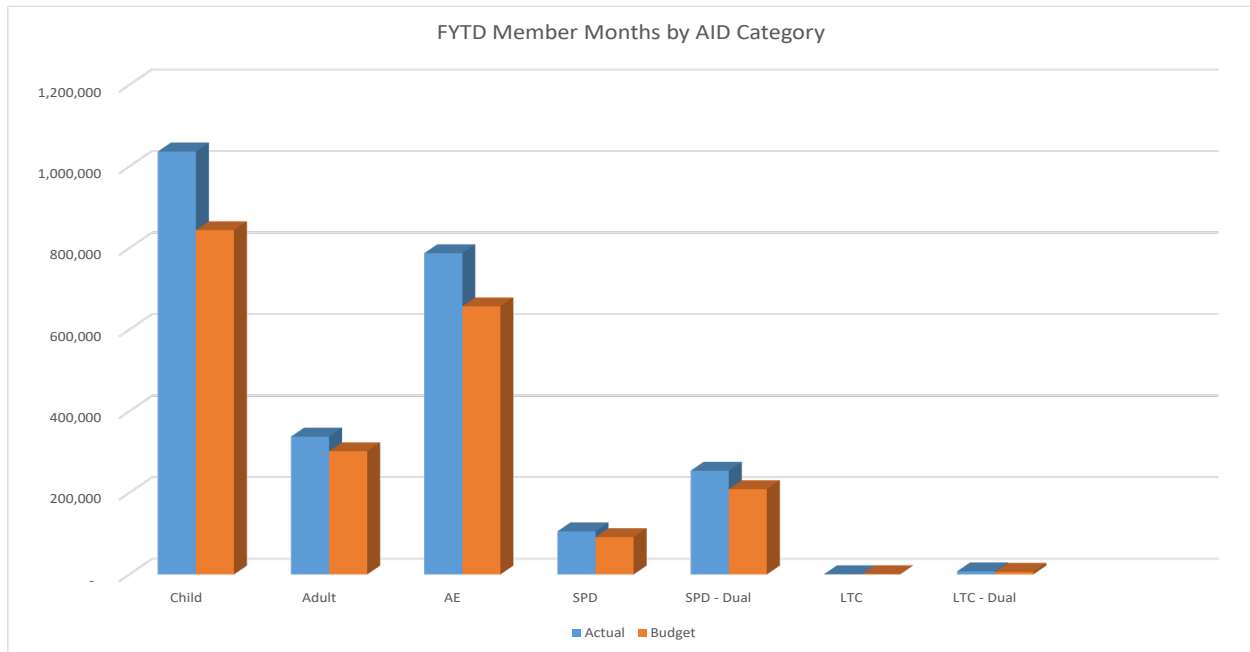
May 2022 FYTD Highlights:

1. Net gain of \$63.0 million, a \$47.1 million favorable budget variance.
2. FYTD net revenue is \$881.4 million, \$7.5 million over budget.
3. FYTD Cost of Health Care is \$770.0 million, \$30.8 million under budget.
4. The medical loss ratio is 87.3% of revenue, 4.3% less than the budget.
5. FYTD administrative expenses are \$48.7 million, \$9.0 million under budget.
6. The administrative cost ratio is 5.5%, 1.1% under budget.

7. Current membership for May 2022 is 232,495.
8. Tangible Net Equity is \$168.7 million which represents approximately 69 days of operating expenses in reserve and 462% of the required amount by the State.

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





Revenue

FYTD Net Premium revenue is \$881.4 million; a \$7.4 million and 0.8% favorable budget variance. Primarily drivers are incentive revenue from Vaccine Incentive Program not in budget (~\$0.9M) and favorable CY2022 rates (~\$4.4M).

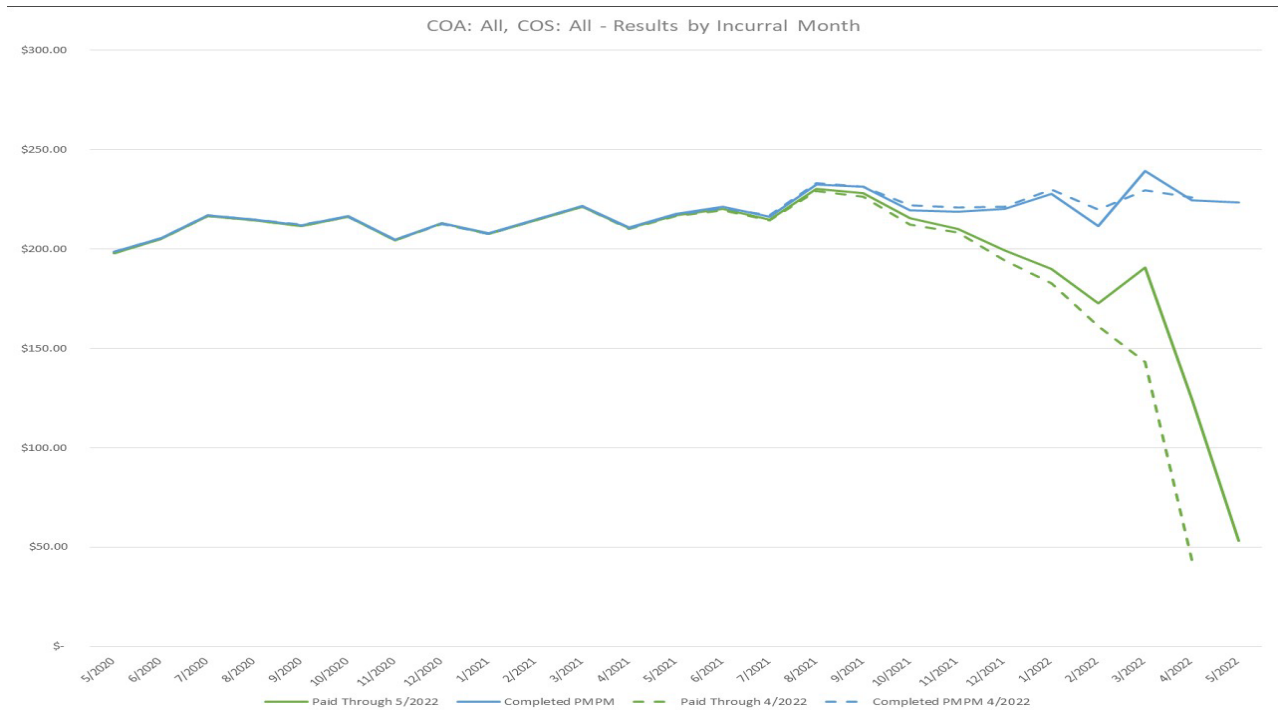
Health Care Costs

FYTD Health care costs are \$770.0 million; a \$30.8 million and 4.0% favorable budget variance. Due to the unknown impacts of the pandemic, the budget was established by trending forward CY 2019 medical expenses.

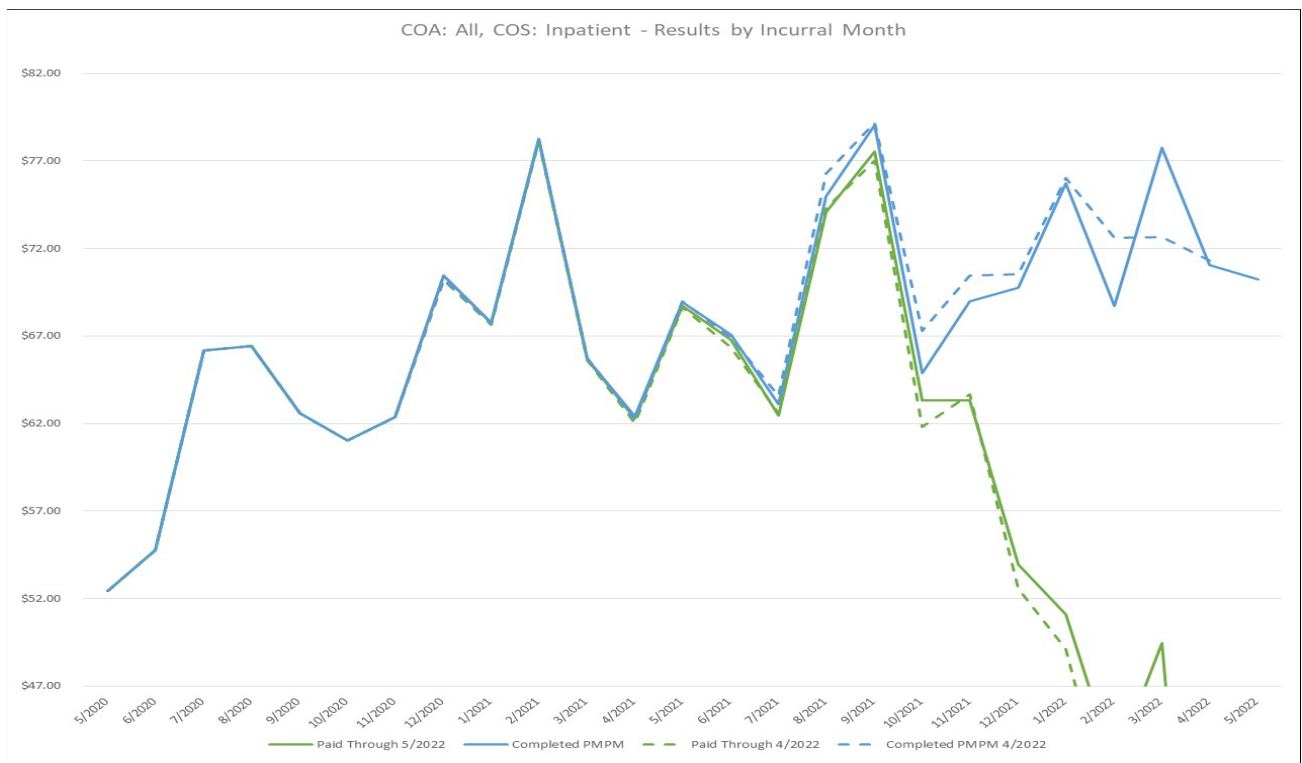
Medical expenses are calculated through a predictive model which examines the timing of claims receipt and claims payments. It is referred to as “Incurred but Not Paid” (IBNP) and is a liability on the balance sheet. On the balance sheet, this calculation is a combination of the Incurred but Not Reported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

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

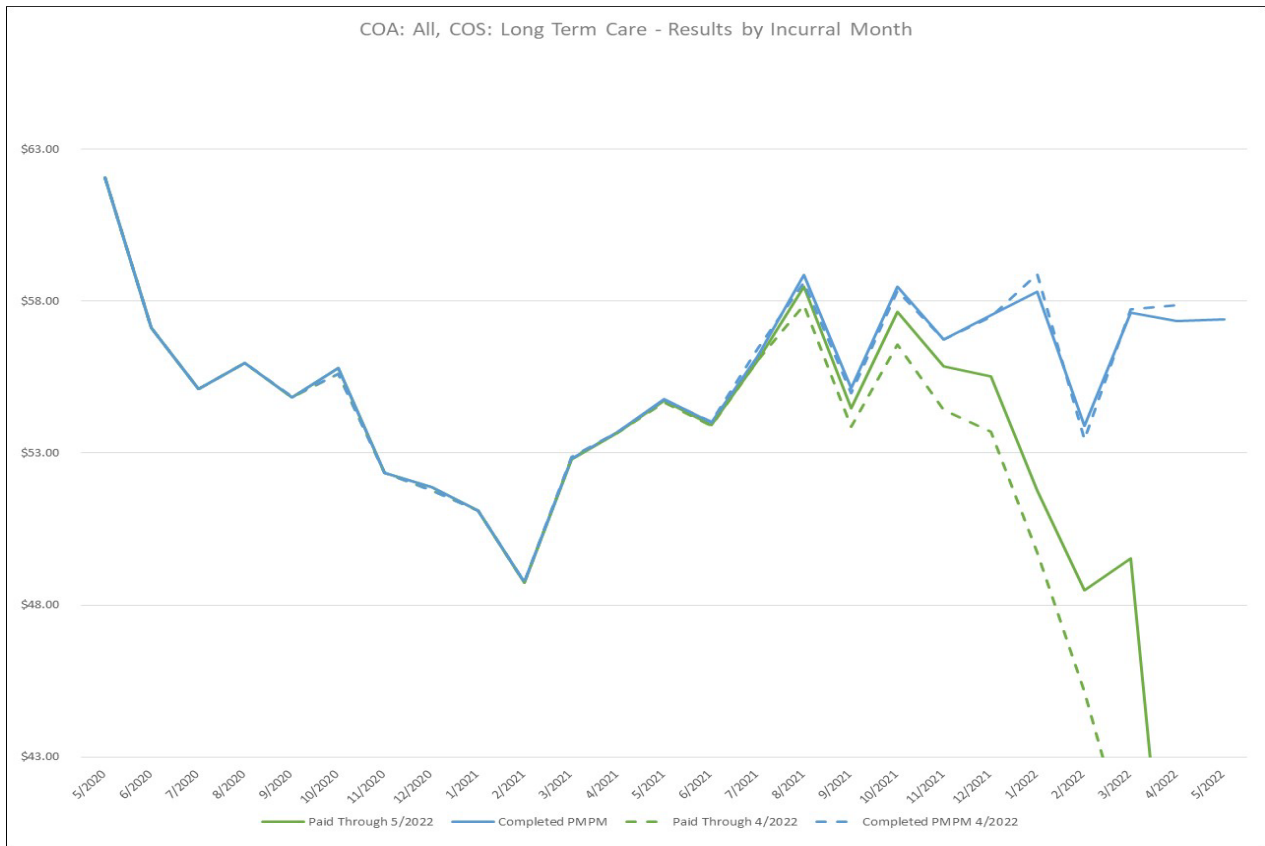
1. All categories of service



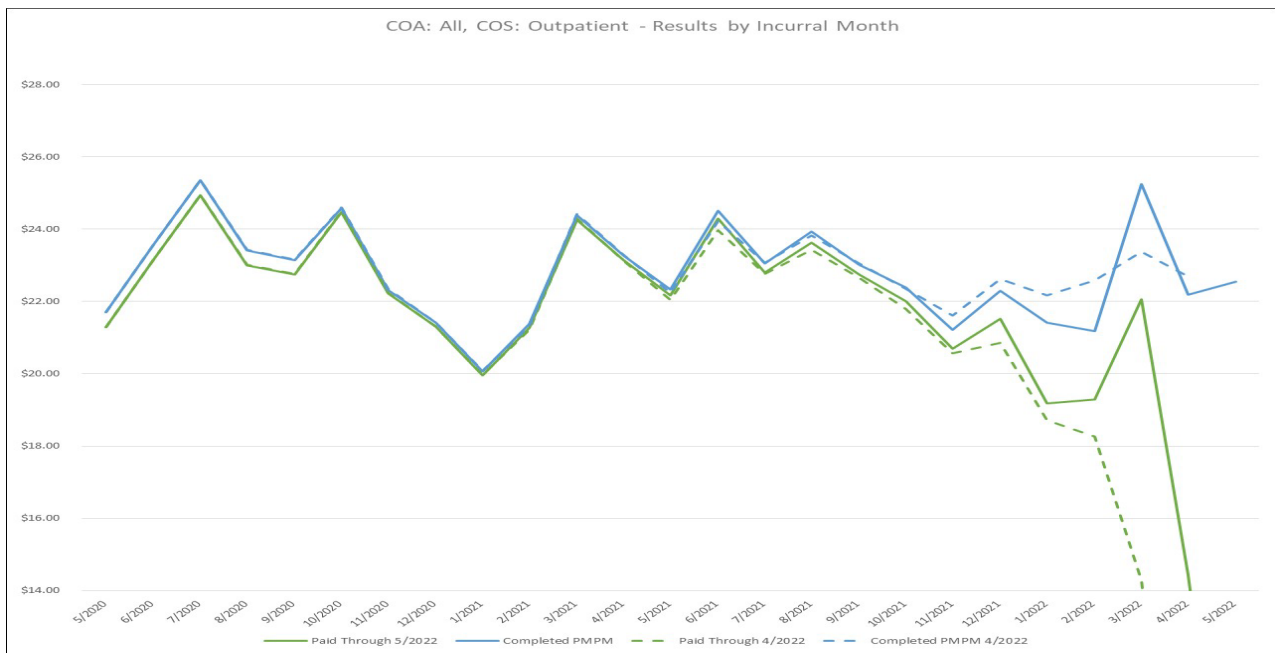
2. Inpatient hospital costs



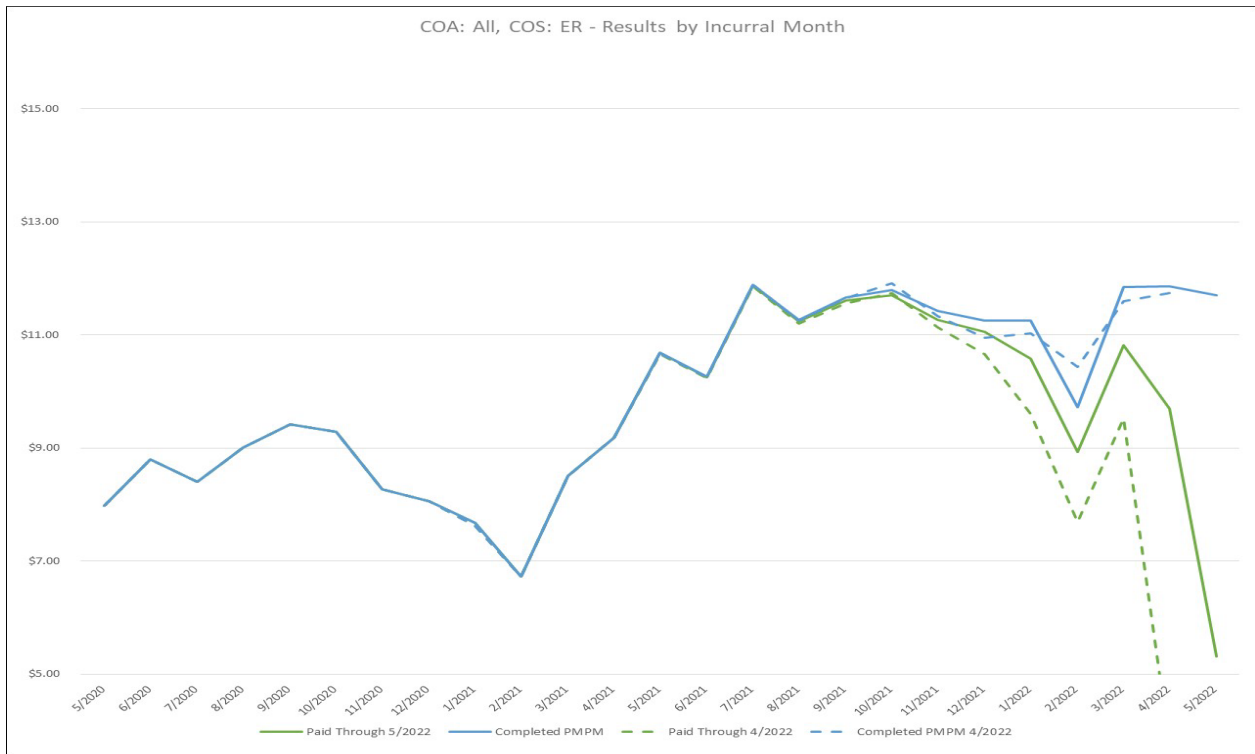
3. Long term care (LTC) expenses



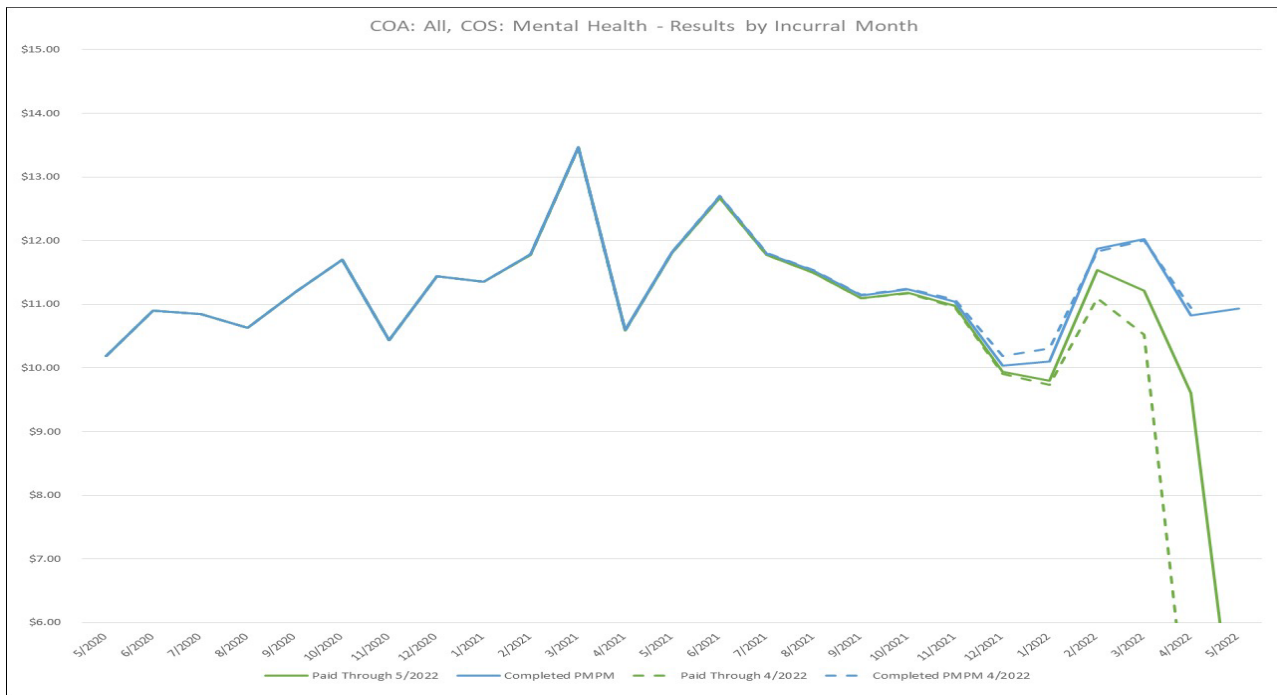
4. Outpatient expenses



5. Emergency Room expenses



6. Mental and behavioral health services



Administrative Expenses

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

For the fiscal year to date through May 2022, administrative costs were \$48.7 million and \$9.0 million under budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 5.5% versus 6.6% for budget.

The following are drivers of administrative expense favorability:

- *Enterprise Project Portfolio*: timing of consulting services related to multiple projects (~\$3.9M)
- *Salaries, Wages & Employee Benefits*: primarily related to timing of filling open positions in IT/Health Services (~\$1.4M)
- *Outside Services*: favorability of Conduent and PBM admin fee expenses due to membership lower than projected and lower fulfillment related charges and Conduent invoice chargebacks (~\$2.1M)
- *Occupancy, Supplies, Insurance and Other*: timing of software and non-capital equipment purchases and implementation, lower printing expenses and lower than budgeted interest expense (~\$1.4M)

Cash and Short-Term Investment Portfolio

At May 31st, the Plan had \$291.4 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool \$18.4 million; LAIF CA State \$40.3 million; Cal Trust \$34.9M; the portfolio yielded a rate of 2.5%.

SCHEDULE OF INVESTMENTS AND CASH BALANCES

	Market Value* May 31, 2022	Account Type
Local Agency Investment Fund (LAIF) ¹	\$ 40,269,787	investment
Ventura County Investment Pool ²	\$ 18,377,308	investment
CalTrust	\$ 34,855,459	short-term investment
Bank of West	\$ 191,453,324	money market account
Pacific Premier	\$ 4,907,896	operating accounts
Mechanics Bank ³	\$ 1,536,551	operating accounts
Petty Cash	\$ 500	cash
Investments and monies held by GCHP	\$ 291,400,825	

	May-22	FYTD 21-22
Local Agency Investment Fund (LAIF)		
Beginning Balance	\$ 40,269,787	\$ 206,976
Transfer of Funds from Ventura County Investment Pool	-	40,000,000
Quarterly Interest Received	-	63,056
Quarterly Interest Adjustment	-	(245)
Current Market Value	\$ 40,269,787	\$ 40,269,787
Ventura County Investment Pool		
Beginning Balance	\$ 18,377,308	\$ 43,304,353
Transfer of funds to LAIF	-	(25,000,000)
Interest Received	-	72,955
Current Market Value	\$ 18,377,308	\$ 18,377,308

Medi-Cal Receivable

At May 31st, the Plan had \$93.4 million in Medi-Cal Receivables due from DHCS.

RECOMMENDATION:

Staff requests that the Commission approve the May 2022 financial package.

CONCURRENCE:

N/A

ATTACHMENT:

May 2022 Financial Package



FINANCIAL PACKAGE
For the month ended May 31, 2022

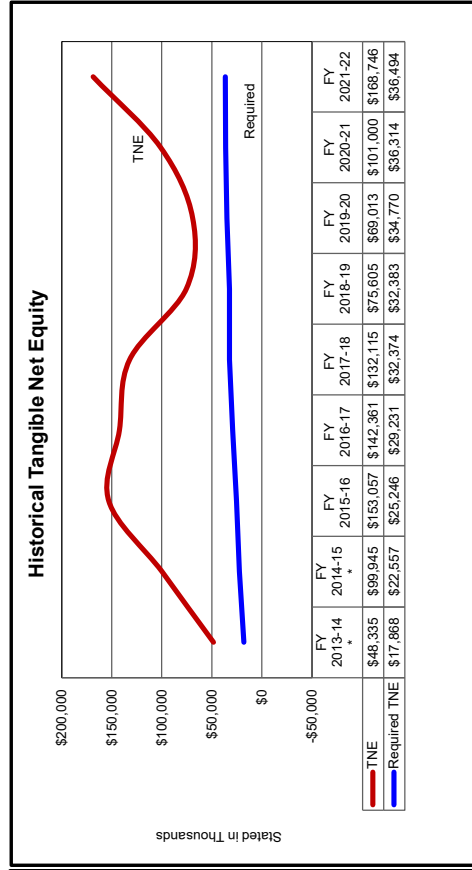
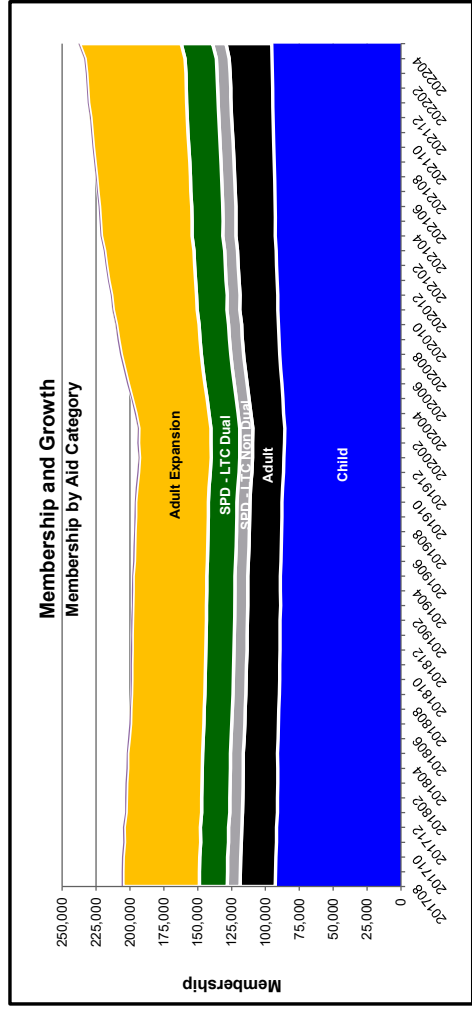
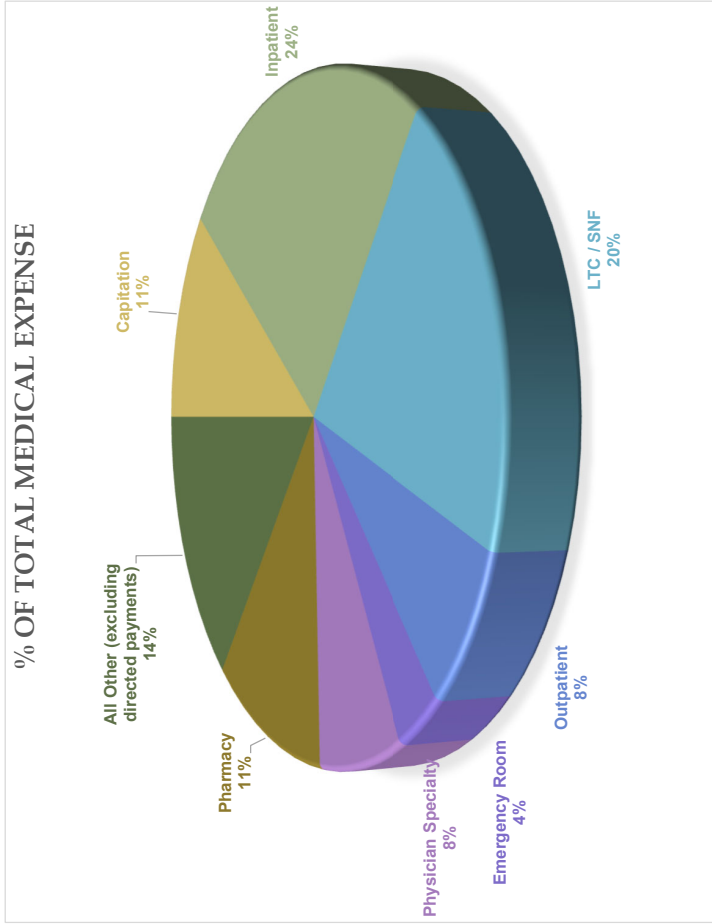
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- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Schedule of Investments & Cash Balances

Gold Coast Health Plan
Executive Dashboard as of May 31, 2022

	FYTD 21/22 Budget*	FYTD 21/22 Actual	FY 20/21 Actual	FY 19/20 Actual
Average Enrollment	254,836	251,279	213,547	196,012
PMPM Revenue	\$ 347.83	\$ 350.78	\$ 358.22	\$ 348.73
Medical Expenses				
Capitation	\$ 35.38	\$ 32.10	\$ 34.03	\$ 24.93
Inpatient	\$ 70.05	\$ 70.76	\$ 66.52	\$ 65.19
LTC / SNF	\$ 54.62	\$ 60.24	\$ 55.42	\$ 59.20
Outpatient	\$ 27.78	\$ 22.38	\$ 23.16	\$ 25.81
Emergency Room	\$ 13.86	\$ 10.93	\$ 9.25	\$ 11.97
Physician Specialty	\$ 27.16	\$ 22.45	\$ 25.71	\$ 27.63
Pharmacy	\$ 35.05	\$ 32.54	\$ 62.07	\$ 61.05
All Other (excluding directed payments)	\$ 37.87	\$ 42.78	\$ 43.20	\$ 41.07
Total Per Member Per Month	\$ 301.78	\$ 294.18	\$ 319.36	\$ 316.86
Medical Loss Ratio	91.4%	87.2%	92.1%	94.6%
Total Administrative Expenses	\$ 57,631,511	\$ 48,673,940	\$ 49,637,603	\$ 50,821,685
% of Revenue	6.6%	5.5%	5.4%	6.2%
TNE	\$ 114,451,945	\$ 168,745,807	\$ 100,999,994	\$ 71,272,142
Required TNE	\$ 36,466,424	\$ 36,493,584	\$ 36,313,908	\$ 34,685,521
% of Required	314%	462%	278%	205%

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



STATEMENT OF FINANCIAL POSITION

	<u>05/31/22</u>	<u>04/30/22</u>	<u>03/31/22</u>
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	197,898,272	162,777,868	158,967,379
Total Short-Term Investments	93,502,554	93,447,305	93,423,537
Medi-Cal Receivable	93,445,134	93,723,356	97,763,795
Interest Receivable	105,837	90,412	106,133
Provider Receivable	1,275,611	2,199,219	1,945,562
Other Receivables	4,434,296	4,840,213	4,980,336
Total Accounts Receivable	99,260,879	100,853,200	104,795,827
Total Prepaid Accounts	1,539,004	1,524,274	1,808,478
Total Other Current Assets	135,560	135,560	135,560
Total Current Assets	392,336,269	358,738,208	359,130,781
Total Fixed Assets	1,270,498	1,292,824	1,330,197
Total Assets	<u>\$ 393,606,767</u>	<u>\$ 360,031,032</u>	<u>\$ 360,460,978</u>
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurring But Not Reported	\$ 98,353,661	\$ 100,678,679	\$ 99,620,702
Claims Payable	22,249,667	12,621,056	10,753,445
Capitation Payable	26,200,029	25,919,884	25,878,323
Physician Payable	27,236,011	24,798,961	22,193,335
DHCS - Reserve for Capitation Recoup	16,090,840	14,897,685	14,897,685
Accounts Payable	2,006,739	38,252	2,061,225
Accrued ACS	1,716,735	3,461,022	1,640,728
Accrued Provider Reserve	10,527,748	4,424,766	3,672,549
Accrued Pharmacy	7,457	2,482	3,300
Accrued Expenses	2,764,453	2,546,135	2,726,462
Accrued Premium Tax	14,377,200	7,188,600	21,565,800
Accrued Payroll Expense	2,450,890	2,267,965	1,970,842
Total Current Liabilities	223,981,431	198,845,486	206,984,396
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	879,529	892,621	905,712
Deferred Revenue - Long Term Portion	-	-	-
Notes Payable	-	-	-
Total Long-Term Liabilities	879,529	892,621	905,712
Total Liabilities	224,860,960	199,738,107	207,890,108
Net Assets:			
Beginning Net Assets	105,714,877	105,714,877	105,714,877
Total Increase / (Decrease in Unrestricted Net Assets)	63,030,930	54,578,048	46,855,994
Total Net Assets	168,745,807	160,292,925	152,570,870
Total Liabilities & Net Assets	<u>\$ 393,606,767</u>	<u>\$ 360,031,032</u>	<u>\$ 360,460,978</u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED May 31, 2022**

	May 2022		Year-To-Date		Variance		Year-To-Date		Variance	
	Actual	Budget	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)	%
Membership (includes retro members)										
Revenue										
Premium	\$ 82,744,575		\$ 874,028,712	\$ 88,169,206		10%	\$ 382,92	\$ 342,98	\$ 39.94	
Reserve for Cap Requirements	-		-	-		0%	-	-	-	
Incentive Revenue	-		945,045	945,045		0%	0.38	-	0.38	
MCO Premium Tax	(7,715,326)		(81,708,230)	(81,708,230)		0%	(32.52)	-	(32.52)	
Total Net Premium	75,029,249		874,028,712	7,406,021		0.8%	350.78	342.98	7.80	
Other Revenue:										
Miscellaneous Income	75		108,209	108,209		0%	0.04	-	0.04	
Total Other Revenue	75		108,209	108,209		0%	0.04	-	0.04	
Total Revenue	75,029,324		874,028,712	7,514,230		1%	350.78	342.98	7.85	
Medical Expenses:										
Capitation	7,744,727		79,344,577	88,912,843	9,568,265	11%	31.58	34.89	3.31	
PCP, Specialty, Kaiser, NEMT & Vision	323,120		1,317,161	1,471,200	154,038	10%	0.52	0.58	0.05	
ECM	8,067,847		80,661,739	90,384,042	9,722,304	11%	32.10	35.97	3.87	
FFS Claims Expenses:										
Inpatient	15,770,518		177,814,438	176,014,431	(1,800,006)	-1%	70.76	69.07	(1.69)	
LTC / SNF	13,657,872		151,368,241	137,259,760	(14,108,481)	-10%	60.24	53.86	(6.38)	
Outpatient	4,902,167		56,232,999	69,811,838	13,578,839	19%	22.38	27.39	5.02	
Laboratory and Radiology	792,998		8,448,812	5,562,069	(2,886,743)	-52%	3.36	2.18	(1.18)	
Directed Payments - Provider	2,547,400		30,768,585	26,318,160	(4,450,425)	-17%	12.24	10.33	(1.92)	
Emergency Room	2,769,968		27,462,488	34,836,254	7,373,766	21%	10.93	13.67	2.74	
Physician Specialty	5,404,735		56,411,931	68,245,586	11,833,655	17%	22.45	26.78	4.33	
Primary Care Physician	2,147,137		25,375,131	18,813,915	(6,561,216)	-35%	10.10	7.38	(2.72)	
Home & Community Based Services	2,251,699		22,914,349	25,460,245	2,545,896	10%	9.12	9.99	0.87	
Applied Behavioral Analysis/Mental Health Service	2,405,136		27,194,955	28,173,543	978,588	3%	10.82	11.06	0.23	
Pharmacy	(28,851)		81,771,800	88,069,107	6,297,307	7%	32.54	34.56	2.02	
Provider Reserve	75,778		1,025,045	-	(1,025,045)	0%	0.41	-	(0.41)	
Other Medical Professional	190,217		3,417,967	4,581,444	1,163,477	25%	1.36	1.80	0.44	
Other Medical Care	(168,858)		168,353	-	(168,353)	0%	0.07	-	(0.07)	
Other Fee For Service	875,968		10,805,903	10,491,104	(314,799)	-3%	4.30	4.12	(0.18)	
Transportation	169,594		2,001,979	2,079,905	77,925	4%	0.80	0.82	0.02	
Total Claims	53,763,478		683,182,977	695,717,363	12,534,386	2%	271.88	273.01	1.12	
Medical & Care Management Expense	1,333,151		14,156,343	14,220,258	63,914	0%	5.63	5.58	(0.05)	
Renursance	111,139		284,040	3,440,280	3,156,241	92%	0.11	1.35	1.24	
Claims Recoveries	(1,005,955)		(8,299,502)	(3,000,782)	5,298,720	-177%	(3.30)	(1.18)	2.13	
Sub-total	438,335		6,140,881	14,659,756	8,518,876	58%	2.44	5.75	3.31	
Total Cost of Health Care	62,269,660		769,885,596	800,761,161	30,775,565	4%	305.90	313.65	7.75	
Contribution Margin	12,759,664		111,557,346	73,267,551	38,289,795	52%	44.88	29.33	15.55	
General & Administrative Expenses:										
Salaries, Wages & Employee Benefits	2,506,138		25,073,385	26,442,739	1,369,355	5%	9.98	10.38	0.40	
Training, Conference & Travel	13,540		62,260	326,414	264,154	81%	0.02	0.13	0.10	
Outside Services	2,124,622		23,209,276	25,341,236	2,131,960	8%	9.24	9.94	0.71	
Professional Services	405,387		3,734,049	3,717,291	(16,758)	0%	1.49	1.46	(0.03)	
Occupancy, Supplies, Insurance & Others	592,958		8,587,405	9,995,295	1,407,889	14%	3.42	3.92	0.50	
Care Management Reclass to Medical	(1,333,151)		(14,156,343)	(14,220,258)	(63,914)	0%	(5.63)	(5.58)	0.05	
G&A Expenses	4,309,494		46,510,032	51,602,717	5,092,684	10%	18.51	20.25	1.74	
Project Portfolio	138,598		2,163,908	6,028,794	3,864,887	64%	0.86	2.37	1.50	
Total G&A Expenses	4,448,091		48,673,940	57,631,511	8,957,571	16%	19.37	22.62	3.24	
Total Operating Gain / (Loss)	8,311,573		62,883,406	15,636,040	47,247,366	302%	25.51	6.71	18.79	
Non Operating										
Revenues - Interest	141,309		148,771	330,000	(181,229)	-55%	0.06	0.13	(0.07)	
Gain/(Loss) on Sale of Asset	-		(1,247)	-	(1,247)	0%	(0.00)	-	(0.00)	
Total Non-Operating	141,309		147,525	330,000	(182,475)	-55%	0.06	0.13	(0.07)	
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 8,452,882		\$ 63,030,930	\$ 15,966,040	\$ 47,064,891	295%	\$ 25.57	\$ 6.84	\$ 18.72	

STATEMENT OF CASH FLOWS	May 2022	FYTD 21-22
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ 8,452,882	\$ 63,030,930
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	47,511	471,763
Disposal of fixed assets	-	-
Amortization of discounts and premium	-	-
Changes in Operating Assets and Liabilities		
Accounts Receivable	1,592,322	12,108,244
Prepaid Expenses	(14,730)	430,387
Accrued Expense and Accounts Payable	7,913,466	(13,142,710)
Claims Payable	12,345,806	25,222,898
MCO Tax liability	7,188,600	(5,032,020)
IBNR	(2,325,018)	(28,606,982)
Net Cash Provided by (Used in) Operating Activities	<u>35,200,838</u>	<u>54,482,511</u>
Cash Flow Provided By Investing Activities		
Proceeds from Restricted Cash & Other Assets		
Proceeds from Investments	(55,249)	(49,987,454)
Purchase of Property and Equipment	(25,185)	(543,789)
Net Cash (Used In) Provided by Investing Activities	<u>(80,434)</u>	<u>(50,531,244)</u>
Increase/(Decrease) in Cash and Cash Equivalents	35,120,404	3,951,267
Cash and Cash Equivalents, Beginning of Period	162,777,868	193,947,005
Cash and Cash Equivalents, End of Period	<u><u>197,898,272</u></u>	<u><u>197,898,272</u></u>

May 2022 Financial Statements

June 27, 2022

Kashina Bishop
Chief Financial Officer

Integrity

Accountability

Collaboration

Trust

Respect

Financial Overview:



May NET GAIN \$ 8.5 M



FYTD NET GAIN \$63.0 M



TNE is \$168.7 M and 462% of the
minimum required



MEDICAL LOSS RATIO 87.3%



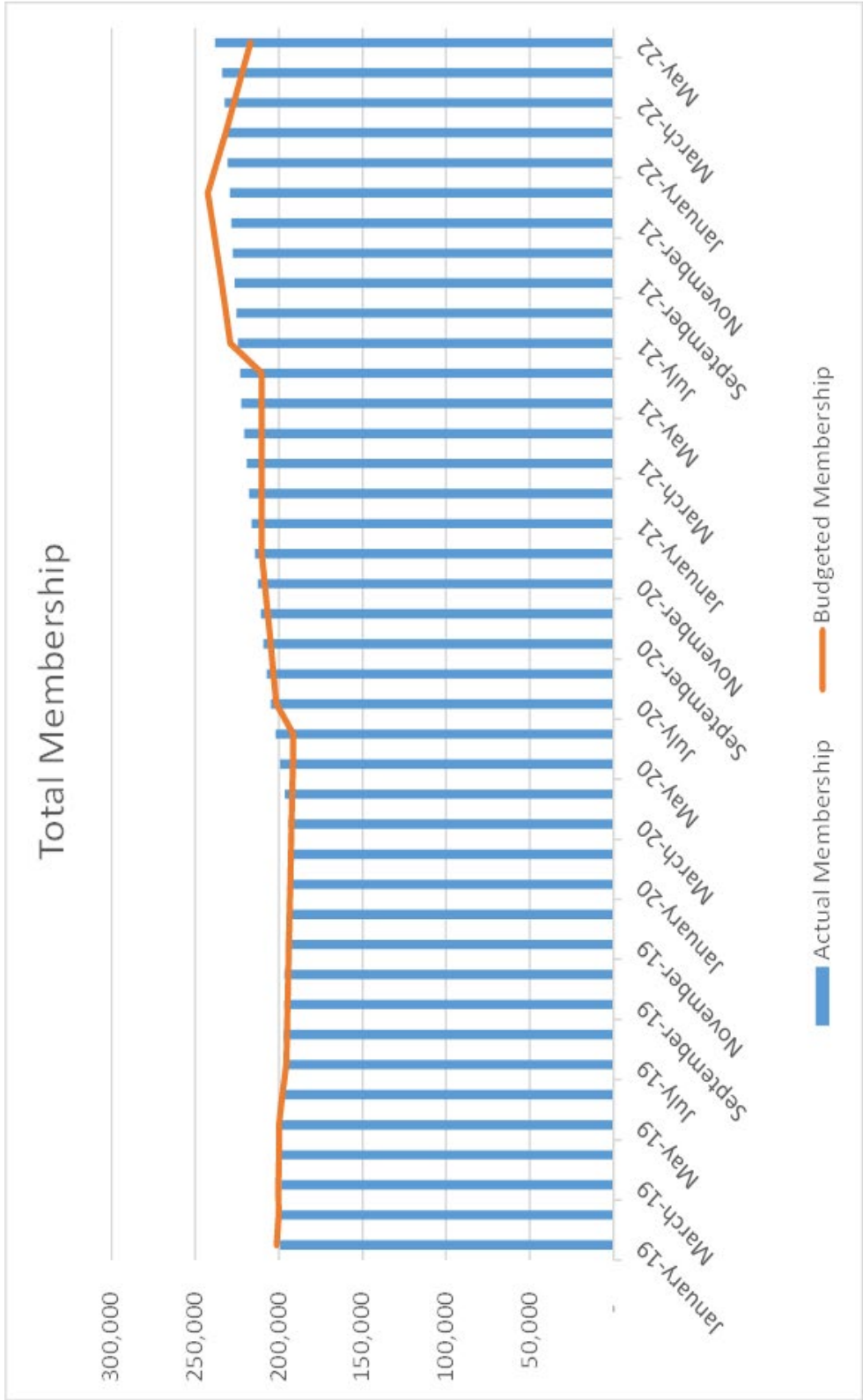
ADMINISTRATIVE RATIO 5.5%

Revenue

Net Premium revenue is \$881.4 million, over budget by \$7.4 million (.8%).

1. Approx. \$945,000 for Vaccine Incentive Program
2. Favorable CY 22 rates

Membership trends

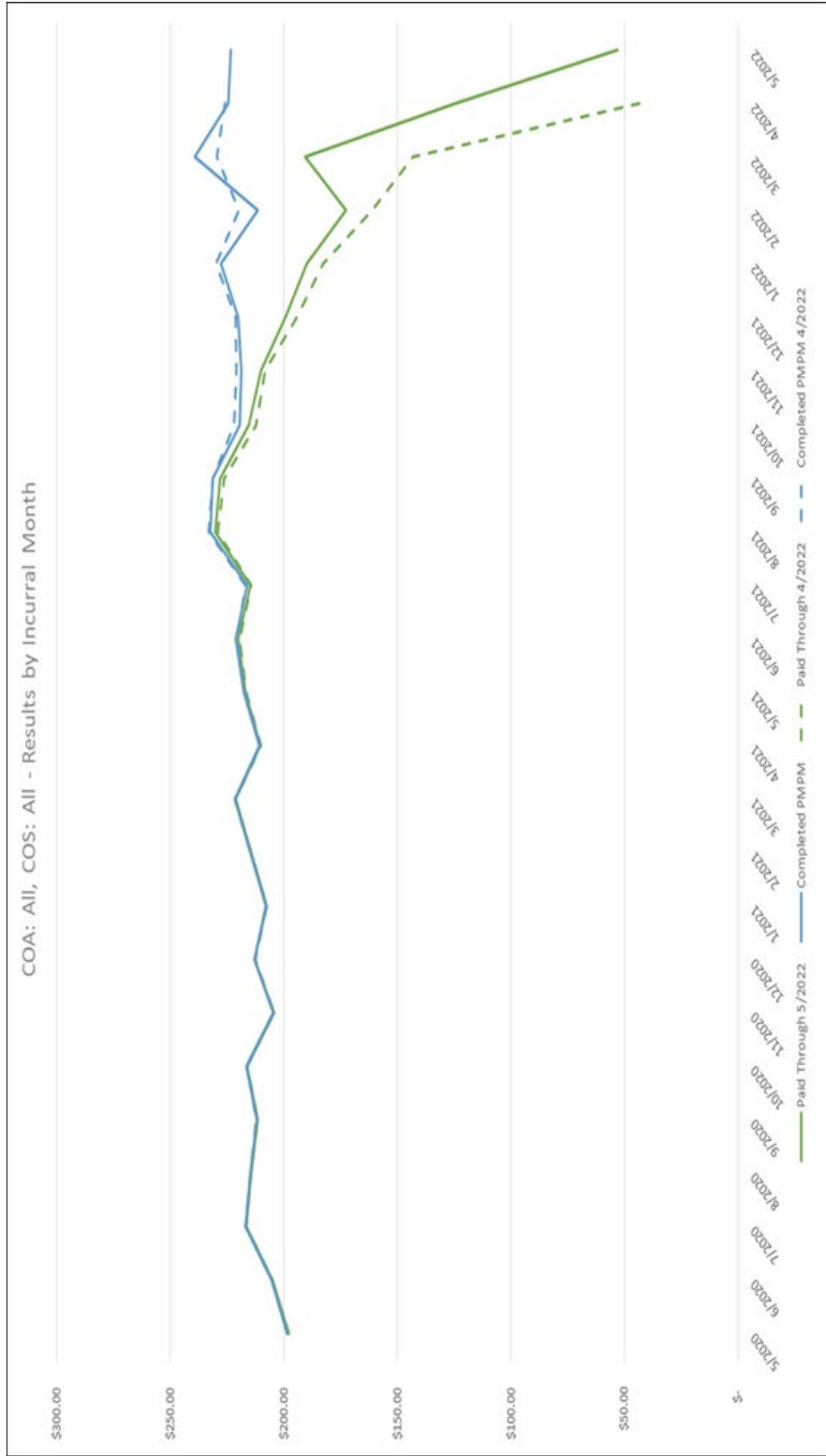


Medical Expense

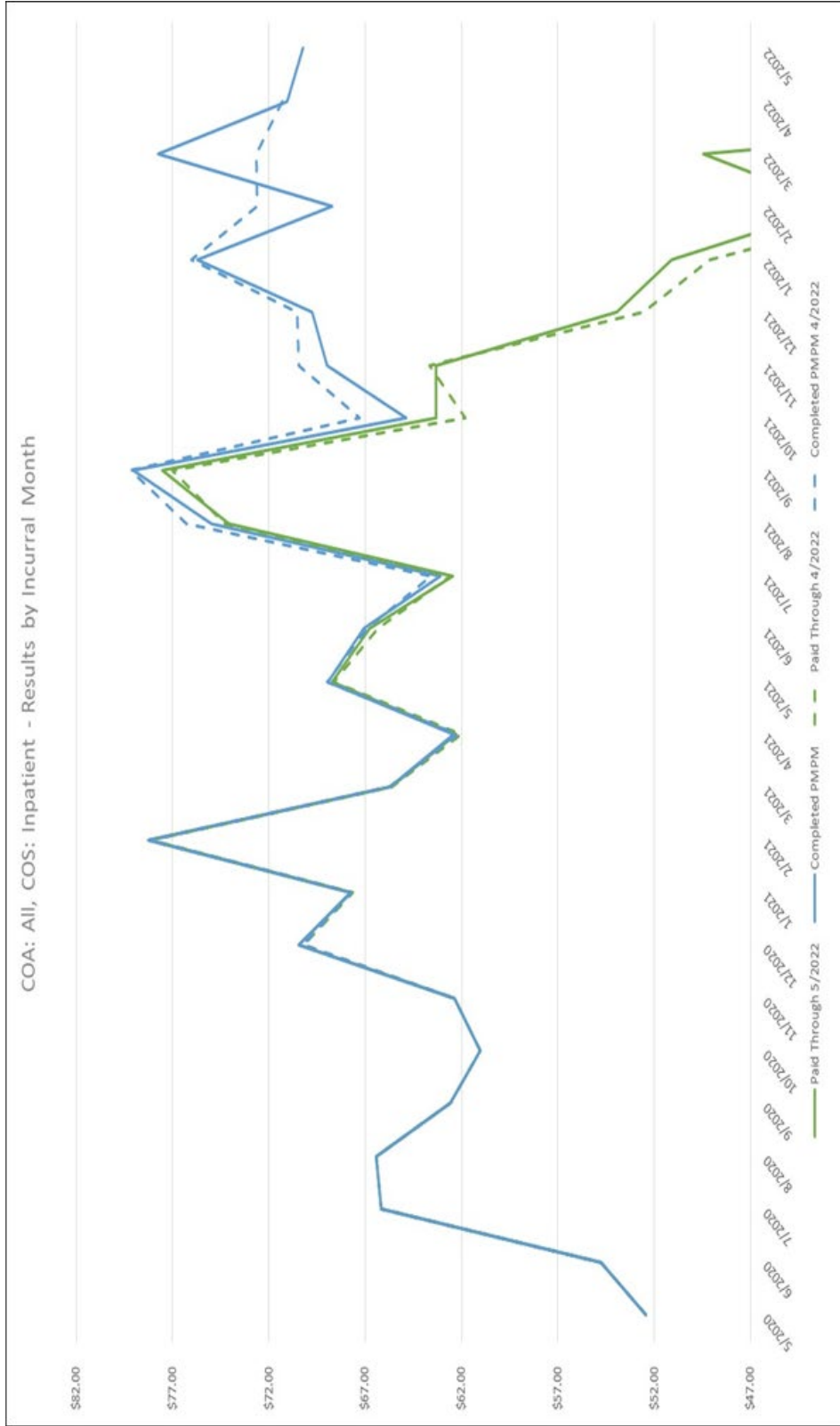
FYTD Health care costs are \$770.0 million and \$30.8 million and 4% under budget.

The budget for medical expenses was based on CY 2019 pmpm costs and trended forward. FYTD, actual pmpm costs are have not escalated to that level.

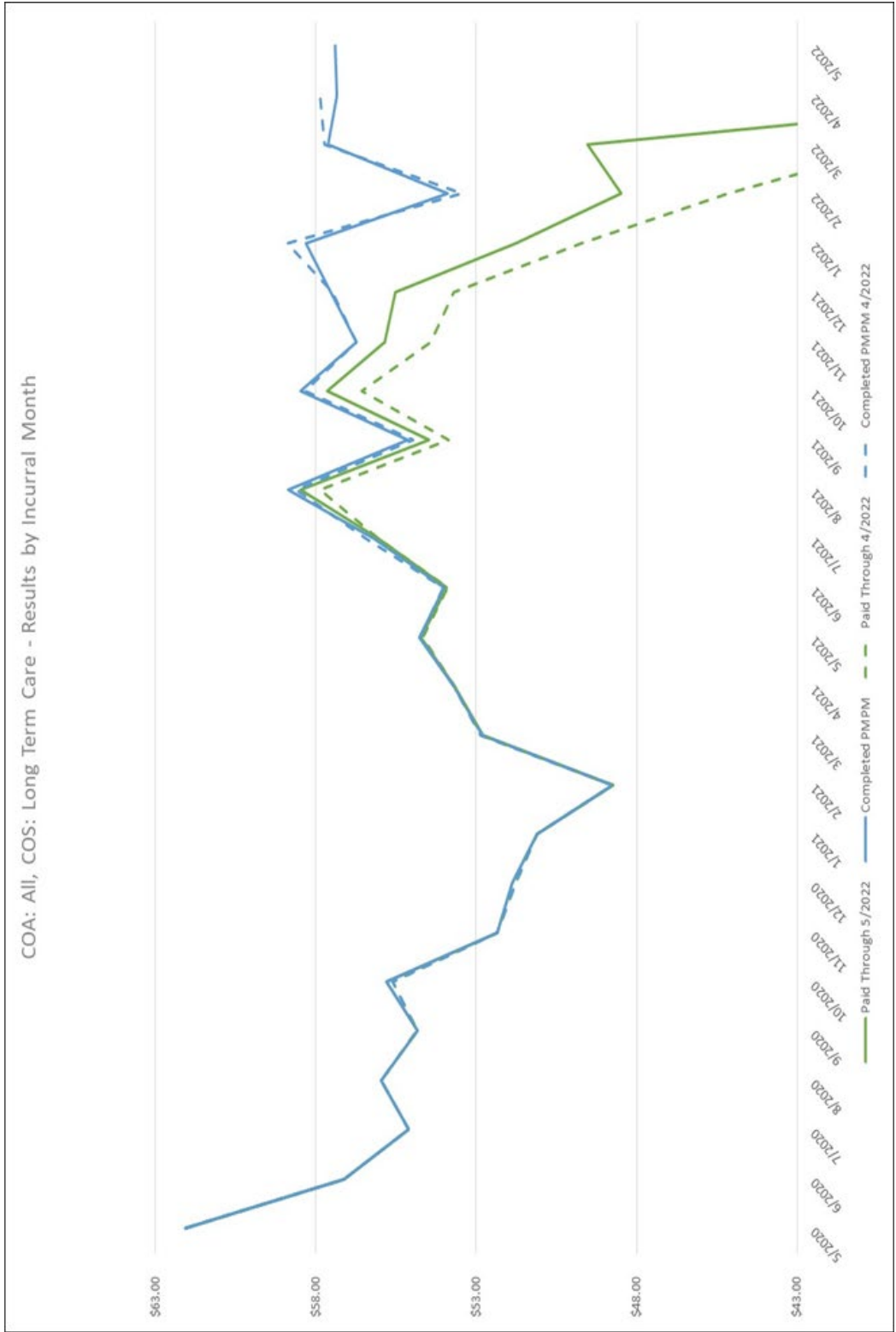
Incurred But Not Paid (IBNP) Medical Expense Reserve



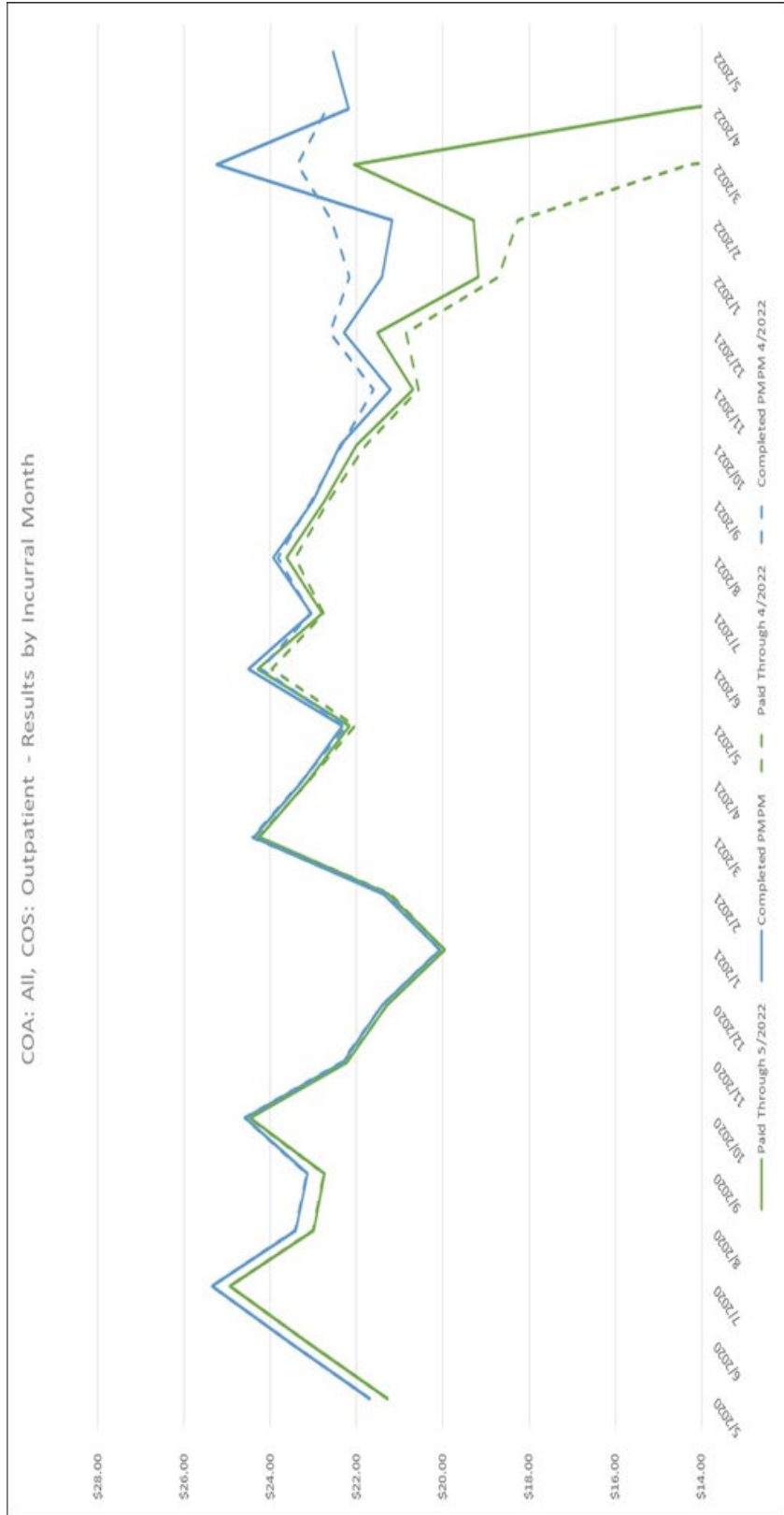
Inpatient



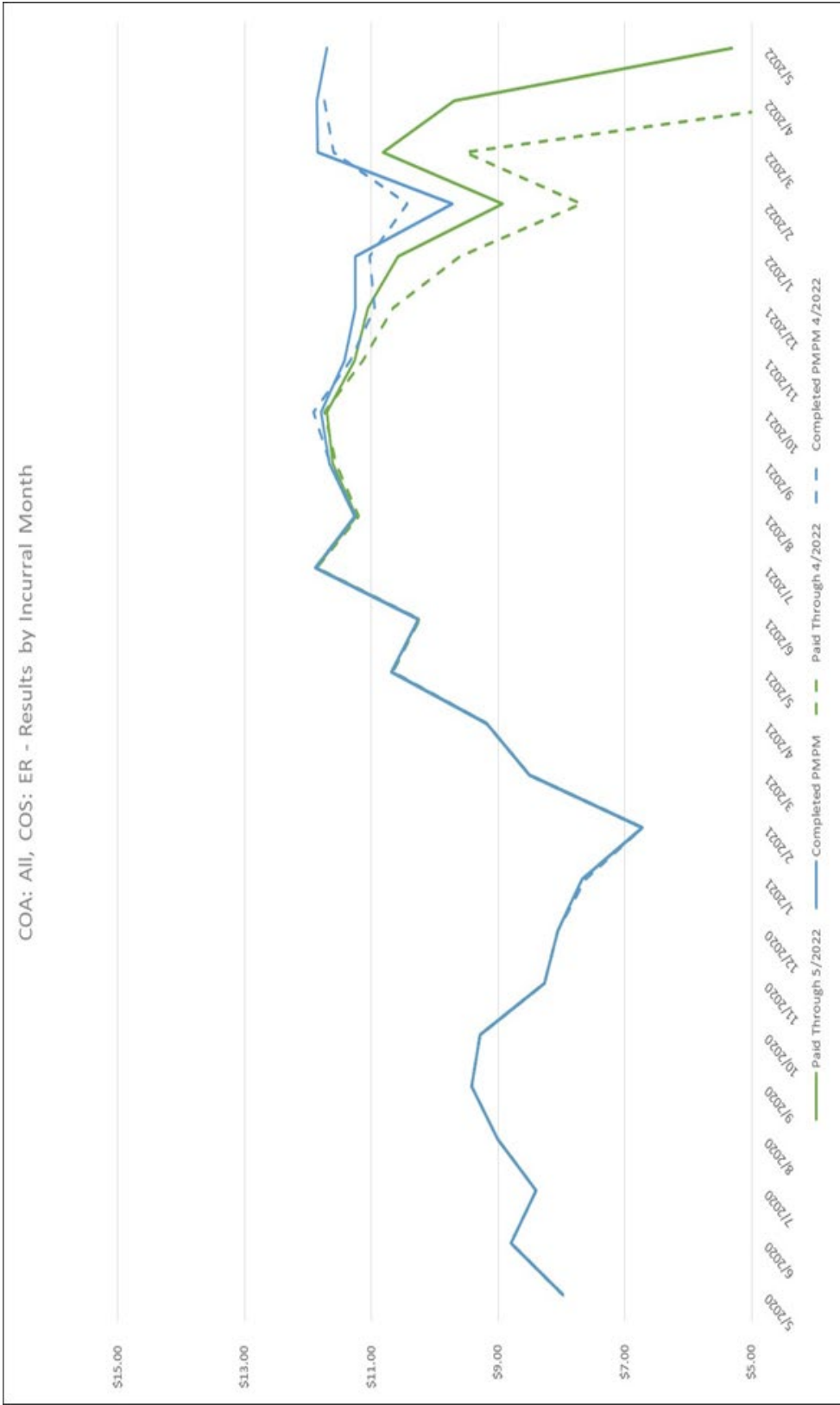
Long Term Care



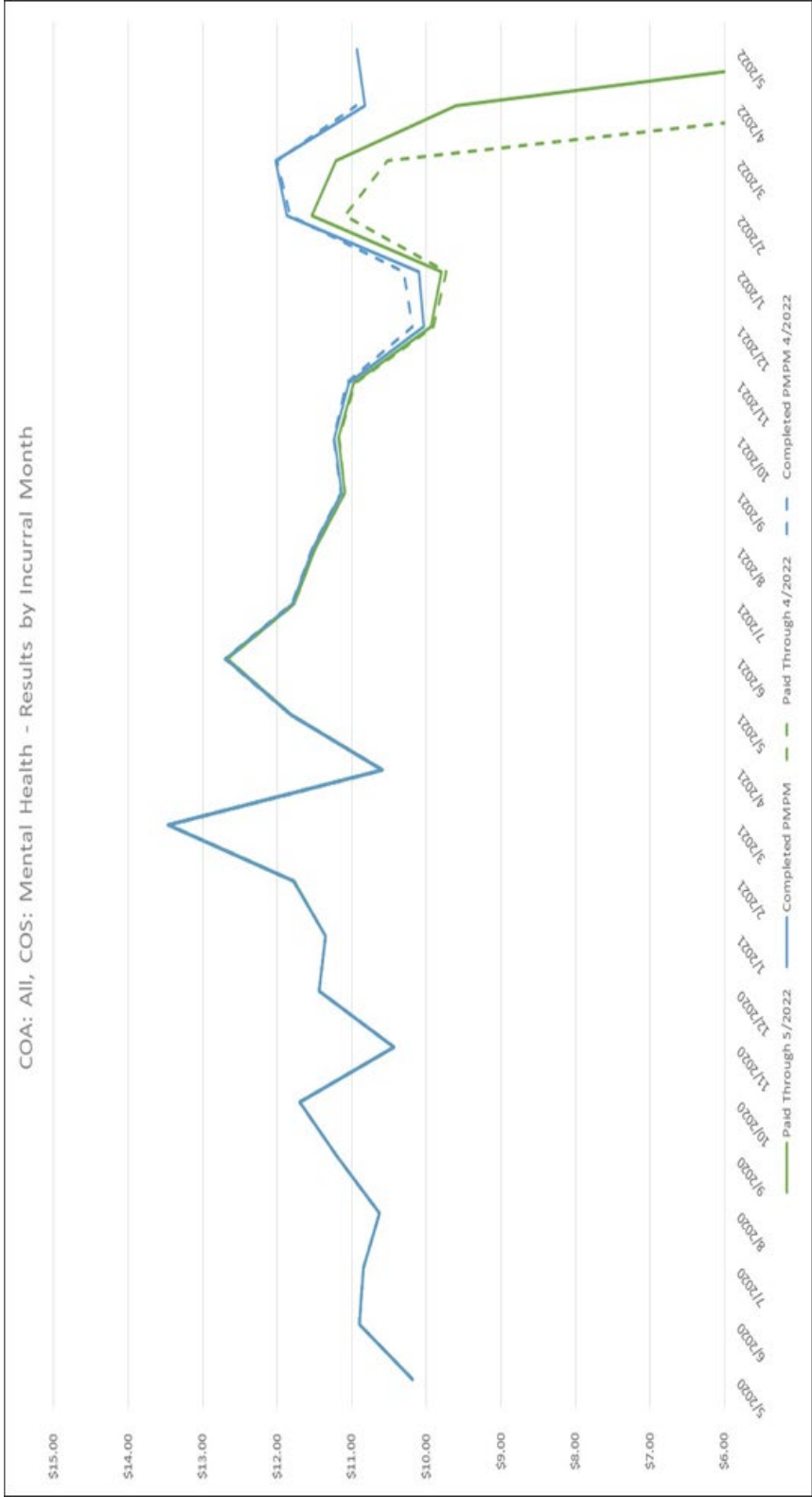
Outpatient



Emergency Room



Mental and Behavioral Health



Administrative Expenses

FYTD administrative costs are \$48.7 million, \$9.0 million and 16% under budget. Administrative cost ratio is 5.5%, a 1.1% budget variance.

1. *Enterprise Project Portfolio*: timing of consulting services related to multiple projects (~\$3.9M)
2. *Salaries, Wages & Employee Benefits*: primarily related to timing of filling open positions (~\$1.4M)
3. *Outside Services*: favorability of Conduent and PBM admin expenses due to membership lower than projected and lower fulfillment related charges (~\$2.1 M)
4. *Occupancy, Supplies, Insurance and Other*: timing of software and non-capital equipment purchases and implementation, lower printing expenses and lower than budgeted interest expense (~\$1.4M)

Financial Statement Summary

	May 2022	FYTD Actual	FYTD Budget	Budget Variance
Net Capitation Revenue	\$ 75,029,249	\$ 881,434,733	\$ 874,028,712	\$ 7,406,021
Health Care Costs	62,269,660	769,985,596	800,761,161	(30,775,565)
Medical Loss Ratio		87.4%	91.6%	
Administrative Expenses	4,448,091	48,673,940	57,631,511	(8,957,571)
Administrative Ratio		5.5%	7.3%	
Non-Operating Revenue/(Expense)	141,384	255,733	330,000	(74,266)
Total Increase/(Decrease) in Net Assets	\$ 8,452,882	\$ 63,030,930	\$ 15,966,040	\$ 47,064,892
Cash and Investments	\$ 291,400,826			
GCHP TNE	\$ 168,745,807			
Required TNE	\$ 36,493,584			
% of Required	462%			

Questions?

Staff requests the Commission approve the unaudited financial statements for May 2022.



AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 27, 2022
SUBJECT: FY 2022-23 Operating and Capital Budgets

SUMMARY:

Staff is presenting the Fiscal Year (FY) 2022-23 Operating and Capital Budgets of Gold Coast Health Plan ("Plan") for the Commission to review and approve. The Executive Finance Committee has reviewed the budget.

RECOMMENDATION:

The Plan requests that the Commission approve the FY 2022-23 Operating and Capital Budgets, and the corresponding contract renewals outlined in the appendix of the budget.

ATTACHMENTS:

FY 2022-23 Operating and Capital Budgets



Gold Coast Health PlanSM

A Public Entity

FY 2022-23 OPERATING AND CAPITAL BUDGETS

Executive Budget Summary

Overview

The FY 2022-23 budget and corresponding forecasts indicate that Gold Coast Health Plan (GCHP) continues its financial recovery this next year. While this is good news, the forecast also highlights the financial risk associated with the end of the COVID-19 Public Health Emergency (PHE). At the end of the PHE, counties will begin processing redeterminations for Medi-Cal eligibility, which will result in a significant decline in membership and corresponding revenue. It is imperative that GCHP continue to build its reserves and immediately make the necessary investments in people, processes, and technology that will ensure future success in meeting its mission.

The administrative and medical management budgets were developed with a keen focus on the needed resources to achieve the performance goals within the strategic plan. These are aimed at building the necessary infrastructure for GCHP to thrive in an environment with increasing regulatory oversight while managing significant current and future risks. This is critically important to improving the health of our members and the Ventura County communities we serve as well as bringing value as a strategic business partner to the provider community.

In any budget year, and heightened by this fiscal year's uncertainties related to post-pandemic recovery, there are several variables that can impact GCHP's actual performance including:

- Changes in State policy which impact forecasted revenue.
- Membership trends.
- Medical expenses that fluctuate based on the medical needs of the membership and unknown factors, such as disease outbreaks, social unrest, fires, and the long-term impact of COVID.

This document outlines the FY 2022-23 operating and capital budgets and major associated assumptions. It is separated into six-month increments to demonstrate the impact of projected rates from the State effective Jan. 1, 2022, and assumes the PHE related to the COVID-19 pandemic will end in Oct. 2022. The budget estimates gains of approximately \$32.3 million in the first six months of the fiscal year, followed by more modest gains of \$7.5 million in the second half of the fiscal year.

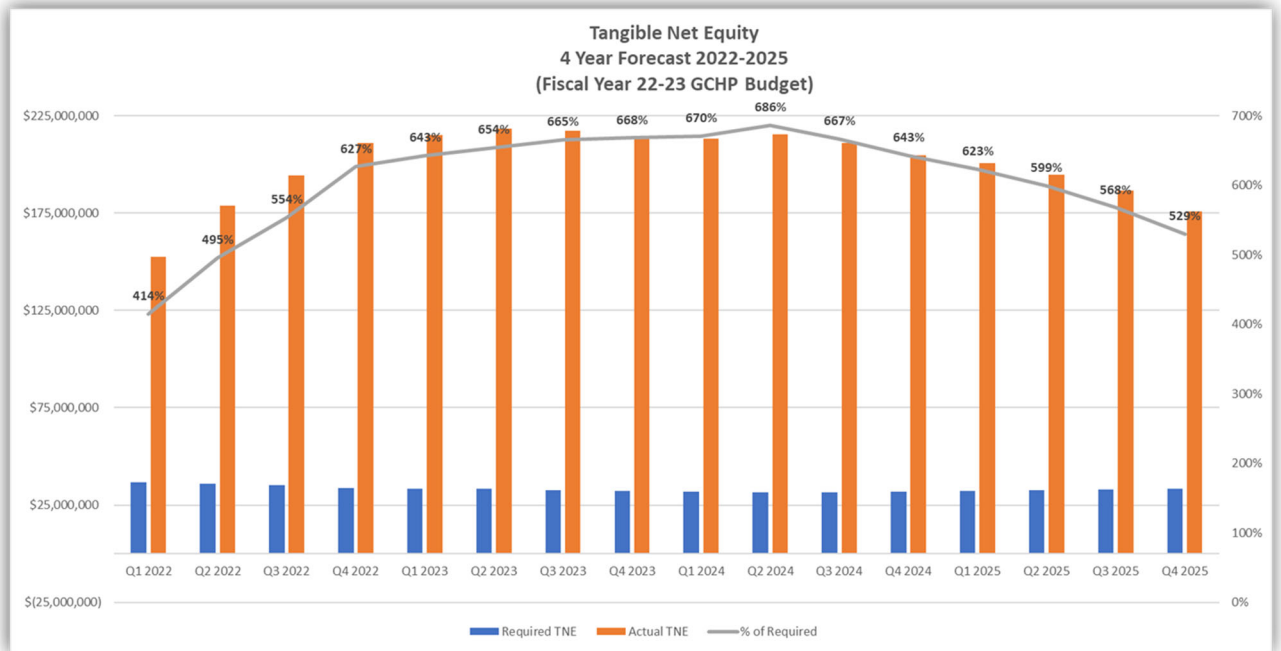
Subject to the Commission's express approval, included in the appendix are contract renewals for the upcoming year.

Financial Forecasts

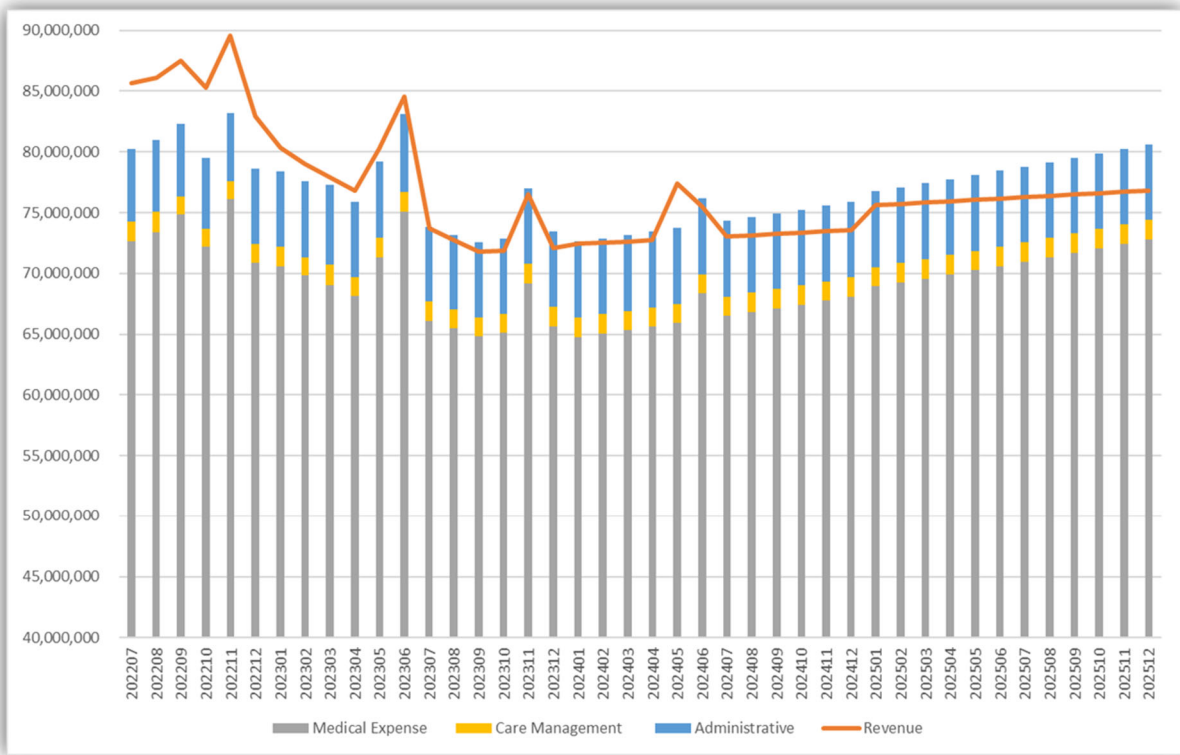
Three scenarios are presented below that demonstrate the need to both manage costs and maximize potential revenue. Scenarios (1) and (2) represent the budget assumptions to revenue and expense, forecasted through 2025. These forecasts indicate the potential for financial losses within months of the end of the PHE. Scenario (3) forecasts the impacts to medical expenses if GCHP can manage the medical expense trends to just 1% below the budget assumptions. This greatly reduces the potential losses and allows time for GCHP to

develop in its ability to manage the population and make an impact on the overall health of its members.

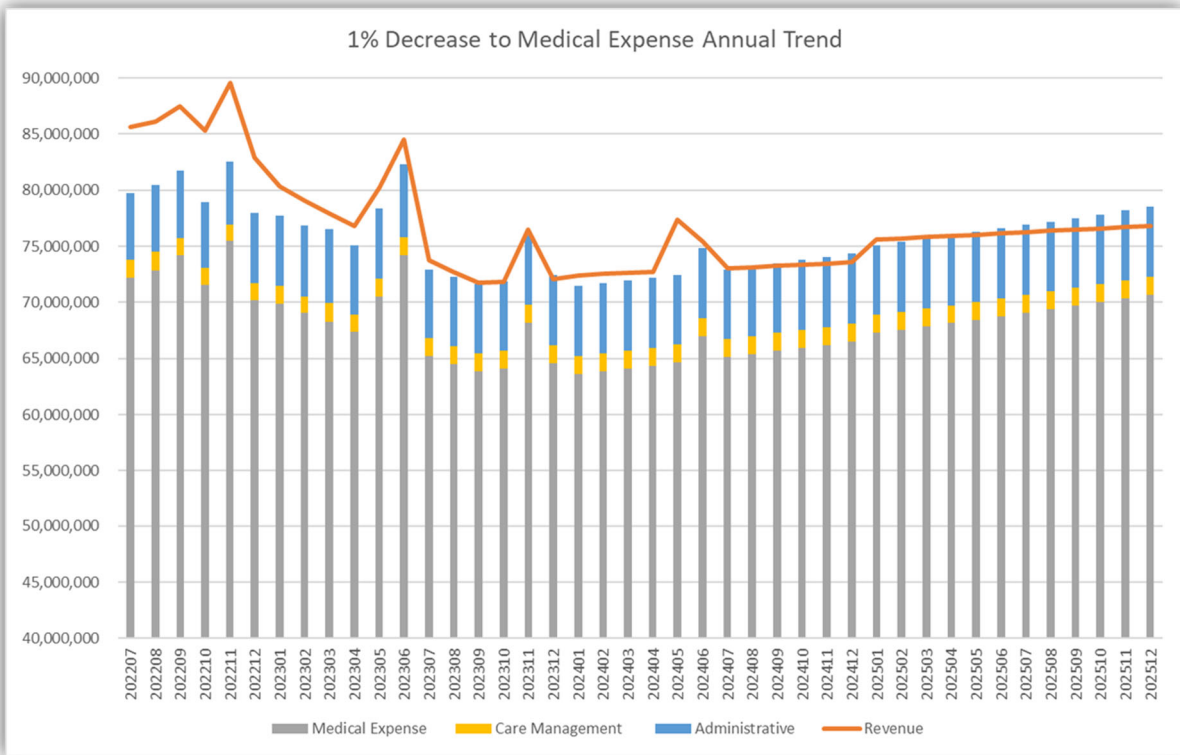
1. This represents the Tangible Net Equity (TNE) forecasts through 2025, utilizing the same assumptions to revenue and expense as outlined in this document. It demonstrates TNE growth through the end of calendar year (CY) 2022 with a leveling off and then decline in 2024. Of note, TNE as a percent of required continues to increase while the revenue and expense forecast indicates financial losses. This is due to the reduction in the required amount as an impact of the pharmacy carve out in CY 2022.



2. This represents revenue and expense forecast through 2025, utilizing the budget assumptions outlined in this document. The months in which the bar (expenses) exceeds the line (revenue) indicates the potential for a financial loss.

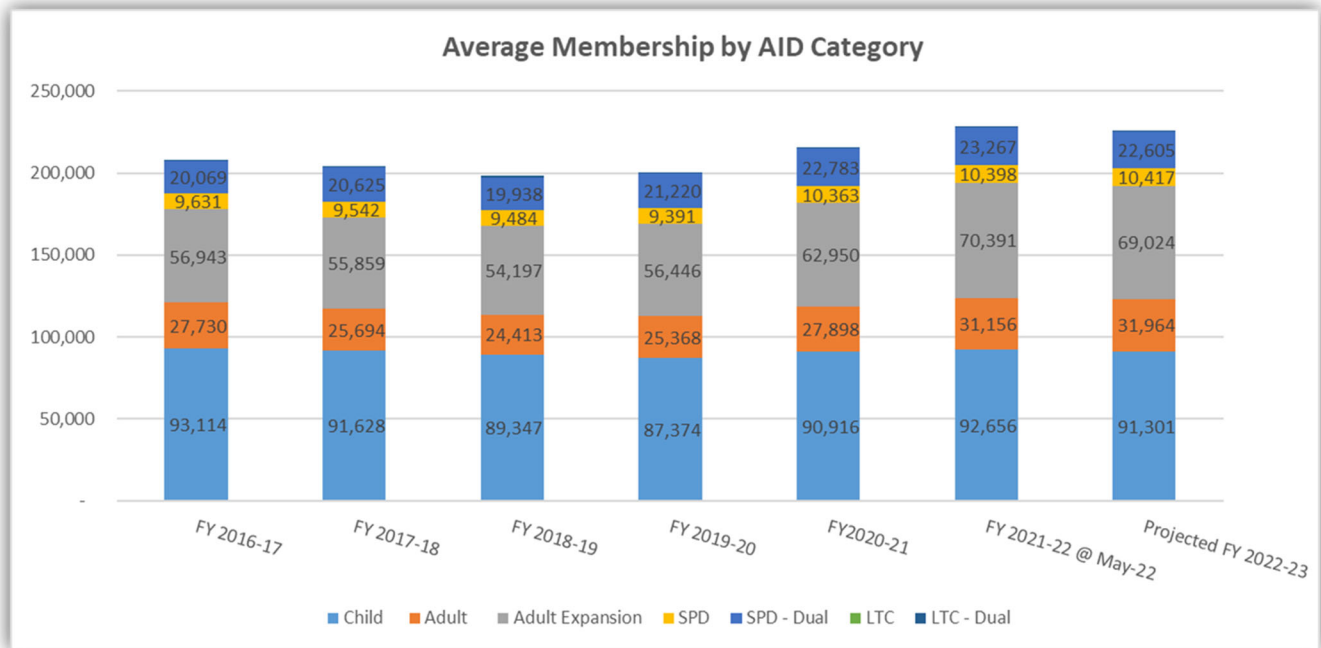


3. This represents the revenue and expense forecast through 2025, assuming the medical expense trend is 1% less than budget. Note that this significantly minimizes the potential financial losses.



Membership

Membership is expected to increase through the end of the PHE due to the current moratorium on Medi-Cal redeterminations. The budget assumes a PHE end date of Oct. 1, 2022, and thereafter membership decreases over a nine-month period (loss of ~31,000 members or ~13% of membership by the end of the fiscal year) with the assumption to begin to have minimal organic growth of 0.1% through the end of CY 2023. Due to the strong correlation between unemployment and Medi-Cal enrollment, membership is projected to remain higher than pre-COVID-19 levels. Total membership is projected to be approximately 209,000 by the end of the fiscal year.



Medi-Cal Capitation and premium revenue, reinsurance and related recoveries, and the medical expense budgets are presented on a per member per month (PMPM) basis and are considered flexible budgets whose aggregate dollar amounts vary with changes in a program's actual member enrollment. Administrative costs, interest income and other revenues are primarily considered fixed budgets, though certain administrative items (e.g., certain vendor costs) are priced on a PMPM basis and do fluctuate with actual membership levels.

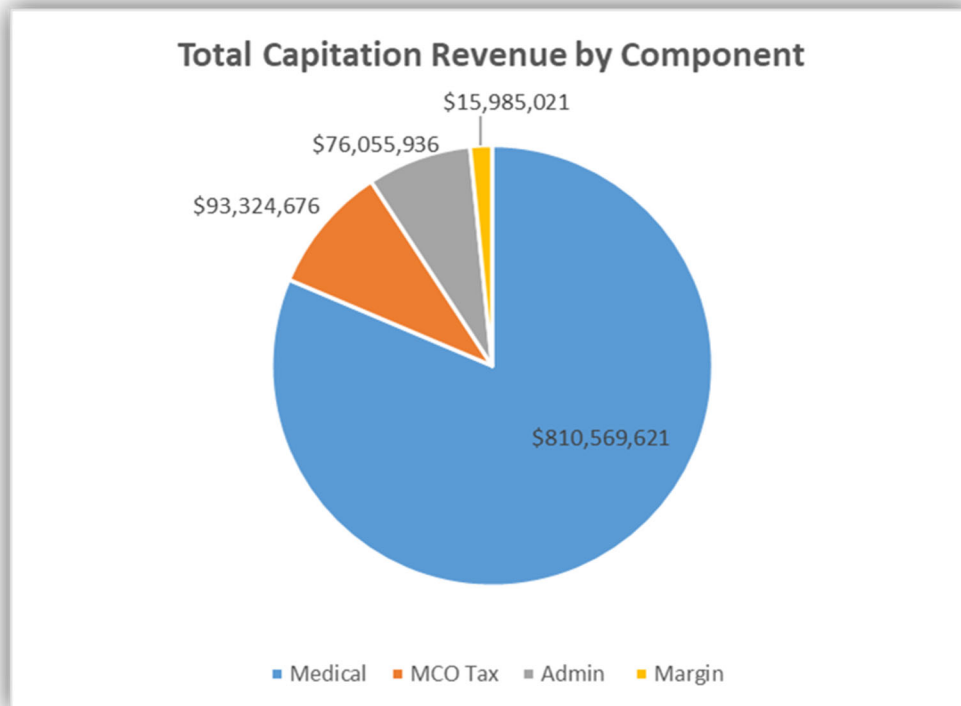
Revenue

Total revenue, net of the managed care organization tax, in the budget is projected at \$903.7 million (\$333.13 PMPM) based on the CY 2022 capitation rates from the State that are effective from Jan. 1, 2022, to Dec. 31, 2022. CY 2023 revenue was projected based on FY 2020-21 (July 2020 – June 2021) rate development template (RDT) base data and CY 2021 experience respectively plus estimated trend/prospective adjustment factors. Directed Payments and GEMT revenue was maintained in the FY 2022-23 budget. FY 2022-23 CalAIM incentive revenue assumes we earn 75% of available funding.

GCHP is expected to receive revised capitation rates from the State which will be effective Jan. 1, 2023. Initial projections based on the RDT submitted to the State indicated GCHP would receive a 2% decrease. The CY 2023 capitation rates from the State will be established based on medical expenditures from state FY 2020-21 (July 1, 2020 – June 30, 2021), with applied trend factors, credibility adjustments and program changes. Components are then applied for administrative expenses and an operating margin.

GCHP receives additional revenue for members receiving behavioral health therapy (BHT) services and for female members who deliver a newborn child.

FY22-23 Projections		
Base Capitation	\$ 810,689,027	81.4%
ECM Revenue	\$ 7,782,430	0.8%
Incentive Revenue	\$ 20,878,711	2.1%
BHT Supplemental	\$ 18,444,453	1.9%
Maternity Supplemental	\$ 21,686,953	2.2%
Prop 56/GEMT Directed Payments	\$ 23,129,003	2.3%
MCO Premium Tax	\$ 93,324,676	9.4%
	\$ 995,935,254	



Medical Expenses

The medical expense budget is \$790,645,983. CY 2023 Medical Expenses were projected based on FY 2020-21 (July 2020 – June 2021) RDT base data and CY 2021 experience respectively plus estimated trend/prospective adjustment factors.

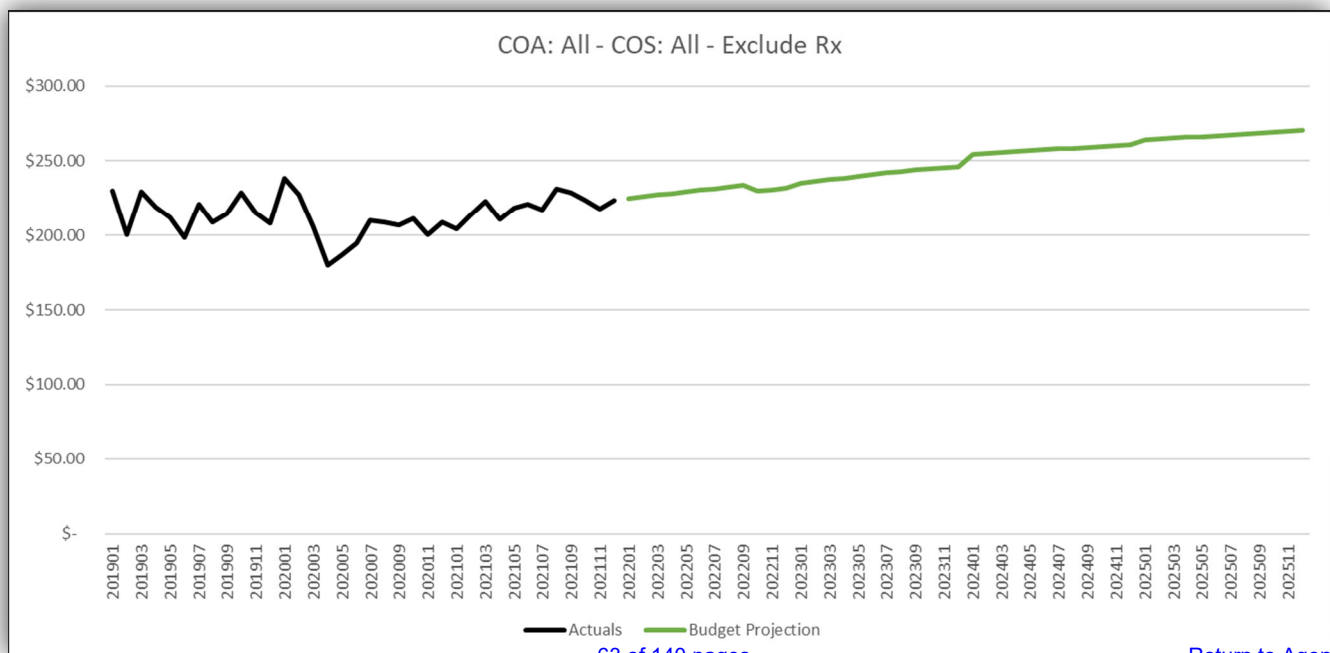
The fee-for-service medical expenses are developed by calculating PMPM costs for the base period by AID category and category of service, and then incorporating anticipated changes because of membership, utilization patterns, market trends and changes in provider reimbursement rates forecasted to occur during the budget year.

The major assumptions impacting projected medical expenses are:

- Trend factors consistent with RDT (2-4%) and projections based on the category of AID and category of service combinations are getting back to CY 2019 level where appropriate except for mental health expenses (maintaining COVID levels in budget).
- There were no major contracting changes projected to increase fee-for-service costs from the base period.
- An assumed increase of 4% for Long-Term Care (LTC) / Skilled Nursing Facility (SNF) expenses associated with annual increases based on State established facility rates.
- Removal of the 10% increase to LTC facility rates at the end of the PHE.
- Provider Incentives estimates assumes we pass on 85% of earned funds to providers (assumes we earn 75% of available)
- Community Supports (CS) expenses were not explicitly assumed in the budget (except for recuperative care and housing deposits).
- Enhanced Care Management (ECM) Expense (CalAIM) / Prop 56 Expense / GEMT assumes medical loss ratio (MLR) of 95%
- Capitation expense reflects current capitated agreements and updates for contracts currently in the final stages of negotiation and execution.

Note: Care management expenses are outlined in the General and Administrative budget.

The graph below represents the fee for service medical expense trend from 2020 and projected forward through 2025.



FY 2022-23 MEDICAL EXPENSE BUDGET							
	FY 2021-22 as of April 2022	Projected Jul - Dec 2022	Projected Jan - Jun 2023	FY 2022-23	% Change	Projected Dollars	
	PMPM	PMPM	PMPM	PMPM			
Capitation	\$ 31.86	\$ 34.57	\$ 35.13	\$ 34.84	9%	94,537,054.32	
<u>Fee For Service</u>							
Inpatient FFS Expense	\$ 71.11	\$ 75.53	\$ 75.32	\$ 75.43	6%	\$ 204,700,340	
Outpatient FFS Expense	22.53	25.76	26.74	26.23	16%	71,172,193	
LTC/SNF Expense	60.43	51.56	54.40	52.92	-12%	143,613,372	
ER Facility Services FFS	10.84	12.08	13.01	12.53	16%	33,990,560	
Physician Specialty Services FFS	22.38	26.08	27.34	26.68	19%	72,407,223.75	
Transportation FFS	0.80	0.74	0.77	0.75	-6%	2,045,806	
Primary Care Physician FFS	10.19	9.97	10.30	10.13	-1%	27,494,718	
Mental and Behavioral Health	10.88	11.94	12.56	12.24	12%	33,208,560	
Pharmacy Expense FFS	35.90	-	-	-	-100%	-	
Other Medical Professional	1.42	1.48	1.58	1.53	8%	4,147,529	
Home & Community Based Svcs	9.07	9.50	10.06	9.77	8%	26,508,862	
Laboratory and Radiology Expense	3.36	3.19	3.08	3.14	-7%	8,511,942	
Other Medical Care Expenses	4.51	4.17	4.40	4.28	-5%	11,608,869	
Directed Payments	12.38	8.16	8.03	8.10	-35%	21,972,553	
Provider Reserves & Incentives	0.42	3.86	9.34	6.49	1457%	17,604,530	
Sub-total	\$ 276.21	\$ 244.00	\$ 256.93	\$ 250.20	-9%	\$ 678,987,060	
Community Supports	\$ -	\$ 0.42	\$ 0.46	\$ 0.44		\$ 1,200,000	
Reinsurance-Net	\$ 0.08	\$ 0.36	\$ 0.37	\$ 0.37	381%	\$ 991,003	
Refunds & Recoveries	\$ (3.20)	\$ (1.40)	\$ (1.50)	\$ (1.44)	-55%	\$ (3,920,780)	
Care Management	\$ 5.63	\$ 6.60	\$ 7.33	\$ 6.96	24%	\$ 18,851,646	
Total Medical Expenses	\$ 310.57	\$ 281.45	\$ 295.49	\$ 288.19	-7%	\$ 790,645,983	
MLR	87.8%	86.9%	90.5%	87.5%	-0.3%		

The PMPM variances from year-to-date (YTD) actual noted above are primarily due to expected increases in utilization as the PHE ends and the case mix changes, offset by the carve-out of the pharmacy benefit that occurred Jan. 1, 2022. A chart outlining the PMPM medical expenses by AID category is on the following page.

Total estimated medical expenses for the fiscal year are \$790,645,983.

FY 2022-23 MEDICAL EXPENSE BUDGET							
PMPM COST BY AID CATEGORY							
	Child	Adult	Adult Expansion	SPD	SPD Dual	LTC	LTC Dual
Capitation Expense	15.66	68.34	47.35	90.20	7.82	7.98	4.69
Fee For Service							
Inpatient FFS Expense	\$ 6.34	\$ 147.16	\$ 121.02	\$ 303.02	\$ 25.95	\$ 1,153.90	\$ 69.24
Outpatient FFS Expense	3.83	43.39	38.12	108.90	24.29	185.28	13.54
LTC/SNF Expense	0.75	7.43	22.46	168.57	114.96	8,860.35	7,889.99
ER Facility Services FFS	9.34	16.89	16.38	27.41	1.90	8.25	0.85
Physician Specialty Services FFS	6.51	45.34	40.08	83.89	19.44	257.93	14.24
Transportation FFS	0.30	0.73	1.12	4.14	0.08	18.87	0.38
Primary Care Physician FFS	7.41	13.19	10.70	28.12	8.21	6.81	1.90
Mental and Behavioral Health	12.61	7.38	7.32	86.76	1.35	-	0.46
Pharmacy Expense FFS	-	-	-	-	-	-	-
Other Medical Professional	0.41	1.33	2.47	4.90	2.02	6.58	3.56
Home & Community Based Svcs	0.07	1.89	3.24	46.15	59.61	40.22	204.99
Laboratory and Radiology Expense	1.63	5.53	4.44	7.57	0.27	32.09	0.07
Other Medical Care Expenses	0.60	2.96	3.29	28.15	12.45	175.43	57.62
Prop 56 / GEMT	6.15	17.52	8.70	12.42	-	11.29	-
Provider Reserves & Incentives	1.76	6.77	7.96	25.65	6.23	468.94	200.01
Sub-total	\$ 57.71	\$ 317.52	\$ 287.28	\$ 935.66	\$ 276.74	\$11,225.93	\$ 8,456.85
Community Supports	\$ -	\$ 0.53	\$ 0.63	\$ 1.87	\$ 0.47	\$ 35.16	\$ 14.96
Reinsurance-Net	\$ 0.13	\$ 0.41	\$ 0.47	\$ 1.31	\$ 0.29	\$ 16.84	\$ 8.61
Refunds & Recoveries	\$ (0.50)	\$ (1.60)	\$ (1.86)	\$ (5.26)	\$ (1.13)	\$ (72.85)	\$ (33.88)
Care Management	\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96	\$ 6.96
Total PMPM Medical Expenses	\$ 79.96	\$ 391.62	\$ 340.20	\$ 1,028.87	\$ 290.68	\$11,184.85	\$ 8,458.18

General and Administrative Expenses

The FY 2022-23 general and administrative budget is \$73,538,379. This is 8.1% of estimated revenue and ~\$2.5 million less than the amount allocated in the capitation rates for administrative expenses which is a total of \$76,055,936.

The budget was developed at a department level and is based on a review of FY 2021-22 actual expenditures with changes based on certain assumptions and expectations for FY 2022-23. The administrative budget, including care management expense, has increased by \$11.1 million and 18% from the FY 2021-22 budget.

The following table outlines the general and administrative budget and includes a comparison to the initial budget (adopted in July 2021) for FY 2021-22, as well as a projection on the actual expenditures to be incurred during the current FY 2021-22.

There is some necessary and substantial growth in staffing to support the projects, operations, and the strategic plan. Costs related to personnel are included within the associated departments and are not included in the project portfolio budget. The administrative expense expressed as a percent of revenue has increased from prior year because of investment in staffing and projects to support our strategic plan and related performance goals and to mitigate regulatory risk.

FY 2022-23 GENERAL AND ADMINISTRATIVE EXPENSES					
	FY 2021-22 Projected Actual	FY 2021-22 Budget	FY 2022-23 Budget	Change Budget to Budget	Percent Change
Salary Expense	\$ 20,268,224	\$ 21,882,765	\$ 27,730,477	\$ 5,847,712	27%
Temp Labor	326,578	214,100	587,152	373,052	174%
Taxes and Benefits	6,413,578	6,970,751	9,088,531	2,117,780	30%
Training, Conference, and Travel	56,645	369,699	660,592	290,893	79%
Outside Services - Conduent	18,512,842	19,719,860	19,547,653	(172,207)	-1%
Outside Services - PBM Admin	1,439,938	1,221,322	-	(1,221,322)	-100%
Outside Services - Other	4,993,974	6,420,877	7,967,471	1,546,595	24%
Accounting & Actuarial Services	147,867	165,000	165,000	-	0%
Legal	2,155,407	1,150,000	2,075,000	925,000	80%
Consulting Services	1,598,337	1,960,000	1,698,899	(261,101)	-13%
Translation Services	184,500	380,000	440,000	60,000	16%
Committee/Advisory	6,167	12,500	20,100	7,600	61%
Employee Recruitment	272,820	300,000	540,000	240,000	80%
Lease	1,396,316	1,547,496	1,594,080	46,584	3%
Depreciation & Amortization	420,663	407,739	567,950	160,211	39%
Non-Capital - Furniture & Equipment	124,271	181,700	266,050	84,350	46%
Office & Operating Supplies	76,132	187,920	127,900	(60,020)	-32%
Shipping & Postage	322,855	308,890	405,542	96,652	31%
Printing	716,619	810,600	817,100	6,500	1%
Software Licenses	3,960,484	5,094,380	5,046,658	(47,722)	-1%
Software Licenses-Non-Capital	7,686	-	14,196	14,196	#DIV/0!
Software Maintenance & Support	32,220	-	73,294	73,294	#DIV/0!
Repairs & Maintenance	168,169	204,875	399,549	194,674	95%
Telephone/Internet	197,840	245,700	279,840	34,140	14%
Advertising and promotion	1,594,321	393,900	439,160	45,260	11%
Insurance	1,005,131	850,000	978,000	128,000	15%
Interest	184,187	270,000	270,000	-	0%
Professional dues, fees, and licenses	207,855	237,767	246,454	8,687	4%
Subscriptions and publications	19,814	27,288	28,088	800	3%
Bank Service Fees	874	75,000	1,000	(74,000)	-99%
Other miscellaneous	8,223	9,000	8,000	(1,000)	-11%
Care Management	(15,419,608)	(15,529,043)	(18,851,646)	(3,322,603)	21%
Total General and Administrative	\$ 51,400,930	\$ 56,090,086	\$ 63,232,089 *	\$ 7,142,003	13%
% Admin to Revenue	5.1%	6.5%	7.0%		
Enterprise Project Portfolio	\$ 2,407,020	\$ 6,331,642	\$ 10,306,290	\$ 3,974,648	63%
Total G&A (including Projects)	\$ 53,807,949	\$ 62,421,728	\$ 73,538,379	\$ 11,116,651	18%
% to Revenue	5.4%	7.3%	8.1%		

The major assumptions and changes in the general and administrative budget are as follows:

Salary Expense

Salary expense includes a 3% market adjustment in addition to a 4% merit pool effective July 2022 to address the dynamics in the current labor market. Promotions and equity adjustments are also included to improve staff retention. An analysis of our attrition rate demonstrated the need to offset the above costs by increasing the vacancy factor for the historical 6% to 15%.

Also impacting the salary expense are the addition of new positions. The table below represents budgeted positions by department in comparison with the FY 2021-22 budget.

Position Summary				
Department	May-22 Filled	Budget FY 2021-22	Budget FY 2022-23	Change
Executive	10	9.0	10.0	1.0
Finance	8	8.0	9.0	1.0
Procurement	3	3.0	3.0	-
Decision Support Services	4	9.0	12.0	3.0
Infrastructure	6	5.0	8.0	3.0
Solution Services	7	16.0	12.0	(4.0)
Project Management Organization	3	4.0	7.0	3.0
Information Technology	5	5.0	7.0	2.0
Population Health Enablement	0	-	5.0	5.0
Operations	1	1.0	1.0	-
Grievance and Appeals	7	7.0	12.0	5.0
Operations Support Services	2	4.0	3.0	(1.0)
Member Services	5	5.0	5.0	-
Network Operations	11	11.0	21.0	10.0
Quality	9	10.0	13.0	3.0
Government Relations	4	5.0	6.0	1.0
Health Education	6	6.0	7.0	1.0
Pharmacy	2.5	2.5	2.5	-
Communications	2	2.0	3.0	1.0
Claims	8	6.0	9.0	3.0
Health Services	5	6.0	7.0	1.0
Utilization Management	44.5	44.5	48.5	4.0
Care Management	31.5	37.5	40.5	3.0
Population Health	3	4.0	5.0	1.0
Behavioral Health	0	-	1.0	1.0
Compliance	9	12.5	15.0	2.5
Human Resources	6	6.0	9.0	3.0
Facilities	3	3.0	3.0	-
	<u>205.5</u>	<u>232.0</u>	<u>284.5</u>	<u>52.5</u>
Assumed Filled (6% vacancy for FY21-22 & 15% Vacancy for FY22-23)		218	242	24

There are 52.5 new positions added, all of which align with the performance goals in our strategic plan:

1. Better Health
2. Member & Community Experience
3. TNE & Maximum Incentives
4. Quality & Value-Based Healthcare
5. CalAIM
6. People & Culture
7. Compliance
8. Operations & Technology

Better Health (6)

- Clinical Program Manager, Behavioral Health
- Administrative Analyst
- Clinical Care Manager (2)
- Health Navigator I
- Sr. Manager, Clinical Care Management

Member & Community Experience (9)

- Provider Project Admin
- Provider Project Coordinator
- Provider Relations Analyst
- Provider Relations Operational Lead
- Provider Relations Representative
- Sr. Lead, Communications
- Sr. Lead, Government Affairs
- Manager, Provider Relations
- Provider Relations Representative II

TNE & Maximum Incentives (6)

- Incentive Strategy Manager
- Manager, Accounting & Finance
- Health Services Admin
- RN, Utilization Management (3)

Quality & Value-Based Healthcare (4)

- Medical Informatics Director
- Quality Improvement Program Manager (2)
- Quality Manager

CalAIM (6)

- Provider Contract Specialist
- Provider Relations Representative II
- Sr. Project/Program Manager (4)

People & Culture (3)

- Chief Human Resources Officer
- Talent Acquisition Lead
- Human Resources Business Partner II

Compliance (4)

- Change & Oversight Analyst
- Grievance & Appeals Resolutions Specialist I (3)

Operations & Technology (10)

- Director of Interoperability
- Sr. Business Systems Analyst
- Application Architect
- IT Network and Systems Engineer
- Operations Data Analyst II
- PC Desktop Technician I
- Site Reliability Engineer
- Software Quality Assurance Analyst (3)

Taxes and Benefits

The estimated expense was revised based on more current costs and anticipated increases in rates for employee benefits expected for CY 2023.

Training, Conference, and Travel

The budget was increased to reflect resuming travel due to the lifting of COVID-19 restrictions and a modest training and conference budget to reflect investment in staff.

Outside Services – Conduent

The budget is PMPM based. The increase is due to the increasing membership projected through Oct. 2021, followed by a decrease in costs as redeterminations begin with the end of the PHE, resulting in a decline in membership through the end of the fiscal year.

Outside Services – PBM Admin

Decrease primarily due to the carve-out of pharmacy benefit expenses from managed care plans effective Jan. 1, 2022.

Outside Services – Other

Increase primarily due to increased outside service support for enterprise projects, primarily CalAIM, Enterprise Data Warehouse and Operations Modernization projects and increase in benefits expense administration (due to our move to a self-funded health benefits option through Marpai).

Legal

The increase in the legal budget is due to a revised assessment of needs for the upcoming fiscal year.

Employee Recruitment

The increase is based on analysis of historical recruitment costs trends and the number of positions expected to be filled during FY 2022-23.

Shipping & Postage / Printing

Increase in estimated printing and postage costs associated with increased membership and material costs.

Repairs & Maintenance

Increases primarily due to facilities-related items such as CAM increases, reconfiguration and air quality maintenance.

Insurance

Increase in business insurance budget due to the brokers projection that many of the categories of insurance will increase, especially cyber-security insurance. This is consistent with the overall insurance market.

Care Management

The increase in the care management reclass to MLR is due to a projected increase in qualified expenses – in particular, eligible staff salary costs and health information technology.

FY 2022-23 Enterprise Project Portfolio (EPP)

The FY 2022-23 Enterprise Project Portfolio comprises the projects identified through our strategic planning process as GCHP's highest priorities in support of its strategic objectives.

Program	Value	Desc of Expense	Amount
1. CalAIM	Enable whole-person care approaches, Address social drivers of health, Improve quality outcomes, Reduce health disparities, Drive delivery system transformation, Create consistent, efficient and seamless Medi-Cal system. Enhanced Care Management (ECM)/Community Supports (CS) Incentive Payment Program (IPP) Housing and Homeless Incentive Program (HHIP) Student Behavioral Health Incentive Program (SBHIP) Population Health Management (PHM)	•IPP Infrastructure •Population Health Management •HHIP, SBHIP Consulting & Outside Services	3,009,116
2. Enterprise Data Warehouse	New data warehouse, modernized data warehouse processes & reports on Includes Prospective RDT Reporting.	•Consulting •Software (Azure, DQ, MDM, Informatica, Tableau)	2,435,000
3. Operations Modernization	Operational improvement initiative with capabilities that support current and future needs.	•Consulting, Professional Services	2,300,000
4. Staff Augmentation	Talent to keep up with portfolio demand	•Temp Labor	949,992
5. Model of Care	<ul style="list-style-type: none"> •Model of Care consulting to align and integrate three major operational programs to <ul style="list-style-type: none"> •Bend the cost curve by managing chronic conditions and other significant drivers of cost growth •Improve quality performance at the health plan and across our provider network •Increase member engagement in health and healthcare satisfaction with their experience with healthcare and health plan services. •Consulting support to develop the contractual structures for Value Based Payment arrangements and the organizational/operational/technological platform to effectuate high impact value-based performance (on cost, quality and outcomes). •Implement member incentives to improve engagement in health and healthcare. 	Implementation Cost: •Model of Care consulting •Value Based Payment •Member Engagement	400,00
6. Internal Controls	Internal Balance & Controls across GCHP's business and technical landscape	•Consulting	250,000
7. Data Informatics	Continue to advance our data analytics capabilities in support of Population Health, disease management, and provider contract negotiations	•Consulting (Inovalon)	199,992
8. CMS Interoperability	Put patients first, giving them access to their health information when they need it most, and in the way they can best use it. Drive interoperability and patient access to health information by liberating patient data while using a standardized technology framework enabling interoperability with 3rd party applications	•Consulting (Edifecs) •Software (Middleware Svc, FHIR Repo, Saas Implem/Trans Fees)	178,493
9. eVips Phase 2	Remaining work for eVips Phase 2 and mandatory HTML5 upgrade/conversion to 'Payer' (latest version of platform for integrated Provider Contracting, Credentialing & Maintenance functionalities).	•Consulting	150,000
10. D-SNP	Financial feasibility and operational analysis, Knox-Keene Implementation Consulting	•Consulting •Outside Service (BBK)	125,000
11. Enterprise Portfolio Management Tool	Visibility to portfolio & delivery execution	•Consulting •Software	118,000
12. Depreciation	Depreciation of capitalized assets related to project portfolio	Depreciation & Amortization Expense	100,729
13. Enterprise Collaboration Tool	Collaboration tool that replicates in-person whiteboard work sessions & workshops remotely	•Software	90,000
		TOTAL	\$10,306,290.00

Operating & Capital Budget

The total budget for capital expenditures, including those included in the project portfolio, are \$984,000.

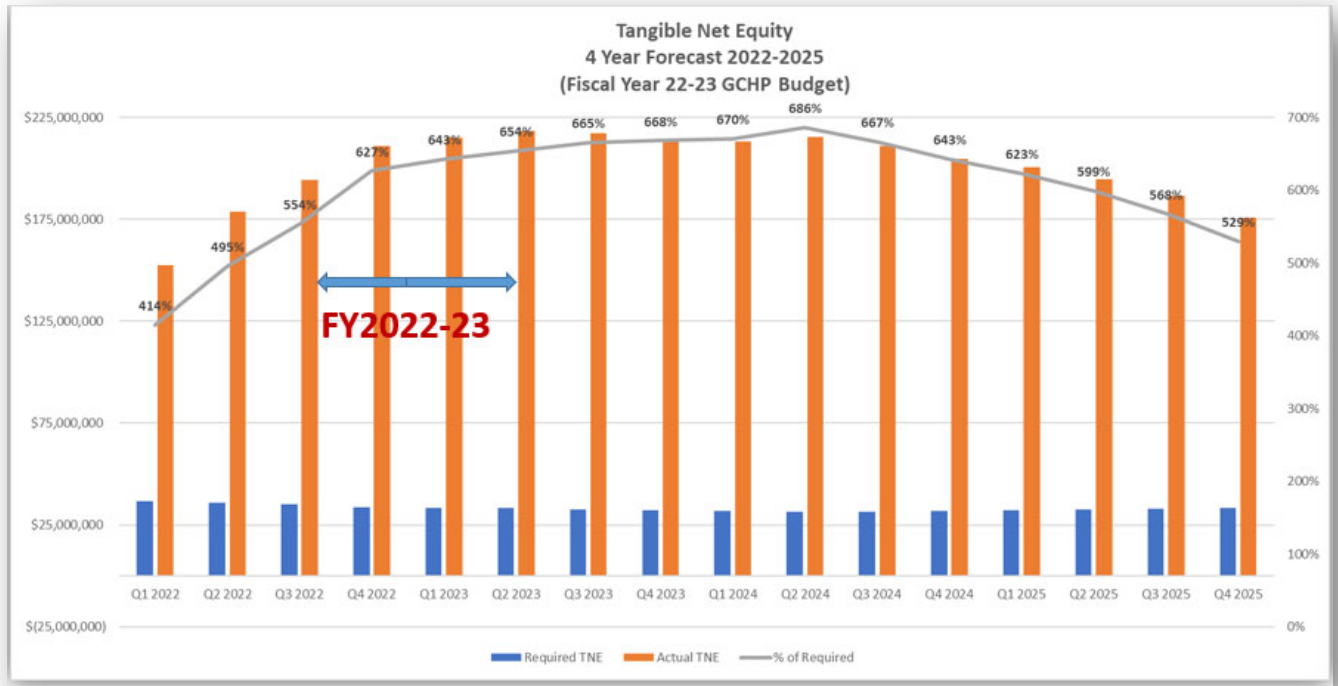
GOLD COAST HEALTH PLAN FY 2022-23 OPERATING BUDGET			
	Jul 1- Dec 31 2022	Jan 1- Jun 30 2023	TOTAL
Program Revenue	\$ 517,048,909	\$ 478,886,344	\$ 995,935,254
MCO Tax Expense	\$ (47,444,760)	\$ (44,743,754)	\$ (92,188,514)
Net Revenue	\$ 469,604,149	\$ 434,142,590	\$ 903,746,740
Medical Expenses	\$ 401,940,276	\$ 388,705,707	\$ 790,645,983
MLR	85.6%	89.5%	87.5%
Gross Margin	\$ 67,663,874	\$ 45,436,883	\$ 113,100,757
General & Administrative Expenses	\$ 32,145,420	\$ 31,086,669	\$ 63,232,089
Project Portfolio	\$ 3,334,916	\$ 6,971,373	\$ 10,306,290
Admin %	7.6%	8.8%	8.1%
Interest Income	\$ 80,600	\$ 80,600	\$ 161,199
Net Gain	\$ 32,264,136	\$ 7,459,441	\$ 39,723,577

GOLD COAST HEALTH PLAN FY 2022-23 CAPITAL BUDGET		
Asset Category	Description	Amount (\$)
Leasehold Improvements	Cambridge Sound Masking Executive Department	8,000
Leasehold Improvements	Infrastructure Department Reconfiguration 711 E Daily Drive	100,000
Leasehold Improvements	Infrastructure Department Reconfiguration 770 Paseo Camarillo	100,000
Computer Systems & Software	Refresh firewalls to enterprise grade HA	50,000
Computer Systems & Software	Implement New Wireless Infrastructure 20	57,000
Computer Systems & Software	Implement DR/BCP Cloud Modern Backup	200,000
Computer Systems & Software	Pull network cable for added wireless	10,000
Computer Systems & Software	Project Time Tracking Solution	20,000
Computer Systems & Software	Service Now Service Desk and ITIL solution	45,000
Computer Systems & Software	Sharepoint File Storage Modernization	70,000
Computer Systems & Software	Upgrade ESXi from 6.5 to 7.0 consulting	40,000
Computer Systems & Software	API Gateway POC in Azure or AWS	44,000
Computer Systems & Software	FY 22-23 New workforce netadd -80 laptops planned	192,000
Computer Systems & Software	FY 22/23 Laptop Replacements and swaps - 20 laptops planned	48,000
	TOTAL	984,000

Projected Tangible Net Equity (TNE)

The TNE is projected to be at \$218.4 million or 654% of the State required amount at June 30, 2023.

The FY 2022-23 TNE forecast incorporates the financial implications of the proposed budget. The forecast beyond FY 2022-23 assumes modest growth the revenue and medical expense trend factors consistent with the methodology utilized by the State.



APPENDIX – CONTRACT RENEWALS IN FY 2022-23

Vendor	Description	Contract Start Date	Contract Expiration Date	Actual Spend as of April 1, 2022	Projected Monthly Spend	Estimated Cost Remaining Until Expiration	Estimated Annual spend	Renewal Strategy	Renewal Term (Months)	Renewal Projected Cost	Projected Cumulative Cost (As of 4/1/2022)	Renewal End Date
Adaptive Insights	Insight License	10/1/2016	9/30/2022	\$185,027.00	\$2,648.52	\$0.00	\$34,007.00	Renew 1 year	12	\$34,007.00	\$219,034.00	9/30/2023
Adecco USA, Inc.	Temporary Labor Agreement	1/22/2018	1/31/2023	\$1,929,240.88	\$80,320.85	\$803,208.50	\$1,031,319.71	Renew 1 year	12	\$1,031,319.71	\$3,763,769.09	1/31/2024
Allergis Grp Hold, Inc. dba Tek	Temporary Labor Agreement	1/23/2018	1/31/2023	\$1,408,584.47	\$15,000.00	\$150,000.00	\$192,600.00	Renew 1 year	12	\$192,600.00	\$1,751,184.47	1/31/2024
Ancient Holdings, LLC	Fusion access & retention	5/1/2020	4/30/2023	\$86,276.50	\$4,108.50	\$53,273.55	\$52,753.14	Renew 1 year	12	\$52,753.14	\$192,303.19	4/30/2024
CAQH	Credentialing Services	11/1/2016	12/31/2022	\$60,114.36	\$1,300.00	\$11,700.00	\$16,692.00	Renew 1 year	24	\$33,384.00	\$105,198.36	12/31/2024
Coffey Communications	Members Fulfillment	1/23/2017	12/31/2022	\$864,917.37	\$25,000.00	\$225,000.00	\$321,000.00	Renew 1 year	12	\$321,000.00	\$1,410,917.37	12/31/2023
								Renew for up 36 months but one year at a time				
Coffey Communications	Website Hosting	6/29/2020	6/28/2022	\$83,456.00	\$7,000.00	\$20,300.00	\$89,880.00	Renew 1 year	36	\$269,640.00	\$373,396.00	6/28/2025
Coffey Communications Inc.	Member newsletter services	1/1/2017	12/31/2022	\$814,994.42	\$26,275.00	\$236,475.00	\$337,371.00	Renew 1 year	12	\$337,371.00	\$1,388,840.42	12/31/2023
Cotiviti	Outreach Campaign	2/1/2021	1/31/2023	\$14,083.33	\$14,100.00	\$141,000.00	\$181,044.00	Renew 2 years	24	\$362,088.00	\$517,171.33	1/31/2025
Crossroads Staffing Services	Temporary Labor Agreement	1/23/2018	1/31/2023	\$423,059.05	\$12,000.00	\$120,000.00	\$154,080.00	Renew 1 year	12	\$154,080.00	\$697,139.05	1/31/2024
Edifecs, Inc.	Edifecs CORE hosted software	6/22/2015	6/21/2023	\$692,661.00	\$9,100.00	\$0.00	\$116,844.00	Renew 3 years	36	\$350,532.00	\$1,043,193.00	6/21/2026
Emagined Security	Splunk/SIEM	12/15/2018	12/4/2022	\$357,854.50	\$7,542.00	\$0.00	\$96,839.28	Renew 1 year	12	\$96,839.28	\$454,693.78	12/4/2023
								Renew for up 36 months but one year at a time				
Gartner	Gartner for Technical Professionals and Executive programs leadership subscriptions	12/1/2018	4/30/2023	\$515,116.66	\$15,532.64	\$186,391.67	\$199,439.10	Renew 1 year	12	\$199,439.10	\$900,947.43	4/30/2024
Gemini Diversified	Credentialing Services	10/1/2015	9/30/2022	\$260,989.42	\$4,000.00	\$23,866.67	\$51,360.00	Renew 1 year	12	\$51,360.00	\$336,216.09	9/30/2023
Health Management Associates	Consultants	5/1/2021	7/31/2022	\$396,806.25	\$42,000.00	\$168,000.00	\$539,280.00	Renew 1 year	12	\$539,280.00	\$1,104,086.25	7/31/2023
Holadoctor	SOW	5/1/2021	6/30/2023	\$30,937.74	\$5,000.00	\$74,833.33	\$64,200.00	Renew for 36 months but one year at a time	36	\$192,600.00	\$298,371.07	6/30/2026
Jason Kim	Supports - IT data base administration work	8/19/2013	6/30/2022	\$367,960.00	\$7,800.00	\$23,140.00	\$100,152.00	Renew 1 year	12	\$100,152.00	\$491,252.00	6/30/2023
LinkedIn	LinkedIn Learning	12/1/2017	11/30/2022	\$183,150.00	\$2,900.00	\$0.00	\$37,236.00	Renew 3 years	36	\$111,708.00	\$294,858.00	11/30/2025
Lourdes Campbell	Interpreting	8/1/2020	6/30/2023	\$124,945.80	\$8,800.00	\$131,706.67	\$112,992.00	Renew for 36 months but one year at a time	36	\$338,976.00	\$595,628.47	6/30/2026
LTC	Performance Strat	3/9/2021	3/30/2023	\$41,337.50	\$1,800.00	\$21,540.00	\$23,112.00	Renew 1 year	12	\$23,112.00	\$85,989.50	3/30/2024
Manifest Medex	Medi Cal Patients Subscriptions	2/15/2021	2/14/2023	\$89,593.15	\$15,000.00	\$156,500.00	\$192,600.00	Renew 1 year	12	\$192,600.00	\$438,693.15	2/14/2024
MCP of CA (Document System)	Printer Maintenance	8/1/2021	6/30/2022	\$38,170.00	\$1,500.00	\$4,450.00	\$19,260.00	Renew 1 year	12	\$19,260.00	\$61,880.00	6/30/2023
MedHok	System Upgrade	3/4/2022	2/28/2023	\$0.00	\$22,000.00	\$250,000.00	\$282,480.00	Renew for 4 months	4	\$94,160.00	\$344,160.00	6/28/2023
								Renew for up to 36 months.				
MedHok	Subscription Service Agreement	7/1/2018	6/30/2023	\$3,197,661.24	\$70,850.00	\$894,322.56	\$909,714.00	Renew 1 year	36	\$2,729,142.00	\$6,821,125.80	6/30/2026
Moss Adams	Financial audit services	11/1/2019	10/31/2022	\$559,790.43	\$13,583.33	\$163,000.00	\$174,409.96	Renew 1 year	12	\$174,409.96	\$897,200.39	10/31/2023
Multiview Corporation	SaaS license	7/1/2020	6/30/2023	\$40,435.15	\$3,869.58	\$46,435.00	\$49,685.41	Renew 1 year	12	\$49,685.41	\$136,555.56	6/30/2024
Pacific Interpreters	Interpreting	8/1/2020	6/30/2023	\$92,843.00	\$4,100.00	\$61,363.33	\$52,644.00	Renew for 36 months but one year at a time	36	\$157,932.00	\$312,138.33	6/30/2026
								Renew 2 years	24	\$183,933.00	\$417,916.50	12/16/2024
Quest	Data verification and attestation accuracy services	12/17/2018	12/16/2022	\$325,950.00	\$7,162.50	\$0.00	\$91,966.50	Renew 1 year	12	\$282,480.00	\$1,700,305.00	12/31/2023
TBI Consulting	COO Consulting Services	11/7/2017	12/31/2022	\$1,219,825.00	\$3,200.00	\$198,000.00	\$282,480.00	Renew 2 years	24	\$582,176.00	\$309,876.00	12/31/2024
The Periscope Group DME	Home Assessments	1/1/2021	12/31/2022	\$198,900.00	\$2,000.00	\$28,800.00	\$41,088.00	Renew 1 year	12	\$25,680.00	\$155,741.90	12/31/2023
Thousand Oaks Development	Warehouse Rent	1/1/2017	12/31/2022	\$112,061.90	\$2,000.00	\$18,000.00	\$25,680.00	Renew 1 year	12	\$25,680.00	\$155,741.90	12/31/2023
	Multifunctional device lease - 8 Ricoh							Renew 1 year	12	\$31,301.22	\$230,466.46	6/30/2024
Wells Fargo Financial Leasing	MPC 6004 printers	7/1/2018	6/30/2023	\$162,679.65	\$2,437.79	\$36,485.59	\$31,301.22	Renew 1 year	12	\$31,301.22	\$230,466.46	6/30/2024
Xpedite Systems (Easylink)	Of Fax-messaging services	6/17/2015	5/31/2023	\$230,400.29	\$4,800.00	\$67,200.00	\$61,632.00	Renew 1 year	12	\$61,632.00	\$359,232.29	5/31/2024



Integrity
Accountability
Collaboration
Trust
Respect

Gold Coast Health Plan

FY 2022-2023 Operating and Capital Budgets

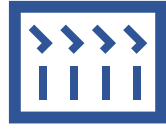
Budget Highlights

FYTD NET GAIN

\$ 39.7 M



TNE is \$218.4M & 654% of
min. required at 6/30/23



MEDICAL LOSS RATIO

87.5%



ADMINISTRATIVE RATIO

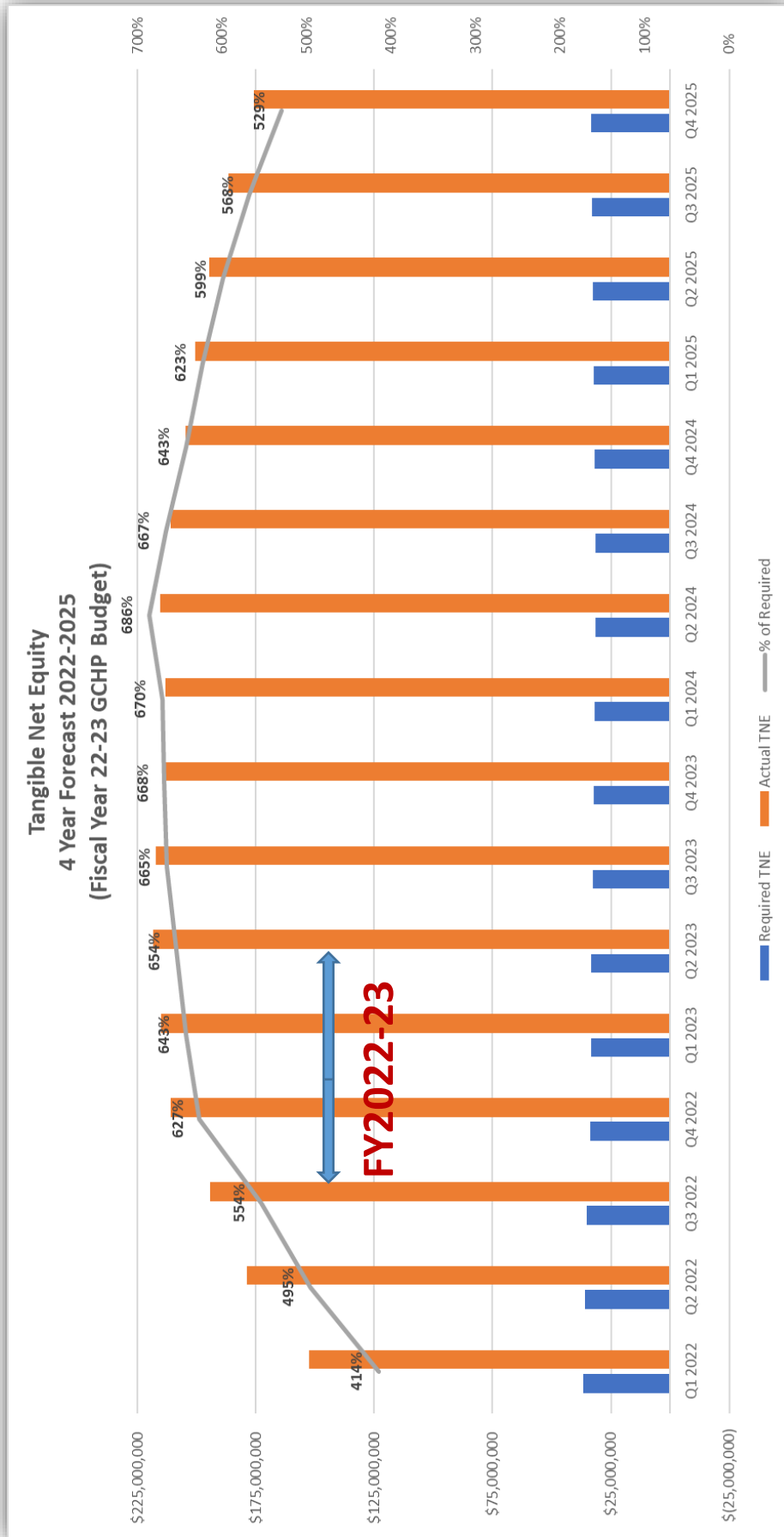
8.1%



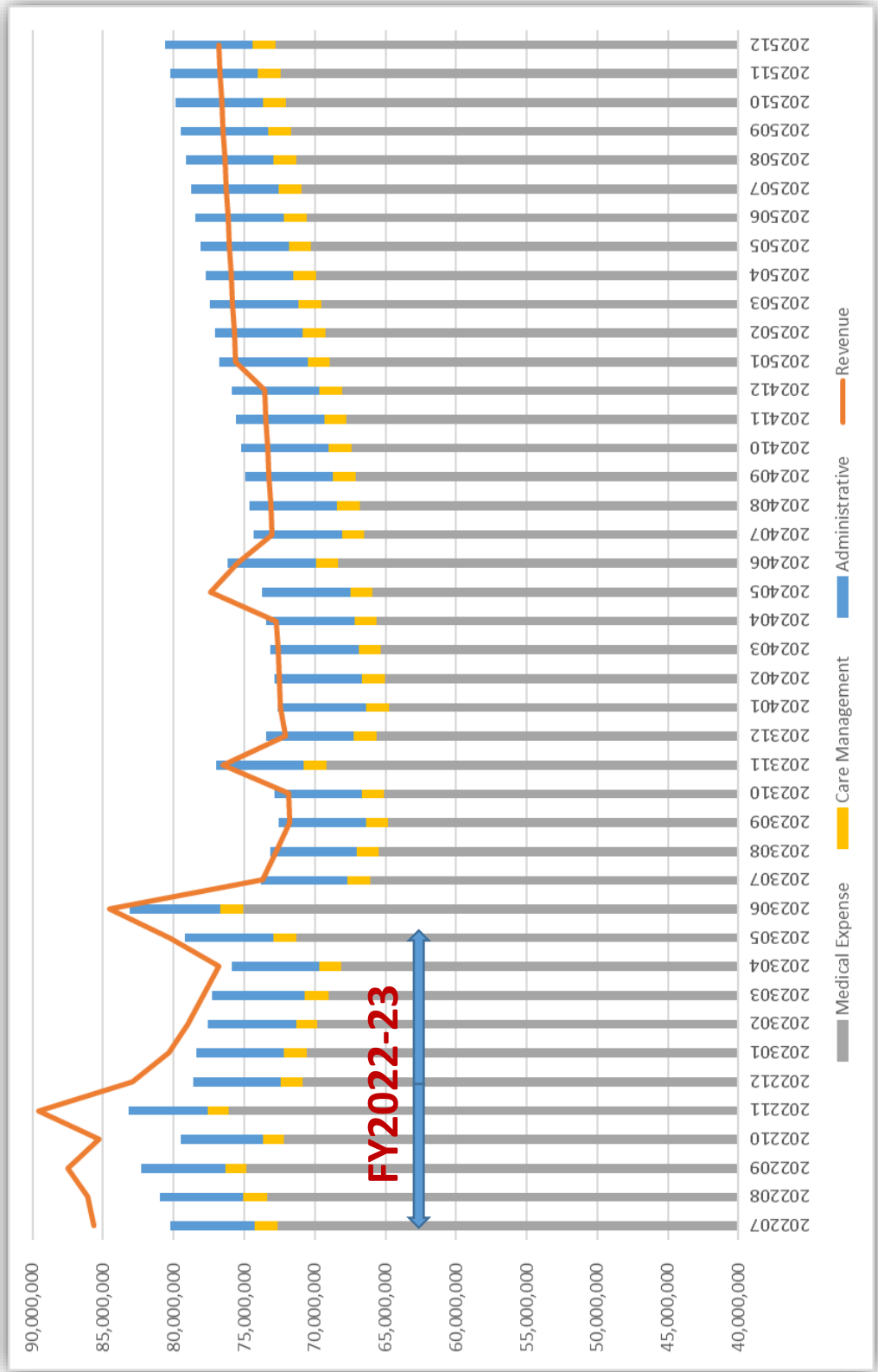
FY 2022-23 Operating Budget

GOLD COAST HEALTH PLAN			
FY 2022-23 OPERATING BUDGET			
	Jul 1- Dec 31 2022	Jan 1- Jun 30 2023	TOTAL
Program Revenue	\$ 517,048,909	\$ 478,886,344	\$ 995,935,254
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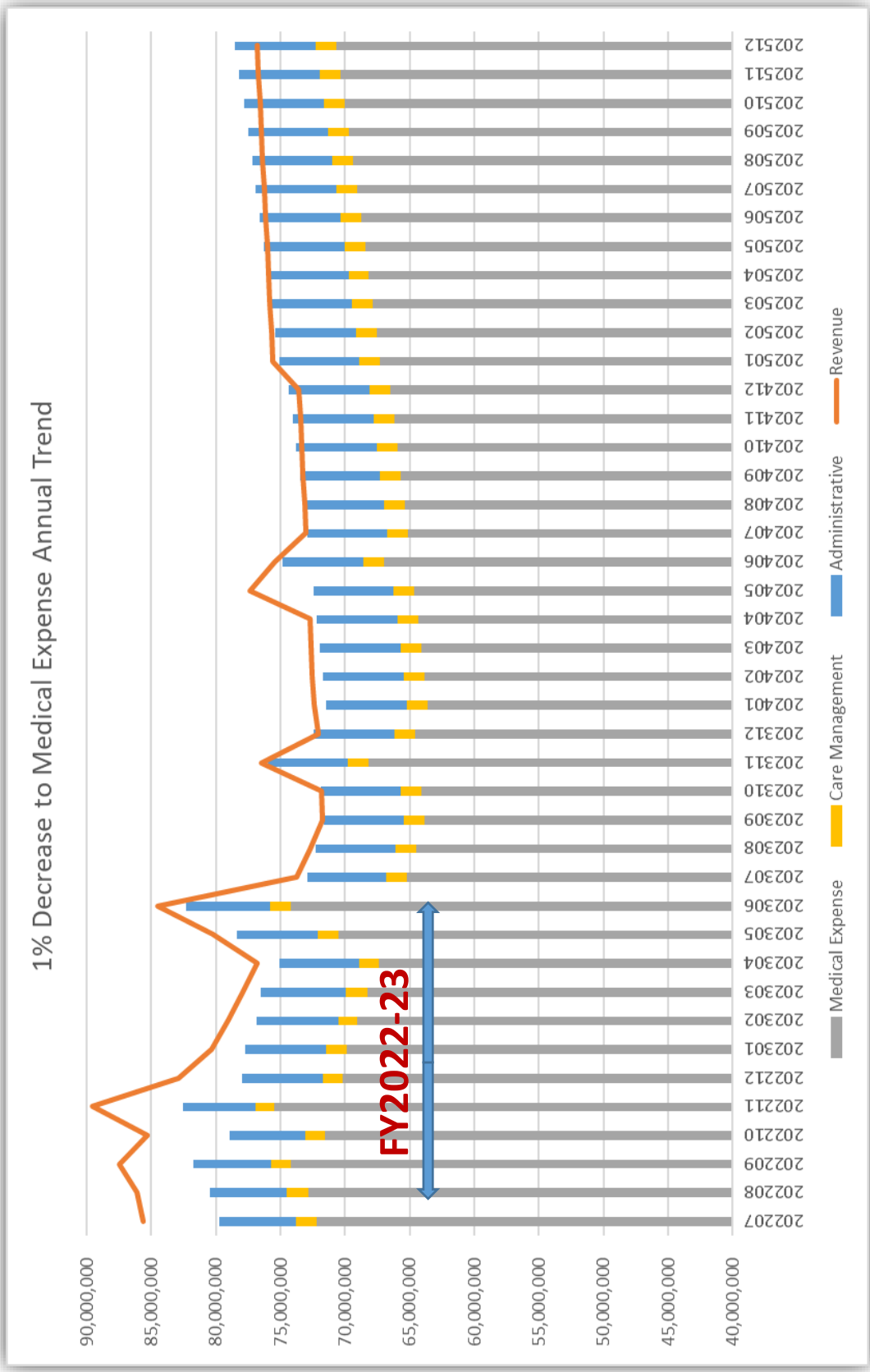
Tangible Net Equity (TNE) Forecast



Revenue and Expense Forecast

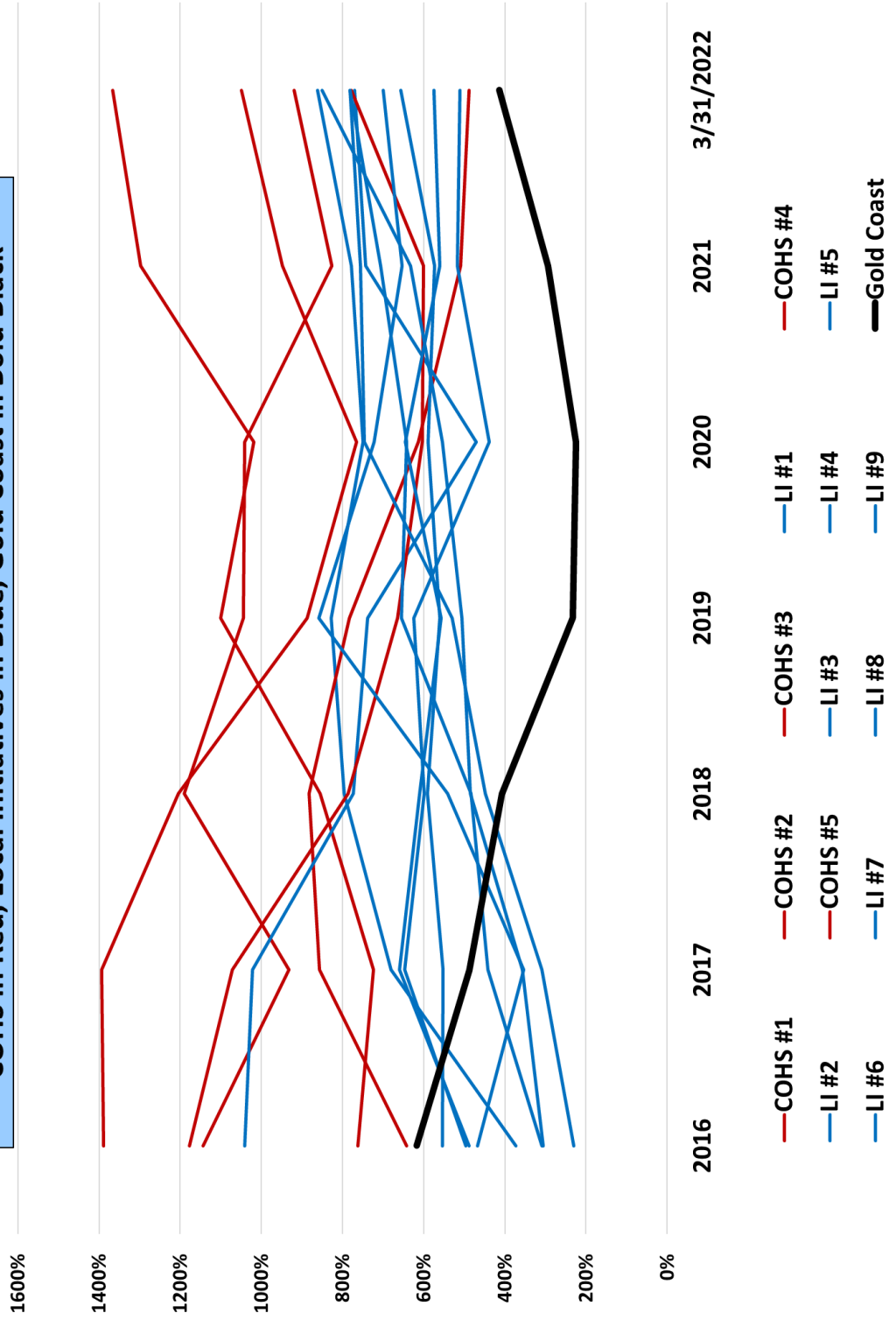


Revenue and Expense Forecast

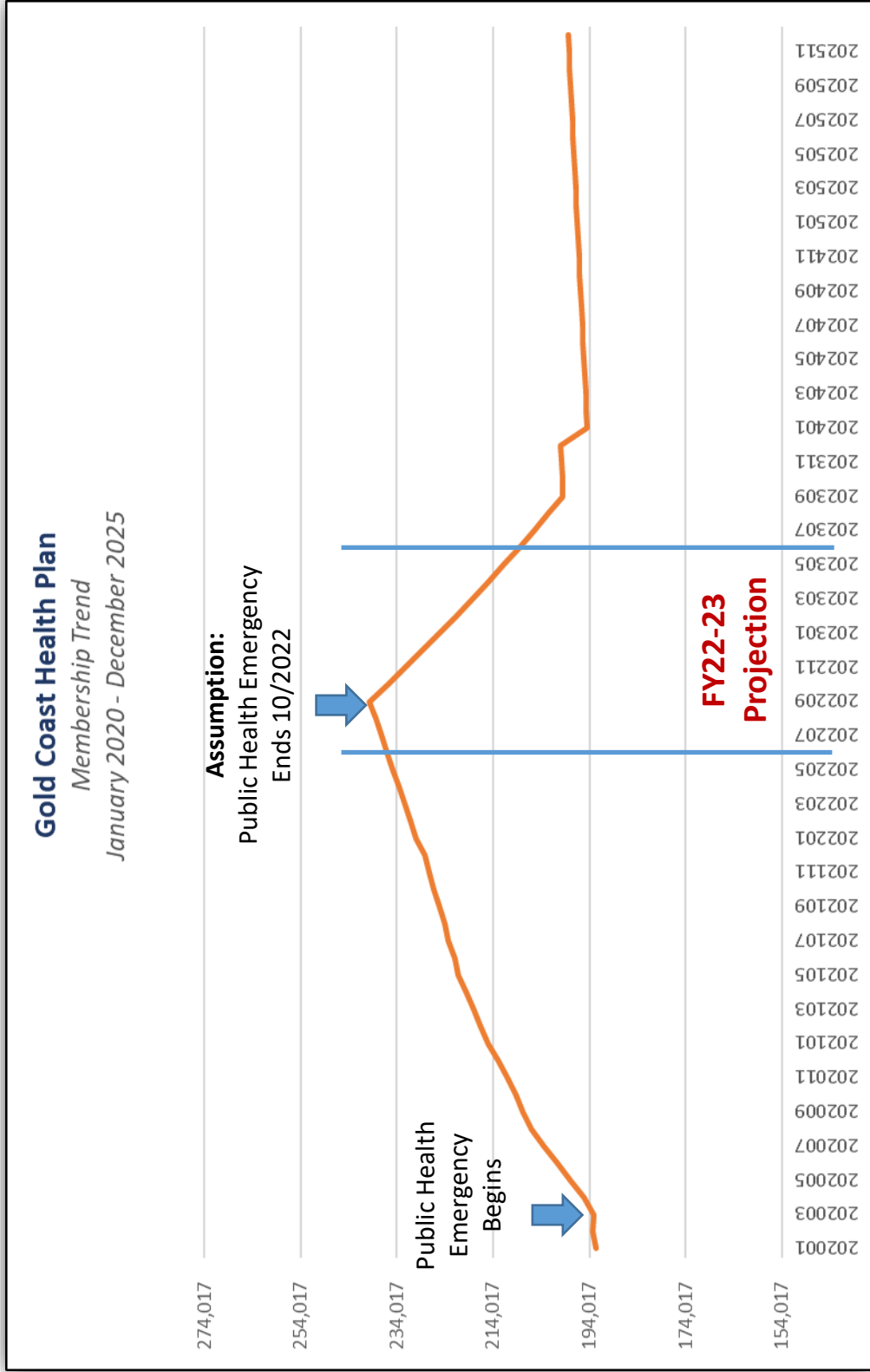


Tangible Net Equity (TNE) Comparison

Percent Actual TNE to Required as of June 30 - COHS and LI by Grouping
 COHS in Red, Local Initiatives in Blue, Gold Coast in Bold Black



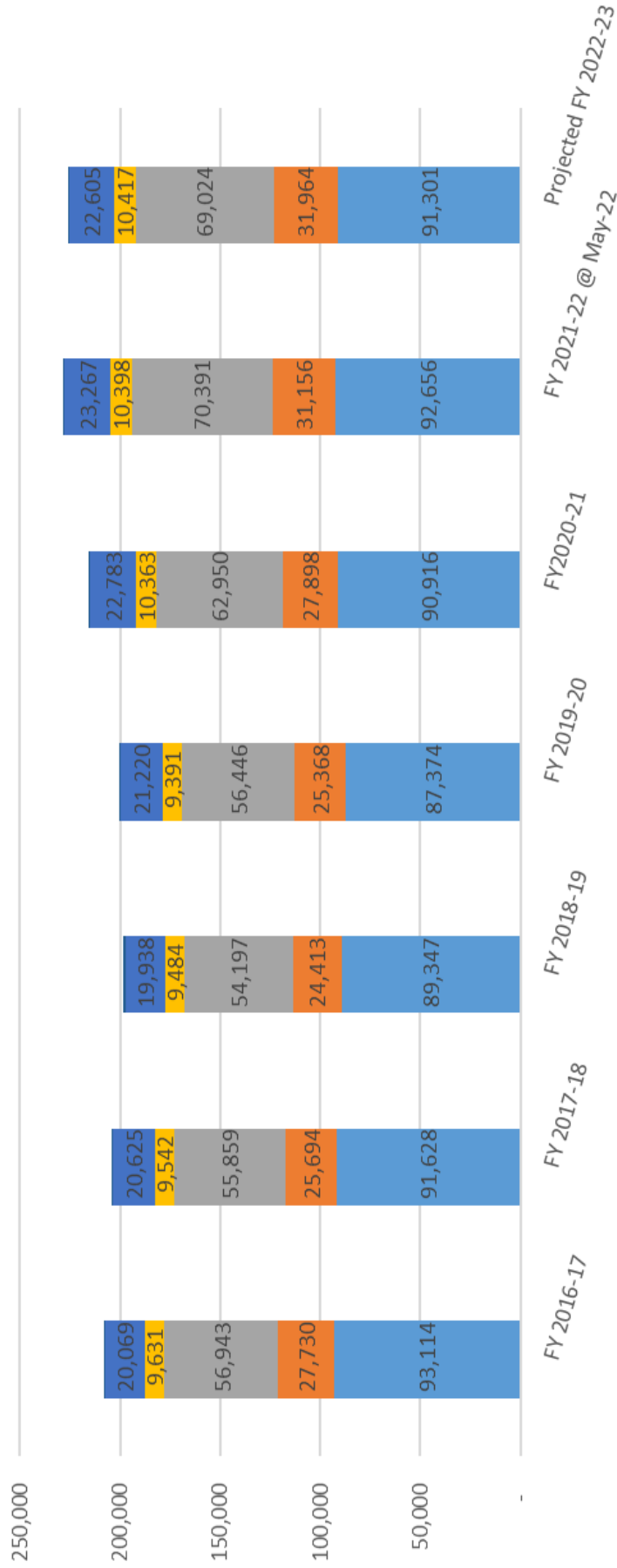
Membership



Enrollment: budget assumes PHE end date of 10/1/2022 and thereafter membership decreases over a 9-month time period (loss of ~31,000 members or ~13% of membership by end of fiscal year) with the assumption to begin to have minimal organic growth of .1% through the end of CY2023.

Membership

Average Membership by AID Category

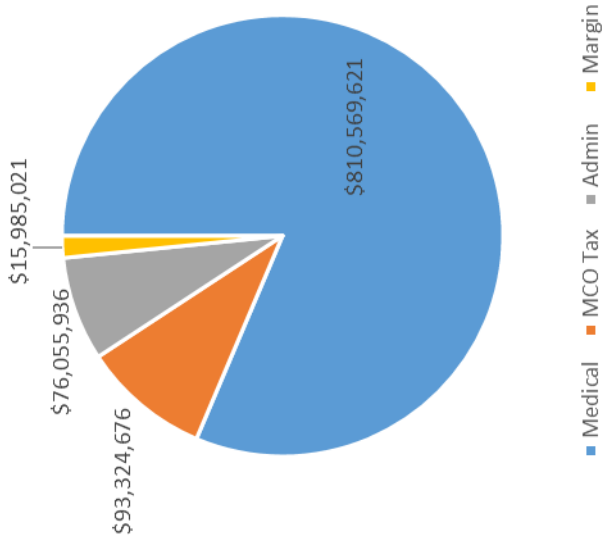


- Flexible budget
- CY2023 Revenue projected based on FY20-21 (July 2020 – June 2021) RDT base data and CY21 experience respectively + estimated trend/prospective adjustment factors
- Directed Payments and GEMT revenue/expense were maintained in the FY22-23 budget
- FY 2022-23 CAL AIM Incentive Funding assumes we earn 75% available and that 85% of incentives will be distributed as provider incentives
- ECM expenses included assuming a 95% MLR

Revenue Assumptions

Revenue

Total Capitation Revenue by Component



FY22-23 Projections

Base Capitation	\$	810,689,027	81.4%
ECM Revenue	\$	7,782,430	0.8%
Incentive Revenue	\$	20,878,711	2.1%
BHT Supplemental	\$	18,444,453	1.9%
Maternity Supplemental	\$	21,686,953	2.2%
Prop 56/GEMT Directed Payments	\$	23,129,003	2.3%
MCO Premium Tax	\$	93,324,676	9.4%
	\$	995,935,254	

Medical Expense Assumptions

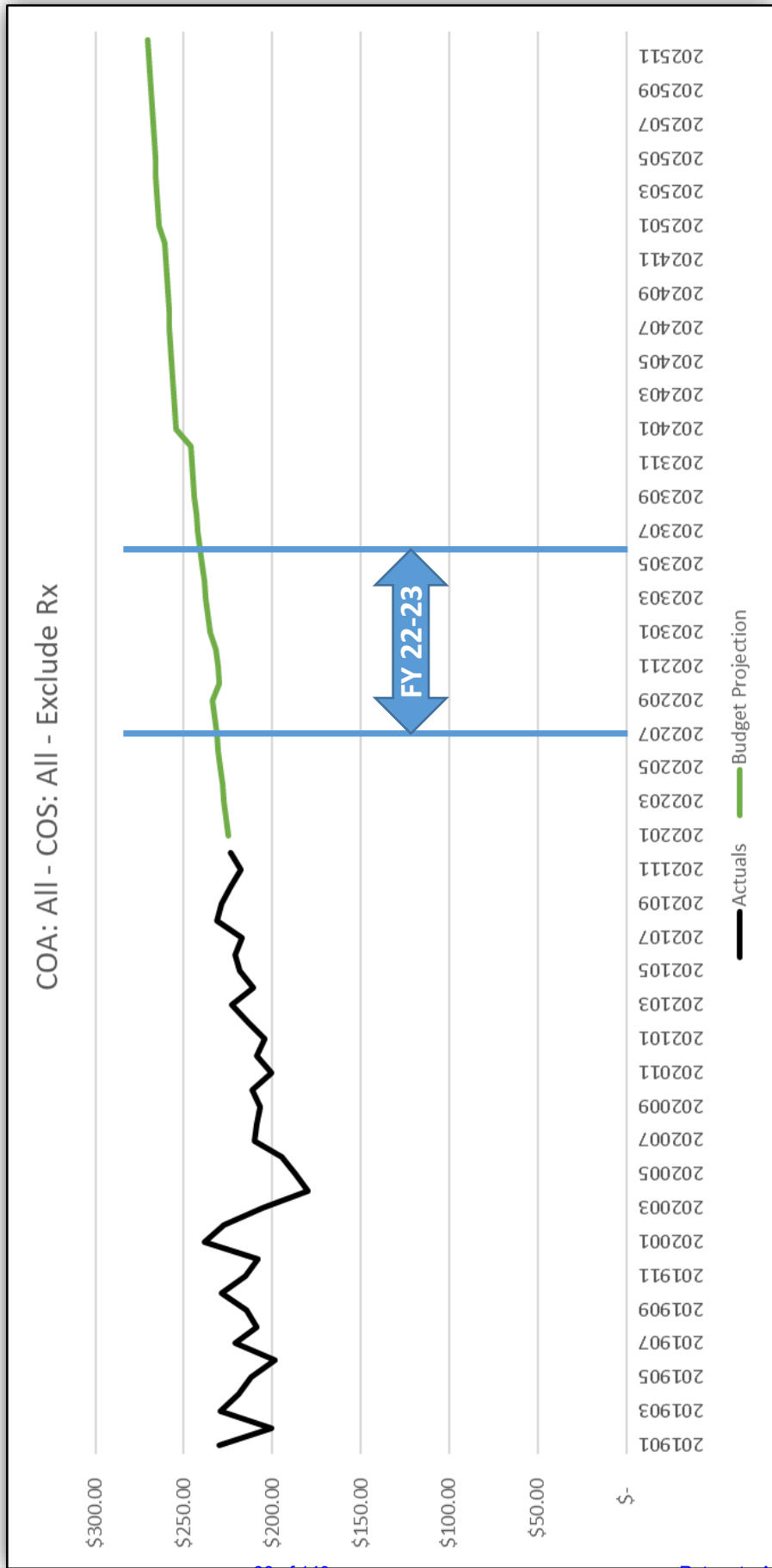
- Flexible budget
- CY2023 Medical Expenses projected based on FY20-21 (July 2020 – June 2021) RDT base data and CY21 experience respectively + estimated trend/prospective adjustment factors
- Trend factors consistent with RDT (2-4%) and projections based on COA/COS combinations getting back to CY2019 level where appropriate with the exception of mental health expenses (maintaining COVID levels in budget)
- Removal of 10% increase to LTC at end of PHE
- Provider Incentives estimates assumes we pass on 85% of earned funds to providers (assumes we earn 75% of available)
- ECM Expense (CaAIM) / Prop 56 Expense / GEMT assumes MLR of 95%
- Community Supports (CS) expenses were not explicitly assumed in budget (except for recuperative care and housing deposits).

Medical Expense Budget

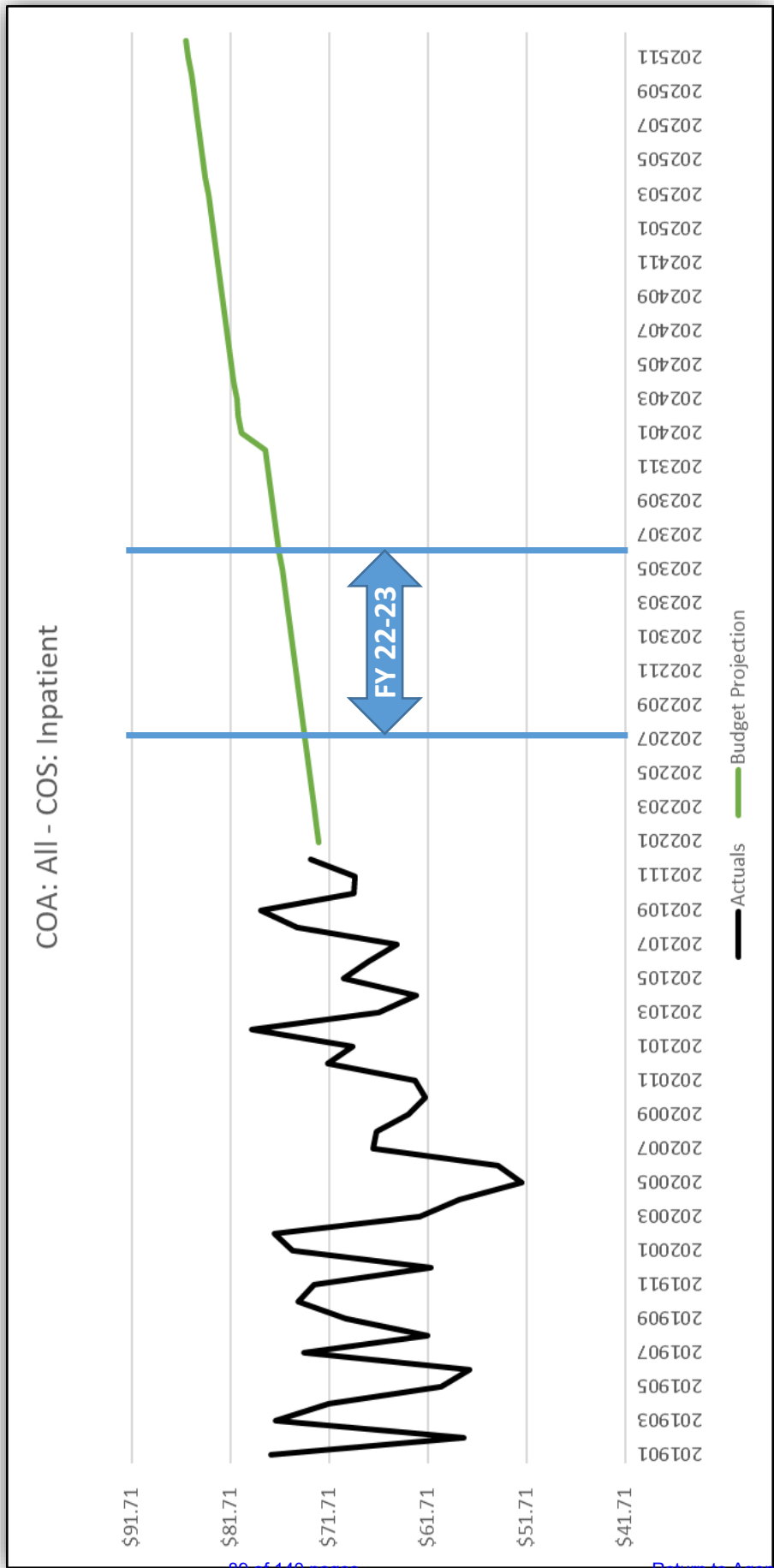
FY 2022-23 MEDICAL EXPENSE BUDGET

	FY 2021-22		Projected		Projected		FY 2022-23	PMPM	% Change	Projected Dollars
	as of April 2022	Projected PMPM	Jul - Dec 2022	Jan - Jun 2023	Projected PMPM	PMPM				
Capitation	\$ 31.86	\$ 34.57	\$ 35.13	\$ 34.84				9%	\$ 94,537,054	
Fee For Service										
Inpatient FFS Expense	\$ 71.11	\$ 75.53	\$ 75.32	\$ 75.43				6%	\$ 204,700,340	
Outpatient FFS Expense	22.53	25.76	26.74	26.23				16%	71,172,193	
LTC/SNF Expense	60.43	51.56	54.40	52.92				-12%	143,613,372	
ER Facility Services FFS	10.84	12.08	13.01	12.53				16%	33,990,560	
Physician Specialty Services FFS	22.38	26.08	27.34	26.68				19%	72,407,223.75	
Transportation FFS	0.80	0.74	0.77	0.75				-6%	2,045,806	
Primary Care Physician FFS	10.19	9.97	10.30	10.13				-1%	27,494,718	
Mental and Behavioral Health	10.88	11.94	12.56	12.24				12%	33,208,560	
Pharmacy Expense FFS	35.90	-	-	-				-100%	-	
Other Medical Professional	1.42	1.48	1.58	1.53				8%	4,147,529	
Home & Community Based Svcs	9.07	9.50	10.06	9.77				8%	26,508,862	
Laboratory and Radiology Expense	3.36	3.19	3.08	3.14				-7%	8,511,942	
Other Medical Care Expenses	4.51	4.17	4.40	4.28				-5%	11,608,869	
Directed Payments	12.38	8.16	8.03	8.10				-35%	21,972,553	
Provider Reserves & Incentives	0.42	3.86	9.34	6.49				1457%	17,604,530	
Sub-total	\$ 276.21	\$ 244.00	\$ 256.93	\$ 250.20				-9%	\$ 678,987,060	
Community Supports	\$ -	\$ 0.42	\$ 0.46	\$ 0.44					\$ 1,200,000	
Reinsurance-Net	\$ 0.08	\$ 0.36	\$ 0.37	\$ 0.37				381%	\$ 991,003	
Refunds & Recoveries	\$ (3.20)	\$ (1.40)	\$ (1.50)	\$ (1.44)				-55%	\$ (3,920,780)	
Care Management	\$ 5.63	\$ 6.60	\$ 7.33	\$ 6.96				24%	\$ 18,851,646	
Total Medical Expenses	\$ 310.57	\$ 281.45	\$ 295.49	\$ 288.19				-7%	\$ 790,645,983	
MLR	87.6%	86.9%	90.5%	87.5%				-0.1%		

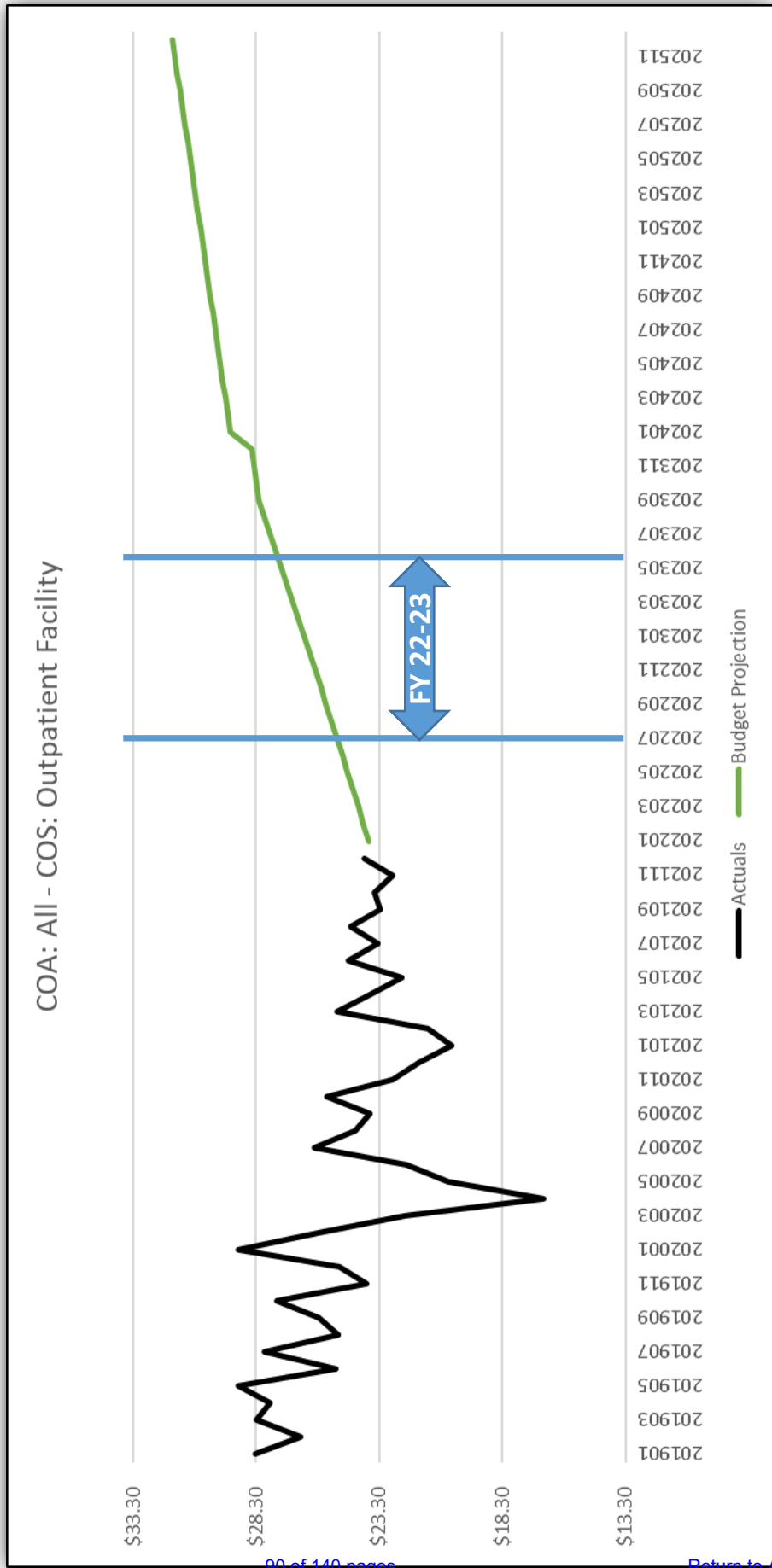
Total FFS Medical Expenses



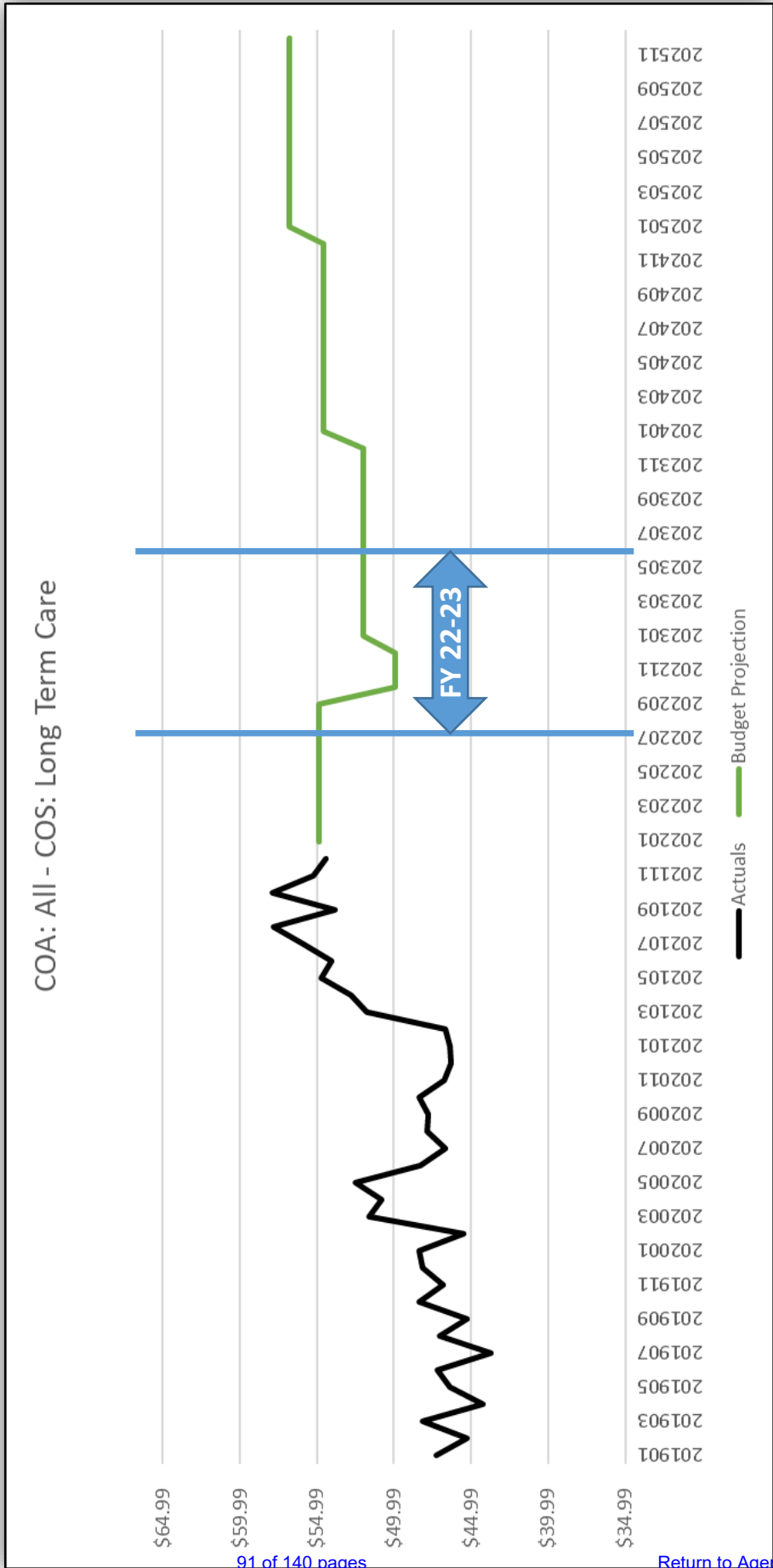
Inpatient FFS Medical Expenses



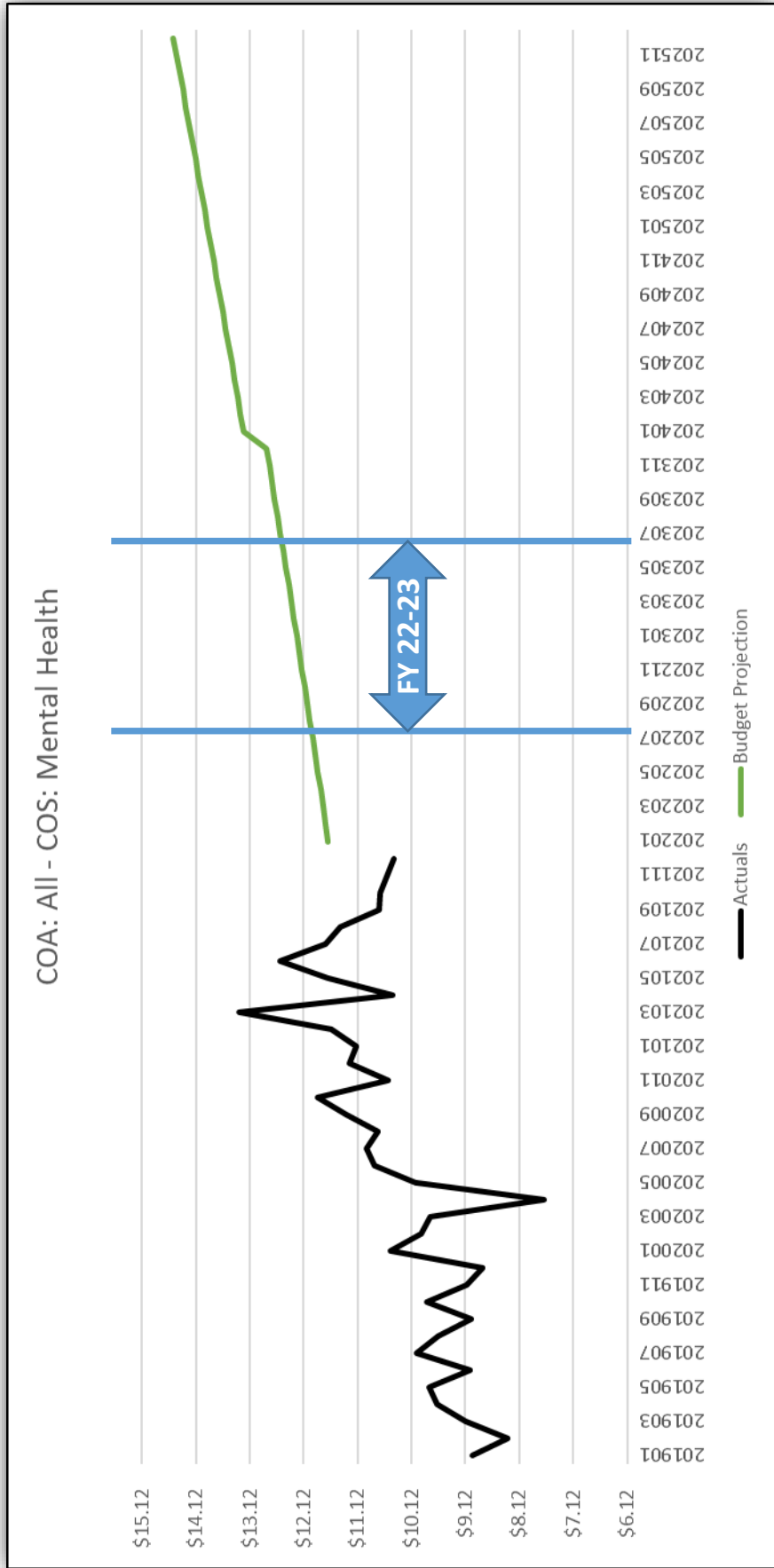
Outpatient FFS Medical Expenses



Long Term Care FFS Medical Expenses



Mental Health FFS Medical Expenses



- Fixed Budget
- 8.1% Administrative Cost Ratio (ACR)
- Within amounts allotted for administrative expense in capitation rates
- Assumes 3% one-time cost of living adjustment + 4% merit pool(effective 7/1/2022) & 15% vacancy factor due to current labor market trends & dynamics
- Promotions & Equity Adjustments for future compensation analysis, are in the HR business unit as a placeholder
- Assumes Employee Benefit Expense increases (effective 1/1/2023)
- Assumes Insurance rate increases between 20-40% due to “hard market” of ~\$250K; assumed mid-range for budget
- PMPM driven expenses are assumed at ~225K members for fiscal year

Administrative Expense Assumptions

GCHP's Mission and Vision



Our Mission

To improve the health of our members through the provision of high quality care and services.



Our Vision

Compassionate care, accessible to all, for a healthy community.

FY 2022-23 Strategic Plan

The administrative expense budget is driven by the performance goals of our Strategic Plan:



Better Health

Positive impact to Ventura County health and wellbeing



Member and Community Experience

Putting the Members, Providers and Ventura County Community FIRST in our plans and priorities



TNE & Maximum Incentives

For financial strength and to invest in the delivery system



Quality and Value-Based Healthcare

Positive impact to Ventura County healthcare system



Cal AIM

ECM/CS expansion, roll out and readiness; Incentive Payment Program (“IPP”); Student Behavioral Health Program (“SBHIP”), Homeless



People & Culture

Build organization and skillset; Employee engagement and employer of choice



Compliance

Successful exit from DHCS in Conduent situation; Oversight implementation; Cal AIM and STCS



Operations and Technology

Prepare plan for future operations; launch procurement

Administrative Expense Budget

Total Administrative Expenses (in millions)

	FY21-22 Actuals*	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FYE 23 vs FYE 22 Budget Δ		
Salaries, Wages & Benefits	\$27.0M	\$29.1M	\$37.4M	\$10.4M	39%	\$8.3M	29%
Training, Conference & Travel	\$0.1M	\$0.4M	\$0.7M	\$0.6M	600%	\$0.3M	75%
Outside Services	\$24.9M	\$27.4M	\$27.5M	\$2.6M	10%	\$0.1M	.03%
Professional Services	\$4.4M	\$4.0M	\$4.9M	\$0.5M	11%	\$0.9M	20%
Occupancy, Supplies, Insurance & Other	\$10.4M	\$10.9M	\$11.6M	\$1.2M	11%	\$0.7M	6%
CM Reclass to Medical Exp	(\$15.4M)	(\$15.3M)	(\$18.9M)	(\$3.5M)	23%	(\$3.2M)	24%
Project Portfolio	\$2.4M	\$6.3M	\$10.3M	\$7.9M	330%	\$4.0M	63%
TOTAL	\$53.8M	\$62.4M	\$73.5M	\$19.7M	37%	\$11.1M	18%
DHCS Funding			\$76.1M				

Major Drivers:

1. New positions ~\$7.2M
2. Equity Adj, Merit, Promotions, EE Recruit ~\$2.1M
3. Vacancy Factor increase to 15% (~\$3.0M)

*Forecasted

4. Care Mgmt Reclass (~\$1.2M)
5. Project Portfolio ~\$4.0M
6. Travel Reinstatement ~\$3.3M
7. Benefits / Business Insurance Increases ~\$1.7M

Administrative Expense Budget

Salaries, Wages & Benefits

FY21-22 Actuals	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FY22-23 vs FY21-22 Budget Δ
\$ 28,323,300	\$ 29,971,616	\$38,356,152	\$10,032,852	\$8,384,536
			35%	28%

Major Drivers:

- 22 additional positions approved for FY21-22 not in budget (\$3.1M increase includes base salary \$2.1M, 10% pension \$0.2M, 35% admin load \$0.8M)
- 31 new positions requested (\$4.1M increase includes base salary- \$2.9M, 10% pension \$0.3M, 35% admin load \$1.0M)
- 3% one-time COLA + 4% merit increase effective 7/1/22 (\$1.5M)
- Equity Adjustments/Promotions Pool (\$0.4M) and Proposed promotions (\$0.2M)
- Significant increases expected by HR for health, dental and vision insurance effective 1/1/2023 (\$1.7M)
- Offset by increase in vacancy factor from 6% to 15% (~3.0M)

HOW WE NEED TO INVEST IN GOLD COAST TODAY

THE NEED FOR PEOPLE/TALENT (CAPACITY AND SKILLSETS) EXISTS EVERYWHERE AT THE HEALTH PLAN, BUT GCHP MANAGEMENT IS BUILDING THE ORGANIZATION AROUND THE MOST CRITICAL NEEDS AND THE HIGHEST IMPACT ON THE MISSION



HEALTH AND QUALITY | Clinical, operational and technology ability to manage cost and quality for members with chronic conditions



DATA AND TECHNOLOGY | GCHP must develop modern data operations, warehouse and systems



SPECIALIZED SKILLSETS | Behavioral and Population Health program design and management, project management



OVERSIGHT | We must create and expand oversight of delegated performance as well as health plan performance



MEMBER AND PROVIDER OPERATIONS | GCHP owns but is not staffed to support Member and Provider Satisfaction

HOW WE NEED TO INVEST IN GOLD COAST TODAY



HEALTH AND QUALITY | Clinical, operational and technology ability to manage cost and quality for members with chronic conditions



SPECIALIZED SKILLSETS | Behavioral and Population Health program design and management, project management

- Administrative Analyst
- Clinical Program Manager, Behavioral Health
- Clinical Care Manager (2)
- Health Navigator I
- Sr. Mgr., Clinical Care Management
- Health Services Admin
- RN, Utilization Management (3)
- Medical Informatics Director
- Quality Improvement Program Mgr. (2)
- Quality Manager
- Provider Contract Specialist (CaAIM)
- Provider Relations Rep II (CaAIM)
- Sr. Project/Program Manager (4)

HOW WE NEED TO INVEST IN GOLD COAST TODAY



DATA AND TECHNOLOGY | GCHP must develop modern data operations, warehouse and systems

- Director of Interoperability
- Sr. Business Systems Analyst
- Application Architect
- IT Network and Systems Engineer
- Operations Data Analyst II
- PC Desktop Technician I
- Site Reliability Engineer
- Software Quality Assurance Analyst (3)

HOW WE NEED TO INVEST IN GOLD COAST TODAY



OVERSIGHT | CalAIM, the 2024 Contract, higher standards in new regulations, and our Mission urgently requires the creation and expansion of oversight of delegated performance as well as health plan performance

- Change & Oversight Analyst
- Grievance & Appeals Resolutions Specialist I (3)
- Delegation Oversight Manager
- RN, Delegation Oversight
- Manager, Change Control
- Manager, Operations Analytics
- Oversight Analyst

HOW WE NEED TO INVEST IN GOLD COAST TODAY



MEMBER AND PROVIDER OPERATIONS | GCHP owns but is not staffed to support Member and Provider Satisfaction - communications and Field Provider Services are two examples of inadequate capabilities

- Provider Project Admin
- Provider Project Coordinator
- Provider Relations Analyst
- Provider Relations Operational Lead
- Provider Relations Rep
- Manager, Provider Relations
- Provider Relations Representative II

Administrative Expense Budget

Position Summary				
Department	May-22	Budget	Budget	Change
	Filled	FY 2021-22	FY 2022-23	
Executive	10	9.0	10.0	1.0
Finance	8	8.0	9.0	1.0
Procurement	3	3.0	3.0	-
Decision Support Services	4	9.0	12.0	3.0
Infrastructure	6	5.0	8.0	3.0
Solution Services	7	16.0	12.0	(4.0)
Project Management Organization	3	4.0	7.0	3.0
Information Technology	5	5.0	7.0	2.0
Population Health Enablement	0	-	5.0	5.0
Operations	1	1.0	1.0	-
Grievance and Appeals	7	7.0	12.0	5.0
Operations Support Services	2	4.0	3.0	(1.0)
Member Services	5	5.0	5.0	-
Network Operations	11	11.0	21.0	10.0
Quality	9	10.0	13.0	3.0
Government Relations	4	5.0	6.0	1.0
Health Education	6	6.0	7.0	1.0
Pharmacy	2.5	2.5	2.5	-
Communications	2	2.0	3.0	1.0
Claims	8	6.0	9.0	3.0
Health Services	5	6.0	7.0	1.0
Utilization Management	44.5	44.5	48.5	4.0
Care Management	31.5	37.5	40.5	3.0
Population Health	3	4.0	5.0	1.0
Behavioral Health	0	-	1.0	1.0
Compliance	9	12.5	15.0	2.5
Human Resources	6	6.0	9.0	3.0
Facilities	3	3.0	3.0	-
	205.5	232.0	284.5	52.5
Assumed Filled (6% vacancy for FY21-22 & 15% Vacancy for FY22-23)		218	242	24



Administrative Expense Budget

Training, Conference & Travel

FY21-22 Actuals	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FY22-23 vs FY21-22 Budget Δ
\$56,645	\$369,699	\$660,592	\$603,947	1066%
			\$290,893	79%

Major Drivers:

1. Due to COVID-19 restrictions there was limited travels to conferences, etc. There is an increase in asks to attend conferences due to loosening of restrictions.
2. Increased investment in staff training and development
3. Increased in-person provider meetings, audits, etc.

Administrative Expense Budget

Outside Services

	FY21-22 Actuals	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FY22-23 vs FY21-22 Budget Δ
With EPP	\$25,043,683	\$27,566,312	\$29,651,608	\$4,607,925	\$2,085,296
Without EPP	\$24,946,755	\$27,362,059	\$27,515,124	\$2,568,370	\$153,066
				18%	8%
				10%	0.06%

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Major Drivers:

1. Primary Driver is increased consulting needed for Enterprise Project Portfolio projects (\$2M)

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Administrative Expense Budget

Professional Services

	FY21-22 Actuals	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FY22-23 vs FY21-22 Budget Δ
With EPP	\$4,763,041	\$7,881,660	\$10,279,117	\$5,516,076	\$2,397,457
Without EPP	\$4,365,098	\$3,967,500	\$4,938,999	\$573,901	\$971,499
				115.8%	30%
				13.1%	25%

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Major Drivers:

1. Increase in consulting for Enterprise Project Portfolio Project (\$1.1M)
2. HR Manager/Director training consulting (\$.125M)
3. HR Various Recruiter Consulting (\$.540M)
4. Increase in legal expense budget (\$.9M) offset by decrease in HMA consulting budget (\$.6M)
5. Consulting Compliance Audit (\$.2M)

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Administrative Expense Budget

Occupancy, Supplies, Insurance & Other

	FY21-22 Actuals	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FY22-23 vs FY21-22 Budget Δ
With EPP	\$11,040,888	\$12,161,484	\$13,442,556	\$2,401,669	\$1,281,072
Without EPP	\$10,443,660	\$10,852,255	\$11,562,860	\$1,119,200	\$710,605
				21.8%	11%
				10.7%	7%

Major Drivers:

1. Increases in Member communications / Health Education Communications (\$.5M)
2. Increases in IT equipment, software, etc. for 50+ Staff (\$.4M)
3. Increase in Enterprise Project Portfolio (\$.5M) offset by:
3. Reduction in Rx- related administration costs due to Rx carve-out (\$.3M)

Administrative Expense Budget

Project Portfolio

FY21-22 Actuals	FY21-22 Budget	FY22-23 Budget	FY22-23 vs Actual Δ	FY22-23 vs FY21-22 Budget Δ
\$2,407,020	\$6,331,642	\$10,306,290	\$7,602,270	316%
				63%

Major Drivers:

1. CaAIM +\$2.5M
2. Enterprise Data Warehouse +1.7M
3. Operations Modernization +\$1.1M
4. Staff Augmentation +\$.2M
5. Model of Care +\$.4M
6. Internal Controls +\$.3M
7. Data Informatics +\$.2M
8. D-SNP +\$.1M
9. Enterprise Collaboration Tool +.1M

Offset by:

10. IT Infrastructure (move to Operational Budget) -\$1.2M
11. CMS Interoperability -\$1.1M
12. eVIPs Phase 2 -\$.4M

Project Portfolio

CalAIM California Advancing and Innovating Medi-Cal

Long term commitment to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated and person-centered approach to maximizing their health and life trajectory.

Enable whole-person care approaches, Address social drivers of health, Improve quality outcomes, Reduce health disparities, Drive delivery system transformation, Create consistent, efficient and seamless Medi-Cal system.

Scope

Implement Enhanced Care Management/Community Supports
 Enable GCHP to meet, track & report performance measures for all Incentive Plans (IPP, HHIP, SBHIP) and obtain 100% of funds
 Implement Population Health aligned with NCQA Accreditation Population Health standards
 Implement Full integration Pilot for BH mild to moderate transformation

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Impacts

- Provider Network Ops
- Claims Ops
- Health Services - Care Management, Behavioral Health, Population Health
- IT – Solution Services, DSS
- ASSUMPTION – adequately planned for resources

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Strategic Alignment	Size	Value	Benefits	Risk	Confidence Level
Direct	XL \$\$\$\$	\$\$\$	Game Changer	High	Moderate

Value	Positive Impacts to Ventura County Health & Wellbeing IPP 100% available \$12.1M 1. Jan 2022 50% - Reported Fall 2021 2. Dec 2022 50% - Measure Period Jan–Jun 2022, Report Fall 2022 SBHIP \$7.6 in increments \$335,000 for Assessment 1. 50% - expected May 2022 2. 50% - April 2023 based on submission of needs assessment in Dec 2022 \$7,309,812 for Interventions 1. Up to 50% of total intervention allocation- April 2023 based on submission of project plan in Dec 2022 2. Up to 25% of remaining intervention allocation- each six months (April and October 2023-2024) based on progress submitted in six-month progress reports 3. Up to remainder of total allocation – April 2025 based on final outcomes submitted Dec 2024 HHIP 1. \$9,689,255 2. \$11,842,423				
Mandate	Yes				
Risks of Doing	Significant impact to multiple business units				
Risks of Not Doing	Loss of Opportunity for member health outcomes Out of Regulatory Compliance				
Sponsors	Dr. Nancy Wharfield, CMO Alan Torres, CIO Pauline Preciado, Executive Director Population Health & Equity				



Member and Community Experiences



Better Health



Quality Healthcare



CalAIM



Gold Coast Health Plan
A Public Entity

Project Portfolio

CalAIM California Advancing and Innovating Medi-Cal	
Consulting	<p>NCOA Accreditation 150,000</p> <p>HHIP 135,000</p> <p>SBHIP 135,000</p> <p>Full Integ Pilot for BH Mild-to-Moderate Transformation 135,000</p> <p>Professional Svc</p> <p> Data Streaming/Data Capture Platform 249,998</p> <p> CDR/Smile Repository 300,000</p> <p> AWS API Data Exchange 250,142</p> <p> Population Health – Prof Svc 200,000</p> <p>1,655,136</p>
Software	<p>AWS API Integration 200,000</p> <p>CDR/Smile Repository 400,000</p> <p>Data Streaming & Data Capture Platform 100,000</p> <p>Population Health Platform 350,000</p> <p>Population Health Registry Tool 150,000</p> <p>1,999,980</p>
Outside Services	<p>BBK Legal Fees (HHIP, IPP Infrastructure) 128,000</p> <p>HHIP Licensing Fee Homeless Management System 5,000</p> <p>SBHIP Other Expense (Facility Rental, Food) 10,500</p> <p>HHIP Other Expense (Stakeholder Convening) 10,500</p> <p>154,000</p>
	3,009,116

Project Portfolio

Enterprise Data Warehouse

New data warehouse, modernized processes & reports on strategic platform providing self-service capabilities with new tools for dashboarding & reporting.

Scope

- Continued Build out of modern data warehouse
- Standing up Infrastructure
- Migration of data to strategic platform
- Re-platforming of existing extracts, reports
- Improving data quality & implem of master data management capability

Impacts

IT – Solution Services, DSS
User Groups from Business Units across all of GCHP

Value Retire existing assets, decommission of legacy DW (\$\$\$)

Accurate data available for business users enabling business decision-making

Mandate

NO

Risks of Doing

Impacts across GCHP

Risks of Not Doing

Continued high support costs, Data inaccuracy that cause business disruption & additional work, Continued quality issues with Conduent data, No access to vital data for business operations and decision-making, No business enablement, Continued heavy dependence on IT DSS team to do queries

Sponsors

Kashina Bishop, CFO
Alan Torres, CIO

Strategic Alignment	Size	Value	Benefits	Risk	Confidence Level
Indirect	XXL \$\$\$\$	\$\$\$\$	High	High	Moderate



Operations



Quality Healthcare

Consulting	Consulting (vendor Omnidata) RDT Consulting with Edrington HEDIS/MCAS EMR Integration	1,500,000 75,000 210,000	High	High	Moderate
Software	Azure Modern Data Warehouse Transactional & Storage Fees	80,000			
	Intelligent Data Management Cloud Master Data Management Capability Tableau License (20 Seats)	75,000 225,000 40,000			
		420,000			
Outside Services	Azure Platform Cloud Service Provider Mithly Fees (Omnidata)	80,000			
	Informatica Professional Service	150,000			
		230,000			
		2,435,000			

Project Portfolio

Program	Value	Desc of Expense	Amount
1. CalAIM	<p>Enable whole-person care approaches, Address social drivers of health, Improve quality outcomes, Reduce health disparities, Drive delivery system transformation, Create consistent, efficient and seamless Medi-Cal system.</p> <p>Enhanced Care Management (ECM)/Community Supports (CS) Incentive Payment Program (IPP) Housing and Homeless Incentive Program (HHIP) Student Behavioral Health Incentive Program (SBHIP) Population Health Management (PHM)</p>	<ul style="list-style-type: none"> • IPP Infrastructure • Population Health Management • HHIP, SBHIP • Consulting & Outside Services 	3,009,116
2. Enterprise Data Warehouse	<p>New data warehouse, modernized data warehouse processes & reports on strategic platform providing self-service capabilities with new tools for dashboards & reports. Addresses quality issues with Conduent data. Includes Prospective RDT Reporting.</p>	<ul style="list-style-type: none"> • Consulting (OmniData) • Software (Azure, DQ, MDM, Informatica, Tableau) 	2,435,000
3. Operations Modernization	<p>Operational improvement initiative with capabilities that support current and future needs.</p>	<ul style="list-style-type: none"> • Consulting, Professional Services 	2,300,000
4. Staff Augmentation	<p>Talent to keep up with portfolio demand</p>	<ul style="list-style-type: none"> • Temp Labor 	949,992

Project Portfolio

Program	Value	Desc of Expense	Amount
5. Model of Care	<ul style="list-style-type: none"> Model of Care consulting to align and integrate three major operational programs to <ul style="list-style-type: none"> Bend the cost curve by managing chronic conditions and other significant drivers of cost growth Improve quality performance at the health plan and across our provider network Increase member engagement in health and healthcare satisfaction with their experience with healthcare and health plan services. Consulting support to develop the contractual structures for Value Based Payment arrangements and the organizational/operational/technological platform to effectuate high impact value-based performance (on cost, quality and outcomes). Implement member incentives to improve engagement in health and healthcare. 	Implementation Cost: <ul style="list-style-type: none"> Model of Care consulting Value Based Payment Member Engagement 	400,00
6. Internal Controls	Internal Balance & Controls across GCHP's business and technical landscape	<ul style="list-style-type: none"> Consulting 	250,000
7. Data Informatics	Continue to advance our data analytics capabilities in support of Population Health, disease management, and provider contract negotiations	<ul style="list-style-type: none"> Consulting (Inovalon) 	199,992
8. CMS Interoperability	Put patients first, giving them access to their health information when they need it most, and in the way they can best use it. Drive interoperability and patient access to health information by liberating patient data while using a standardized technology framework enabling interoperability with 3rd party applications	<ul style="list-style-type: none"> Consulting (Edifecs) Software (Middleware Svc, FHIR Repo, Saas Implem/Trans Fees 	178,493

Project Portfolio

Program	Value	Desc of Expense	Amount
9. eVips Phase 2	Remaining work for eVips Phase 2 and mandatory HTML5 upgrade/conversion to 'Payer' (latest version of platform for integrated Provider Contracting, Credentialing & Maintenance functionalities).	<ul style="list-style-type: none"> Consulting 	150,000
10. D-SNP	Financial feasibility and operational analysis, Knox-Keene Implementation Consulting	<ul style="list-style-type: none"> Consulting Outside Service (BBK) 	125,000
11. Enterprise Portfolio Management Tool	Visibility to portfolio & delivery execution	<ul style="list-style-type: none"> Consulting Software 	118,000
12. Depreciation	Depreciation of capitalized assets related to project portfolio	Depreciation & Amortization Expense	100,729
13. Enterprise Collaboration Tool	Collaboration tool that replicates in-person whiteboard work sessions & workshops remotely	<ul style="list-style-type: none"> Software 	90,000
		TOTAL	10,306,290



Administrative Expense Budget

FY 2022-23 GENERAL AND ADMINISTRATIVE EXPENSES

	FY 2021-22		FY 2022-23		Change Budget to Budget	Percent Change
	Projected Actual	Budget	Budget	Budget		
Salary Expense	\$ 20,268,224	\$ 21,882,765	\$ 27,730,477	\$ 5,847,712	27%	
Temp Labor	326,578	214,100	587,152	373,052	174%	
Taxes and Benefits	6,413,578	6,970,751	9,088,531	2,117,780	30%	
Training, Conference, and Travel	56,645	369,699	660,592	290,893	79%	
Outside Services - Conduent	18,512,842	19,719,860	19,547,653	(172,207)	-1%	
Outside Services - PBM Admin	1,439,938	1,221,322	-	(1,221,322)	-100%	
Outside Services - Other	4,993,974	6,420,877	7,967,471	1,546,595	24%	
Accounting & Actuarial Services	147,867	165,000	165,000	-	0%	
Legal	2,155,407	1,150,000	2,075,000	925,000	80%	
Consulting Services	1,598,337	1,960,000	1,698,899	(261,101)	-13%	
Translation Services	184,500	380,000	440,000	60,000	16%	
Committee/Advisory	6,167	12,500	20,100	7,600	61%	
Employee Recruitment	272,820	300,000	540,000	240,000	80%	
Lease	1,396,316	1,547,496	1,594,080	46,584	3%	
Depreciation & Amortization	420,663	407,739	567,950	160,211	39%	
Non-Capital - Furniture & Equipment	124,271	181,700	266,050	84,350	46%	
Office & Operating Supplies	76,132	187,920	127,900	(60,020)	-32%	
Shipping & Postage	322,855	308,890	405,542	96,652	31%	
Printing	716,619	810,600	817,100	6,500	1%	
Software Licenses	3,960,484	5,094,380	5,046,658	(47,722)	-1%	
Software Licenses-Non-Capital	7,686	-	14,196	14,196	#DIV/0!	
Software Maintenance & Support	32,220	-	73,294	73,294	#DIV/0!	
Repairs & Maintenance	168,169	204,875	399,549	194,674	95%	
Telephone/Internet	197,840	245,700	279,840	34,140	14%	
Advertising and promotion	1,594,321	393,900	439,160	45,260	11%	
Insurance	1,005,131	850,000	978,000	128,000	15%	
Interest	184,187	270,000	270,000	-	0%	
Professional dues, fees, and licenses	207,855	237,767	246,454	8,687	4%	
Subscriptions and publications	19,814	27,288	28,088	800	3%	
Bank Service Fees	874	75,000	1,000	(74,000)	-99%	
Other miscellaneous	8,223	9,000	8,000	(1,000)	-11%	
Care Management	(15,419,608)	(15,529,043)	(18,851,646)	(3,322,603)	21%	
Total General and Administrative	\$ 51,400,930	\$ 56,090,086	\$ 63,232,089 *	\$ 7,142,003	13%	
% Admin to Revenue	5.1%	6.5%	7.0%			
Enterprise Project Portfolio	\$ 2,407,020	\$ 6,331,642	\$ 10,306,290	\$ 3,974,648	63%	
Total G&A (including Projects)	\$ 53,807,949	\$ 62,421,728	\$ 73,538,379	\$ 11,116,651	18%	
% to Revenue	5.4%	7.3%	8.1%			

GCHP Administrative Expenses

Historical View & Comparison

Admin	2018-19	2019-20	2020-21	2021-22 Projected	2022-23 (Budget)
Admin (Budget)	\$53,869,160	\$ 57,701,709	\$ 54,930,839	\$ 62,421,728	\$ 73,538,379
Admin (Actual)	\$ 46,655,880	\$ 50,830,596	\$ 48,961,692	\$ 53,807,949*	
Admin (DHCS Funding)	\$50,816,180	\$59,505,466	\$67,133,966	\$71,861,275	\$76,055,936
% ACR-GCHP	6.6%	6.1%	5.4%	5.5%	8.1%
Average ACR COHS plans	6.7%	6.3%	5.7%		
Drivers	Decrease to Conduent fees (enrollment); decrease to legal and accounting fees; decrease to community grants	Projects; lift of hiring freeze; severance packages; increased legal and consulting fees; interest expense	Excluding projects, admin expenses anticipated to decline from current run rate despite estimated 12% growth in membership.	Increases to membership ~\$2.5 M; 22 new positions ~\$1.5M; Equity Adj, Merit, Promotions, EE Recruit ~\$1.2M; Project Portfolio ~\$.8M; Travel Reinstatement ~\$.2M; Benefits / Business Insurance Increases ~\$.5M	Increases to staffing/retention initiatives to support strategy and performance goals over the next 5 years. Additional Project Portfolio investments to support CalAIM, EDW, Operations Modernization and other important initiatives
* Projected					

Contract Renewal Exhibit

Signature Authority Policy – Commission Approved

* Note The Ventura County Medi-Cal Managed Care Commission may delegate approval to the Chief Executive Officer. All transactions associated with the projects and contract renewals listed in GCHP's approved budget are hereby delegated to the Chief Executive Officer and do not require individual transactional approval from Ventura County Medi-Cal Managed Care Commission.

FY2022-23 Capital Budget

GOLD COAST HEALTH PLAN FY 2022-23 CAPITAL BUDGET		
<u>Asset Category</u>	<u>Description</u>	<u>Amount (\$)</u>
Leasehold Improvements	Cambridge Sound Masking Executive Department	8,000
Leasehold Improvements	Infrastructure Department Reconfiguration 711 E Daily Drive	100,000
Leasehold Improvements	Infrastructure Department Reconfiguration 770 Paseo Camarillo	100,000
Computer Systems & Software	Refresh firewalls to enterprise grade HA	50,000
Computer Systems & Software	Implement New Wireless Infrastructure 20	57,000
Computer Systems & Software	Implement DR/BCP Cloud Modern Backup	200,000
Computer Systems & Software	Pull network cable for added wireless	10,000
Computer Systems & Software	Project Time Tracking Solution	20,000
Computer Systems & Software	Service Now Service Desk and ITIL solution	45,000
Computer Systems & Software	Sharepoint File Storage Modernization	70,000
Computer Systems & Software	Upgrade ESXi from 6.5 to 7.0 consulting	40,000
Computer Systems & Software	API Gateway POC in Azure or AWS	44,000
Computer Systems & Software	FY 22-23 New workforce netadd -80 laptops planned	192,000
Computer Systems & Software	FY 22/23 Laptop Replacements and swaps - 20 laptops planned	48,000
	TOTAL	984,000

FY 2022-23 Operating Budget

GOLD COAST HEALTH PLAN			
FY 2022-23 OPERATING BUDGET			
	Jul 1- Dec 31 2022	Jan 1- Jun 30 2023	TOTAL
Program Revenue	\$ 517,048,909	\$ 478,886,344	\$ 995,935,254
MCO Tax Expense	\$ (47,444,760)	\$ (44,743,754)	\$ (92,188,514)
Net Revenue	\$ 469,604,149	\$ 434,142,590	\$ 903,746,740
Medical Expenses	\$ 401,940,276	\$ 388,705,707	\$ 790,645,983
	MLR 85.6%	89.5%	87.5%
Gross Margin	\$ 67,663,874	\$ 45,436,883	\$ 113,100,757
General & Administrative Expenses	\$ 32,145,420	\$ 31,086,669	\$ 63,232,089
Project Portfolio	\$ 3,334,916	\$ 6,971,373	\$ 10,306,290
	Admin % 7.6%	8.8%	8.1%
Interest Income	\$ 80,600	\$ 80,600	\$ 161,199
Net Gain	\$ 32,264,136	\$ 7,459,441	\$ 39,723,577

Questions?

Staff requests that the Commission approve the Fiscal Year 2022-2023 Operating and Capital budgets, and corresponding contract renewals outlined in the appendix to the Commission.

AGENDA ITEM NO. 11

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Nick Liguori, Chief Executive Officer
DATE: June 27, 2022
SUBJECT: Chief Executive Officer (CEO) Report

I. EXTERNAL AFFAIRS:

The California Budget: Legislative Proposal

California's budget will break approximately \$300 billion this year. Much of this spending comes from maintaining and expanding the state's health care system. Lawmakers and Gov. Gavin Newsom are working with a nearly \$100 billion surplus. So far, most of it is earmarked for education.

In his proposal, the Governor included plans to use a portion of the surplus to issue rebates to drivers to offset high gas prices and as bonuses for essential health care employees. While it remains unclear which proposals will make it into the final budget, the legislature is acting on several of the items noted below.

Additionally, the legislature and Governor are moving forward with adding resources to monitor and oversee Medi-Cal managed care plans. The new positions will ensure contract requirements are met and that plans abide by new federal reporting requirements.

On June 13, the Assembly and Senate approved SB 154 and AB 154. Once an agreement is reached by the legislature, the bills will need to be approved and sent to the Governor by June 15. The Governor will have until the end of June to sign the budget package.

GCHP's Government Affairs team will provide an in-depth analysis of the signed budget next month.

Highlights of the Proposed Budget Adopted by the Legislature Include:

- **Protecting Reproductive Health Care Access:** Expands on the Governor's investments in protecting access to abortion and other reproductive health care, including the California Abortion Support Fund, the California Reproductive Health Service Corps, training for certified nurse midwives, the Los Angeles County Reproductive Health Pilot, and equity and infrastructure payments for clinic abortion providers.



- **Medi-Cal Expansion:** Approves trailer bill language to expand full-scope Medi-Cal coverage to all income-eligible Californians, regardless of immigration status, no later than Jan. 1, 2024.
- **Behavioral Health Bridge Housing:** Approves the Governor's proposed investment of \$1.5 billion over two years for immediate, clinically enhanced bridge housing solutions for individuals with serious mental illness who are experiencing homelessness.
- **Youth Suicide Prevention and Behavioral Health:** Approves and modifies the Governor's \$290 million investment in youth suicide prevention and behavioral health to ensure rapid and timely investment in resources to support youth behavioral health needs.

Key Legislative Proposed Additions:

- **Repeal Medi-Cal Provider Rate Reductions from 2011:** Expands on the Governor's limited restoration of Medi-Cal provider rate reductions by eliminating all remaining Great Recession-era reductions.
- **Health Equity and Racial Justice Fund:** Provides \$75 million annually to support the Health Equity and Racial Justice Fund, which will support community-based organizations to reduce health disparities and address the public health impacts of systemic racism.
- **Peer-to-Peer Mental Health Programs for Youth:** Provides \$10 million one-time funding to develop and promote high quality peer-to-peer mental health support programs for youth.
- **Reduce Share of Cost Requirements for Seniors in Medi-Cal:** Provides \$31 million to reduce share of cost requirements for seniors and persons with disabilities by increasing the Medi-Cal Maintenance Need Income Level.
- **Continuous Medi-Cal Coverage for Children 0-5:** Provides \$10 million in 2022-23 and \$20 million in ongoing funding to provide continuous Medi-Cal coverage for children 0-5 years of age.



Federal
Supreme Court
<p>Gallardo v. Marstiller, Argued Jan. 10, 2022— Decided June 6, 2022 7-2 vote Justice Sonia Sotomayor joined by Justice Stephen Breyer dissented.</p> <p>The court upheld the Florida Medicaid program’s effort to recover a portion of tort settlement funds that reflected a “recovery of payments for medical care,” due to the fact that the Medicaid Act permits states to seek reimbursement from settlement payments allocated for future medical care.</p>
State
Department of Health Care Services
Final APLs
<p>APL 22-007 California Housing and Homelessness Incentive Program Released: May 5, 2022</p> <ol style="list-style-type: none"> 1. The APL provides guidance on the incentive payments linked to the Housing and Homelessness Incentive Program (HHIP) implemented by DHCS. 2. HHIP is one of the Home and Community Based Services (HCBS) Spending Plan initiatives. 3. MCPs earn funds for improving health outcomes specifically addressing homelessness and housing insecurity as Social Drivers of Health (SDOH). 4. Total Funding available is \$1.288 billion across eligible MCPs in three payments.
<p>APL 22-008 Non-Emergency Medical and Non-Medical Transportation Services and Related Travel Expenses Released: May 18, 2022</p> <ol style="list-style-type: none"> 1. The APL provides guidance regarding Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) services. 2. NEMT must have Physician Certification Statement (PCS) form. 3. Must provide NMT services necessary for members to obtain medically necessary Medi-Cal services, including those not covered under the MCP contract. 4. This APL supersedes APL 17-010.
Draft APLs
<p>Draft APL 22-XXX Enforcement Actions Administrative and Monetary Sanctions Released: April 29, 2022</p> <ol style="list-style-type: none"> 1. Provides clarification to MCPs regarding administrative and monetary sanctions and enforcement actions DHCS may take to enforce compliance with contractual provisions and applicable state and federal laws. 2. Will supersede APL 18-003.

<p>Draft APLs (Cont'd)</p> <p>DRAFT APL 22-XXX Cancer Biomarker Testing Released: May 12, 2022</p> <ol style="list-style-type: none"> 1. This APL provides information about coverage requirements for cancer biomarker testing as required by Senate Bill (SB) 535 (Limón, Chapter 605, Statutes of 2021).
<p>Draft APL 22-XXX Interoperability and Patient Access Final Rule Released May 18, 2022</p> <ol style="list-style-type: none"> 1. This APL notifies MCPs of the CMS Interoperability and Patient Access final rule requirements as required by federal law.

C. Community Relations: Sponsorships

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

Name of Organization	Description	Amount
Westminster Free Clinic	Westminster Free Clinic is a community care center whose goal it is to provide low-income people with early access to health care and health supporting programs and services. The sponsorship will support their "Annual Back to School" event.	\$2,500
Mixteco / Indigena Community Organizing Project (MICOP)	MICOP helps indigenous migrant communities draw on their strengths to overcome existing barriers. The sponsorship will support their annual fundraising event, "Night in Oaxaca," which raises funds to support the indigenous migrant communities of Ventura and Santa Barbara counties.	\$2,500
TOTAL		\$5,000

D. Community Relations: Community Meetings and Events

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



Organization	Description	Date
Mar Vista Elementary Open House	The Open House was an event for parents / guardians to become familiarized with the school and their students' activities for the school year. In addition, various community organizations provided resources to parents and school staff.	May 12, 2022
City of Fillmore Health & Wellness Resource Fair	The Health & Wellness Resource Fair provided free workshops on mental and emotional well-being, community resources, a food giveaway, and a pop-up vaccine clinic to Fillmore residents.	May 14, 2022
Laguna Vista Elementary Open House	The Open House was an event for parents / guardians to become familiarized with the school and their students' activities for the school year. Additionally, various community organizations provided resources to parents and school staff.	May 19, 2022
Promotoras Y Promotores Mama y la salud de Bienestar	The purpose of the event was to connect women with health resources. The event included lunch, Zumba classes, and raffles.	May 20, 2022
Partnership for Safe Families and Strengthening Families Collaborative Meeting	The Partnership for Safe Families & Communities of Ventura County is a collaborative non-profit organization providing inter-agency coordination, networking, advocacy, and public awareness. The collaborative meeting engages parents and community representatives to share resources, announcements, and community events.	June 1, 2022
Oxnard Police Department Outreach Coordinators meeting	Community partners share resources, promote outreach events, and bring presenters to educate participants. The goal is to bring community awareness and resources to Ventura County residents.	June 1, 2022

Organization	Description	Date
Circle of Care One Step A la Vez	One Step A La Vez focuses on serving communities in the Santa Clara Valley by providing a safe environment for 13- to 19-year-olds and bridging the gaps of inequality while cultivating healthy individuals and community. Circle of Care is a monthly meeting with community leaders to share resources, network, and promote community events.	June 1, 2022
Ventura County Behavioral Health Empower Up! Your Mental Wellness	The Empower Up event was a conference for youth, young adults, and parents. Young adults shared inspirational stories, art, and performances about resilience and mental well-being.	June 4, 2022
Cabrillo Economic Development Corporation Mental Health Awareness Fair	The Mental Health Awareness Fair provided attendees with community resources, presentations on mental health, and family activities.	June 10, 2022
First5 of Ventura County Taking Action for Wellness	The Taking Action for Wellness event provided students, parents, and the community with health workshops, community resources, and raffles.	June 11, 2022
Total community meetings and events		10

E. Community Relations: Speakers Bureau

GCHP's Community Relations team presented at a recent Mixteco / Indigena Community Organizing Project (MICOP) meeting to share information about GCHP's member benefits. The purpose of the Speakers Bureau is to educate and inform the public, partners, and external groups about GCHP and its mission.

Name of Organization	Description	Date
MICOP	Provided an overview of GCHP's benefits and services. The presentation included a Q&A around new health initiatives, the transportation benefit, and barriers the indigenous migrant community faces when accessing GCHP services.	June 8, 2022

F. Community Relations: Building Community Newsletter

GCHP's Building Community newsletter highlights our contributions to our community and serves as a platform to inform community partners about what GCHP is working on, upcoming projects, and collaboration opportunities. In the upcoming newsletter, we share information on CalAIM, GCHP's incentive programs, the Continuous Coverage-Ambassador Campaign, and much more. [Click here](#) to read our latest issue.

G. Community Relations: Community Insight Coalition

The Community Insight Coalition (CIC) comes together virtually to identify and address barriers that members may have when accessing care and community resources. The goal of the coalition is to work with community partners and address shared challenges to strengthen our community.

This month, we shared information on the Student Behavioral Health Incentive Program (SBHIP), the Older Adult Medi-Cal Expansion, and the Continuous Coverage-Ambassador Campaign, and discussed Medi-Cal eligibility. Some highlights of the meeting include:

- Feedback on SBHIP.
- A discussion led by the representative from the Ventura County Human Services Agency on common Medi-Cal eligibility questions.
- Resources for those who need help filling out Medi-Cal applications.
- Upcoming community resources and events.

Our next meeting is scheduled for Aug. 4, 2022.

II. PLAN OPERATIONS

A. Membership

	VCMC	CLINICAS	CMH	DIGNITY	PCP-OTHER	KAISER	AHP	ADMIN MEMBERS	NOT ASSIGNED
May-22	87,433	39,922	33,245	6,650	5,106	6,798	5,795	46,136	5,329
Apr-22	86,920	40,142	33,008	6,588	5,084	6,778	5,153	45,295	2,766
Mar-22	86,421	40,677	32,799	6,495	5,080	6,730	4,332	45,761	2,404

NOTE:

Unassigned members are those who have not been assigned to a PCP and have 30 days to choose one. If a member does not choose a PCP, GCHP will assign one to them.

Administrative Member Details

Category	May 2022
Total Administrative Members	46,136
Share of Cost	634
Long-Term Care	713
Breast and Cervical Cancer Treatment Program (BCCTP)	84
Hospice (REST-SVS)	25
Out of Area (Not in Ventura County)	519
Other Health Care	
DUALS (A, AB, ABD, AD, B, BD)	25,431
Commercial Other Health Insurance (OHI) - Removing Medicare, Medicare Retro Billing and Null	20,218

NOTE:

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

METHODOLOGY

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

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



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

B. Provider Contracting Update:

Provider Portal Update

GCHP's Provider Portal, which went live on Nov. 15, 2021, delivers most of the standard portal functionality for our network providers, including access and entry for authorizations, eligibility, member panels, claims and payments. The system has limitations, including a partial history of processing and payment activity on claims and a single sign-on per provider that limits convenient access in large organizations. Having a portal with full functionality remains a top operational priority for GCHP as we continue to address these limitations with improvements.

The effective rollout and training of the new portal has been a critical priority for the GCHP provider team. The reach and impact of our efforts are clear, with about 400 provider staff registered for the training that occurred in November and very active participation during - and since - those training sessions. Portal training included four webinars, a new portal user guide, and other how-to training materials that are available on the provider portal page of the GCHP website. Provider feedback has been positive as well as instructive, with improvement opportunities captured and brought back to the ongoing GCHP-Conduent portal improvement efforts.

Provider Network Contracting Initiatives

The Provider Team continues to support contracting and readiness for CalAIM.

Provider Contracting completed the 2022 Provider Access Survey through a third-party vendor, SPH Analytics. The survey audited two areas: appointment availability and after-hours messaging. GCHP experienced a slight decrease in overall compliance due to staffing shortages related to the Public Health Emergency. We are sending notices to providers to advise them of the areas of non-compliance and will schedule site visits to provide further education and determine areas where we could offer our assistance. We shared the results of the Provider Access Survey at the June 14, 2022, Quality

Improvement Committee (QIC) meeting and advised the committee members of our next steps.

The 2022 Provider Satisfaction Survey is currently in progress and is expected to be completed by August 2022.

Provider Network Snapshot: May – June 2022

Network developments: May 1–31, 2022:

New Contracts	
Provider Additions Fulfilling Network Gaps	Count
Congregate Living Facility	2
Provider Network Full Terminations	Count
CBAS Facility	2
Home Health Provider	1
Ophthalmologist	1
Specialist Group	1
General Surgeon	1

Additional network developments:

- Additions
 - 29 total
 - The majority of providers were hospital based and ancillary providers; no significant impact to the network.
- Terminations
 - 27 total
 - The majority of providers were hospital based 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
	May-22	Apr-22	
Hospital	0	0	25
Acute Care	0	0	19
LTAC	0	0	1
Tertiary	0	0	5



GCHP Provider Network Additions and Total Counts by Provider Type (Cont'd)			
Provider Type	Network Additions		Total Counts
	May-22	Apr-22	
Providers	17	22	5,333
PCPs & Mid-levels	0	0	436
Specialists	17	22	4,560
Hospitalists	1	0	337
Ancillary	0	1	1,086
ASC	0	0	9
CBAS	0	0	14
DME	0	1	109
Home Health	0	0	33
Hospice	0	0	23
Laboratory	0	0	49
Optometry	0	0	95
OT / PT / ST	0	0	97
Radiology / Imaging	0	0	196
SNF / LTC / CLF	0	0	113
Behavioral Health	0	0	348

C. Compliance

Delegation Oversight

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

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

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

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



The following table includes audits and CAPs that are open and closed. Closed audits are removed after they are reported to the Commission. The table reflects changes in activity through May 31, 2022.

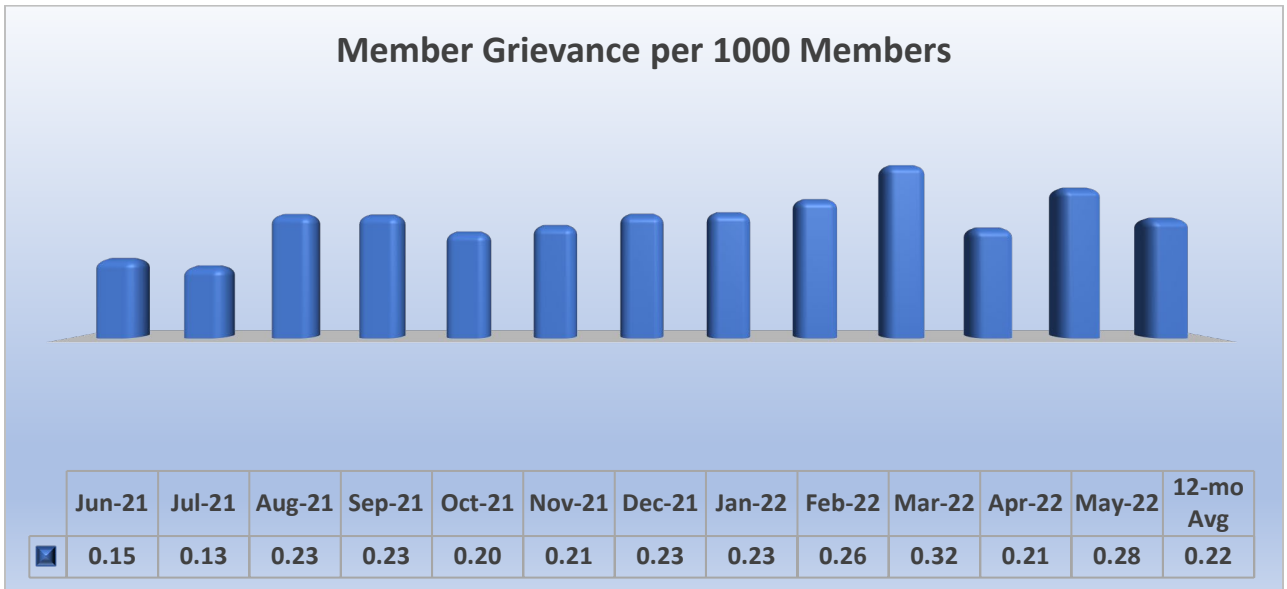
Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	2017 Annual Claims Audit	Open	12/28/2017	Under CAP	Issue will not be resolved until new claims platform conversion
Conduent	2021 Annual Claims Audit	Open	07/21/2021	Under CAP	
Beacon	2020 Annual Claims Audit	Open	4/21/2020	Under CAP	
Kaiser	2021 Annual Claims Audit	Closed	N/A	8/25/2021	
VSP	2021 Annual Claims Audit	Open	11/5/2021	Under CAP	
Conduent	2020 Call Center Audit	Open	1/20/2021	Under CAP	
Conduent	2021 Call Center Audit	Open	2/25/2022	Under CAP	
VTS	2021 Call Center Focused Audit	Open	2/2/2022	Under CAP	
VTS	2022 Call Center Audit	In Progress	N/A	N/A	
Beacon	Quarterly Utilization Management Review Audit	Open	5/5/2022	Under CAP	
CDCR	Annual Utilization Management Review Audit	Open	5/6/2022	Under CAP	
COH	2022 Annual Credentialing and Recredentialing Audit	Scheduled	N/A	N/A	



Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
VSP	Annual Quality Improvement and Cultural and Linguistics Audit	Open	N/A	N/A	In progress
Privacy & Security CAPs					
Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	Call Center Recordings Website	Open	1/6/2021	N/A	
Operational CAPs					
Delegate	CAP Type	Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	IKA Inventory, KWIK Queue, APL 21-002	Open	4/28/2021	N/A	IKA Inventory and KWIK Queue Findings Closed
Conduent	Sept. 23, 2021 CAP	Open	9/23/2021	N/A	
Conduent	Oct. 2021 CAPs	Open	11/22/2021	N/A	
Conduent	Nov. 2021 SLA	Open	1/28/2022	N/A	
Conduent	Jan. 2021 Contract Deficiencies	Open	2/4/2022	N/A	
Conduent	Dec. 2021 Contract Deficiencies	Open	2/11/2022	N/A	
Conduent	March 2022 SLA Deficiencies & Findings	Open	3/11/2022	N/A	
Conduent	Jan. 2022 SLA CAP	Open	3/25/2022	N/A	
Conduent	Feb. 2022 SLA CAP	Open	4/15/2022	N/A	



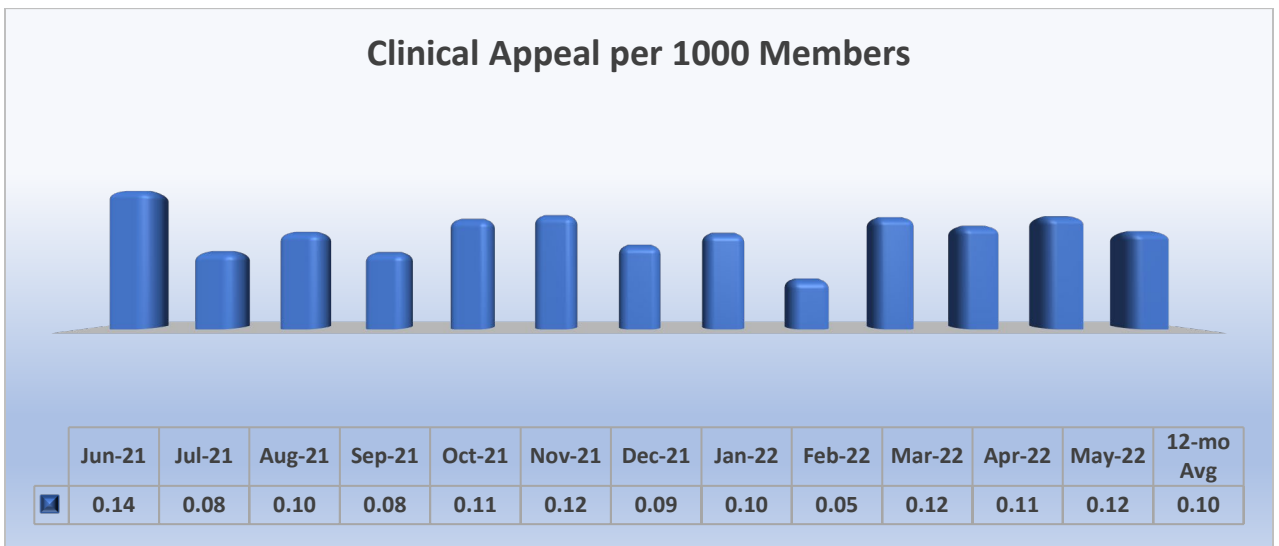
GRIEVANCE AND APPEALS



Member Grievances per 1,000 Members

The data shows GCHP’s volume of grievances has increased. In May, GCHP received 67 member grievances, a nearly 40% increase over the 48 grievances we received in April. The overall number is still low in comparison to the number of enrolled members. The 12-month average of enrollees is 229,782, with an average annual grievance rate of .22 grievances per 1,000 members.

In May 2022, the top reason reported was “Inappropriate Care” due to outpatient physical health. As previously reported, this is a new category created by DHCS to streamline the reporting categories for all the health plans.





Clinical Appeals per 1,000 Members

The data comparison volume is based on the 12-month average of .10 appeals per 1,000 members.

In May 2022, GCHP received 28 clinical appeals:

1. Six were overturned
2. Nine were upheld
3. Nine are still in review
4. Four were withdrawn

RECOMMENDATION:

Receive and file



AGENDA ITEM NO. 12

TO: Ventura County Medi-Cal Managed Care Commission
FROM: Nancy Wharfield, M.D., Chief Medical Officer
DATE: June 27, 2022
SUBJECT: Chief Medical Officer (CMO) Report

DHCS 2021 Preventive Services Report

On June 1, 2022, the Department of Health Care Services (“DHCS”) published the second annual Preventive Services Report (“PSR”) and its Executive Summary on the DHCS website. The PSR describes how Medi-Cal managed care plans (“MCPs”) deliver preventive health services to children.

Based on data from 2020, the PSR shows that the COVID-19 public health emergency (“PHE”) likely had a significant impact on whether individuals visited health provider locations to receive care, treatment, or screenings. In many cases, the overall decline in the number of children receiving these services from the previous year suggested that the PHE likely negatively impacted performance. It is also notable that communities of color experienced greater declines in health outcomes than other groups, highlighting the disproportionate impact of the PHE on these populations.

The PSR findings will assist DHCS and MCPs in identifying underutilization and implementing targeted improvement strategies that can drive positive change and ensure children receive adequate access to care.

Highlights from the report follow:

- Performance for MY 2020 declined from MY 2019; however, the majority of indicators that can be compared to national benchmarks exceeded the national benchmarks for MY 2020.
- Regional performance varies across California counties. The highest performance was seen in more urban counties in the Bay Area and Central Coast regions (i.e., Marin, San Francisco, San Mateo, Santa Clara, Napa, Contra Costa, Monterey, Santa Cruz, **Ventura**, and Santa Barbara).
- Statewide performance disproportionately impacts racial/ethnic groups and primary language. MCPs should include this information in their population needs assessment process and use information from the PSR to inform their processes for addressing health disparities.

- Overall, prevention efforts in California’s six largest counties indicated findings consistent with high performance for a majority of indicators, but improvement is needed to ensure well-child visits and blood lead screenings rates address the needs of Californians.
- While findings indicate that younger children should receive additional well-child visits, children are receiving high rates of immunizations and counseling for nutrition/physical activity. Developmental screenings and the provision of dental fluoride varnish for younger children should be improved.
- More than half of children in Medi-Cal managed care received a blood lead screening by their second birthday; however, further improvement of blood lead screenings is recommended.
- During MY 2019 to MY 2020, an overall decline in performance impacted certain racial/ethnic groups disproportionately.

The full DHCS 2021 Preventive Services Report can be accessed at:

<https://www.dhcs.ca.gov/Documents/MCQMD/2020-21-Preventive-Services-Report.pdf>.

The Executive Summary is available at:

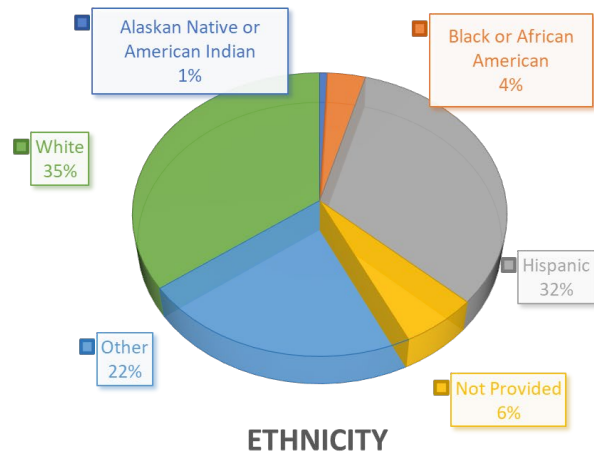
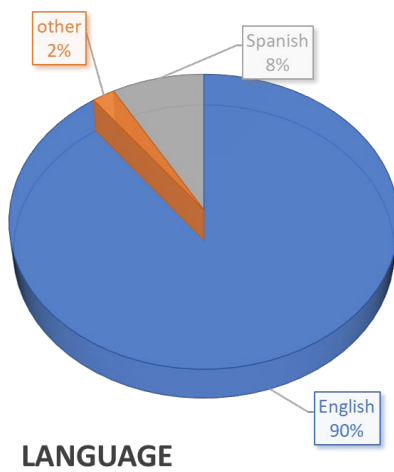
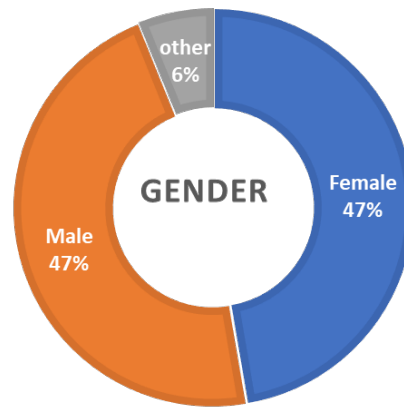
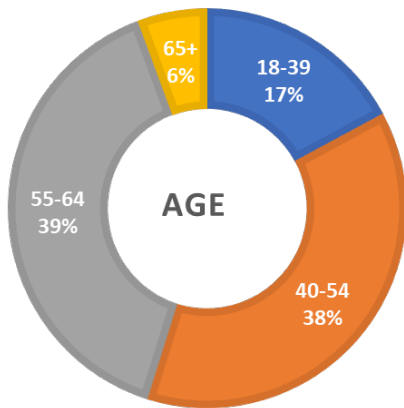
<https://www.dhcs.ca.gov/Documents/MCQMD/Preventive-Services-Report-Executive-Summary.pdf>.

Enhanced Care Management and Community Supports Update

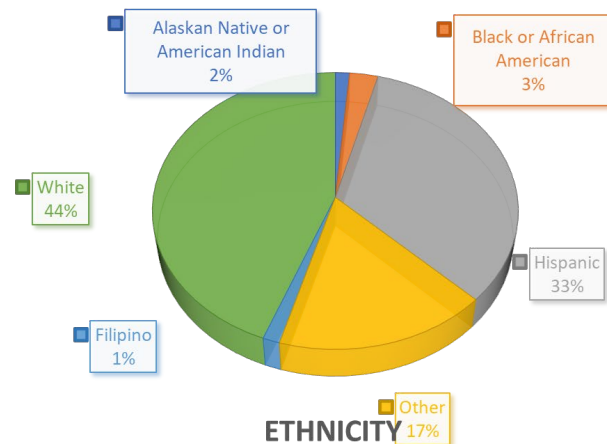
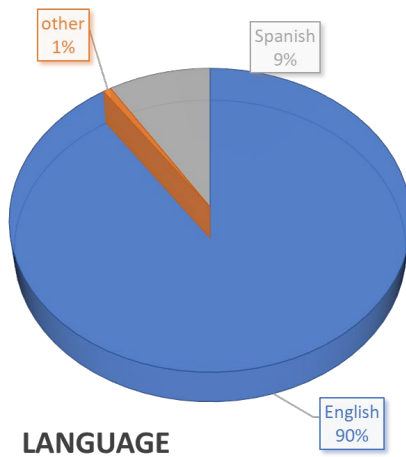
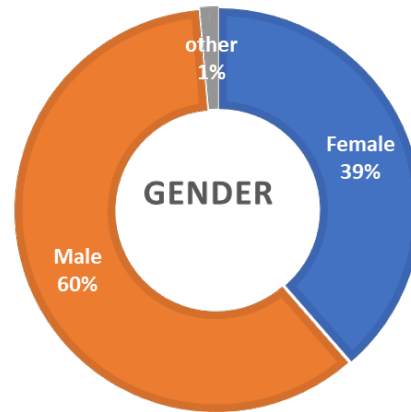
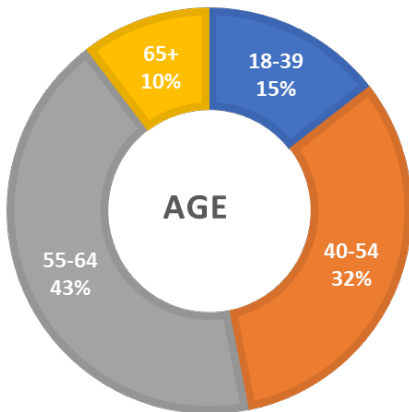
In January 2022, 530 members were transitioned from the whole person care program to be served under Gold Coast Health Plan (“GCHP”) Enhanced Care Management (“ECM”). Since then, 159 more members have been enrolled for this benefit. Members reside primarily in the cities of Oxnard (40%) and Ventura (32%). Most members (77%) are between 40 and 64 years of age. Primarily, members are white (35%) or Hispanic (32%) and most (90%) are English-speaking with 9% Spanish-speaking. Members served by ECM are experiencing homelessness or housing insecurity with additional behavioral and/or physical health and social determinants challenges. Members are supported through care coordination and connection to community supports and resources to improve health outcomes.

The Community Supports (“CS”) benefit also launched in January 2022. Currently, GCHP offers a Housing Suite (housing transition, housing sustaining support, and housing deposits), Recuperative Care, and Medically Tailored Meals. In January, 181 members were transitioned into housing suite supports, with an additional 70 members enrolled in the first quarter. Recuperative care has served 41 members, and medically tailored meals have served 8 members throughout the first quarter. Members primarily reside in Oxnard (43%) and Ventura (29%) and are between the ages of 40 and 64 (75%). Members receiving CS services are primary male (60%). Members served are primarily white (44%) and Hispanic (33%). The majority of CS-served members (90%) identify English as their primary language with 8% identifying as Spanish-speakers.

ECM Member Demographics



CS Member Demographics



Medi-Cal Rx Update

The transition to Medi-Cal Rx occurred on January 1, 2022. All retail pharmacy prescription claims are now submitted directly to the state via its Pharmacy Benefits Administrator (“PMA”), Magellan Medicaid Administration, Inc.

The new pharmacy claim system went live on January 1, 2022 as expected and no major system issues occurred with the transition over the holiday weekend. DHCS held a webinar on that day to share initial results of the transition with all the Medi-Cal managed care plans.

The transition appeared to go smoothly for the first couple of weeks, but slowly GCHP and other plans experienced increasing report volumes of members having challenges accessing needed medications. GCHP worked closely with DHCS and Medi-Cal Rx clinical liaisons to assist members in accessing their medications.

Due to the challenges and unexpected volume experienced by the Medi-Cal Rx pharmacy prior authorization team and the call center, DHCS lifted many pharmacy claim system edits in mid-February. On May 5, DHCS announced that the 180-day transition period will not end on June 30, 2022. DHCS has released preliminary information regarding their plan for reinstatement of the edits and prior authorizations. Listed below are several elements of the plan:

- Multi-phased process to gradually reinstate edits and prior authorization over 4+ months
- Timely and consistent communication and education regarding upcoming phases
- Minimum notice of 30 days regarding reinstatement
- Minimum notice of 90 days regarding end of the transition period

GCHP will share additional information as it becomes available and expects the reinstatement to begin no sooner than late July.

The DHCS dedicated website contains announcements, news, and secure portal training/registration. GCHP encourages all of its providers to:

1. Visit the portal
2. Sign up for the email subscription service
3. Register for the secure portal and training

DHCS's Dedicated Medi-Cal RX Website:

<https://medi-calrx.dhcs.ca.gov/home/>

Medi-Cal Rx Pharmacy Locator:

<https://medi-calrx.dhcs.ca.gov/home/find-a-pharmacy>

Online Searchable Contract Drug List (CDL)

https://medi-calrx.dhcs.ca.gov/cms/medicalrx/static-assets/documents/provider/forms-and-information/cdl/Medi-Cal_Rx_Contract_Drugs_List_FINAL.pdf