Gold Coast Health Plan℠
A Public Entity

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

Regular Meeting
Monday, June 28, 2021, 2:00 p.m.
Gold Coast Health Plan, 711 East Daily Drive, Community Room
Camarillo, CA 93010
Executive Order N-25-20
Conference Call Number: 805-324-7279
Conference ID Number: 533 748 877#
Para interpretación al español, por favor llame al 805-322-1542 clave 1234

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda. Persons wishing to address VCMMCC should complete and submit a Speaker Card.

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

Members of the public may 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.

CLOSED SESSION

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

2. **REPORTS INVOLVING TRADE SECRETS**
   Discussion will concern: New Services and Programs
   Estimated Date of Public Disclosure: Fall, 2021

CONSENT

3. Approval of Ventura County Medi-Cal Managed Care Regular Meeting Minutes of May 24, 2021.

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes of May 24, 2021.

4. Resolution Extension through July 26, 2021.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Adopt Resolution No. 2021-009 to extend the duration of authority empowered in the CEO through July 26, 2021.

PRESENTATIONS

5. Health Equity/Diversity & Inclusion Information

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the presentation.

UPDATES

6. HSP MediTrac Go-Live Update

Staff: Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Receive and file the update.

FORMAL ACTION

7. 2021 Quality Improvement Committee 2nd Report

Staff: Nancy Wharfield, M.D., Chief Medical Officer
Kim Timmerman, Director of Quality Improvement

RECOMMENDATION: Receive and file the presentation.

8. April/May Financials

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the April /May 2021 financial package.

9. Fiscal Year 2021-22 Operating and Capital Budget Approval

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: The Plan requests that the Ventura County Medi-Cal Managed Care Commission approve of the FY 2021-22 Operating and Capital Budgets.

10. Conduent Contract Amendment

Staff: Cathy Deubel Salenko, Health Counsel

REPORTS

11. Chief Executive Officer (CEO) Report

Staff: Margaret Tatar, 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.

13. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

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

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

CLOSED SESSION

15. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

16. PUBLIC EMPLOYEE APPOINTMENT
Title: Chief Operations Officer

ADJOURNMENT

Unless otherwise determined by the Commission, the next meeting will be held at 2:00 P.M. on July 26, 2021, at Gold Coast Health Plan at 711 E. Daily Drive, Suite 106, Community Room, Camarillo, CA 93010.

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 Commission 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 3 p.m. to enable the Clerk of the Commission to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Maddie Gutierrez, MMC, Clerk of the Board

DATE: June 28, 2021

SUBJECT: Meeting Minutes of May 24, 2021 Regular Commission Meeting

RECOMMENDATION:

Approve the minutes.

ATTACHMENT:

Copy of Minutes for the May 24, 2021 Regular Commission Meeting.

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) May 24, 2021 Regular Meeting Minutes

CALL TO ORDER

Commission Chair Dee Pupa called the meeting to order via teleconference at 2:07 pm. The Clerks were in the Community Room located at Gold Coast Health Plan, 711 East Daily Drive, Camarillo, California.

ROLL CALL

Present: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson

Absent: Commissioners Laura Espinosa and Scott Underwood, M.D.

Attending the meeting for GCHP were Margaret Tatar, Chief Executive Officer, Nancy Wharfield, MD., Chief Medical Officer, Kashina Bishop, Chief Financial Officer, Michael Murguia Executive Director of Human Resources, Scott Campbell, General Counsel, Cathy Salenko, Health Care General Counsel, Marlen Torres, Executive Director of Strategy and External Affairs, Eileen Moscaritolo, HMA Consultant, and Rich Egger, BBK Counsel.

Additional staff participating on the call: Anna Sproule, Vicki Wrighster, Dr. Anne Freese, Helen Miller, Jamie Louwerens, Dr. Lupe Gonzalez, Kim Timmerman, Pauline Preciado, Luis Aguilar, Paula Cabral, Nicole Kanter, Susana Enriquez, Bob Bushey, Carolyn Harris, Adriana Sandoval, Sandi Walker, Debbie Rieger, Lorraine Carrillo, Dale Adrion, Sonia Lopez, Alex Gomez, Brian Willis, John Shi, Ross Norton, Raymond Reyes, Rebecca Bridges, Shyleen Sandoval, Suzette Flores, Michelle Brown, Michelle Casey, Monica Hernandez, Maria Najara, Leslee Whaley, Judy Moraz, Karyn Spruill, Mindy Zambrano, Mike Fish, Lorraine Ayala, Kathleen Garner, Jeppy Caliboso, Stacy Luney, Tim Donahoo, Tyla Hernandez, Veronica Esparza, Emirose Villareyes, Jenny Magana, Lorri Whiteside, Lucy Marreno, Asneth Castor, Narvina Searle, Rosario Melgoza, Paula Bernal, Sonji Lopez, Brittany Ludeman, Marlene Lagunas, Marlin Whiley, Thomas Cooper, Barry Trefsgar, Florida Pante, Helen Zhang-Grinnell, Murray Brokan, Valerie Hernandez and Meghal Zaveri.

PUBLIC COMMENT

None.

CONSENT

1. Approval of Ventura County Medi-Cal Managed Care Regular Minutes of April 26, 2021.

Staff: Maddie Gutierrez, MMC - Clerk of the Board

RECOMMENDATION: Approve the minutes of April 26, 2021.

Commissioner Johnson motioned to approve the minutes as presented. Commissioner Swenson seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

2. Resolution Extension through May 24, 2021

Staff: Scott Campbell General Counsel

RECOMMENDATION: Adopt Resolution 2021-007 to extend the duration of authority empowered in the CEO through June 28, 2021.

Commissioner Alatorre motioned to approve Resolution 2021-007. Supervisor Ramirez seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

3. Health Equity/Diversity & Inclusion Information

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the information as presented.

Chief Diversity Officer, Ted Bagley was absent. The Commission reviewed the written information briefly. Commission Chair Pupa asked that this item be added to the June agenda to hear CDO Bagley's presentation.

Commissioner Atin motioned to approve the information as presented. Commissioner Cho seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

UPDATES

4. HSP MediTrac Go-Live Update

Staff: Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Receive and file the update.

Eileen Moscaritolo, HMA Consultant, gave an update on the HSP Go-Live. She noted we are having difficulties with the Go-Live. The most trying experience has been for our providers and our team members. Providers interact with us through our portal. Providers were issued new user accounts, it has been challenging because they must call in to a Call Center, to get their user account, and to get the user account they had to have an access code. Providers has experienced extremely long wait times to get their user account, and get the access code needed, so they could get their user account issued. We have added extended hours to provide support

There are now additional challenges. Prior to Go-Live, our providers were able to enter 60-65% of our authorizations through our portal, which means it was done electronically into our authorization system to meet the timelines DHCS has required for authorization turn-around time. They were also able to access the portal to get information needed and check status for approval. 100% of the authorizations had to

move from the portal to electronic faxes. Our utilization management department volume has doubled and/or tripled, because providers do not have the ability to check the status, providers are double and triple faxing authorization requests. This has been very hard on providers. What was previously automated for the provider is now all manual for the providers. Currently, this has not impacted our members, but this issue is being watched closely.

Another area of concern is claim status for providers. When there is a system conversion, it is not unusual that the claim number changes, from old system to new, however, usually there is an easily accessible way of providers being able to look up the claim under the new number assigned and also under the old system, currently that is not a capability. We are working with providers to get the information needed. There have also been challenges with our check runs, with only 1/10th of what we normally produce. We were doing weekly check runs prior to Go-Live, we are now, in the month of May, doing three (3) check runs per week. We are making sure providers are getting paid. Reimbursement volume has been smaller, but the frequency is more often. We are working with Conduent to improve the provider experience. Staff is being added in the Call Center and in claims processing, but it takes time to come up to speed. Conduent has underestimated the impact of this conversion and the ability to support this experience with providers. They underestimated the project size, but they are working to resolve issues. We are very grateful to the providers in our community who have been patient.

Ana Rangel, Interpreter joined the meeting at 2:21 p.m.

5. Supplier Diversity Process

Staff: Bob Bushey, Procurement Officer

RECOMMENDATION: Receive and file the update.

Bob Bushey, Procurement Officer, stated that last month, Commissioner Espinosa had inquired about our supplier diversity program. Mr. Bushey and CDO Bagley met and agreed to share information that was put in place last year for GCHP.

Mr. Bushey reviewed highlights and statistics. Last year, Mr. Bushey and CDO Bagley worked on a program which would provide opportunities for diverse suppliers. Mr. Bushey reviewed the Supplier Diversity Best Practices. He also reviewed GCHP Women and minority business enterprise which included the spend from January 2019 through April 2021.

Supervisor Ramirez noted she appreciated the information.

Supervisor Ramirez motioned to approve agenda items 4 and 5. Commissioner Pupa seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.
NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

FORMAL ACTION

6. Resolution Recommendation for the Enterprise Transformation Project (ETP) Team

Staff: Michael Murguia, Executive Director of Human Resources
Nancy Wharfield, M.D., Chief Medical Officer
Eileen Moscaritolo, HMA Consultant

RECOMMENDATION: Adopt Resolution No. 2021-008 as presented.

Eileen Moscaritolo, HMA Consultant gave a brief history of the Enterprise Transformation Project (ETP). Ms. Moscaritolo read off the names of staff/core team members. She noted how greatly appreciated they are for their contribution and hard work on this project. Nancy Wharfield, M.D., Chief Medical Officer, read the names of support team members who has also worked diligently on this project. CMO Wharfield expressed gratitude for the long hours this team has worked and their dedication to our members.

A framed resolution will be provided to each ETP team member along with a monetary award of $1,000 for Core members and $500 for support members.

Commissioners Pupa, Swenson, Johnson, Atin thanked the team for a phenomenal job in working through the challenges and their assistance in avoiding an epic failure. They thanked the team for working long hours and weekends and their dedication to the success of this conversion. Supervisor Ramirez stated it was important to recognize the staff who have made this happen. Commissioner Alatorre noted all had done great work.

CEO Tatar thanked the staff, Eileen Moscaritolo and CMO Wharfield.

Commissioner Swenson motioned to approve Resolution No. 2021-008. Commissioner Alatorre seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

7. LA Networks – Contract Award Approval

Staff: Helen Miller, Senior Director of Information Technology

RECOMMENDATION: To award the purchase, maintenance, and ad-hoc services over a three-year term to the only responsive bidder, LA Networks. If the Commission desires to review this contract, it is available at GCHP's finance department.

Helen Miller, Senior Director of Information Technology, reviewed the information/PowerPoint on the award of contract to LA Networks. Ms. Miller and Bob Bushey, Procurement Officer, reviewed the procurement process and reviewed the three (3) year costs.

Supervisor Ramirez asked if only one (1) bid was received. Ms. Miller stated the plan is small. Mr. Bushey stated we struggle due to the shift in marketplace in the IT area.

Commissioner Atin motioned to approve the LA Networks Contract Award. Commissioner Alatorre seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

8. Conduent Contract Amendment

Staff: Cathy Salenko, Health Counsel

This item was a place holder and will be tabled for a future meeting.

REPORTS

9. Chief Executive Officer (CEO) Report

Staff: Margaret Tatar, Chief Executive Officer

RECOMMENDATION: Receive and file the report.

Chief Executive Officer, Margaret Tatar, reviewed the external affairs information, which includes the California May Budget Revision. She noted that Medi-Cal is projected to cover approximately 14.5 million Californians in 2021-22, which is over one-third of the state's population.

CEO Tatar went on to review Community Relations and sponsorships awarded to community-based organizations that serve Medi-Cal members and vulnerable populations. CEO Tatar also reviewed provider network operations, membership, and administrative member details. She also reviewed the contract amendments table and letters of agreement as presented. Network Operations projects were reviewed listing projects and their status.

Delegation Oversight was reviewed. CEO Tatar noted Compliance continues to monitor all Corrective Action Plans (CAP) that have been issued. She reviewed the list of delegates, audit status and notes on the CAPs.

Supervisor Ramirez asked if we have a lobbyist. CEO Tatar responded yes, Executive Director of Strategy & External Affairs, Marlen Torres, works with our lobbyist and the trade association. Supervisor Ramirez noted she will speak with Ms. Torres later.

10. Chief Medical Officer (CMO) Report

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

RECOMMENDATION: Receive and file the report.

Nancy Wharfield, M.D., Chief Medical Officer, reviewed COVID-19 outreach to homebound members with staff performing telephone outreach for members that would like in-home vaccination. GCHP staff continues to collaborate with community partners serving our most vulnerable members to ensure they receive the support they need to access vaccine appointments.

CMO Wharfield went on to review charts on possible COVID related admissions by age and the volume of members by COVID status.

The Nurse Advice Line has had over 3,200 calls since its start in March 2020. Most calls are from members ages 25-44, with most calls from women and approximately 93% are from English speaking members.

CMO Wharfield noted telemedicine continues to provide an important access point for members, and this option will continue to be supported even after this public emergency ends.

Dr. Anne Freese, Director of Pharmacy, reviewed "Hot Topics in Pharmacy". Medi-CalRx is still on an indefinite hold, but she will share information once received. Dr. Freese reviewed pharmacy benefit cost trends, prescriptions per member per month, dollars paid per prescriptions, and opioid utilization statistics.

11. Chief Diversity Officer (CDO) Report

Staff: Ted Bagley, Chief Diversity Officer

RECOMMENDATION: Receive and file the report.

Commission Chair Pupa noted CDO Bagley was not present, therefore his report will be given at the next Commission meeting.

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

Staff: Michael Murguia, Executive Director of Human Resources

RECOMMENDATION: Receive and file the report.

Executive Director of Human Resources, Michael Murguia, noted his department is in the process of transforming the H.R. Service model that will allow staff to be more responsive and efficient to employee needs. Mr. Murguia reviewed the service model which was displayed in the form of a pyramid, listing front and back office staff in Human Resources.

Mr. Murguia stated the Return to Work Task Team had been on a pause due to key projects over the last thirty (30) days but they plan to reconvene on May 17. A survey will be issued to all employees regarding accommodations and what can be realistically done. Recommendations on the Return to Work Strategy will be presented to the Commission for approval in August.

Mr. Murguia noted one resignation, no terminations and one new Workers Comp case since the last Commission meeting on April 26, 2021.

Commissioner Atin thanked Mr. Murguia for setting a good path in Human Resources.

Commissioner Alatorre motioned to approve Reports 9 through 12. Commissioner Atin seconded.

AYES: Commissioners Antonio Alatorre, Shawn Atin, Theresa Cho, M.D., Dr. Sevet Johnson, Andrew Lane, Gagan Pawar, M.D., Dee Pupa, Supervisor Carmen Ramirez, and Jennifer Swenson.

NOES: None.

ABSENT: Commissioners Laura Espinosa and Scott Underwood, M.D.

Commissioner Pupa declared the motion carried.

The Commission went into Closed Session at 3:21 pm.

CLOSED SESSION

13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) Section 54956.9: One case.

ADJOURNMENT

Commissioner Pupa adjourned the meeting at 4:50 p.m. With no reportable action in Closed Session.

Approved:

_____
Maddie Gutierrez, MMC
Clerk to the Commission

AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Scott Campbell, General Counsel

DATE: June 28, 2021

SUBJECT: Adopt a Resolution to Renew Resolution No. 2021-005, to Extend the Duration of Authority Empowered in the CEO to issue Emergency Regulations and Take Action Related to the Outbreak of Coronavirus ("COVID-19")

SUMMARY:

Adopt Resolution No. 2021-009 to:

1. Extend the duration of authority granted to the CEO to issue emergency regulations and take action related to the outbreak of COVID-19.

BACKGROUND/DISCUSSION:

COVID-19, which originated in Wuhan City, Hubei Provence, China in December, 2019, has resulted in an outbreak of respiratory illness causing symptoms of fever, coughing, and shortness of breath. Reported cases of COVID-19 have ranged from very mild to severe, including illness resulting in death. Since that time, confirmed COVID-19 infections have continued to increase in California, the United States, and internationally. To combat the spread of the disease Governor Newsom declared a State of Emergency on March 4, 2020. The State of Emergency adopted pursuant to the California Emergency Services Act, put into place additional resources and made directives meant to supplement local action in dealing with the crisis.

In the short period of time following the Governor's proclamation, COVID-19 has rapidly spread through California necessitating more stringent action. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 (commonly known as "Safer at Home") ordering all residents to stay at home to slow the spread of COVID-19, except as needed to maintain continuity of operation of the federal critical infrastructure sectors.

The following day, the Ventura County Health Officer issued a County-wide "Stay Well at Home", order, requiring all County residents to stay in their places of residence subject to certain exemptions set forth in the order.

Prompted by the increase of reported cases and deaths associated with COVID-19, the Commission adopted Resolution No. 2020-001 declaring a local emergency and empowering the interim CEO with the authority to issue emergency rules and regulations to protect the health

of Plan's members, staff and providers. Specifically, section (2) of Resolution No. 2020-001 describes the emergency powers delegated to the CEO which include, but are not limited to: entering into agreements on behalf of the Plan, making and implementing personnel or other decisions, to take all actions necessary to obtain Federal and State emergency assistance, and implement preventive measures to preserve Plan activities and protect the health of Plan's members, staff and providers.

Normally under Government Code Section 8630, the Commission must review the need for continuing the local emergency once every sixty (60) days until the local governing body terminates the local emergency. However, under Governor Newsom's March 4, 2020, State of Emergency proclamation, that 60-day time period in section 8630 is waived for the duration of the statewide emergency. Pursuant to Resolution No. 2020-001, the Plan's Local Emergency proclamation and emergency authority vested in the CEO expired on April 27, 2020.

On April 27, 2020, the Commission adopted Resolution No. 2020-002 to renew Resolution No. 2020-001 to: (1) reiterate and renew the Plan's declaration of a Local Emergency through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-002 expired on May 18, 2020.

On May 4, 2020, Governor Newsom issued Executive Order N-60-20, declaring that California is prepared to move into the early phase of "Stage 2" of California's Roadmap to Pandemic Resilience to permit the gradual reopening of lower risk businesses and open spaces commencing on Friday, May 8, 2020, with modifications. As the state moves forward with reopening of certain businesses and spaces, Executive Order N-60-20 directs the State Public Health Officer to establish criteria and procedures, as set forth in the order, to determine whether and how local jurisdictions may implement local measures that depart from statewide directives.

On May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew and reiterate the enumerated powers granted to the CEO in Resolution No. 2020-002 above, and to: (1) authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and (2) extend the duration of authority empowered in the CEO to issue emergency regulations and take action. Resolution No. 2020-003 expired on June 22, 2020.

Since the adoption of Resolution No. 2020-003, the Commission has renewed and reiterated the emergency powers granted to the CEO on July 27th, August 24th, September 28th, October 26th, January 25th, February 22nd, March 22nd, April 26th and more recently on May 24, 2021 by adopting Resolution No. 2021-005. Resolution No. 2021-005 expires today, June 28, 2021.

On August 28, 2020, the State Health Officer issued a new order that set forth a new framework intended to guide the gradual reopening of businesses and activities in the state while reducing the increased community spread of the disease. The framework is entitled, "California's Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Healthy and Safe". Under this framework, every county in California is assigned to a tier based on how prevalent COVID-19 is in each county and the extent of community spread—Purple (Widespread), Red (Substantial), Orange (Moderate) and Yellow (Minimal). The color of each respective tier indicates what sectors may reopen. Effective June 2, 2021, Ventura County entered the Yellow tier—the least restrictive tier.

Recent state and county public health data demonstrates that the rate of COVID-19 community transmission, hospitalizations and testing positivity rates have substantially declined. There now exists several COVID-19 vaccines proven to help combat the disease that are now available to all members of public that are 12 years and older. As a result, State health orders have loosened COVID-19 related restrictions to allow a growing number of establishments to resume operations.

On June 11, 2021, the Governor of the State of California issued Executive Order No. N-07-21 that rescinded the statewide Safer at Home Order issued on March 19, 2020 and the State's Blueprint for a Safer Economy that set forth the tier based framework for reopening the economy. Also on June 11, 2021, the Governor issued Executive Order No. N-08-21 that identifies specified provisions adopted in pervious State executive orders that, notwithstanding the rescission of the State's Stay at Home Order and the Blueprint, will continue to remain in place for a specific period of time set forth in Order No. N-08-21. Cal Osha recently release revised rules for workplaces, which became effective immediately based upon an Executive Order from the Governor. The CEO and Human Resources Director are evaluating how this will impact the Plan's back to work plans.

Although cases are declining and vaccines are widely available to the general public ages 12 years and older, many people in the State and County are still not fully vaccinated and remain susceptible to infection. The disease can still spread rapidly through person-to-person contact and those in close proximity. Precautions such as the use of face coverings, and social distancing measures are thus still very important for unvaccinated people to curb the virus's spread.

This resolution will continue to empower the CEO with the authority to issue orders and regulations necessary to prevent the further spread of the disease and protect the health and safety of Plan members and staff through July 26, 2021, the next regularly scheduled Commission meeting. The intent of this resolution is to balance the ability to continue the safe and efficient operations of the Plan during the global health pandemic. As State and County health orders evolve, the Plan's response should also evolve. Measures adopted to reduce the spread of COVID-19 amongst Commission staff may be rescinded when they are no longer needed in response to the pandemic. Pursuant to Resolution No. 2020-002, the Plan's Local Emergency proclamation shall remain effective through the duration of the Governor's State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last.

RECOMMENDATION:

1. Adopt Resolution No. 2021-009 to extend the duration of authority empowered in the CEO through July 26, 2021.

ATTACHMENT:

1. Resolution No. 2021-009.

RESOLUTION NO.2021-009

A RESOLUTION OF THE VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION, DOING BUSINESS AS THE GOLD COAST HEALTH PLAN (“PLAN”), TO RENEW AND RESTATE RESOLUTION NO. 2021-005 TO EXTEND THE DURATION OF AUTHORITY EMPOWERED IN THE INTERIM CHIEF EXECUTIVE OFFICER OR CHIEF EXECUTIVE OFFICER ("CEO") RELATED TO THE OUTBREAK OF CORONAVIRUS ("COVID-19")

WHEREAS, all recitals in the Commission’s Resolution Nos. 2020-001, 2020-002 2020-03, 2020-004, 2020-005, 2020-006 2020-007, 2021-001, 2021-002, 2021-003, 2021-004 and 2021-005 remain in effect and are incorporated herein by reference; and

WHEREAS, a severe acute respiratory illness caused by a novel (new) coronavirus, known as COVID-19, has spread globally and rapidly, resulting in severe illness and death around the world. The World Health Organization has described COVID-19 as a global pandemic; and

WHEREAS, on March 19, 2020, the Commission adopted Resolution No. 2020-001, proclaiming a local emergency pursuant to Government Code Sections 8630 and 8634, and empowered the CEO with the authority to issue rules and regulations to preserve Plan activities, protect the health and safety of its members staff and providers and prevent the further spread of COVID-19; and

WHEREAS, on April 27, 2020, the Commission adopted Resolution No. 2020-002 to: (1) renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 declared in Resolution No. 2020-001 to remain effective through the duration of the Governors’ State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and (2) to extend the duration of authority empowered in the CEO through Resolution No. 2020-001 to May 18, 2020; and

WHEREAS, on May 18, 2020, the Commission adopted Resolution No. 2020-003 to renew the authority first granted to the CEO in Resolution No. 2020-001 to June 22, 2020 and to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

WHEREAS, since the adoption of Resolution No. 2020-003, the Commission has renewed and reiterated the emergency powers granted to the CEO on July 27th, August 24th, September 28th, October 26th, January 25th, February 22nd March 22nd, April 26th and more recently on May 24, 2021, by adopting Resolution No. 2021-005. Resolution No. 2021-005 expires today, June 28, 2021; and

WHEREAS, on August 28, 2020, the State Health Officer issued a new order that set forth a framework intended to guide the gradual reopening of businesses and activities in the state while reducing the increased community spread of the disease, entitled “California’s Plan for Reducing COVID-19 and Adjusting Permitted Sector Activities to Keep Californians Healthy and Safe”; and

WHEREAS, on June 11, 2021, the Governor of the State of California issued Executive Order No. N-07-21 that rescinded the statewide safer at home order issued on March 19, 2020 and the state's Blueprint for a Safer Economy that set forth the tier based framework for reopening the economy. Also on June 11, 2021, the Governor issued Executive Order No. N-08-21 that identifies specified provisions adopted in pervious State executive orders that notwithstanding the rescission of the State's Stay at Home order and the Blueprint, will continue to remain in place for a specific period of time set forth in Order No. N-08-21; and Cal Osha recently release revised rules for workplaces, which became effective immediately based upon an Executive Order from the Governor.

WHEREAS, unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to Resolution No. 2021-005 shall expire today, June 28, 2021; and

WHEREAS, this resolution will continue to empower the CEO with the authority to issue orders and regulations necessary to prevent the further spread of the disease and protect the health and safety of Plan members and staff through July 26, 2021, the next regularly scheduled Commission meeting; and

WHEREAS, although cases are declining and vaccines are widely available to the general public ages 12 years and older, many people in the State and County are still not fully vaccinated and remain susceptible to infection. The disease can spread rapidly through person-to-person contact and those in close proximity; and

WHEREAS, the imminent and proximate threat of introduction of COVID-19 in Commission staff workplaces continues to threaten the safety and health of Commission personnel; and

WHEREAS, under Article VIII of the Ventura County Medi-Cal Managed Care Commission aka Gold Coast Health Plan's (the "Plan's") bylaws, the CEO is responsible for coordinating day to day activities of the Ventura County Organized Health System, including implementing and enforcing all policies and procedures and assure compliance with all applicable federal and state laws, rules and regulations; and

WHEREAS, California Welfare and Institutions Code section 14087.53(b) provides that all rights, powers, duties, privileges, and immunities of the County of Ventura are vested in the Plan's Commission; and

WHEREAS, California Government Code section 8630 permits the Plan's Commissioners, acting with the County of Ventura's powers, to declare the existence of a local emergency to protect and preserve the public welfare of Plan's members, staff and providers when they are affected or likely to be affected by a public calamity; and

WHEREAS, the Plan is a public entity pursuant to Welfare and Institutions Code section 14087.54 and as such, the Plan may empower the CEO with the authority under sections 8630 and 8634 to issue rules and regulations to prevent the spread of COVID-19 and preserve Plan activities and protect the health and safety of its members, staff and providers; and

NOW, THEREFORE, BE IT RESOLVED, by the Ventura County Medi-Cal Managed Care Commission as follows:

Section 1. Pursuant to California Government Code sections 8630 and 8634, the Commission adopted Resolution No. 2020-001 finding a local emergency exists caused by conditions or threatened conditions of COVID-19, which constitutes extreme peril to the health and safety of Plan's members, staff and providers.

Section 2. Resolution No. 2020-001 also empowered the CEO with the authority to furnish information, to promulgate orders and regulations necessary to provide for the protection of life and property pursuant to California Government Code sections 8630 and 8634, to enter into agreements, make and implement personnel or other decisions and to take all actions necessary to obtain Federal and State emergency assistance and to implement preventive measures and other actions necessary to preserve Plan activities and protect the health of Plan's members, staff and providers, including but not limited to the following:

A. Arrange alternate "telework" accommodations to allow Plan staff to work from home or remotely, as deemed necessary by the CEO, to limit the transfer of the disease.

B. Help alleviate hardship suffered by Plan staff related to emergency conditions associated with the continued spread of the disease such as acting on near-term policies relating to sick leave for Plan staff most vulnerable to a severe case of COVID-19.

C. Address and implement expectations issued by the California Department of Health Care Services ("DHCS") and the Centers for Medicare & Medicaid Services ("CMS") regarding new obligations to combat the pandemic.

D. Coordinate with Plan staff to realign job duties, priorities, and new or revised obligations issued by DHCS and CMS.

E. Take such action as reasonable and necessary under the circumstances to ensure the continued provision of services to members while prioritizing the Plan's obligations pursuant to the agreement between DHCS and the Plan ("Medi-Cal Agreement").

F. Enter in to such agreements on behalf of the Plan as necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in the Resolution.

G. Authorize the CEO to implement and take such action on behalf of the Plan as the CEO may determine to be necessary or desirable, with advice of legal counsel, to carry out all actions authorized by the Commission in this Resolution.

Section 3. In Resolution 2020-001, the Commission further ordered that:

A. The Commission approves and ratifies the actions of the CEO and the Plan’s staff heretofore taken which are in conformity with the intent and purposes of these resolutions.

B. Resolution No. 2020-001 expired on April 27, 2020.

Section 4. On April 27, 2020, the Commission adopted Resolution No. 2020-002 to:

A. Renew and reiterate the declaration of a local emergency related to the outbreak of COVID-19 to remain effective through the duration of the Governors' State of Emergency proclamation or when the Commission terminates its declaration of Local Emergency, whichever occurs last; and

B. To extend the duration of authority empowered in the CEO to issue emergency regulations related to the COVID-19 outbreak to May 18, 2020.

Section 5. The Commission adopted Resolution No. 2020-003 on May 18, 2020, to renew and reiterate the authority granted to the CEO approved in Resolution No. 2020-002 and to adopt the following additional emergency measures:

A. In addition to the authority granted to the CEO in Section 2, to authorize the CEO, with the advice counsel, to implement a staggered return to work program for Plan personnel; and

B. Extend the authority granted to the CEO through June 22, 2020.

Section 6. Since the adoption of Resolution No. 2020-003, the Commission has renewed and reiterated the emergency powers granted to the CEO on July 27th, August 24th, September 28th, October 26th, January 25th, February 22nd, March 22nd, April 26th and more recently on May 24 2021, by adopting Resolution No. 2021-005. Resolution No. 2021-005 expires today, June 28, 2021.

Section 7. The Commission now seeks to renew and reiterate the authority granted to the CEO approved in Resolution No. 2021-005 through July 26, 2021.

Section 8. Unless renewed by the Commission, the delegation of authority empowered in the CEO, pursuant to this Resolution shall expire on July 26, 2021.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission at a regular meeting on the 28th day of June 2021, by the following vote:

AYE:

NAY:

ABSTAIN:

ABSENT:

_____
Chair:

Attest:

_____
Clerk of the Commission

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AGENDA ITEM NO. 5

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Interim Chief Diversity Officer

DATE: June 28, 2021

SUBJECT: Health Equity/Diversity & Inclusion Information

PowerPoint with Verbal Presentation

ATTACHMENTS:

Health Equity Presentation

Gold Coast Health Plan℠
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Integrity
Accountability
Collaboration
Trust
Respect

Health & Health Equity (GCHP)

County of Ventura

June 2021

Return to Agenda

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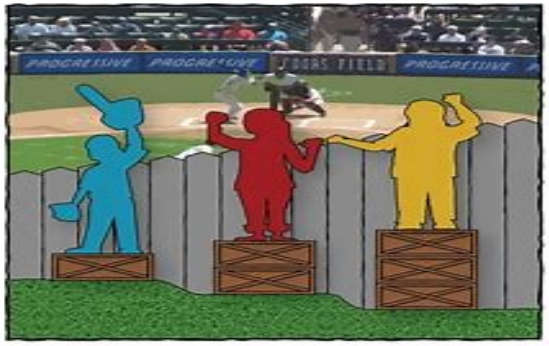
Why Do We Care

- Chronic conditions (like diabetes and obesity) are disproportionately seen in communities of color and build on additional factors to put these communities at greater risk for health challenges. Although race and ethnicity are not the only factors that drive health disparities, they are major factors. We all have a responsibility to work to address the inequities and disparities in our County as well as our country.

Return to Agenda

The Challenge

- Equality – We would assume that everyone would benefit from the same support. This is called equal treatment.
- Equity – Everyone gets the support they need (The concept of affirmative action), thus producing equity.
- Justice – When both Equity and Equality is accomplished. The cause of the inequity was addressed and the systematic barrier has been removed.



"Racial equity describes the actions, policies, and practices that eliminate bias and barriers that have historically and systemically marginalized communities of color, to ensure all people can be healthy, prosperous and participate fully in civil life." SCAG

Return to Agenda

Categories of Health Issues

- **Health Equity and Inclusion**
- **Medical Racism**
- **Systemic Health Racism**
- **Medical Deprivation**
- **Conscious Medical Bias**
- **Unconscious Medical Bias**

Return to Agenda

What is Health Equity ?

- Equity – The absence of avoidable, unfair, or treatable differences among groups of people, whether those groups are defined socially, economically, demographically, geographically, or by means of stratification.
- Health Equity – Implies that, ideally, everyone should have a fair opportunity to attain their full health potential, and that no one should be disadvantaged from achieving this potential.

World Health Organization (2020)

Return to Agenda

Health Literacy

- Health literacy – this is a person's ability to understand important health and medical information. This term also speaks to their ability to use that information to get the best care for themselves. A person with higher health literacy can more easily understand what options they have for medical treatment, as well as the consequences of the choices they make; they can also communicate about their decisions about health and healthcare. People with lower health literacy levels have a harder time understanding their diagnoses and treatment plans, as well as communicating their needs and preferences to their healthcare professional. Health literacy is an essential component of health equity; individuals need to be able to understand the information they are given, in order to best advocate for their own health.

Return to Agenda

Preventative Conditions to Health Equity

- **Socioeconomic Status**
- **Lack of insurance or underinsured**
- **Race and ethnicity**
- **Age**
- **Geographic Region**

Return to Agenda

Adult Deaths Attributed to Social Factors

Low Education	=	245,000	Individual Level poverty	=	133,000
Racial Segregation	=	176,000	Low Social Support	=	162,000
Income Inequity	=	119,000	Lung Cancer	=	155,500

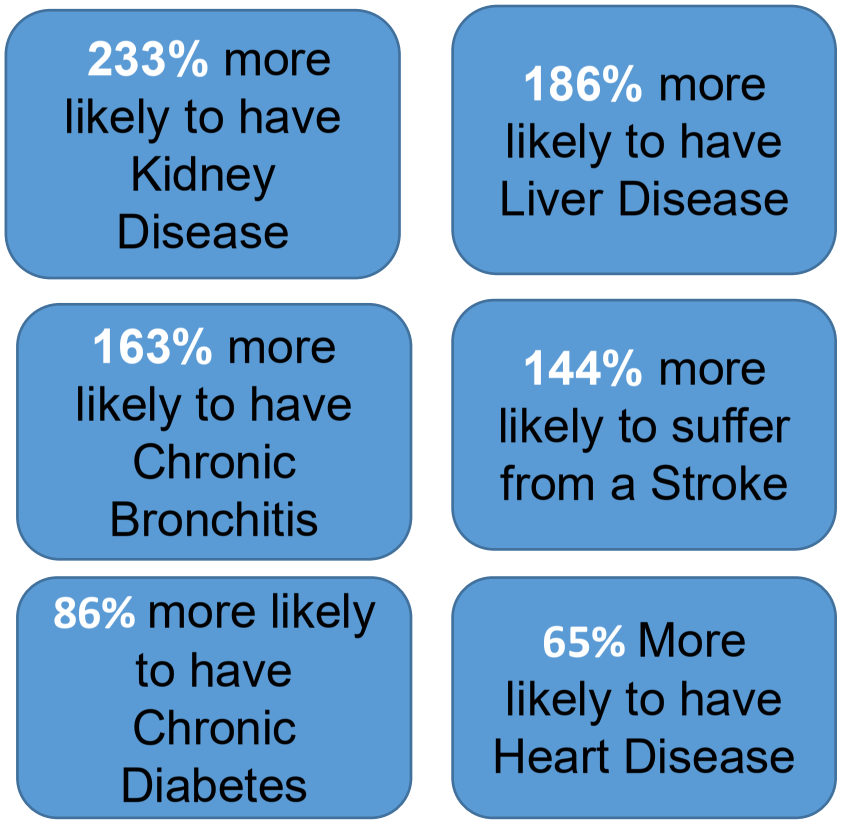
CDC Sources(2018)

The United States has among the highest out of pocket and Government/Compulsory spending in the world.

Return to Agenda

Household Income Affects Health Outcomes

Americans earning less than $35K are far more likely to develop serious chromic health conditions than those earning over $100K.



Return to Agenda

Disparities

- Breast Cancer – African American Women are nearly twice likely to be diagnosed with triple negative breast cancer and are more likely to die from breast cancer than white women.
- Kidney Cancer – Highest rates of kidney cancer rates and deaths occur among American Indians and Alaskan Native population.
- Liver Cancer – Highest rates are in American Indian, Alaskan Natives, and Asian and Pacific Islander population.
- Prostate Cancer – African American men are more than twice as likely to die from prostate cancer than white men.
- Cervical Cancer – Women in rural areas are twice as likely to die from cervical cancer than women in urban areas.
- Multiple Myeloma – African Americans are twice as likely to be diagnosed and die from Multiple Myeloma than whites.

Return to Agenda

Participating in Clinical Trials

While death rates are decreasing across ethnicities, ethnic disparities still exist in breast cancer care and prognosis.

- African American Women are on average, 40% more likely to die of the disease than white women with breast cancer.
- Hispanic Women are more likely than non-Hispanic women to be diagnosed with tumors that are larger and are hormone receptor-negative, both of which are more difficult to treat.
- Asian/Pacific Islander Women have seen their incidents of breast cancer increase steadily. In California, which has the largest Asian population in the United States, the largest increase has been seen in Koreans (4.7%) and Southeast Asian (2.5%)

Return to Agenda

Achieving Health Equity

Health Equity is achieved when every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances.

Health Inequities are reflected in differences in length of life; quality of life; rates of disease, disability, and death; severity of disease; and access to treatment. Health equity programs work to achieve health equity by eliminating health disparities and achieving optimal health for all Americans.

Center of Disease Control

Return to Agenda

Systematic Impact

"Systemic doesn't necessary mean intentional. It doesn't necessarily mean that many don't like people of color. It does say that some are unwilling to see how the benefits and burdens of this society are not fairly shared because of the history of racism."

Maya Wiley, JD –Sr. VP FOR Social Justice, The New school

Return to Agenda

Recommendations

- Assess whether there are appropriate resources (Human/$$$) to make the significant impact needed.
- Ascertain if there exists a catalogue of Health Equity training modules that can be used for providers offering CME (Continuing Medical Education) credits. Develop a seamless delivery platform mechanism to disseminate the information.
- Develop a resource listing of Subject Matter Experts (SME) on Health Equity to facilitate future training. In concert with SME's, develop virtual events going forward.
- Develop Health Equity educational series regarding various topics of health equity for providers and for the community.

Return to Agenda

Recommendations

- Work with County of Ventura to include health equity related questions in patient survey for data analysis, evaluation, and improvement measurers.
- Work with Ventura County and find evidence based practices and training regarding mitigating financial/insurance biased toward patients and their treatment via a health equity approach.
- Identify and meet with the different diverse cultures in the surrounding communities to identify real time perceptions and issues preventing effective health equity. (Mixteco, African American, Asian, American Indian, Hispanic, etc.

Return to Agenda

Health Equity Resources

- Community Health and Equity Resources at the American Hospital Association hhps://www.ahs.org/guidesreports/2019-community-health-equity-resources-American-hospital-association.

- Care Well: Addressing Social Determinants of Health from Bedside to Boardroom: http://www.aha.org/system/files/media/file/2019/03/alliance-issue-brief-care%20well%20SDoH_o.pdf

- Achieving Health Equity: A guide for Health Care Organization http://www.ihi.org/resources/Pages/IHIWhitePapers/Achieving-Health-Equity.aspx

- World Health Organization – Health Systems – Equity https:www.who.int/healthsystems/topics/equity/en///

Return to Agenda

Strategies

- Summit – Secure a gathering of all representatives of communities of color to assess current state. (August/ Sept)
- Integrate & Institutionalize: Focus on systems change to improve racial equity. Center racial equity in all aspects of work.
- Develop a community Awareness training process to educate the populace on identifying failures to the equity process.
- Create a centralized equity resource group as a clearinghouse of equity issues. Assign a centralized county resource to facilitate for consistency purposes. Current resources are inadequate.
- Assign appropriate budget and resources to prevent a **“check the box”** perception of the initiative.

Return to Agenda

Concerns

" The issue of health equity is a systemic concern. It will take considerable financial and human resources simply to establish a baseline of operation. Many of the medical systems that I have researched have HR services but not a diversity element to its infrastructure."
Ted Bagley -CDO

Questions

- Once the issue is identified, what next? How will legal play a part? Who will monitor compliance?
- How do we educate the problem areas with knowledge concerning culture? Who will be responsible? Internal infrastructure.
- Transportation availability as well as interpreters reman a concern.
- Large number of undocumented workers lacking insurance, information, counselling services.
- Threat of deportation prevents individuals from seeking proper health care.
- How do we use social media. Do we develop an all Spanish website?

Return to Agenda

How To Move Ahead

- **Embedding equity and racial justice throughout the Ventura County** by expanding capacity for understanding and implementing anti-racism equity strategies via practices, programming, policies and culture.
- **Building alliances with marginalized physicians and other stakeholders** through developing structures and coalitions to elevate the experiences and ideas of marginalized and minoritized health care leaders.
- **Pushing upstream to address determinants of health and root causes of inequities** by strengthening, empowering and equipping physicians with the knowledge of—and tools for—dismantling structural and social drivers of health inequities.
- **Ensuring equitable structures and opportunities in innovation** through embedding and advancing racial justice and health equity within existing county efforts to advance digital health.
- **Fostering pathways for truth, racial healing, reconciliation and transformation for Ventura's past** by accounting for how policies and processes excluded, discriminated and harmed communities, and by amplifying and integrating the narratives of historically marginalized physicians and patients.

Return to Agenda

Strengthening of Foundation

"Build Partnerships between Health Care and Human Services Systems. As a key part of America's health and human services continuum, community-based organizations are uniquely positioned to meet the needs of individuals with complex social and health care needs. When health care providers and community-based organizations work together, the health of individuals improves *and* costs are effectively managed. **Discover how partnerships are a key component to our strategy in providing health care to America's communities."**

Return to Agenda

Resources - Consultant Dr Nancy Wharfield

- **Ted Bagley** – Chief Diversity Officer GCHP
- **Phin Xaypangna** – Ventura County Deputy Executive Officer Diversity/Inclusion
- **Pauline Preciado**- Sr. Director Population Health & Equity
- **Marlen Torres** – Executive Director Government Community Relations and Strategy
- **Susana Enriquez** – Sr. Manager Public Relation
- **Lupe Gonzalez** – Dr. Health Education Disease Management
- **Stacey Luney** – Manager Grievance and Appeals

Return to Agenda

AGENDA ITEM NO. 6

TO: Executive Finance Committee

FROM: Eileen Moscaritolo, HMA Consultant

DATE: June 28, 2021

SUBJECT: HSP / MediTrac Go-Live Update

VERBAL PRESENTATION

AGENDA ITEM NO. 7

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Nancy Wharfield, M.D., Chief Medical Officer
Kim Timmerman, Director of Quality Improvement

DATE: June 28, 2021

SUBJECT: 2021 Quality Improvement Committee (QIC) - Second Report

SUMMARY:

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

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

FISCAL IMPACT:

None

RECOMMENDATION:

Staff recommends that the Ventura County Medi-Cal Managed Care Commission receive and file the presentation.

ATTACHMENTS:

1) Timmerman, K., (2021). Quality Improvement, Ventura County Medi-Cal Managed Care Commission, Quality Improvement Committee Report – Q2 2021, Presentation Slides.

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Quality Improvement Committee Report – Q2 2021

June 28, 2021

Kimberly Timmerman, MHA, CPHQ
Director, Quality Improvement

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Respect

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Q2 2021 Quality Improvement Update

Return to Agenda

MEASUREMENT YEAR 2020
HEDIS®/MCAS
PERFORMANCE

2021 QI STRATEGY
UPDATE

MCAS Performance Measures Measurement Year 2020

- **33** Managed Care Accountability Set (MCAS) performance measures required to monitor and report to DHCS
  - **19** designated as held to the 50th percentile MPL
  - **14** not held to MPL

Return to Agenda

MCAS MY 2020: DHCS Guidance

- Due to widespread COVID-19 impacts on utilization of medical services throughout 2020, DHCS *will not* impose financial sanctions or corrective action plans on MCPs based on MY 2020/RY 2021 Managed Care Accountability Set (MCAS) performance measure results.

- All MCPs, regardless of performance, will be required to submit a COVID-19 Strategy Plan, similar to MY 2019/RY 2020.

- DHCS will require quality improvement projects of MCPs based on MY 2020/RY 2021 MCAS results.

- For measure results below the minimum performance level (MPL), MCPs are required to complete quality improvement (QI) projects, with up to a maximum of three QI projects per MCP, not including the ongoing PIPs.

- For MY 2021/RY 2022, DHCS will impose financial sanctions, and potentially corrective actions plans, based on performance measure results, in a return to QI accountability policies prior to COVID-19.

Return to Agenda

HEDIS/MCAS MY 2020 Performance Highlights

Of the 19 MCAS Measures designated as **held to MPL**:

- Data collection methodology:
  - 10 hybrid
  - 9 administrative
- 2 (11%) are first-time NCQA measures not previously reported by GCHP
- 9 (47%) measures performed at or above the DHCS MPL (50th Percentile)
- 2 measures improved compared to MY 2019
- Percentile comparison:
  - No measures increased in percentile performance
  - 4 measures remained in the same percentile
  - 6 measures dropped by one percentile
  - 2 measures dropped by two percentiles

Return to Agenda

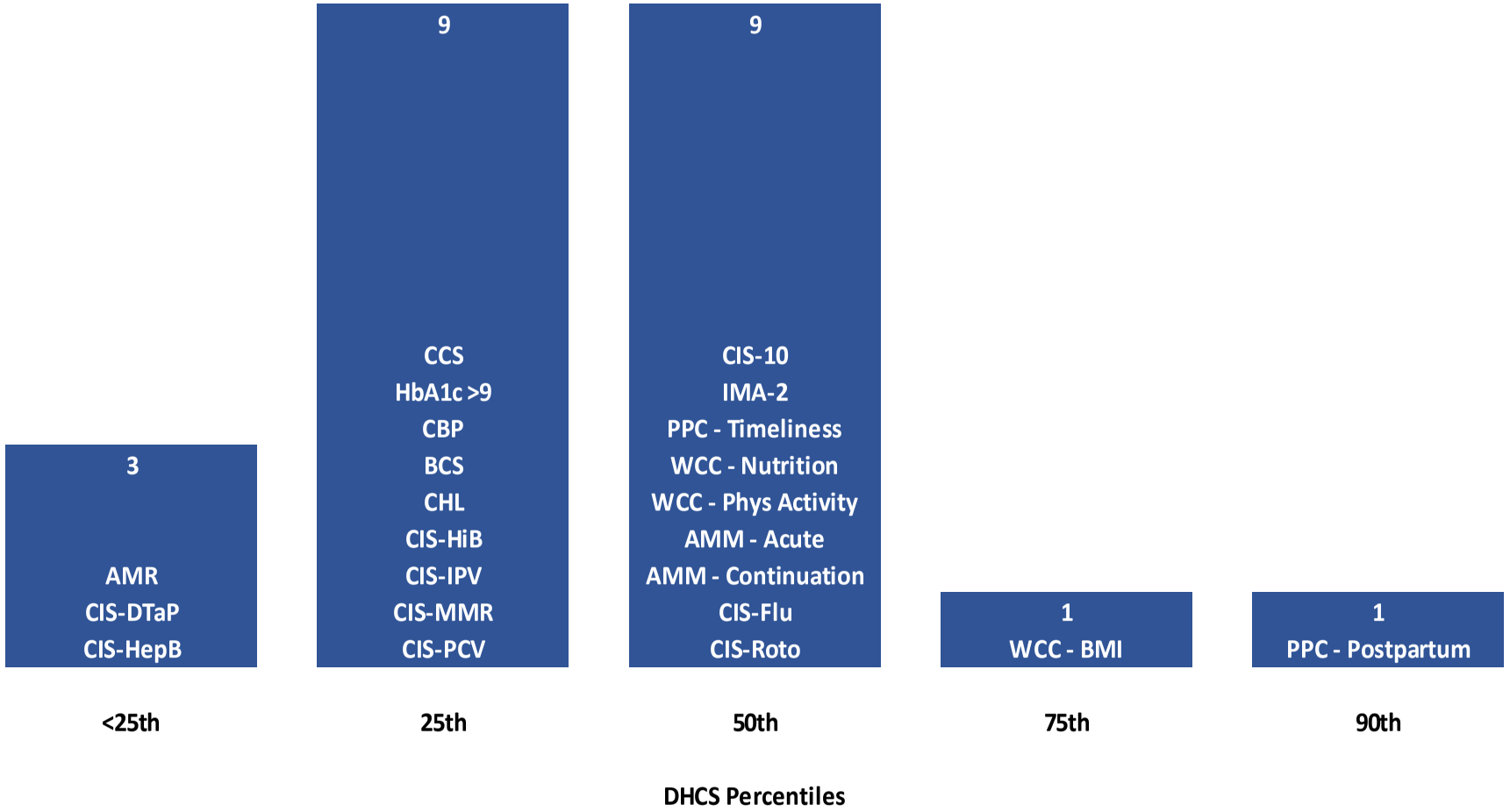
HEDIS/MCAS MY 2020 Performance Highlights

Of the 14 MCAS Measures **not held to MPL**:

- All measures used administrative methodology
- 3 (21%) are first-time measures for GCHP
- 8 (57%) measures improved compared to MY 2019

Return to Agenda

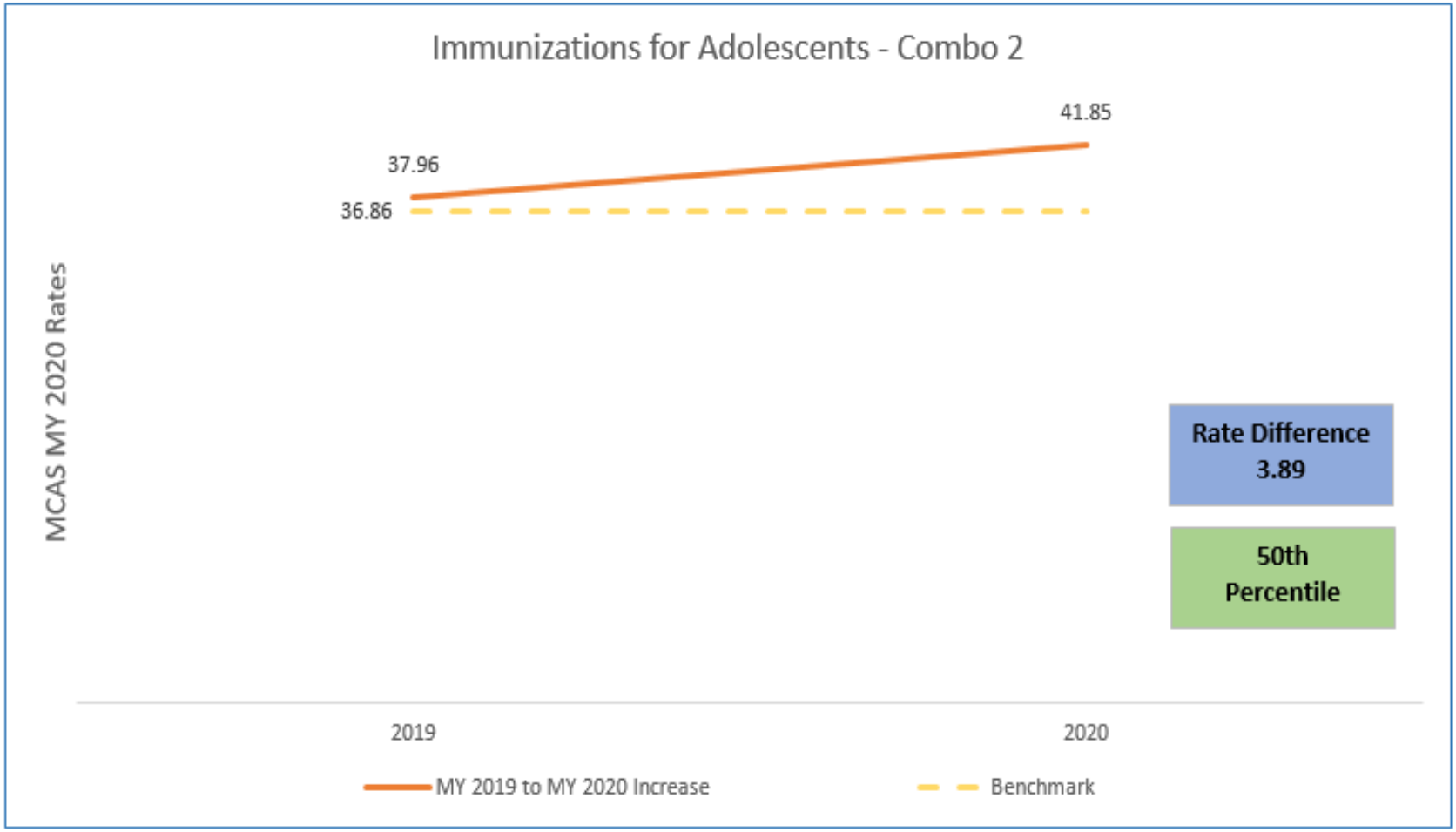
MY 2020 MCAS Performance by Percentile Rankings



These are the 19 measures held to MPL, plus the CIS sub measures

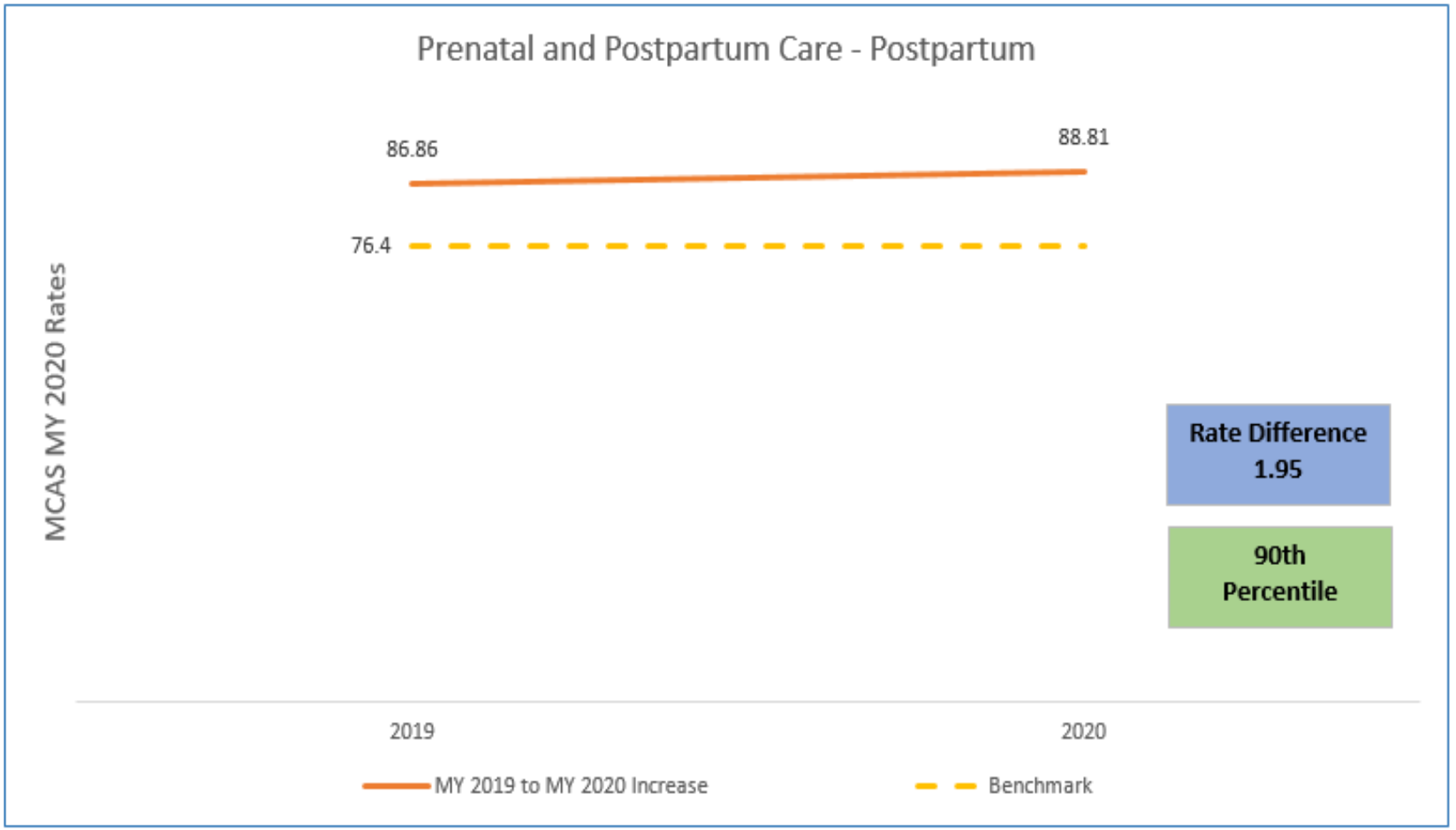
Return to Agenda

MCAS Measure Improvement
MY 2019 to MY 2020



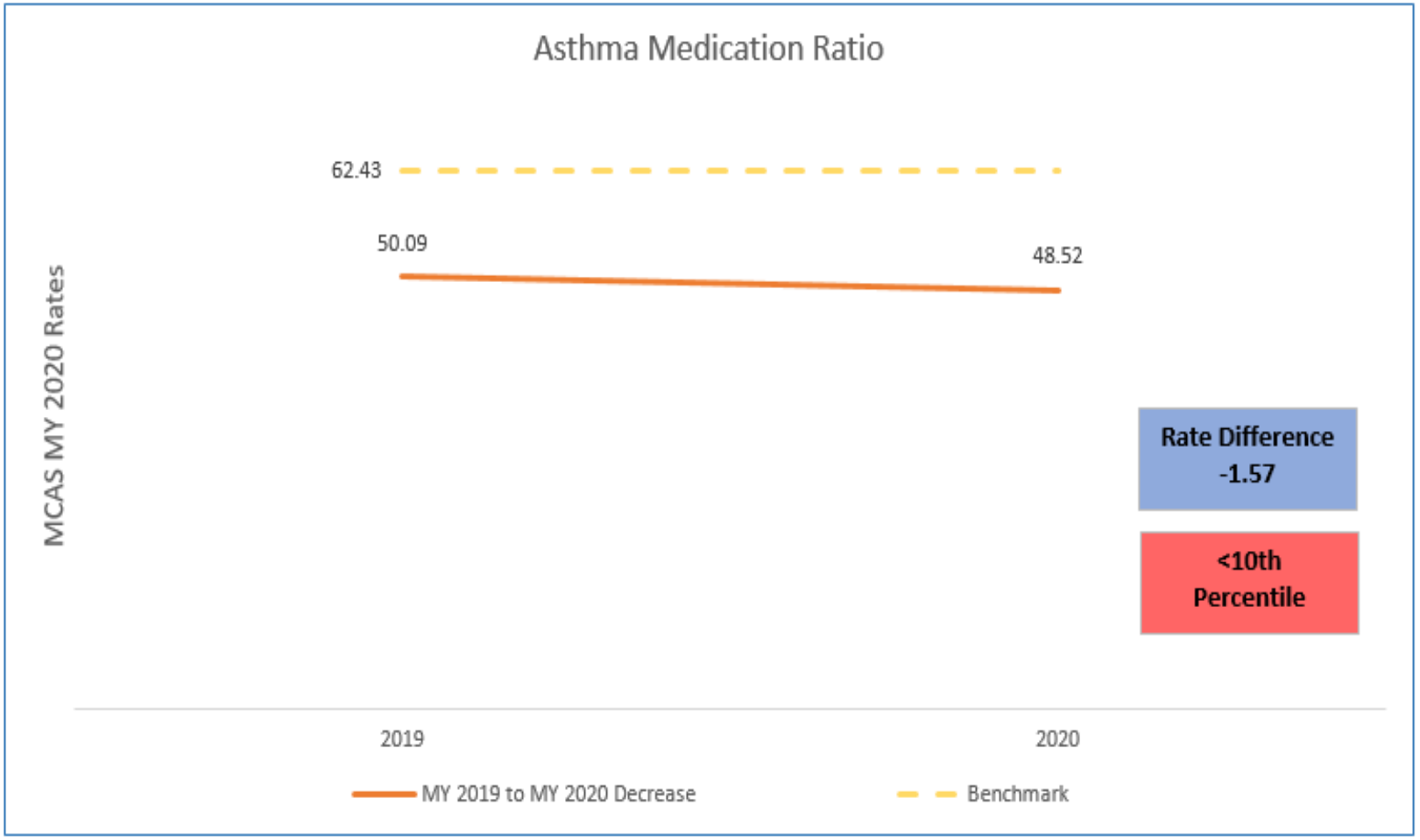
Return to Agenda

MCAS Measure Improvement
MY 2019 to MY 2020



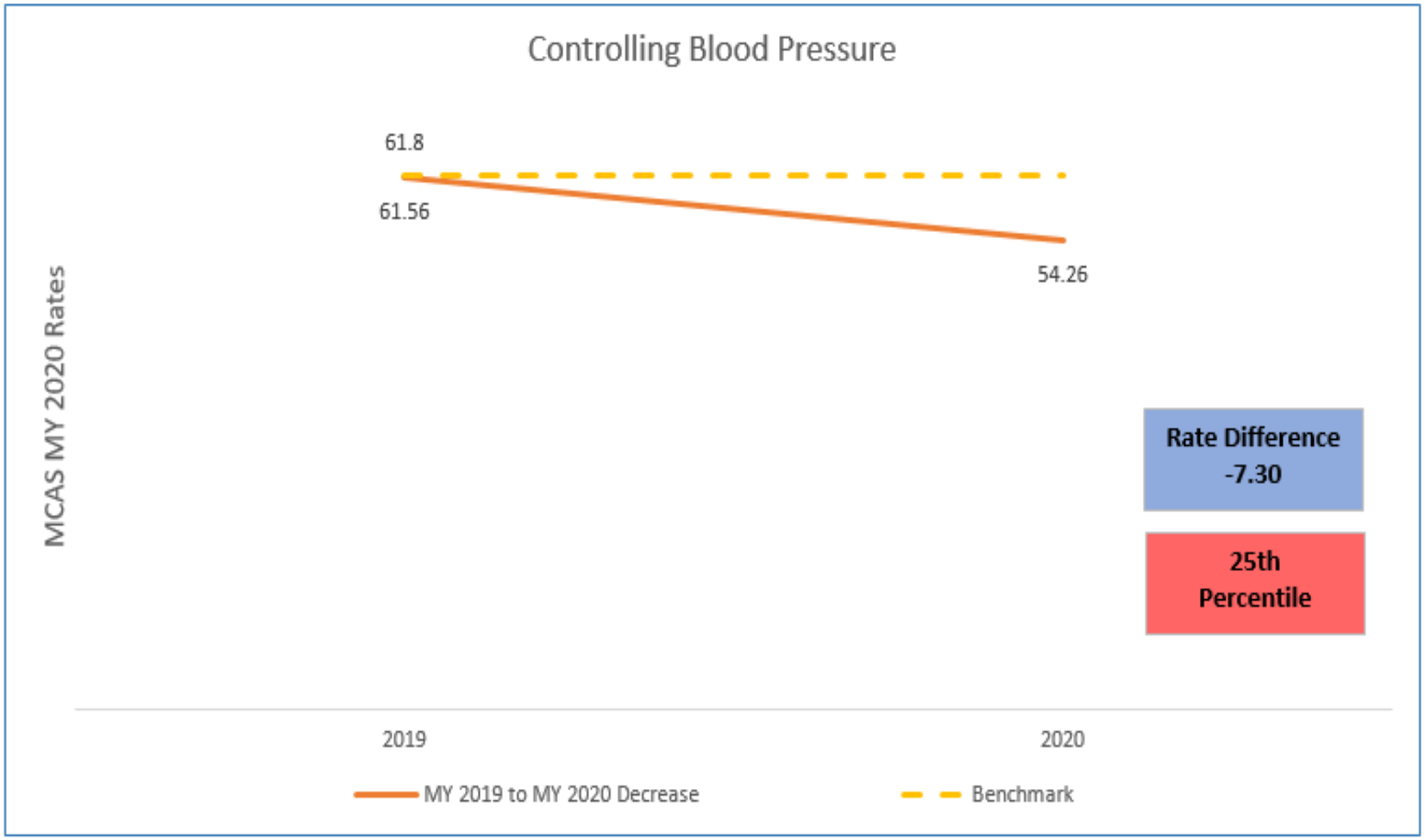
Return to Agenda

MCAS Measure Decline
MY 2019 to MY 2020



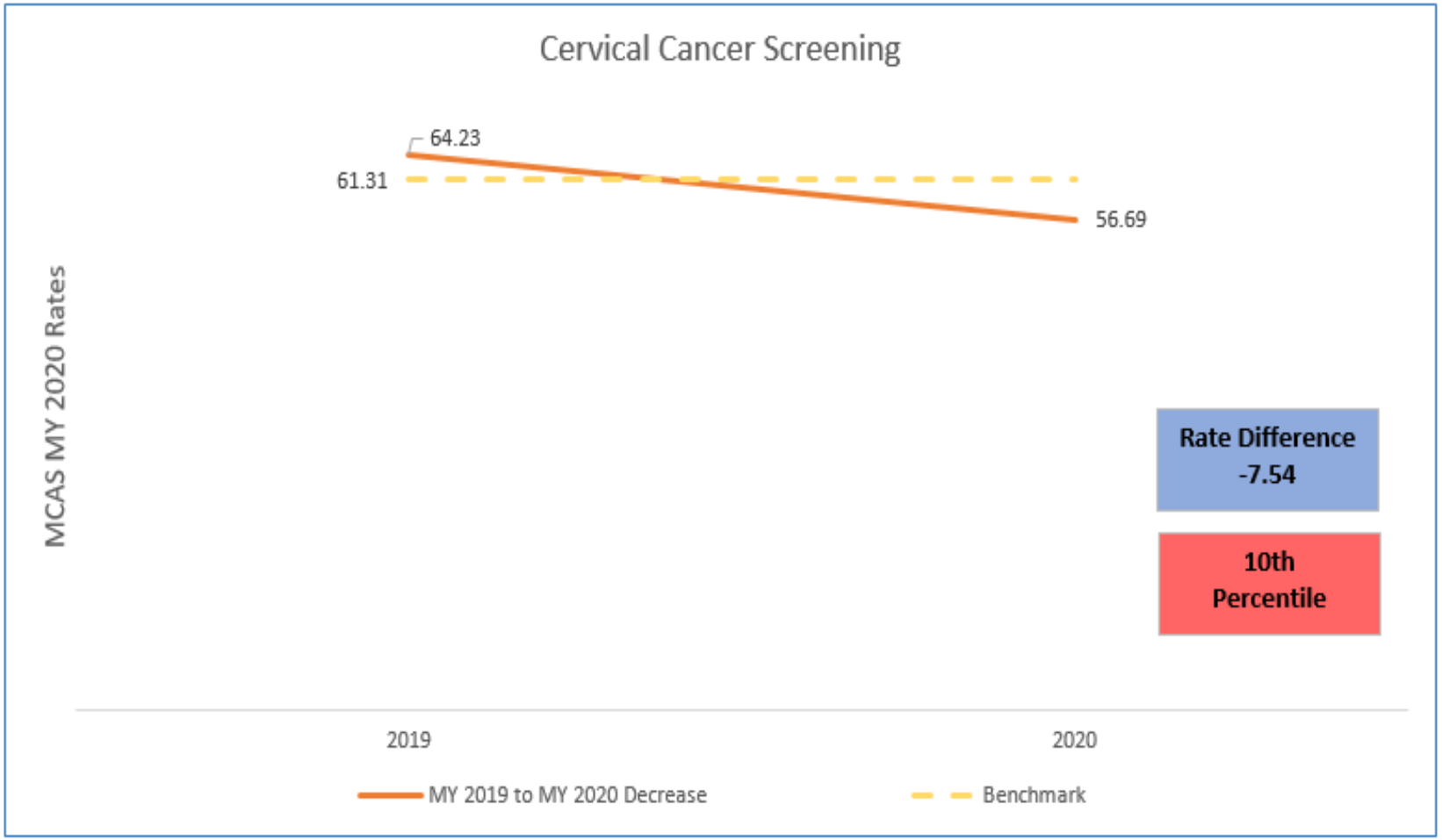
Return to Agenda

MCAS Measure Decline
MY 2019 to MY 2020



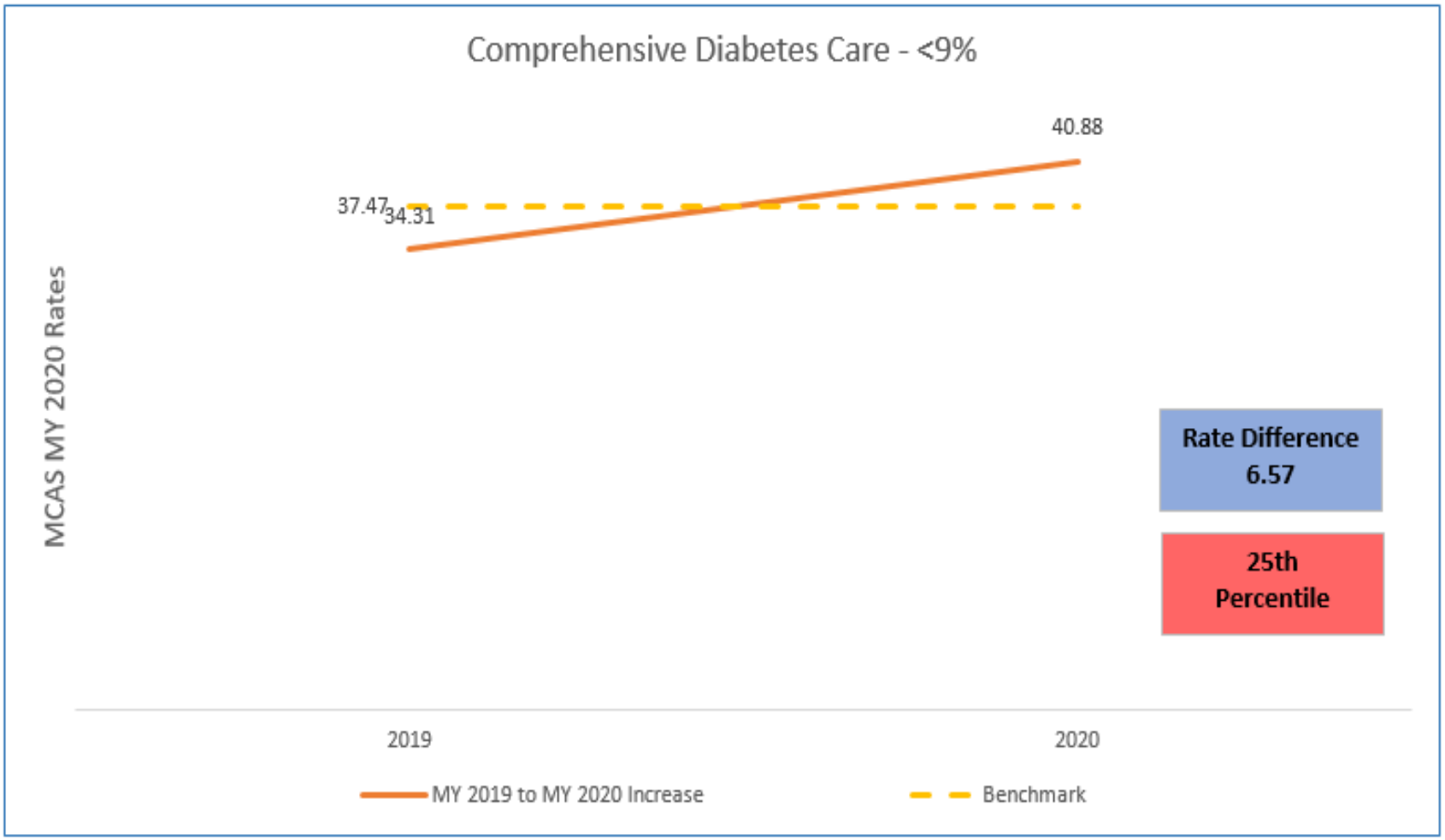
Return to Agenda

MCAS Measure Decline
MY 2019 to MY 2020



Return to Agenda

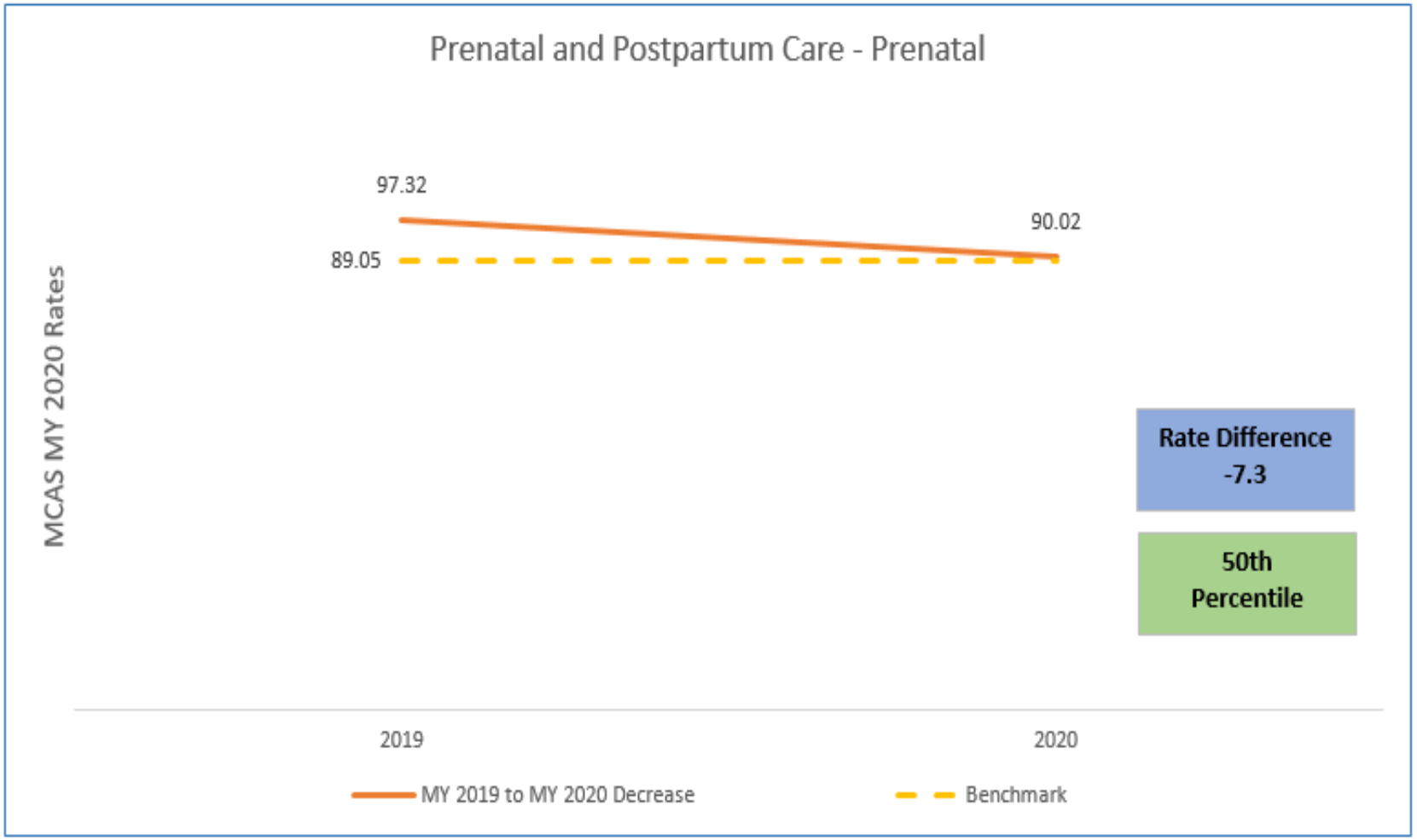
MCAS Measure Decline
MY 2019 to MY 2020



Lower rate reflects better performance

Return to Agenda

MCAS Measure Decline
MY 2019 to MY 2020



Return to Agenda

HEDIS/MCAS MY 2020: Next Steps

- Disseminate results internally/externally and collaborate on performance improvement strategies
- Debrief with QI Team and Inovalon
- Assess HSAG Compliance Audit findings for improvement strategies
- Compile Clinic-Level MY 2020 HEDIS®/MCAS Report Cards and disseminate to leadership/clinic systems
- Evaluate Clinic-Level outcomes to identify high/low performance and opportunities for improvement and promising practices sharing
- Conduct barrier analysis on low-performing measures and identify improvement project focus areas

Return to Agenda

HEDIS/MCAS MY 2020: Next Steps

- Add new capabilities for INDICES, the platform for near real-time data visualization and performance feedback insight for leadership/clinic systems
- Continue data improvement strategies with focus on:
  - HIE implementation and data integration
  - Exploring data sharing with Beacon for vendor-driven interventions on BH measures
  - Partnering with clinic systems on data discrepancies to determine root cause and remediation

Return to Agenda

Q2 2021 Focus

- Evaluate MY 2020 HEDIS/MCAS Rates for priority focus and next steps
- Return to Care Campaigns – Gap Closure/Member Incentives + Additional Strategies TBD
- Plan for QI Collaboration Meeting – July 21, 2021
- Continue to seek out and leverage internal/external partnerships and collaboration opportunities

Return to Agenda

Care Gap Closure Efforts

- ✓ HMS Eliza Return to Care Campaign (Age 0-4)
  - April to July 2021
- ✓ DHCS Preventive Care Outreach Campaign (Ages 7-21)
  - June 2021
- ✓ Quarterly child blood lead screening gap reports
  - Launched April 2021
- ✓ INDICES® Dashboards: provider rate and gap reports
- ✓ Health topic themed gap reports
  - April – STI Awareness Month (CCS, CHL)
  - August - National Immunization Awareness Month (WCV, W30)
  - October - Mental Illness Awareness Week (AMM, ADD, CDF)
  - October - National Mammography Day (BCS)
- ✓ Chlamydia – Clinic Survey to determine barriers/ improvement strategies

Return to Agenda

Member Incentive Programs

- ✓ Continued Programs:
  - ✓ Child & Adolescent Well Care: $15 gift card
  - ✓ Cervical Cancer Screening: $25 gift card

- ✓ New! Asthma Member Incentive: $40 gift card
  - ✓ Components:
    - Asthma health exam
    - Create or update an Asthma Action Plan
    - Review asthma medications
  - ✓ Collaboration with 4 VCMC Clinics to pilot program

64 of 185 pages

Return to Agenda

Get a Free Gift Card!

¡Reciba una Tarjeta de Regalo Gratis!

$40 GIFT CARD TARJETA DE REGALO

Get a $40 gift card for completing an asthma exam! Gold Coast Health Plan (GCHP) values your health. Children and adults with asthma should meet with their doctor at least once a year or more often if they are having asthma symptoms.

To get your $40 gift card, you must meet these requirements:

1. Be a GCHP member with full-scope Medi-Cal benefits between 5 to 64 years of age and have asthma.
2. Complete the following during an office or telehealth visit with your health care provider by **December 31, 2021**:
   - Asthma health exam
   - Create or update an Asthma Action Plan
   - Review asthma medications
3. Fill out this form and have your health care provider complete and sign the back of the form.
4. Send the form by mail or fax to GCHP by **January 31, 2022**.

Limit one card per member per year. It may take up to 4-6 weeks after GCHP receives your completed form for you to get your gift card in the mail.

If you have any questions, call Gold Coast Health Plan at 1-888-301-1228 / TTY 1-888-310-7347 Monday through Friday from 8 a.m. to 5 p.m.

¡Obtenga una tarjeta de regalo de $40 por completar un examen de asma! Gold Coast Health Plan (GCHP) valora su salud. Los niños y los adultos con asma deben reunirse con su médico por lo menos una vez al año o con más frecuencia si están teniendo síntomas de asma.

Para recibir su tarjeta de regalo de $40, usted debe cumplir estos requisitos:

1. Ser miembro de GCHP con beneficios de Medi-Cal completos, entre 5 a 64 años de edad y tener asma.
2. Completar lo siguiente durante una visita al consultorio o una consulta de telesalud con su proveedor de atención médica antes del **31 de diciembre de 2021**:
   - Examen de asma
   - Crear o actualizar un Plan de acción para el asma
   - Revisar los medicamentos para el asma
3. Completar este formulario y hacer que su proveedor de atención médica lo complete y lo firme en el reverso.
4. Enviar el formulario por correo postal o fax a GCHP antes del **31 de enero de 2022**.

Límite de una sola tarjeta por miembro por año. Puede tomar hasta 4 a 6 semanas después de que GCHP reciba su formulario completo para que reciba su tarjeta de regalo por correo.

Si tiene alguna pregunta, llame a Gold Coast Health Plan al 1-888-301-1228 / TTY 1-888-310-7347 de lunes a viernes de 8 a.m. a 5 p.m.

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WS

Questions?

Recommendation:

Staff recommends that the Ventura County Medi-Cal Managed Care Commission receive and file the presentation.

Return to Agenda

AGENDA ITEM NO. 8

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: June 28, 2021

SUBJECT: April 2021 & May 2021 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached April 2021 and May 2021 fiscal year-to-date ("FYTD") financial statements of Gold Coast Health Plan ("GCHP") for review and approval.

BACKGROUND/DISCUSSION:

The staff has prepared the unaudited April 2021 and May 2021 FYTD financial packages, including statements of financial position, statement of revenues and expenses, changes in net assets, and statement of cash flows.

Financial Overview:

GCHP experienced a gain of $4.7 million for the month of April 2021 and a gain of $4.5 million for the month of May 2021, bringing the FYTD net gain to $19.4 million. This is a significant improvement from the budget projections that had indicated an anticipated loss of ~$12 million in the first eleven months of the fiscal year. The improvement from budget projections is attributed to increased revenue due to changes in prior year membership estimates, favorable CY2021 rates, administrative savings, and medical expense estimates that are currently less than budget by a narrow margin.

Solvency Action Plan (SAP) Update:

To ensure the long-term viability of GCHP and consistent with Commission direction, your management team remains focused on the SAP. Further, your management team remains committed to implementation of solvency-related actions in a manner that respects the provider community and mitigates any adverse impact on our providers. The SAP is comprised of three main categories: cost of healthcare, internal control improvements and contract strategies. The primary objectives within each of these categories is as follows:

1. Cost of healthcare – to ensure care is being provided at the optimal place of service which both reduces costs and improves member experience.

2. Internal control improvements – to ensure GCHP is operating effectively and efficiently which will result in administrative savings and safeguard against improper claim payments.
3. Contracting strategies – to ensure that GCHP is reimbursing providers within industry standard for a Medi-Cal managed care plan and moving toward value-based methodologies.

In addition to the comprehensive list of internal control improvements provided as an appendix to the Strategic Plan, GCHP management has made the following progress in connection with the Commission-approved SAP:

Category	Current Focus	Annualized impact in savings
Cost of Healthcare	Revision to Non-Pharmacy Dispensing Site Policy	$7-10 million
Internal Control Improvements	Interest expense reduction/PDR turnaround time	$500,000
	HMS Implementation	$2.3 million
	Formalization of internal control workgroup	N/A
	Formalization of the contract steering committee	N/A
	Change Control Document (CCD) Process Improvement	N/A
	Ensure appropriate approval on all contract amendments	N/A
	Provider settlement review	TBD
Contracting Strategies	Reduction of LTC facility rates to 100% of the Medi-Cal rate	$1.8 million
	Rate reduction to tertiary hospital	$1.3 million
	Reduction of adult expansion PCP rates	$4.5 million
	TOTAL ANNUAL SAVINGS	**$17.4-20.4 million**

The focus going forward will be on Phase 2 of the Solvency Action Plan, which involves the below initiatives. We are pleased to report that the GCHP Provider Advisory Committee has created a subcommittee to propose changes for Phase 2 of the SAP. Your management team acknowledges the Commission recommendation that we (a) assess the impacts of the identified interventions and (b), based thereon, forecast future excess TNE levels resulting from the interventions. We are, of course, committed to that process and, accordingly, when we can responsibly forecast the impact of an intervention, we do. We are also, however, committed to implementation of solvency-related actions in a manner that respects the providers and mitigates any adverse impact on them (and in turn our members). To that end and mindful of the initiatives identified below, we will have to assess intervention impact as we refine the specific approach, we are employing to achieve the intervention. Further, we owe it to the community to continue the hard

work of tightening our internal controls and improving our contracting efforts, including our contract terms and conditions, our amendment process, our processes for recoupment, and our processes for DOFR and DOAR negotiation and documentation.

Category	Current Focus	Annualized impact in savings
Cost of Healthcare	LANE – avoidable ER analysis	TBD
	Pro-active transplant management approach	TBD
	Analysis of leakage to out of area providers	TBD
Internal Control Improvements*	Review of provider contracts for language interpretation and validation	N/A
	Develop revised provider contract templates and a standard codified DOFR template	N/A
	Improve quality and completeness of encounter data	Revenue implications
	California Children's Services – ED Diversion	$500,000
	Implementation of additional claims edit system (CES) checks to minimize payment errors	TBD
Contracting Strategies	Expansion of capitation arrangements	Required TNE and risk reductions
	LANE/HCPCS analysis	TBD
	Outlier rate analysis	TBD
	Consideration of across the board reductions	TBD

* this is a sub-set of the internal control improvements with direct impacts to the SAP and providers. Staff will periodically update the Commission on the comprehensive list.

The management team has concluded that it is imperative that GCHP have a keen focus on fundamental activities that are essential to our success. While the intensive work on internal control improvement continues, some strategies under Phase 2 will be temporarily on hold, to mitigate risk and potential provider abrasion. The fundamental initiatives are:

1. HSP System Conversion
2. Americas Health Plan
3. Behavioral Health Integration
4. CalAIM
5. Major provider contract renewals
6. Continuation of internal control improvement activities

Staff will keep the Commission informed on the progress of these initiatives and the impacts to Phase 2 of the SAP. We anticipate there will be increased bandwidth for Phase

2 in the third quarter of 2021. Over the next several of months, we will continue to finalize the approach and forecast the impact to the TNE where feasible.

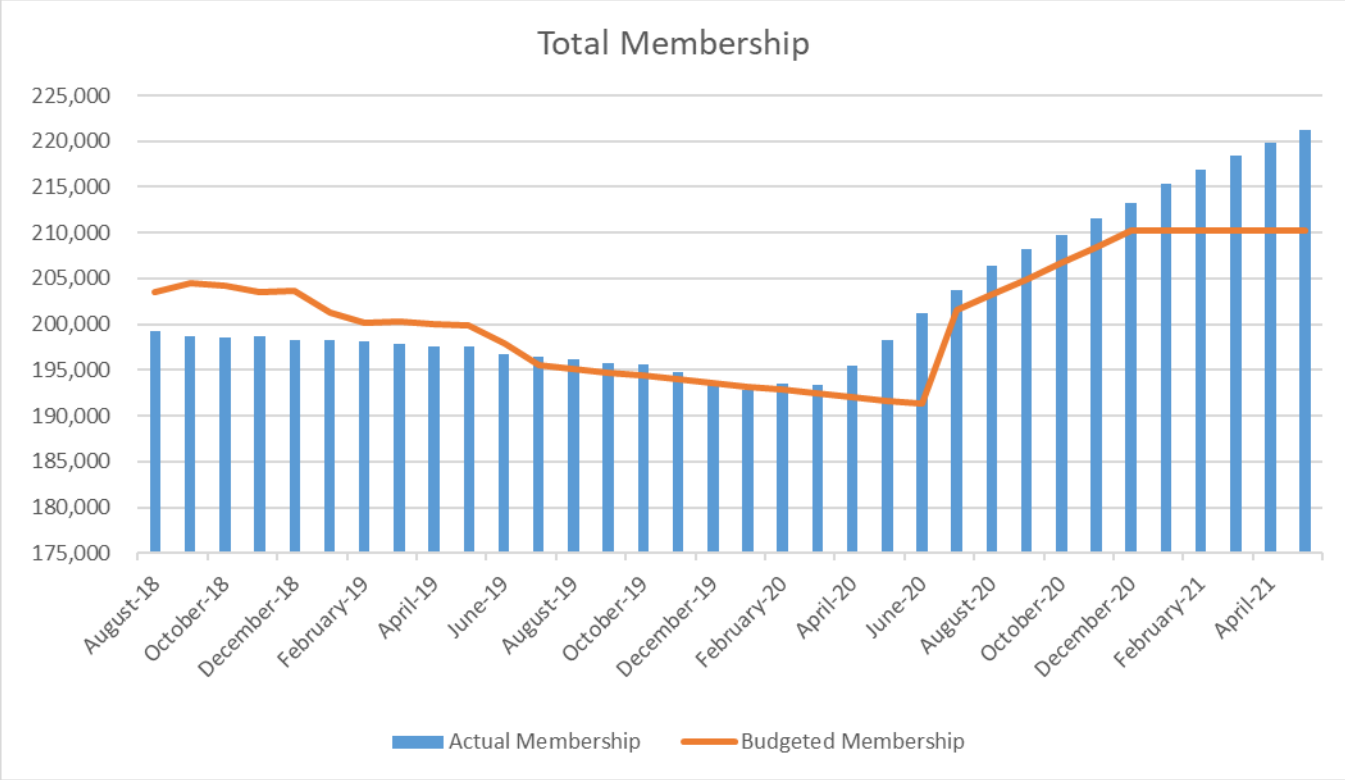
Financial Report:

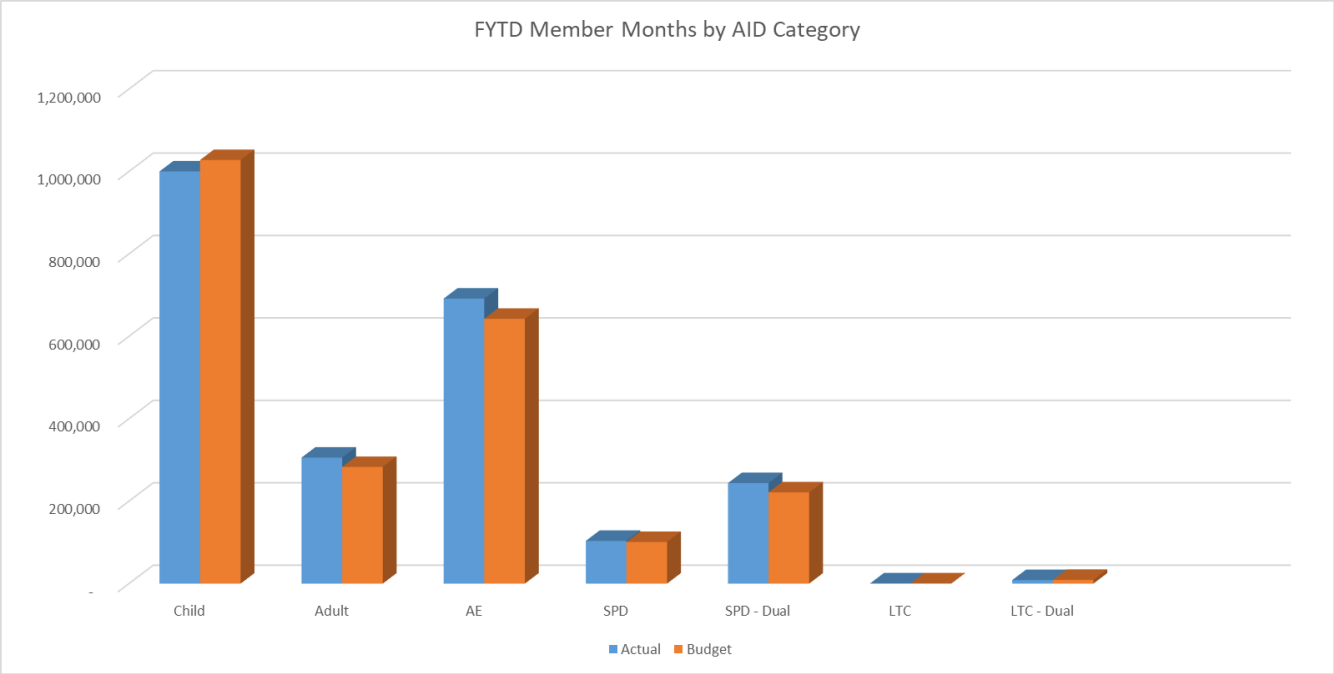
For the months of April 2021 and May 2021, the Plan is reporting net gains of $4.7 million and $4.5 million respectively.

May 2021 FYTD Highlights:

1. Net gain of $19.4 million, a $31.6 million favorable budget variance.
2. FYTD net revenue is $836.8 million, $107.2 million over budget.
3. FYTD Cost of health care is $772.6 million, $80.6 million over budget.
4. The medical loss ratio is 92.3% of revenue, 2.5% less than the budget.
5. FYTD administrative expenses are $45.2 million, $5.4 million under budget.
6. The administrative cost ratio is 5.4%, 1.9% under budget.
7. Current membership for May is 219,823.
8. Tangible Net Equity is $96.7 million which represents approximately 39 days of operating expenses in reserve and 266% 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

Net Premium revenue is $836.8 million; a $107.3 million and 15% favorable budget variance. The primary drivers of the budget variance are revenue associated with directed payments, CY2021 rates that are more favorable than projected, and revenue to account for pharmacy expenses that were anticipated to be carved out in January 2021.

Health Care Costs

FYTD Health care costs are $772.6 million; a $80.6 million and 12% unfavorable budget variance.

Notable variances from the budget are as follows:

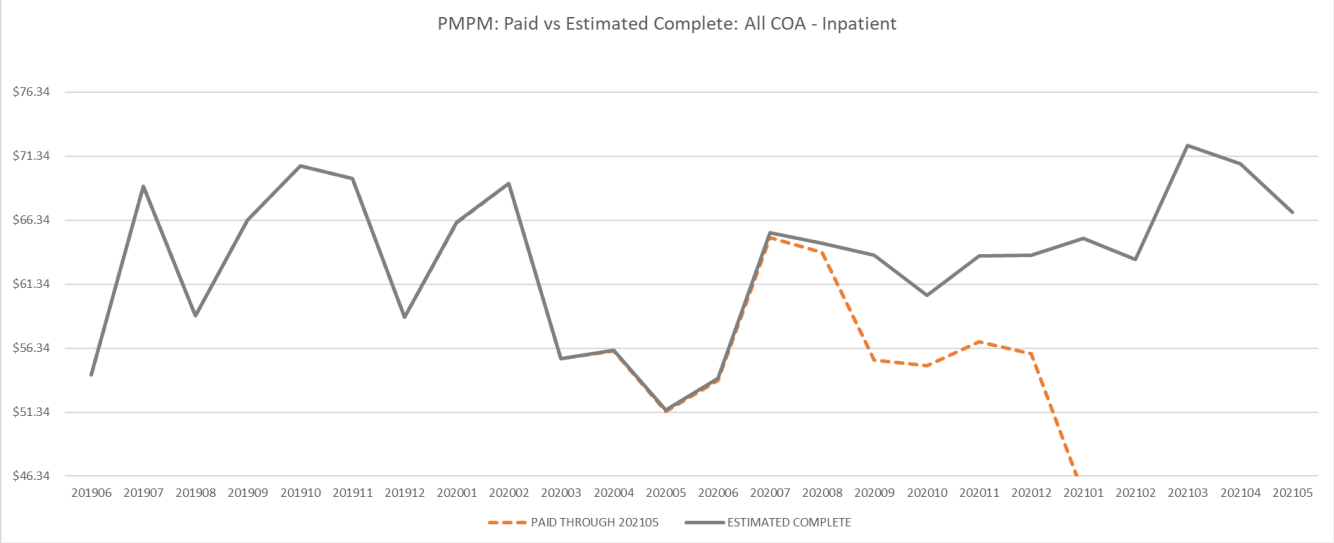
1. Directed payments for Proposition 56 are over budget by $24.4 million. GCHP did not budget for Proposition 56 expenses as the May revise of the State budget had removed funding for Proposition 56. The State budget in June ultimately included Proposition 56 funding. GCHP receives funding to offset the expense.

2. Pharmacy is over budget by $64.5 million. GCHP budgeted for pharmacy to be carved-out effective 1/1/2021 but, that transition has since been postponed. DHCS added back in the pharmacy component to the rates through March and will be further revising the CY 2021 rates due to the continued delay.

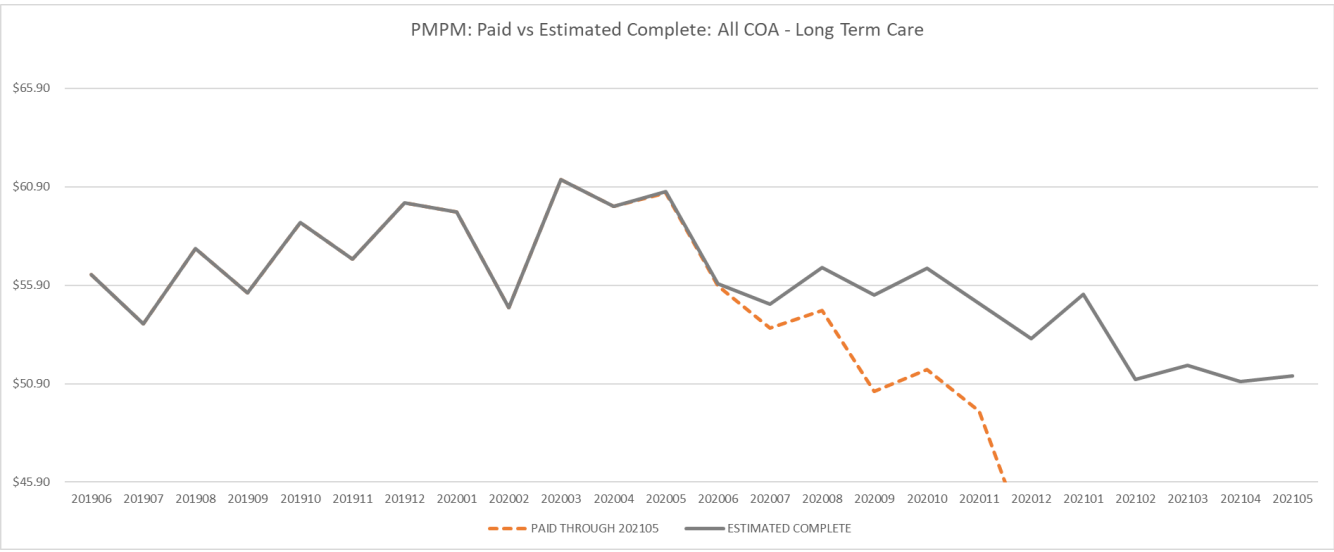
3. Laboratory and Radiology expense are over budget by $3.3 million due to COVID testing. DHCS has recognized the increased cost for lab and radiology and increased the CY 2021 rates accordingly.

4. Home & Community Based Services are over budget by $3.4 million due to an increase in Community Based Adult Service utilization. The delivery approach was modified to allow for services to be provided at home due to COVID. GCHP has noted an increase in days following this change.

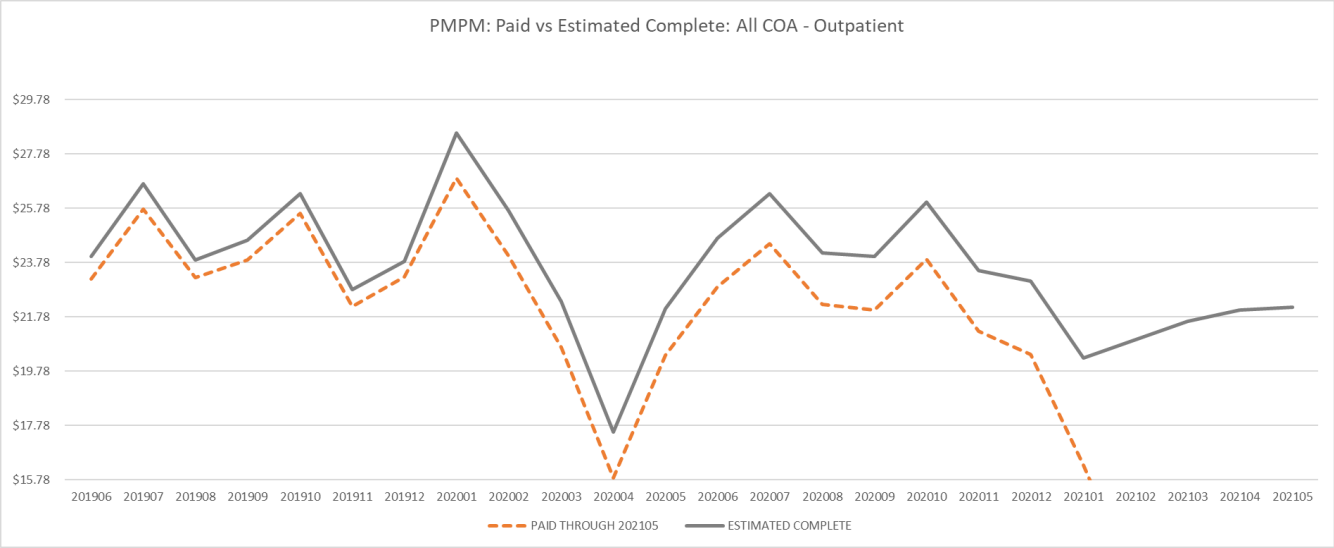
5. Inpatient hospital costs are under budget by $6.1 million (4%) due to decreased utilization from COVID-19 and the increase in membership.



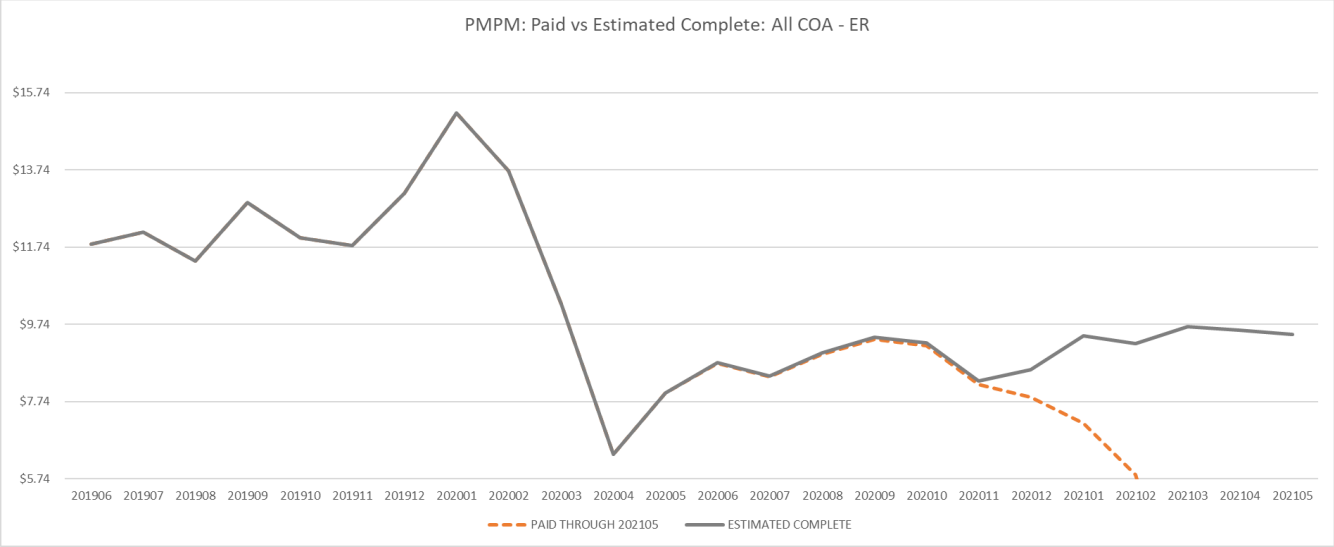
6. Long term care (LTC) expenses are over budget by $4.5 million (%). The State increased facility rates by 10% effective March 1, 2020 through the emergency. The full impact was mitigated through the Solvency Action Plan and the reduction of LTC contractual rates to 100% of the Medi-Cal fee schedule. DHCS has recognized the increased cost and increased the CY 2021 rates accordingly.



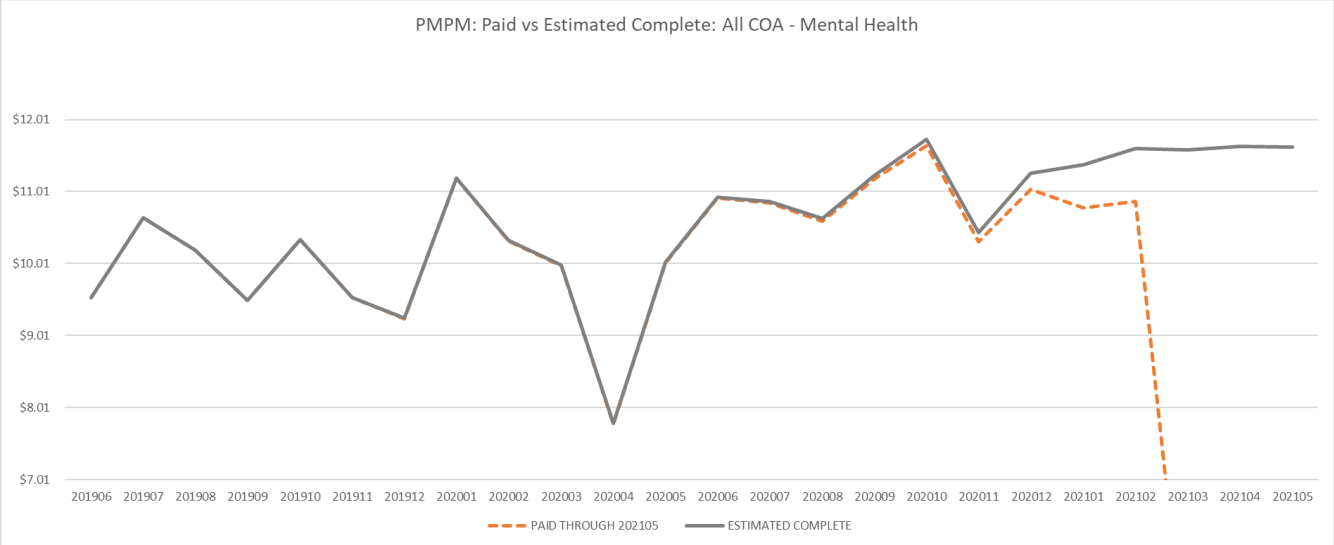
7. Outpatient expenses are under budget by $7.1 million (12%) due to COVID-19 and the increased membership.



8. Emergency Room expenses are under budget by $9.0 million (30%) due to decreased utilization associated with COVID-19.



9. Mental and behavioral health services are over budget by $4.1 million (18%) due to additional services being provided during the pandemic.



Note: 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. The total liability is the difference between the estimated costs (the orange line above) and the paid amounts (in grey above).

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 April, administrative costs were $45.2 million and $5.4 million below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 5.4% versus 7.3% for budget.

Cash and Short-Term Investment Portfolio

At May 31, the Plan had $201.4 million in cash and short-term investments. The investment portfolio included Ventura County Investment Pool $43.3 million; LAIF CA State $206,975; the portfolio yielded a rate of 2.5%.

Medi-Cal Receivable

At May 31, the Plan had $97.8 million in Medi-Cal Receivables due from the DHCS.

RECOMMENDATION:

Staff requests that the Commission approve the April 2021 and May 2021financial packages.

CONCURRENCE:
N/A

ATTACHMENT:

April 2021 Financial Package & May 2021 Financial Package

Gold Coast Health Plan℠
A Public Entity

FINANCIAL PACKAGE
For the month ended May 31, 2021

TABLE OF CONTENTS

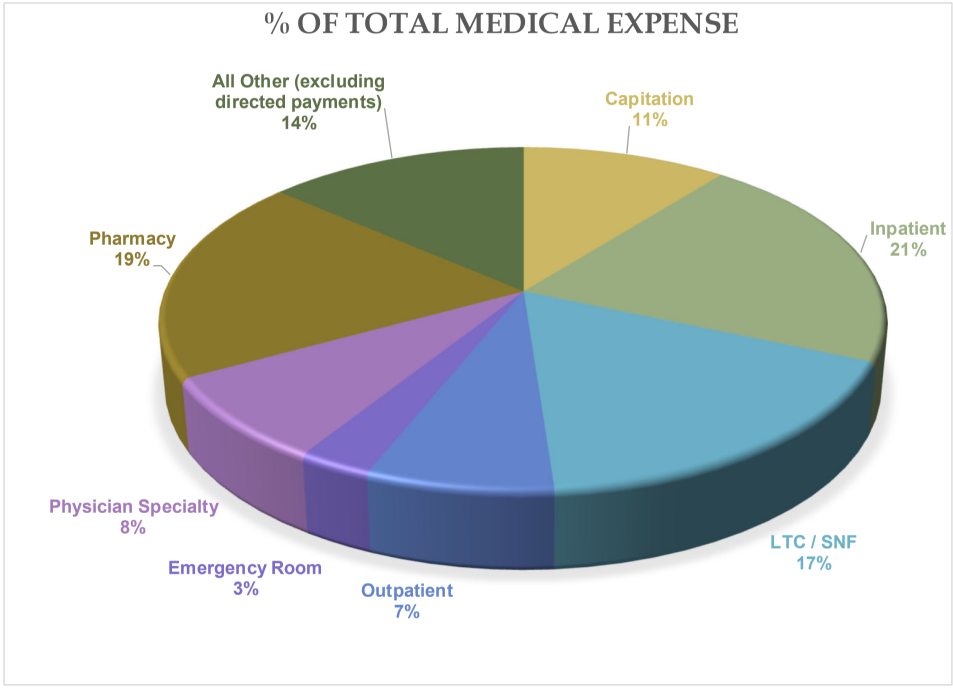
Return to Agenda

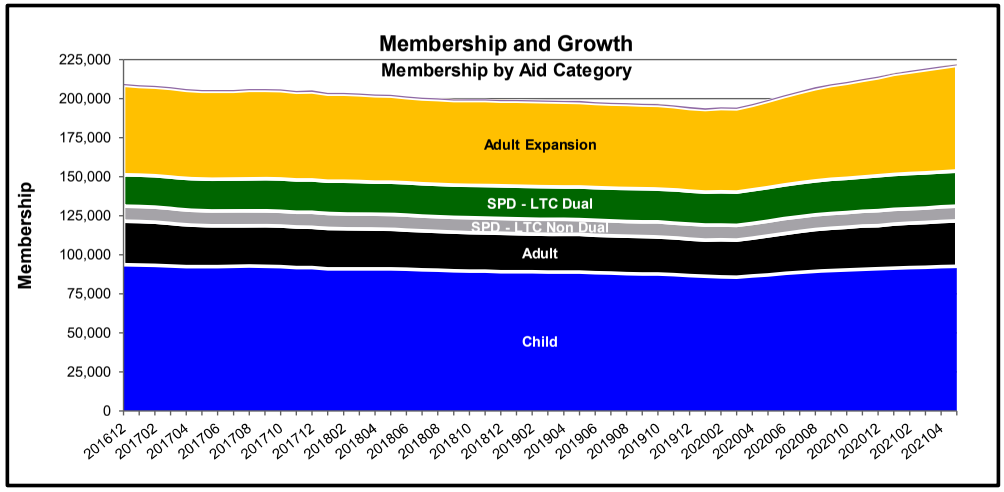
Gold Coast Health Plan

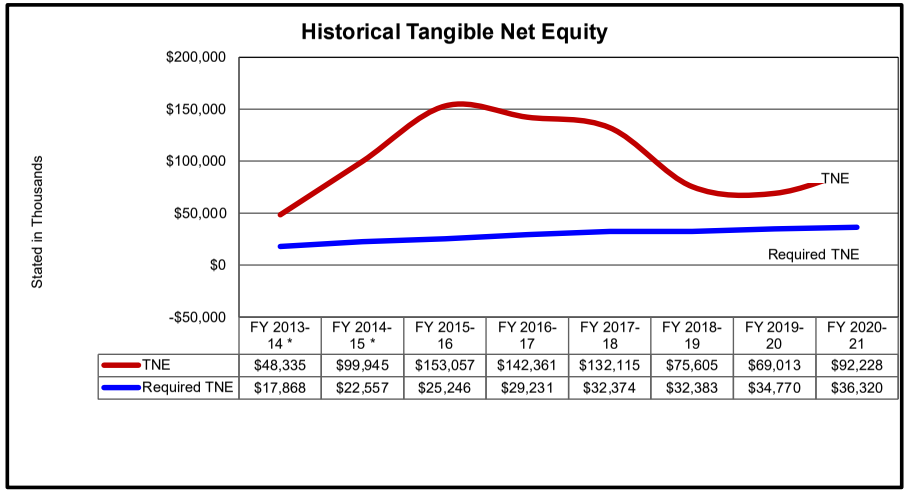
Executive Dashboard as of May 31, 2021

	FYTD 20/21 Budget*	FYTD 20/21 Actual	FY 19/20 Actual	FY 18/19 Actual
Average Enrollment	207,855	212,685	196,012	198,140
PMPM Revenue	$ 311.84	$ 357.69	$ 348.73	$ 299.23
Medical Expenses				
Capitation	$ 33.87	$ 34.02	$ 24.93	$ 23.90
Inpatient	$ 69.37	$ 66.76	$ 65.19	$ 62.09
LTC / SNF	$ 53.49	$ 55.44	$ 59.20	$ 56.06
Outpatient	$ 26.18	$ 23.15	$ 25.81	$ 25.88
Emergency Room	$ 13.02	$ 9.17	$ 11.97	$ 12.14
Physician Specialty	$ 26.09	$ 25.67	$ 27.63	$ 26.71
Pharmacy	$ 34.60	$ 62.18	$ 61.05	$ 56.60
All Other (*excluding directed payments*)	$ 31.90	$ 43.44	$ 41.07	$ 38.20
Total Per Member Per Month	$ 288.54	$ 319.82	$ 316.86	$ 301.58
Total Administrative Expenses	$ 50,598,694	$ 45,243,546	$ 50,821,685	$ 46,655,880
% of Revenue	7.3%	5.4%	6.2%	6.6%
TNE	$ 50,232,476	$ 96,725,751	$ 71,272,142	$ 75,604,948
Required TNE	$ 27,745,713	$ 36,319,606	$ 34,685,521	$ 32,382,791
% of Required	181%	266%	205%	233%

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







	FY 2013-14 *	FY 2014-15 *	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
TNE	$48,335	$99,945	$153,057	$142,361	$132,115	$75,605	$69,013	$92,228
Required TNE	$17,868	$22,557	$25,246	$29,231	$32,374	$32,383	$34,770	$36,320

Return to Agenda

STATEMENT OF FINANCIAL POSITION

	05/31/21	04/30/21	03/31/21
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	**157,873,353**	**113,387,906**	**138,373,872**
Total Short-Term Investments	**43,494,277**	**43,494,276**	**43,473,227**
Medi-Cal Receivable	97,826,066	95,820,521	94,091,006
Interest Receivable	120,560	148,312	134,656
Provider Receivable	2,634,686	1,551,039	875,437
Other Receivables	6,320,713	6,320,713	6,670,713
Total Prepaid Accounts	1,351,374	1,611,133	1,752,703
Total Other Current Assets	153,789	153,789	153,789
Total Current Assets	**309,774,817**	**262,487,689**	**285,525,402**
Total Fixed Assets	**1,242,889**	**1,283,320**	**1,284,137**
Total Assets	**$ 311,017,707**	**$ 263,771,008**	**$ 286,809,538**
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	$ 89,289,834	$ 79,296,434	$ 78,532,144
Claims Payable	29,138,366	7,069,992	25,955,386
Capitation Payable	23,573,393	22,254,323	16,759,214
Physician Payable	22,656,081	20,354,680	19,780,353
DHCS - Reserve for Capitation Recoup	6,027,119	6,027,119	6,027,259
Accounts Payable	322,178	470,590	253,467
Accrued ACS	3,206,598	1,695,485	3,138,523
Accrued Provider Reserve	1,347,563	1,277,218	1,207,370
Accrued Pharmacy	20,384,387	21,844,017	19,868,361
Accrued Expenses	2,372,156	1,863,925	5,456,758
Accrued Premium Tax	12,939,480	6,469,740	19,409,220
Accrued Payroll Expense	2,033,144	1,907,921	1,915,041
Total Current Liabilities	**213,290,299**	**170,531,444**	**198,303,095**
Long-Term Liabilities:			
Other Long-term Liability-Deferred Rent	1,001,657	1,011,251	1,020,845
Total Long-Term Liabilities	**1,001,657**	**1,011,251**	**1,020,845**
Total Liabilities	**214,291,955**	**171,542,695**	**199,323,941**
Net Assets:			
Beginning Net Assets	77,323,271	77,323,271	77,323,271
Total Increase / (Decrease in Unrestricted Net Assets)	19,402,481	14,905,043	10,162,327
Total Net Assets	**96,725,751**	**92,228,314**	**87,485,598**
Total Liabilities & Net Assets	**$ 311,017,707**	**$ 263,771,008**	**$ 286,809,538**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR MONTH ENDED May 31, 2021

	April 2021	May 2021	May 2021 Year-To-Date		Variance	Variance	May 2021 Year-To-Date		Variance
	Actual	Actual	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	219,416	219,823	2,339,533	2,286,402	53,131	2%	PMPM - FYTD		
Revenue									
Premium	$ 87,842,049	$ 87,890,926	$ 914,804,235	$ 729,567,587	$ 185,236,648	25%	$ 391.02	$319.09	$ 71.93
Reserve for Cap Requirements	(1,500,000)	(1,500,000)	(6,800,000)	-	(6,800,000)	0%	(2.91)	-	(2.91)
MCO Premium Tax	(6,469,740)	(6,469,740)	(71,167,140)	-	(71,167,140)	0%	(30.42)	-	(30.42)
Total Net Premium	**79,872,309**	**79,921,186**	**836,837,095**	**729,567,587**	**107,269,508**	**15%**	**357.69**	**319.09**	**38.60**
Other Revenue:									
Miscellaneous Income	105	30	2,168	-	2,168	0%	0.00	-	0.00
Total Other Revenue	105	30	2,168	-	2,168	0%	0.00	-	0.00
Total Revenue	**79,872,414**	**79,921,216**	**836,839,263**	**729,567,587**	**107,271,676**	**15%**	**357.69**	**319.09**	**38.61**
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	7,539,658	7,323,865	79,586,036	79,248,869	(337,167)	0%	34.02	34.66	0.64
FFS Claims Expenses:									
Inpatient	15,510,938	14,818,887	156,183,181	162,286,532	6,103,351	4%	66.76	70.98	4.22
LTC / SNF	10,727,631	11,542,756	129,693,673	125,150,448	(4,543,226)	-4%	55.44	54.74	(0.70)
Outpatient	4,761,374	5,012,693	54,160,072	61,259,896	7,099,824	12%	23.15	26.79	3.64
Laboratory and Radiology	679,434	817,281	7,716,452	4,423,242	(3,293,210)	-74%	3.30	1.93	(1.36)
Directed Payments - Provider	2,274,229	2,301,402	24,405,648	-	(24,405,648)	0%	10.43	-	(10.43)
Emergency Room	2,107,148	2,193,910	21,460,754	30,468,905	9,008,151	30%	9.17	13.33	4.15
Physician Specialty	5,705,757	5,890,805	60,046,177	61,039,785	993,608	2%	25.67	26.70	1.03
Primary Care Physician	1,459,522	1,580,452	16,369,413	14,507,013	(1,862,400)	-13%	7.00	6.34	(0.65)
Home & Community Based Services	1,753,625	2,383,763	21,842,210	18,485,058	(3,357,152)	-18%	9.34	8.08	(1.25)
Applied Behavioral Analysis/Mental Health Service	2,357,972	2,534,213	27,575,660	23,449,746	(4,125,914)	-18%	11.79	10.26	(1.53)
Pharmacy	13,498,214	13,261,958	145,461,733	80,950,467	(64,511,266)	-80%	62.18	35.41	(26.77)
Provider Reserve	69,848	70,345	1,089,507	1,058,750	(30,757)	-3%	0.47	0.46	(0.00)
Other Medical Professional	305,678	274,570	3,361,985	4,222,995	861,010	20%	1.44	1.85	0.41
Other Medical Care	26,109	5,070	108,046	-	(108,046)	0%	0.05	-	(0.05)
Other Fee For Service	1,236,861	611,779	8,908,930	7,693,485	(1,215,445)	-16%	3.81	3.36	(0.44)
Transportation	276,464	112,238	3,178,620	1,856,672	(1,321,948)	-71%	1.36	0.81	(0.55)
Total Claims	62,750,805	63,412,122	681,562,062	596,852,994	(84,709,069)	-14%	291.32	261.04	(30.28)
Medical & Care Management Expense	1,304,370	1,309,620	14,038,078	13,289,497	(748,581)	-6%	6.00	5.81	(0.19)
Reinsurance	119,724	352,708	2,928,737	2,640,794	(287,943)	-11%	1.25	1.16	(0.10)
Claims Recoveries	(1,057,622)	(1,000,427)	(5,490,041)	-	5,490,041	0%	(2.35)	-	2.35
Sub-total	366,472	661,901	11,476,774	15,930,291	4,453,517	28%	4.91	6.97	2.06
Total Cost of Health Care	**70,656,935**	**71,397,888**	**772,624,873**	**692,032,153**	**(80,592,719)**	**-12%**	**330.25**	**302.67**	**(27.57)**
Contribution Margin	**9,215,479**	**8,523,328**	**64,214,391**	**37,535,434**	**26,678,957**	**71%**	**27.45**	**16.42**	**11.03**
General & Administrative Expenses:									
Salaries, Wages & Employee Benefits	2,120,798	2,083,370	22,773,233	24,162,151	1,388,918	6%	9.73	10.57	0.83
Training, Conference & Travel	1,649	2,066	17,582	161,426	143,844	89%	0.01	0.07	0.06
Outside Services	2,313,510	2,069,985	23,085,501	22,679,317	(406,183)	-2%	9.87	9.92	0.05
Professional Services	388,741	356,978	4,316,483	3,128,266	(1,188,217)	-38%	1.85	1.37	(0.48)
Occupancy, Supplies, Insurance & Others	621,284	600,479	6,465,345	8,608,309	2,142,964	25%	2.76	3.77	1.00
Care Management Reclass to Medical	(1,304,370)	(1,309,620)	(14,038,079)	(13,289,497)	748,582	-6%	(6.00)	(5.81)	0.19
G&A Expenses	4,141,612	3,803,258	42,620,064	45,449,972	2,829,908	6%	18.22	19.88	1.66
Project Portfolio	375,893	201,514	2,623,482	5,148,722	2,525,240	49%	1.12	2.25	1.13
Total G&A Expenses	**4,517,505**	**4,004,772**	**45,243,546**	**50,598,694**	**5,355,148**	**11%**	**19.34**	**22.13**	**2.79**
Total Operating Gain / (Loss)	**4,697,974**	**4,518,556**	**18,970,845**	**(13,063,260)**	**32,034,105**	**-245%**	**8.11**	**(5.71)**	**13.82**
Non Operating									
Revenues - Interest	44,742	(21,119)	430,550	825,000	(394,450)	-48%	0.18	0.36	(0.18)
Gain/(Loss) on Sale of Asset	-	-	1,086	-	1,086	0%	0.00	-	0.00
Total Non-Operating	**44,742**	**(21,119)**	**431,636**	**825,000**	**(393,364)**	**-48%**	**0.18**	**0.36**	**(0.18)**
Total Increase / (Decrease) in Unrestricted Net Assets	**$ 4,742,716**	**$ 4,497,438**	**$ 19,402,481**	**$ (12,238,260)**	**$ 31,640,741**	**-259%**	**$ 8.29**	**$ (5.35)**	**$ 13.64**

Return to Agenda

STATEMENT OF CASH FLOWS	April 2021	May 2021	FYTD 20-21
Cash Flows Provided By Operating Activities			
Net Income (Loss)	$ 4,742,716	$ 4,497,438	$ 19,402,482
Adjustments to reconciled net income to net cash provided by operating activities			
Depreciation on fixed assets	44,384	44,418	461,854
Disposal of fixed assets	-	-	9,684
Amortization of discounts and premium	-	-	-
Changes in Operating Assets and Liabilites			
Accounts Receivable	(2,068,774)	(3,061,440)	2,968,095
Prepaid Expenses	141,570	259,759	400,400
Accrued Expense and Accounts Payable	(2,790,098)	597,274	2,100,936
Claims Payable	(12,815,959)	25,688,846	27,546,929
MCO Tax liablity	(12,939,480)	6,469,740	(21,565,800)
IBNR	764,291	9,993,400	37,520,497
Net Cash Provided by (Used in) Operating Activities	(24,921,350)	44,489,434	68,845,077
Cash Flow Provided By Investing Activities			
Proceeds from Restricted Cash & Other Assets			
Proceeds from Investments	(21,049)	(1)	(454,053)
Purchase of Property and Equipment	(43,568)	(3,987)	(104,100)
Net Cash (Used In) Provided by Investing Activities	(64,617)	(3,987)	(558,153)
Increase/(Decrease) in Cash and Cash Equivalents	(24,985,967)	44,485,447	68,286,924
Cash and Cash Equivalents, Beginning of Period	138,373,872	113,387,905	89,586,429
Cash and Cash Equivalents, End of Period	113,387,905	157,873,352	157,873,352

Gold Coast Health Plan℠
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April and May 2021 Financial Statements

June 28, 2021

Kashina Bishop
Chief Financial Officer

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Accountability
Collaboration
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Respect

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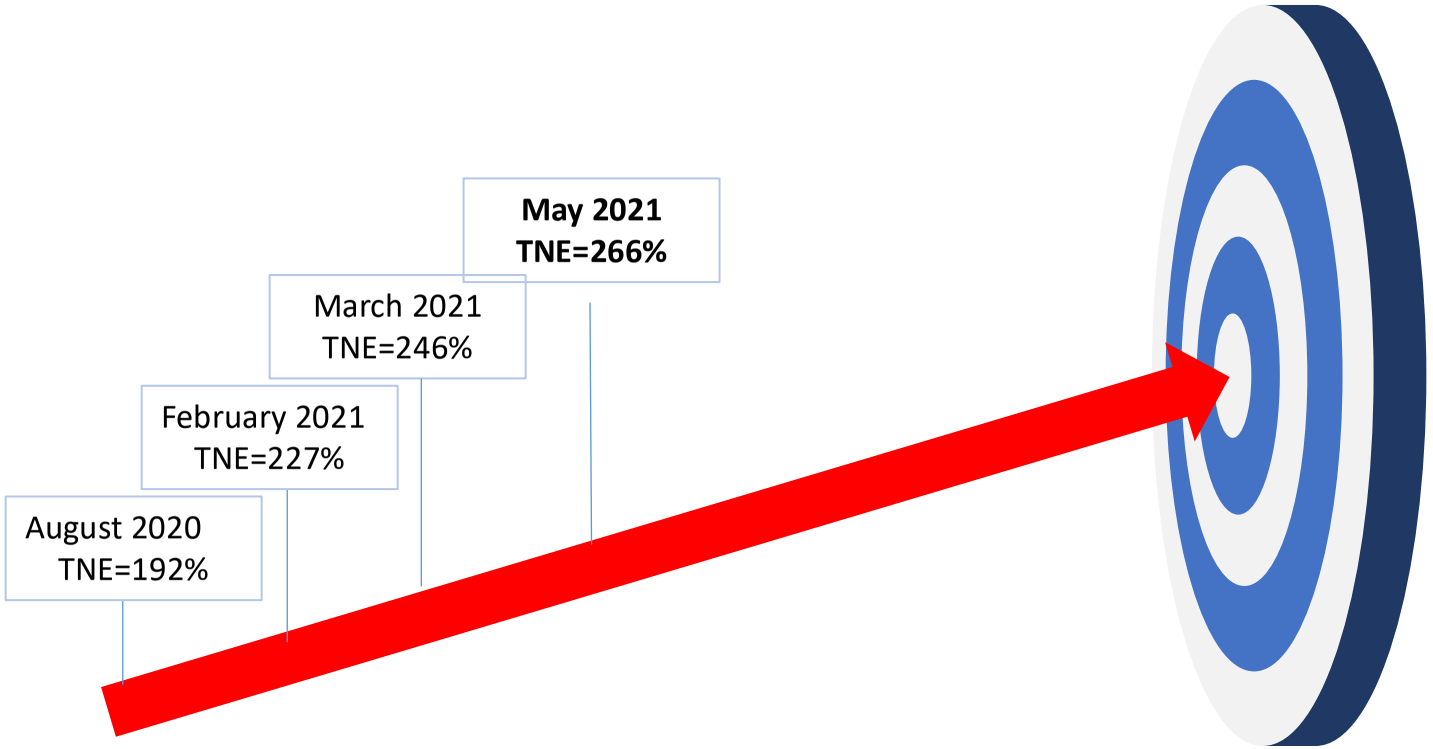
Financial Overview:

APRIL NET GAIN	$ 4.7 M
MAY NET GAIN	$ 4.5 M
FYTD NET GAIN	$19.4 M
TNE is $96.7 M and 226% of the minimum required	
MEDICAL LOSS RATIO	92.3%
ADMINISTRATIVE RATIO	5.4%

return to agenda
81 of 136 pages

Solvency Action Plan

Target: TNE % = 400-500% of Required



Return to Agenda

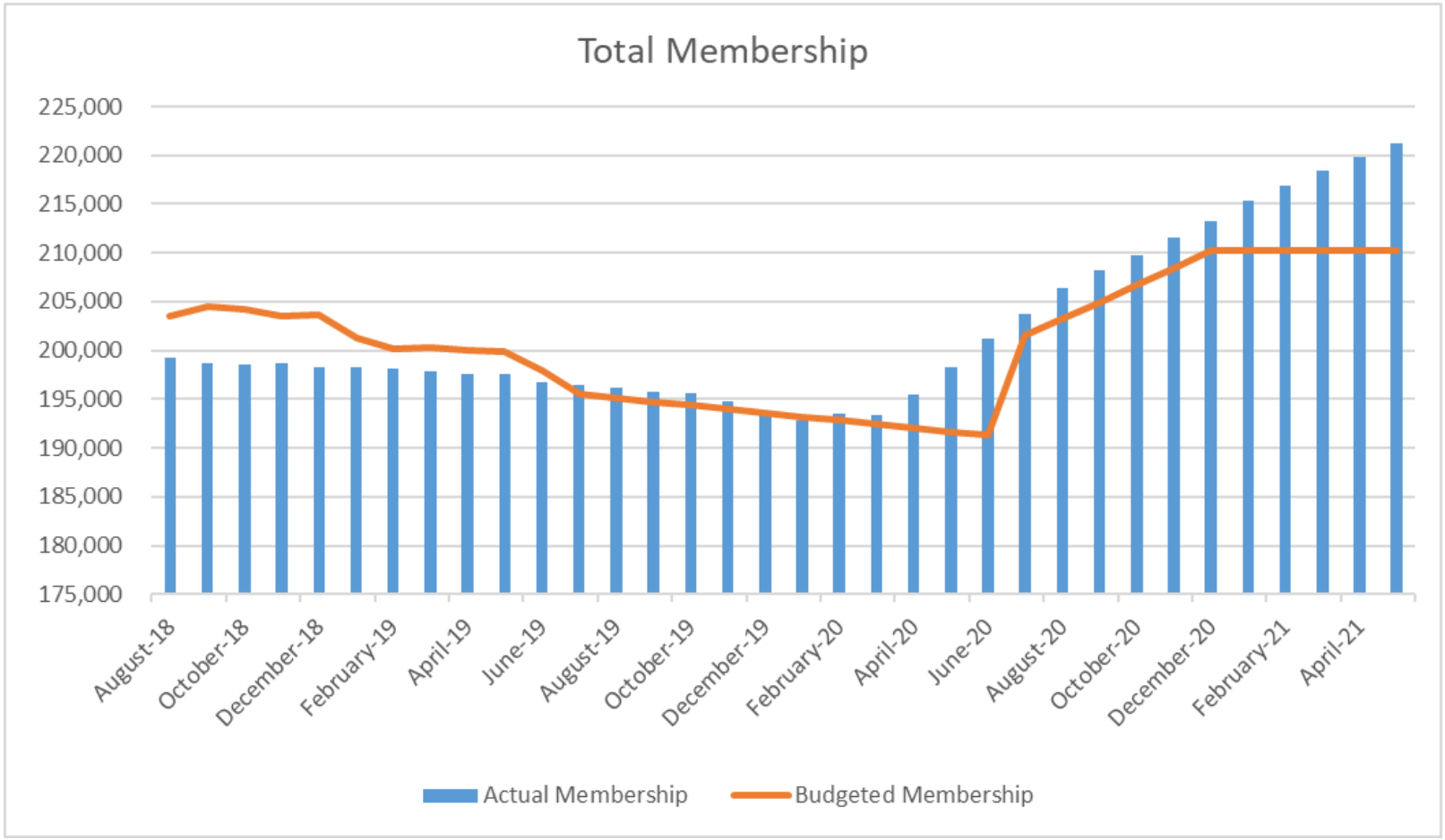
Revenue

Net Premium revenue is $836.8 million, over budget by $107.3 million and 15%.

- Revenue for Proposition 56 is $25.3 million.
- Revenue for the pharmacy add on is $68.9 million.
- Increase in revenue related to FY 19-20.
- Favorable CY 2021 rates.

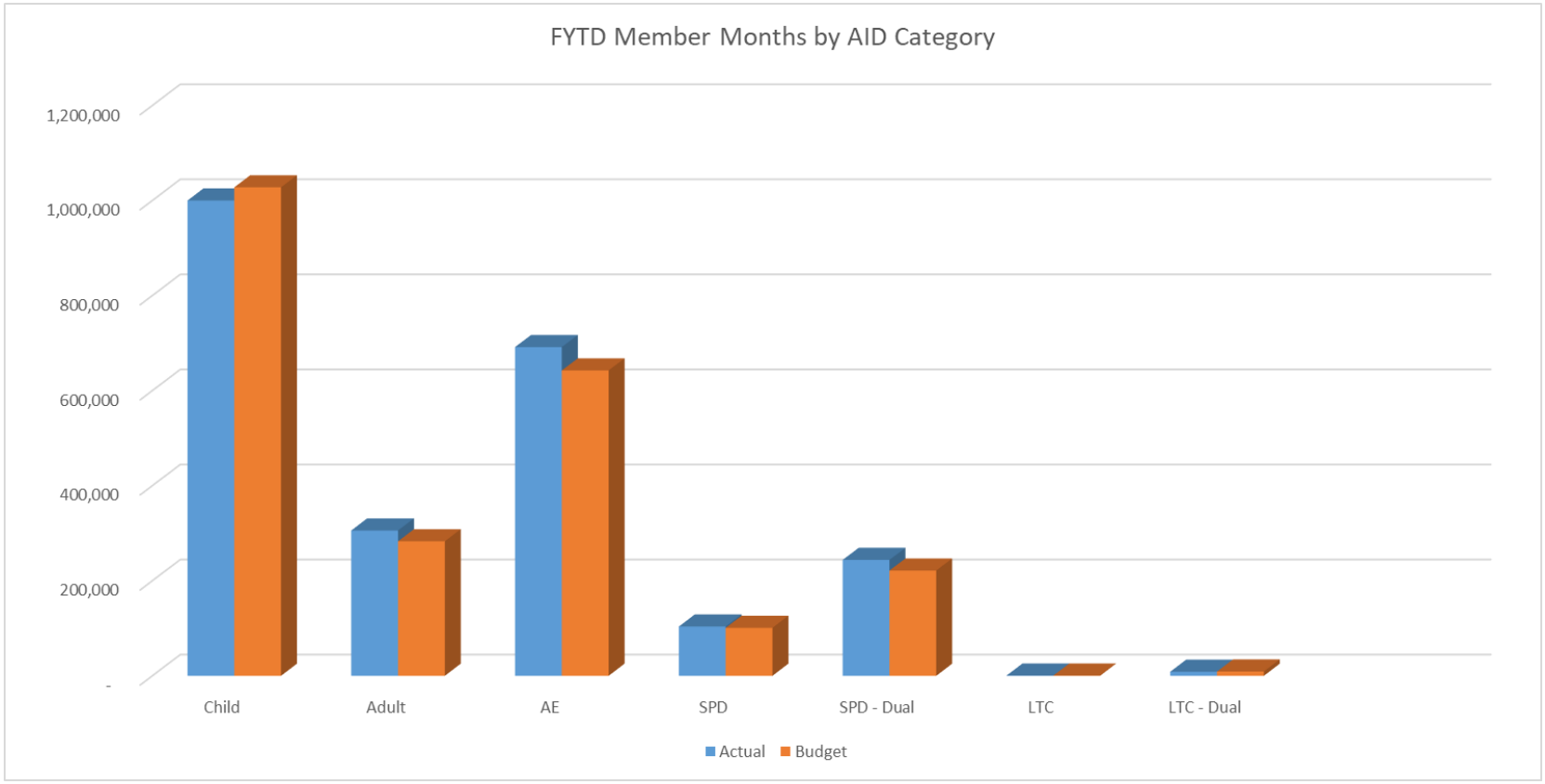
Return to Agenda

Membership trends



Return to Agenda

Membership trends



Return to Agenda

Medical Expense

FYTD Health care costs are $772.6 million and $80.6 million over budget. Medical loss ratio is 92.3%, a 2.6% budget variance.

- Directed payments over budget by $24.4 M.
- Pharmacy expense over budget by $64.5 M.
- COVID related increases to lab and radiology, home and community-based services, long term care, and mental and behavioral health services are offsetting savings. Medical expense in line with budget in aggregate.

Return to Agenda

Incurred But Not Paid (IBNP) Medical Expense Reserve

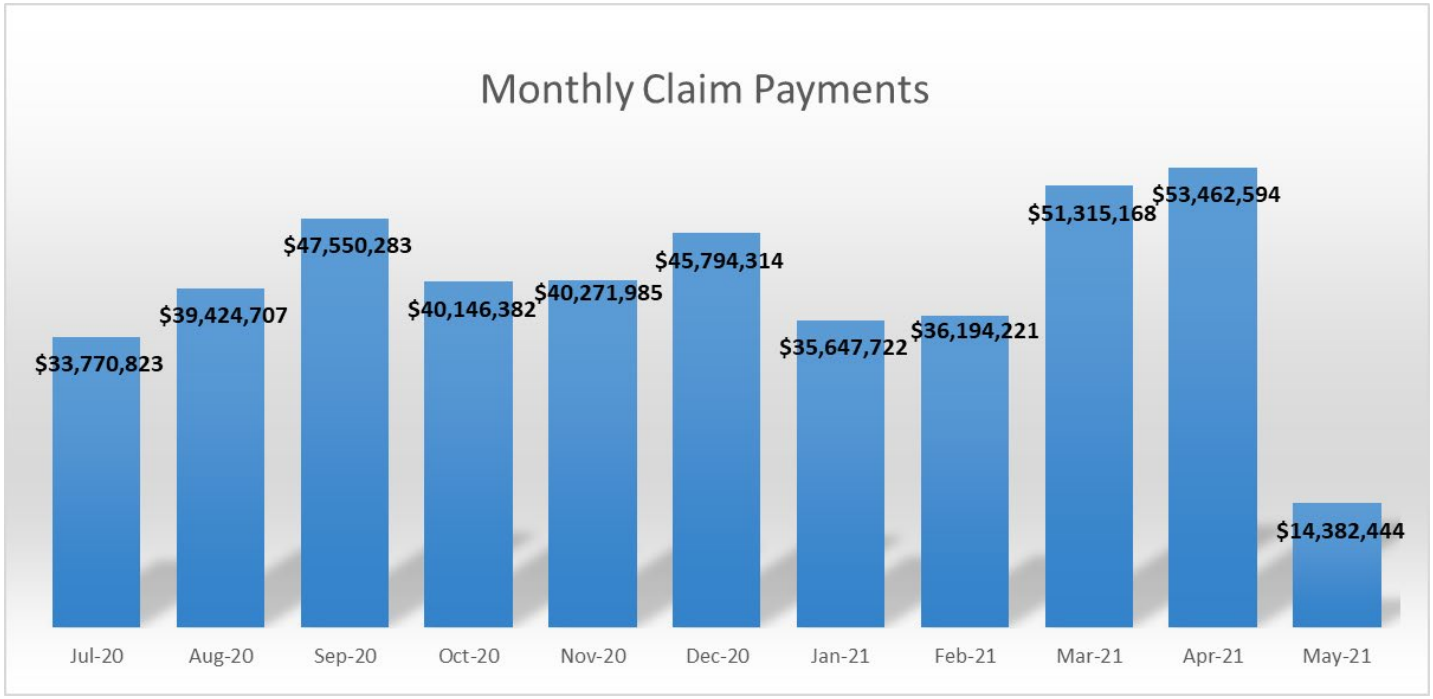
Medical expenses are calculated through a predictive model which examines the timing of claims receipt and claims payments. It is referred to as "Incurred but Not Paid" (IBNP) and is a liability on the balance sheet. On the balance sheet, this calculation is a combination of the Incurred but Not Reported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

Return to Agenda

Incurred But Not Paid (IBNP) Medical Expense Reserve – post system conversion

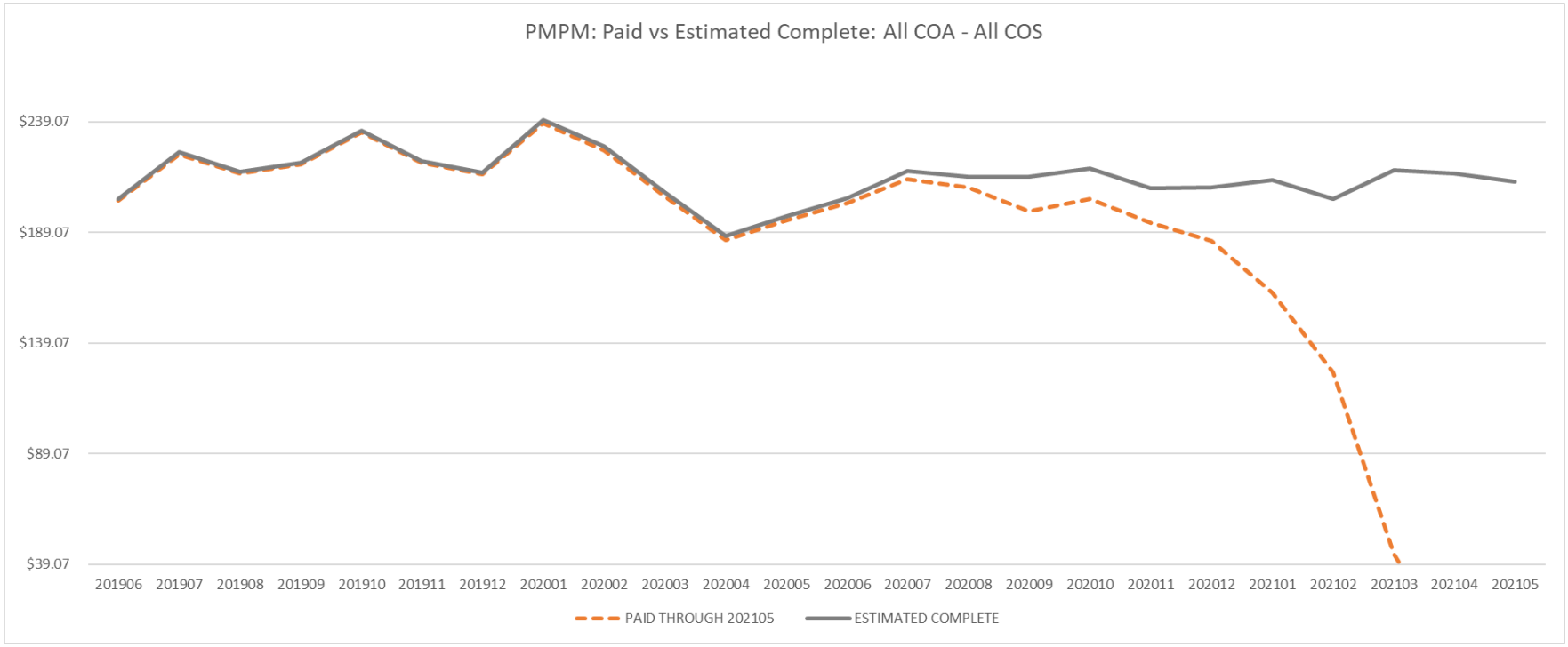
Accurately calculating the reserve becomes more challenging:

1. Historical lag between when a service is performed and when the claims is paid is disrupted
2. Do not have an accurate data file



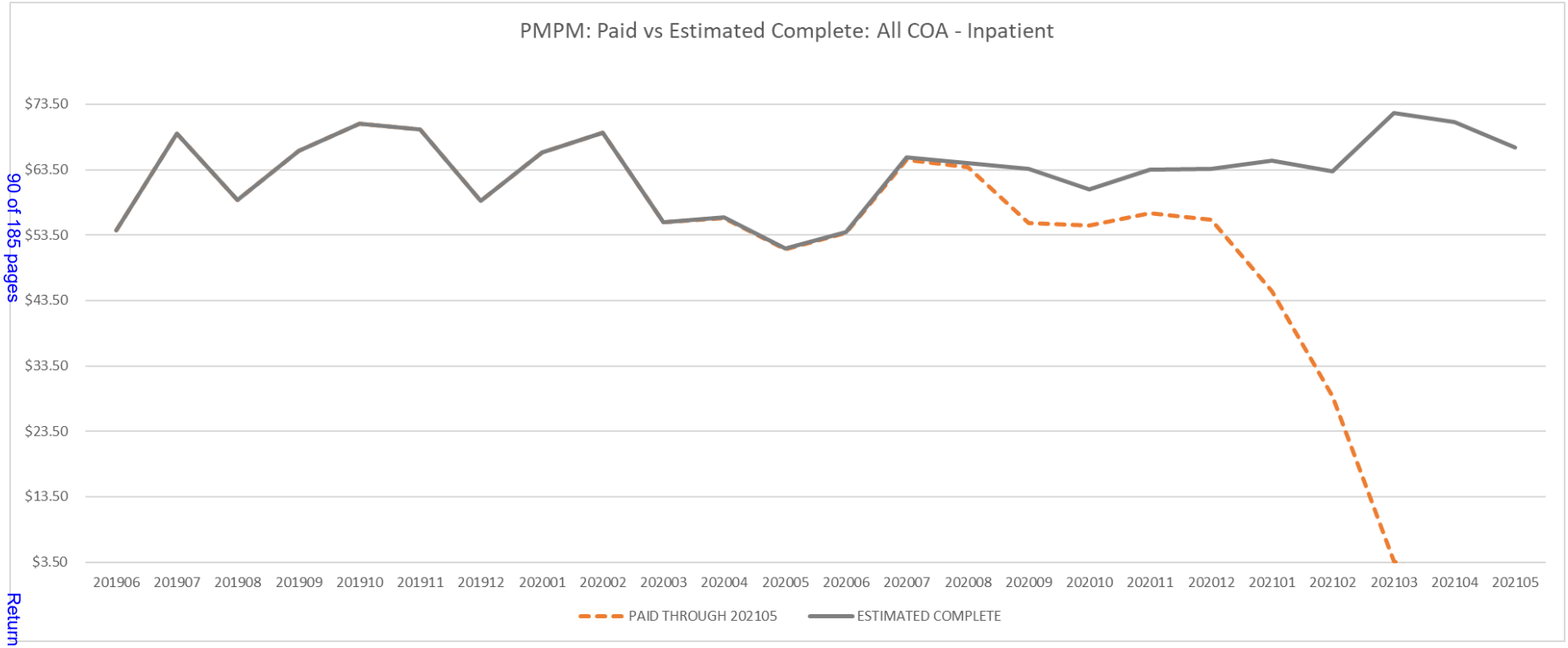
Return to Agenda

Incurred But Not Paid (IBNP) Medical Expense Reserve



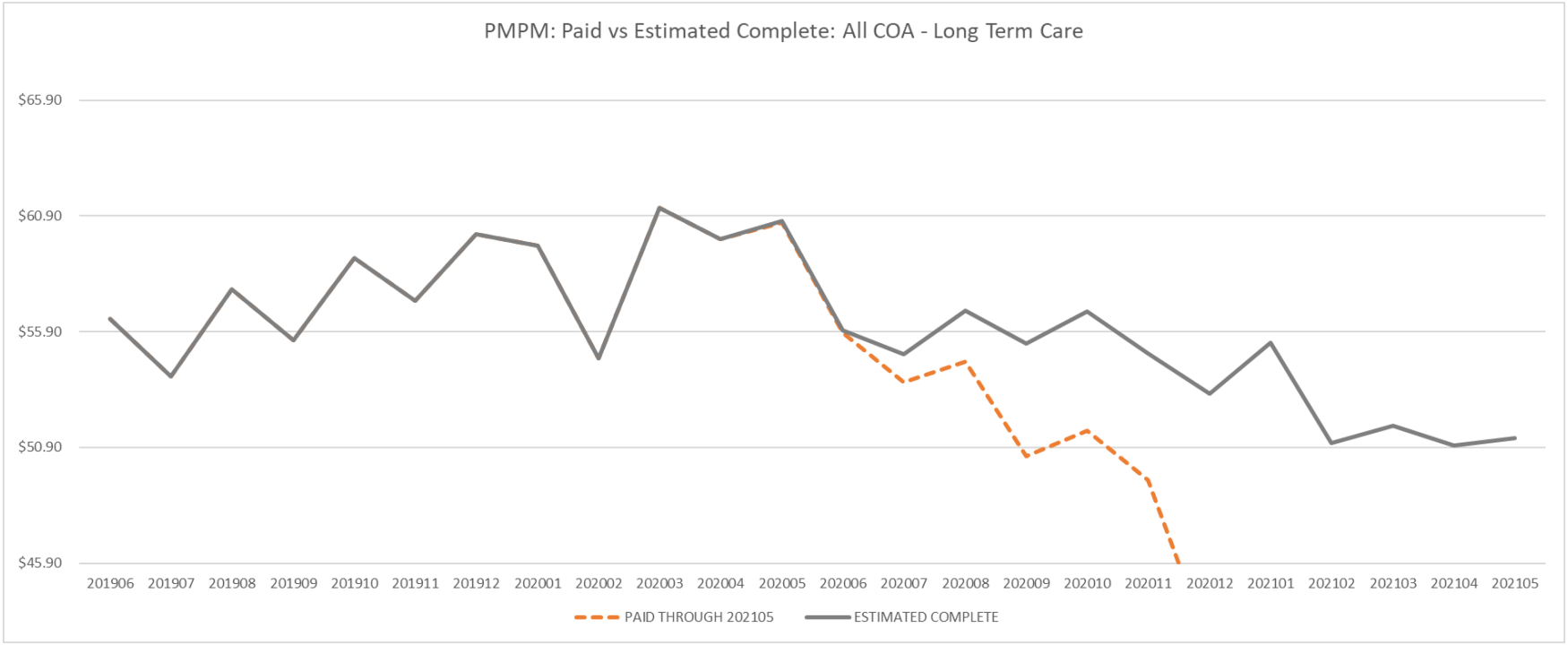
Return to Agenda

Inpatient Medical Expenses: Under Budget by $6.1 Million (4%)



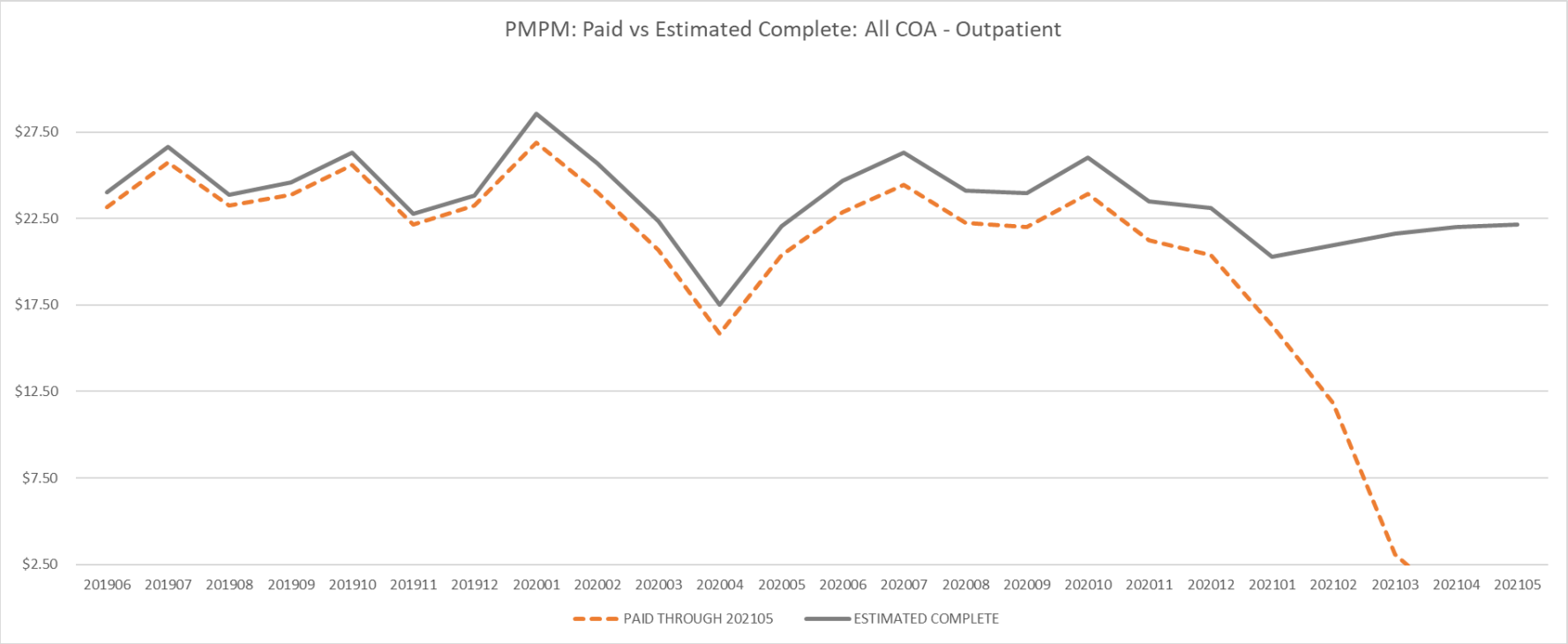
Return to Agenda

Long Term Care Expenses: Over budget by $4.5 million (4%)



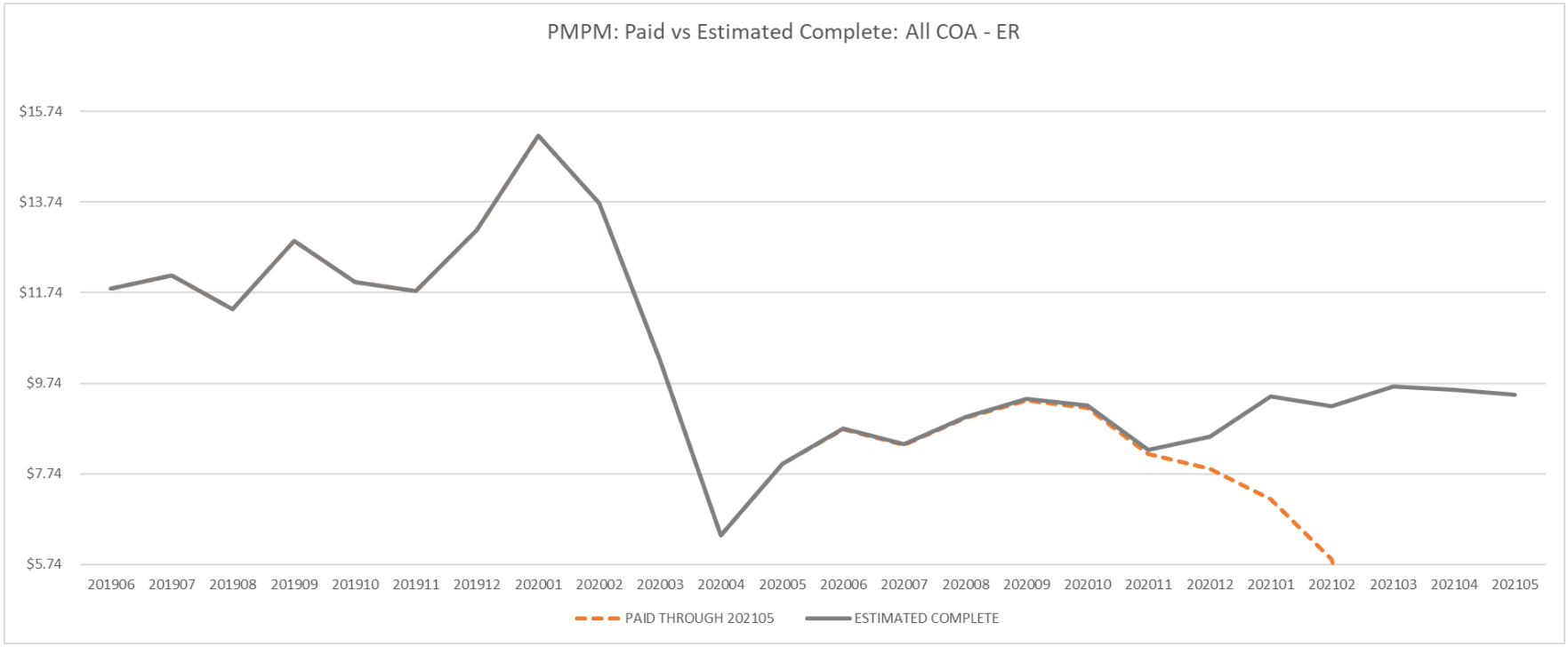
Return to Agenda

Outpatient Expenses: Under budget by $7.1 million (12%)



Return to Agenda

Emergency Room Expenses: Under budget by $9.0 million (30%)



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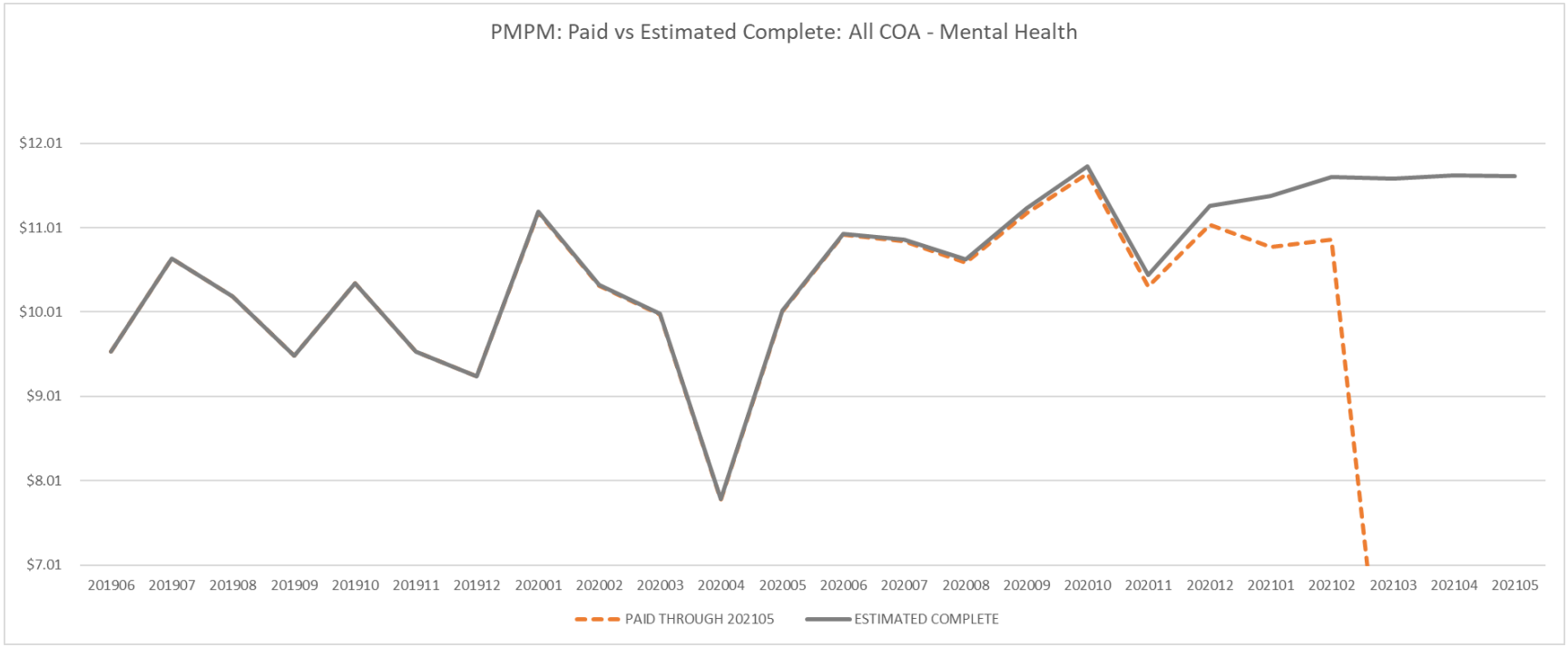
Mental and Behavioral Health: Over budget by $4.1 million (18%)



Return to Agenda

Financial Statement Summary

	April 2021	May 2021	FYTD	FYTD Budget	Budget Variance
Net Capitation Revenue	$ 79,872,414	$ 79,921,216	$ 836,839,263	$ 729,567,587	$ 107,271,676
Health Care Costs	70,656,935	71,397,888	772,624,873	692,032,153	80,592,719
Medical Loss Ratio			**92.3%**	**94.9%**	
Administrative Expenses	4,517,505	4,004,772	45,243,546	50,598,694	(5,355,148)
Administrative Ratio			**5.4%**	**7.3%**	
Non-Operating Revenue/(Expense)	44,742	(21,119)	431,636	825,000	(393,363)
Total Increase/(Decrease) in Net Assets	$ 4,742,717	$ 4,497,439	$ 19,402,482	$ (12,238,260)	$ 31,640,742
Cash and Investments	$ 201,367,629				
GCHP TNE	$ 96,725,751				
Required TNE	$ 36,319,606				
% of Required	**266%**				

Return to Agenda

Questions?

Staff requests the Commission approve the unaudited financial statements for April and May 2021.

Return to Agenda

AGENDA ITEM NO. 9

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Kashina Bishop, Chief Financial Officer

DATE: June 28, 2021

SUBJECT: FY 2021-22 Operating and Capital Budgets

SUMMARY:

Staff is presenting the Fiscal Year (FY) 2021-22 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 2021-22 Operating and Capital Budgets, and the corresponding contract renewals outlined in the appendix of the budget.

ATTACHMENTS:

FY 2021-22 Operating and Capital Budgets

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Gold Coast Health Plan

FY 2021-2022
Operating and Capital Budgets

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Budget Highlights

FYTD NET GAIN

$ 16.6 M

TNE is $114.5M & 314% of min. required at 6/30/22

MEDICAL LOSS RATIO

91.7%

ADMINISTRATIVE RATIO

6.5%

Return to Agenda

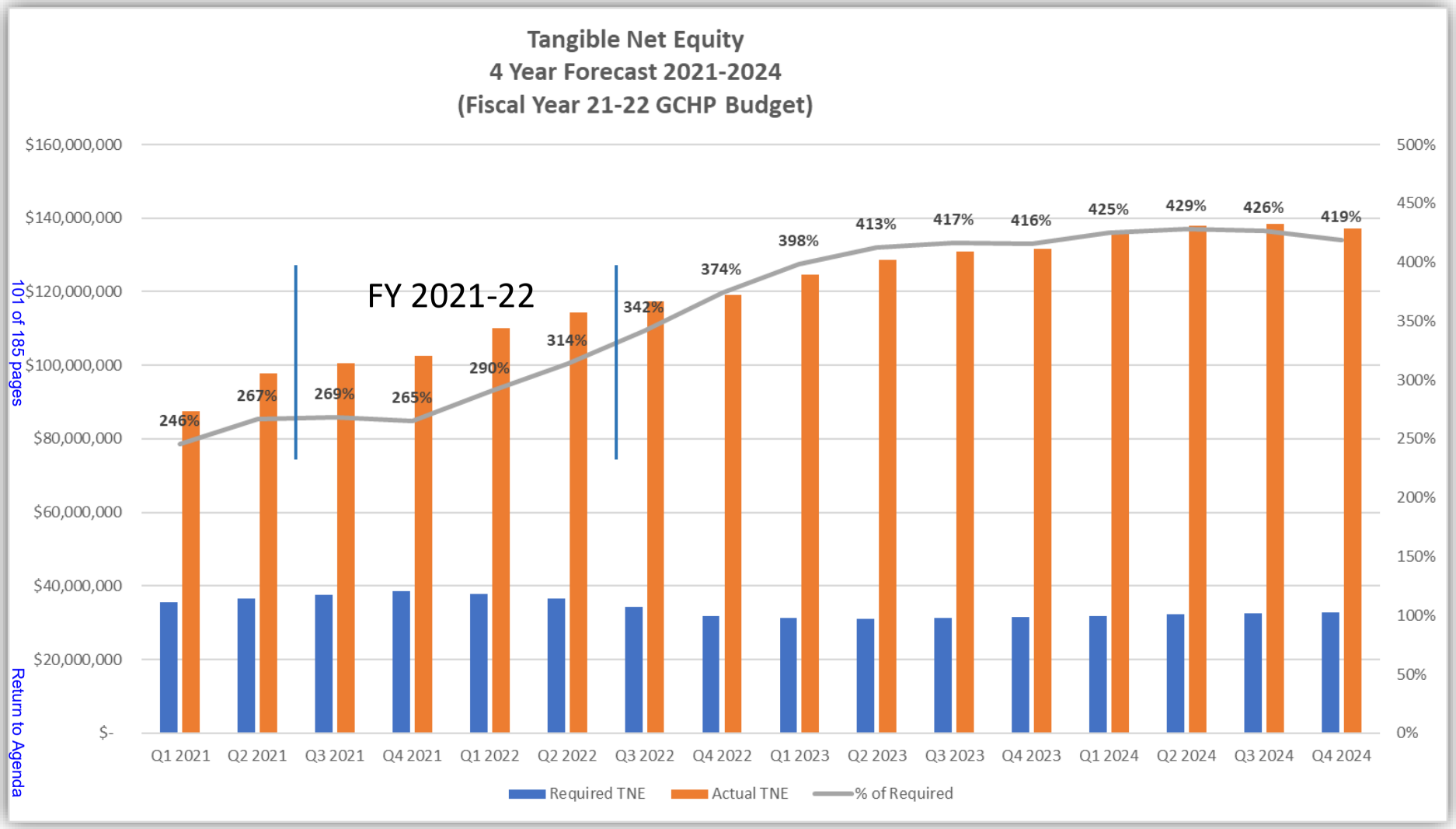
FY 2021-22 Operating Budget

GOLD COAST HEALTH PLAN FY 2021-22 OPERATING BUDGET	Jul 1- Dec 31 2021	Jan 1- Jun 30 2022*	TOTAL
Program Revenue	$ 567,622,662	$ 472,074,012	$ 1,039,696,673
MCO Tax Expense	$ (43,131,600)	$ (43,131,600)	$ (86,263,200)
Net Revenue	$ 524,491,062	$ 428,942,412	$ 953,433,473
Medical Expenses	$ 486,370,870	$ 388,367,621	$ 874,738,491
MLR	92.7%	90.5%	91.7%
Gross Margin	$ 38,120,191	$ 40,574,791	$ 78,694,982
General & Administrative Expenses	$ 29,194,175	$ 26,895,911	$ 56,090,086
Project Portfolio	$ 4,254,146	$ 2,077,496	$ 6,331,642
Admin %	6.4%	6.8%	6.5%
Interest Income	$ 180,000	$ 180,000	$ 360,000
Net Gain	$ 4,851,870	$ 11,781,385	$ 16,633,255

* Assumes pharmacy carve-out effective 1/1/22.

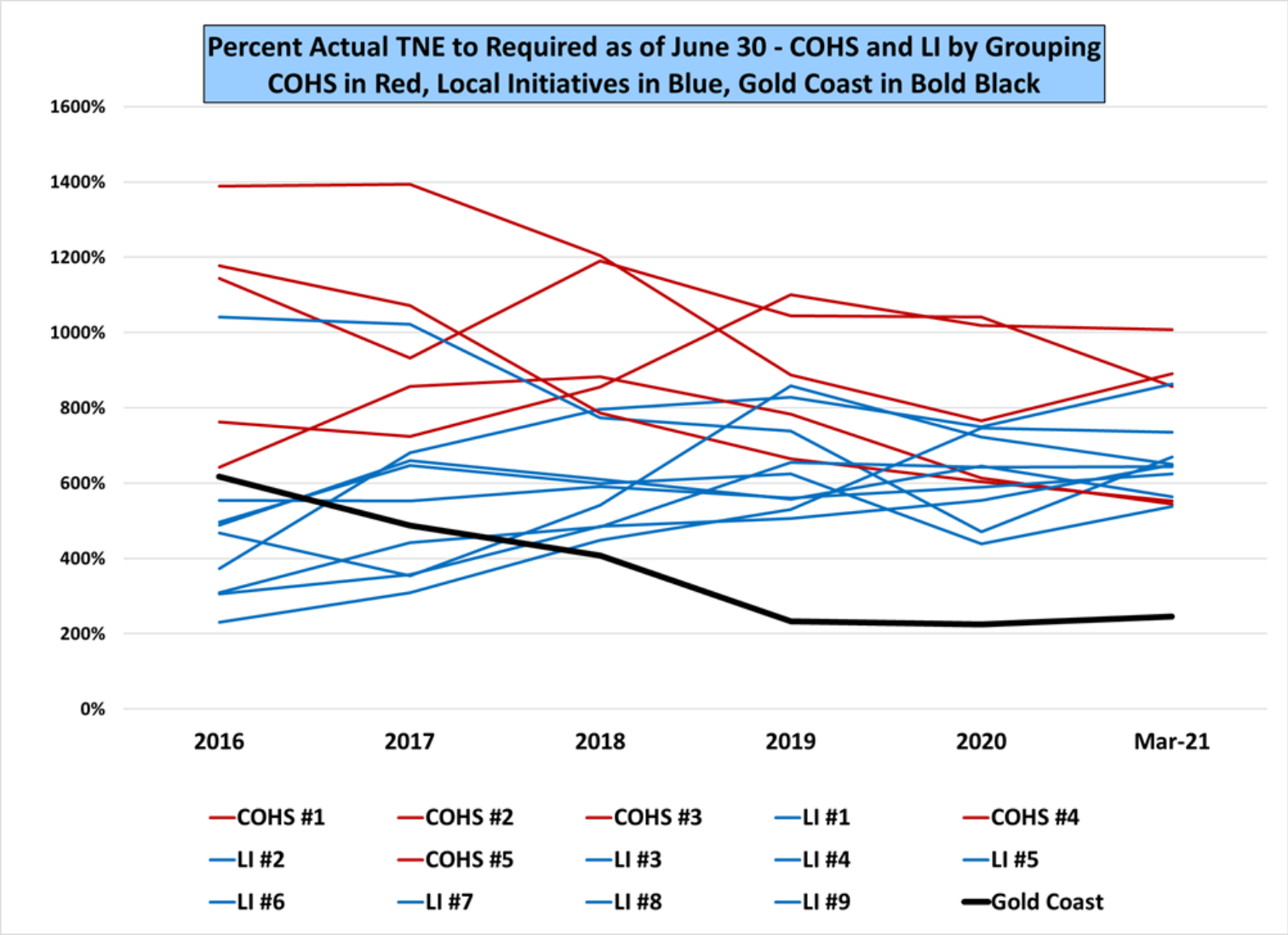
Return to Agenda

Tangible Net Equity (TNE) Forecast



Return to Agenda

Tangible Net Equity (TNE) Comparison



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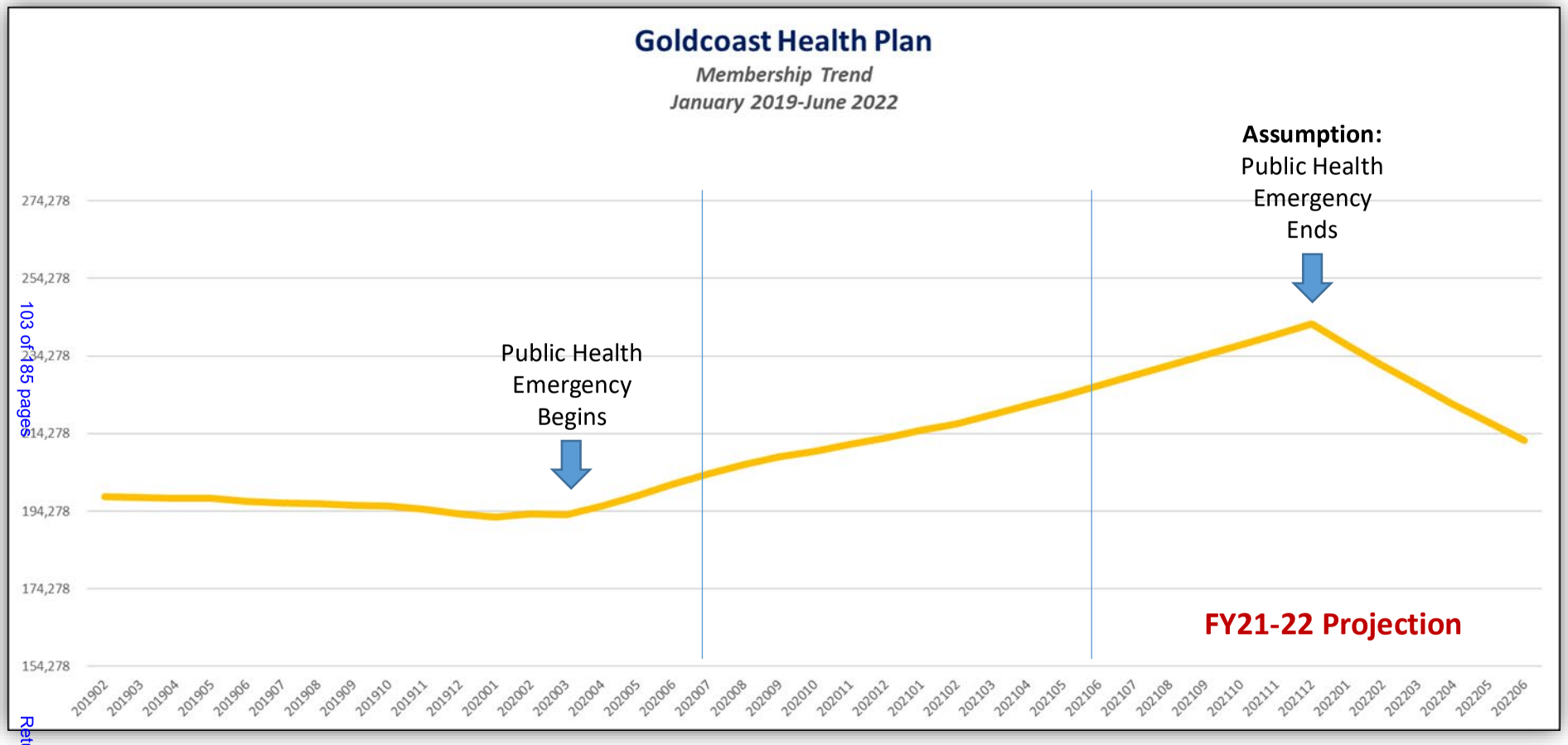
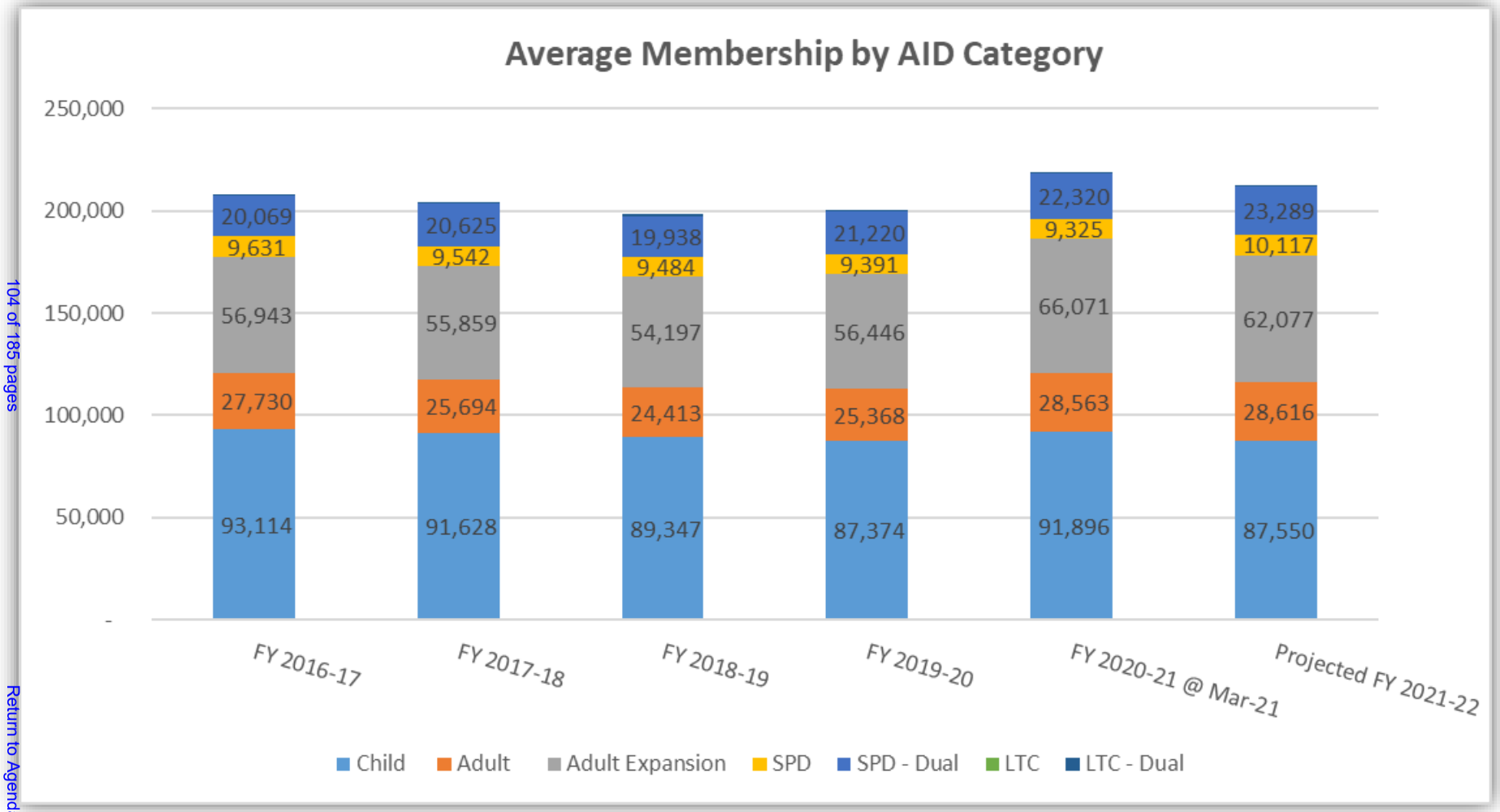
Membership



Return to Agenda

Enrollment: Assumes a membership increase of 7.6% through the end of assumed PHE (12/31/21) and thereafter membership drops down to pre-COVID levels over a 6-month time period (~-16% per month). 6-month ramp down once redeterminations begin again (assumed 1/1/22) to ~212K by fiscal year end.

Membership



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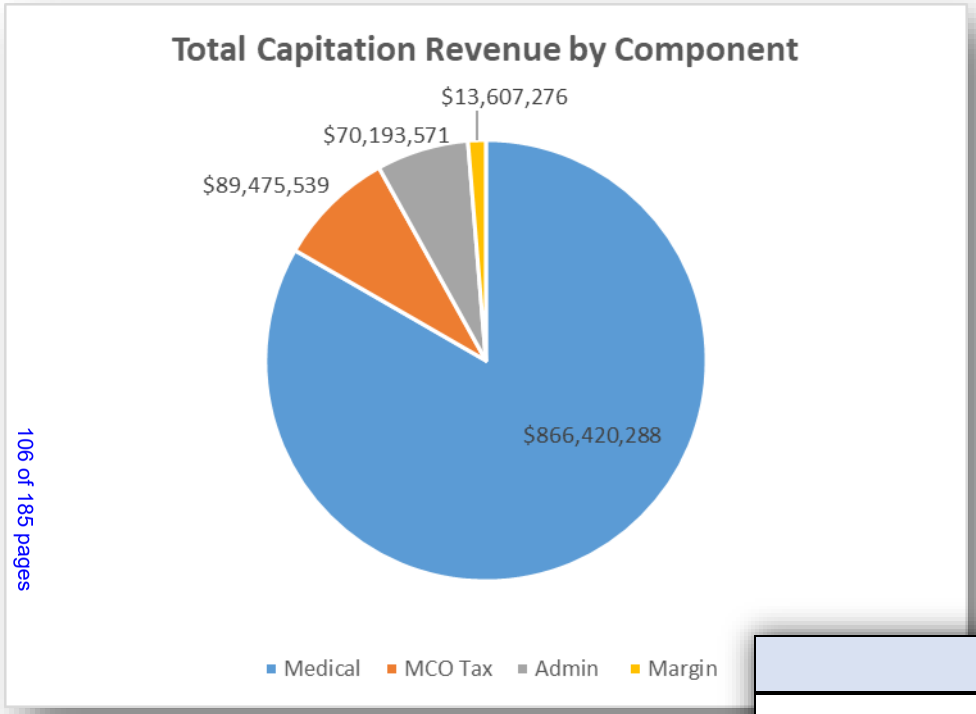
Revenue Assumptions

- Flexible budget
- Enhanced Care Management under CalAIM – draft rates received 5/28/21
- Includes Proposition 56 directed payments, GEMT and MCO Tax Premium
- Pharmacy carve out effective January 1, 2022
- CY 2022 revenue based on CY 2019 RDT

Return to Agenda

Revenue



FY21-22 Projections			
Base Capitation	$	879,670,559	**84.6%**
ECM Revenue (CalAIM)	$	1,741,851	**0.2%**
Hep C Supplemental	$	2,341,784	**0.2%**
BHT Supplemental	$	16,858,080	**1.6%**
Maternity Supplemental	$	20,818,197	**2.0%**
Prop 56 Directed Payments	$	28,790,663	**2.8%**
MCO Premium Tax	$	89,475,539	**8.6%**
	$	**1,039,696,673**	

Return to Agenda

Medical Expense Assumptions

- Flexible budget
- Based on CY 2019 PMPM expenses and trended forward
- Trend factors consistent with RDT (2-4%)
- Assumed some decrease to utilization through PHE
- 3.9% increase to LTC costs
- Removal of 10% increase to LTC at end of PHE
- 5.8% increase to Pharmacy costs
- Included Directed Payments under Proposition 56 and GEMT
- Pharmacy carve out effective January 1, 2022

Return to Agenda

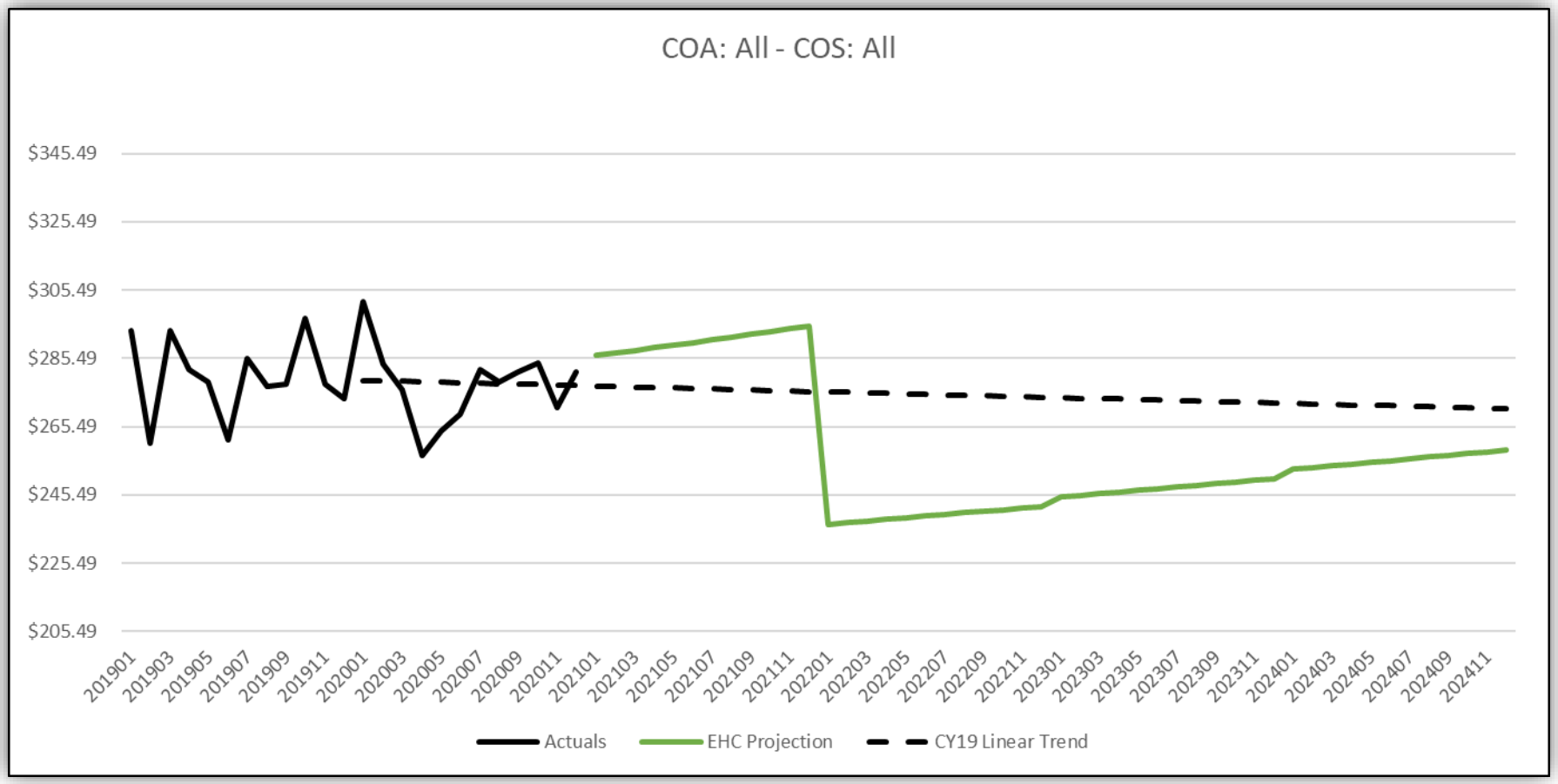
Medical Expense Budget

Return to Agenda

FY 2021-22 MEDICAL EXPENSE BUDGET

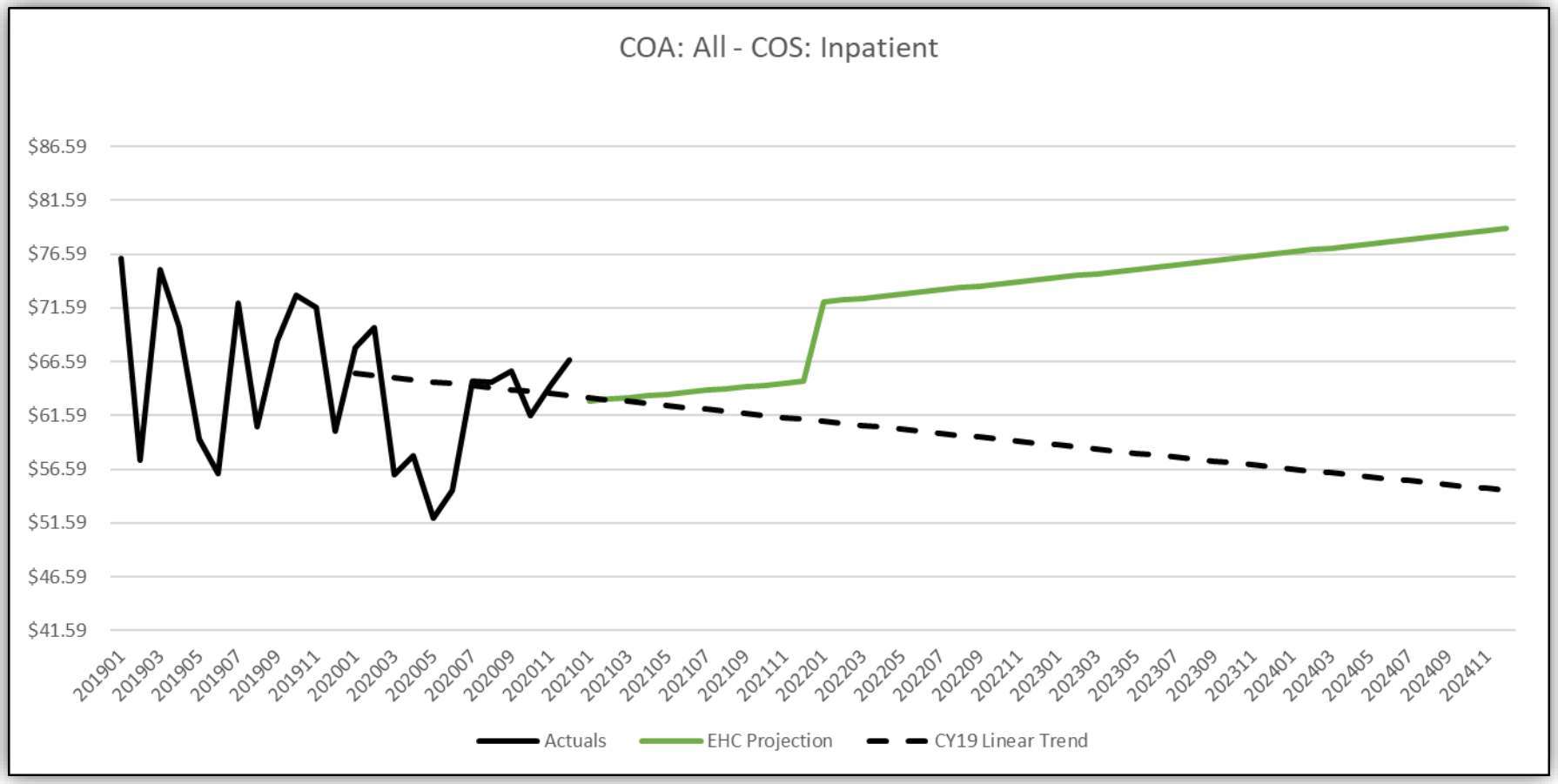
	FY 2020-21 as of March 2021 PMPM	Projected Jul - Dec 2021 PMPM	Projected Jan - Jun 2022 PMPM	FY 2021-22 PMPM	% Change	Projected Dollars
Capitation - PCP Expense	$ 34.17	$ 36.57	$ 34.03	$ 35.33	3%	$ 99,203,619
Fee For Service						
Inpatient FFS Expense	$ 66.45	$ 66.35	$ 73.87	$ 70.02	5%	$193,309,969
Outpatient FFS Expense	23.44	26.24	29.46	27.81	19%	76,779,169
LTC/SNF Expense	56.72	55.41	54.08	54.76	-3%	151,185,196
ER Facility Services FFS	9.06	13.45	14.29	13.86	53%	38,273,865
Physician Specialty Services FFS	25.58	27.11	27.14	27.12	6%	74,878,141
Transportation FFS	1.47	0.81	0.83	0.82	-44%	2,268,988
Primary Care Physician FFS	7.04	7.47	7.48	7.47	6%	20,631,465
Mental and Behaviorial Health	11.98	11.03	11.12	11.07	-8%	30,569,722
Pharmacy Expense FFS	62.67	65.14	-	33.36	-47%	92,104,164
Other Medical Professional	1.47	1.79	1.85	1.82	24%	5,021,692
Home & Community Based Svcs	9.35	9.91	10.44	10.17	9%	28,076,269
Laboratory and Radiology Expense	3.28	2.35	2.06	2.21	-33%	6,094,824
Other Medical Care Expenses	3.77	4.06	4.27	4.16	10%	11,483,512
Directed Payments	10.47	11.01	9.85	10.45	0%	28,844,065
Provider Reserve	0.50	-	-	-	-100%	-
Sub-total	$ 293.25	$ 302.13	$ 246.75	$ 275.12	-6%	$759,521,041
Reinsurance-Net	$ 1.30	$ 1.35	$ 1.35	$ 1.35	4%	$ 3,726,997
Refunds & Recoveries	$ (1.81)	$ (1.56)	$ (0.77)	$ (1.17)	-35%	$ (3,242,210)
Care Management	$ 6.03	$ 5.50	$ 5.76	$ 5.62	-7%	$ 15,529,043
Total Medical Expenses	$ 332.94	$ 344.00	$ 287.12	$ 316.25	-5%	$874,738,491
MLR	**93.1%**	**92.7%**	**90.5%**	**91.7%**	**-1.4%**	

Total FFS Medical Expenses



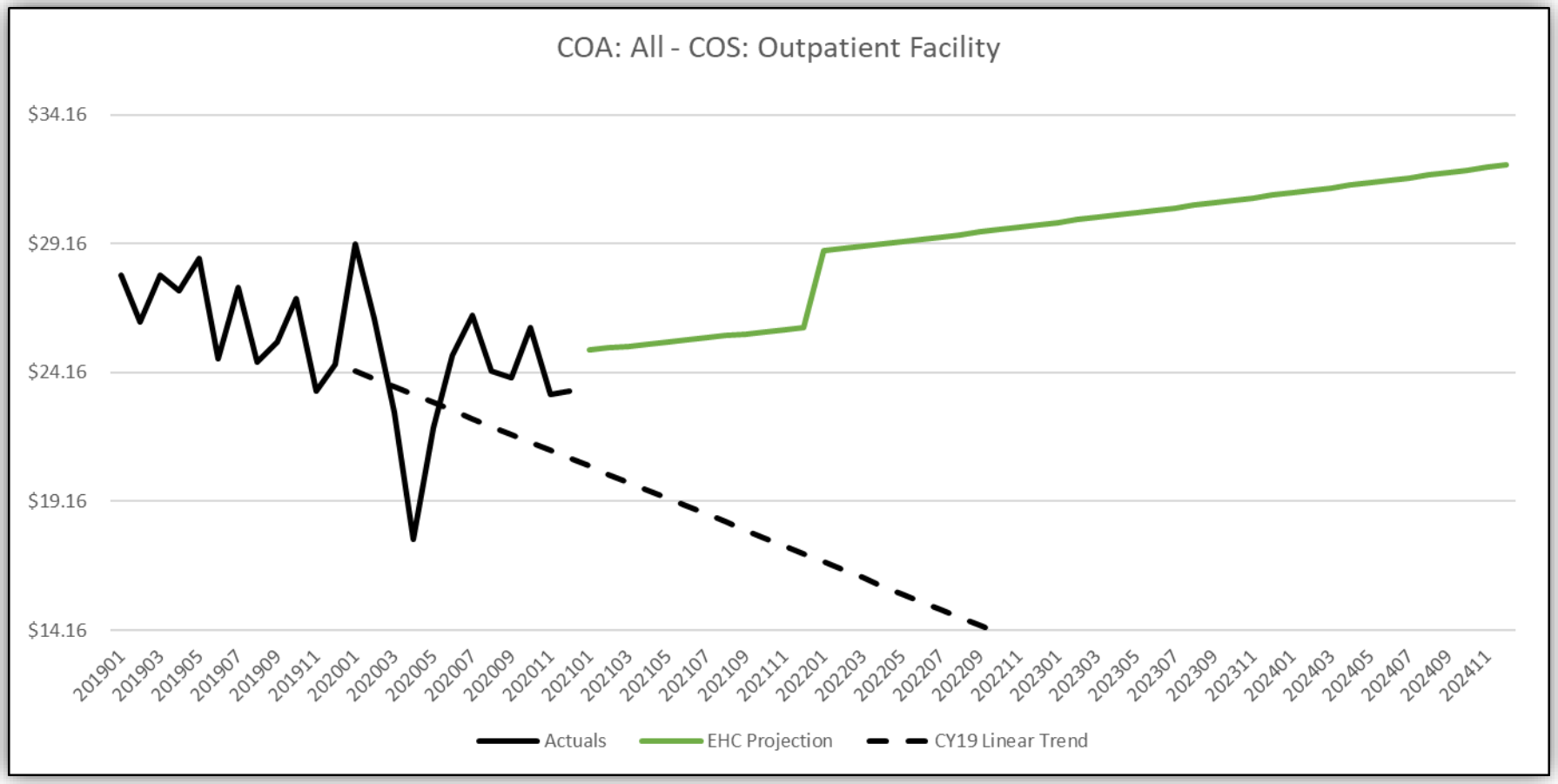
Return to Agenda

Inpatient FFS Medical Expenses



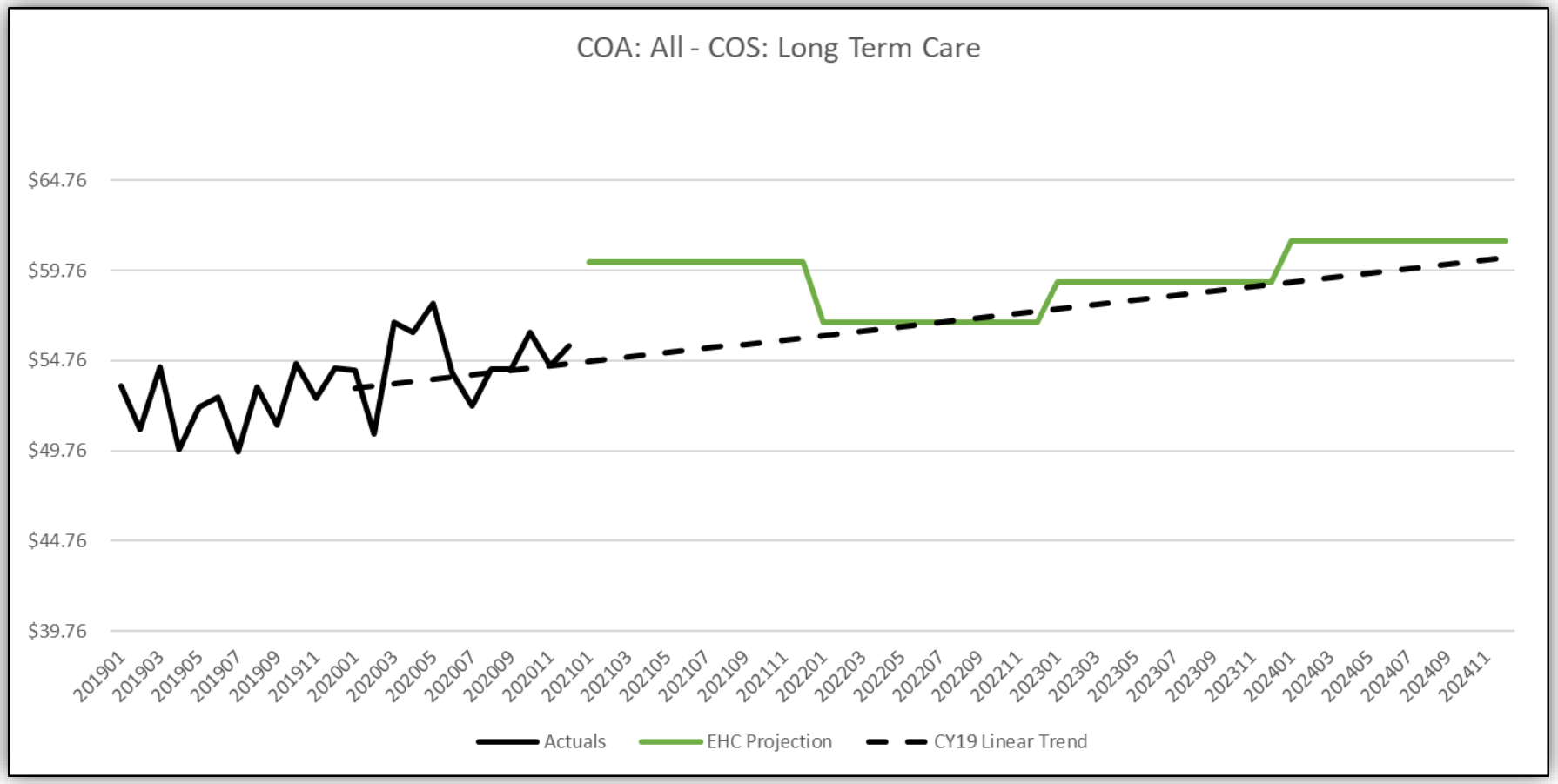
Return to Agenda

Outpatient FFS Medical Expenses



Return to Agenda

Long Term Care FFS Medical Expenses



Return to Agenda

FY 2021-22 Strategic Plan

Return to Agenda

Administrative Expense Assumptions

Return to Agenda

- Fixed Budget
- 6.5% Administrative Cost Ratio (ACR)
- Within amounts allotted for administrative expense in capitation rates
- Assumes 3% merit increase re-instated (effective 8/1/2021) & 6% attrition rate
- Equity Adjustments, as a result of Compensation Analysis, are in the HR business unit as a placeholder
- Assumes Employee Benefit Expense increases (effective 1/1/2022)
- Assumes Insurance rate increases between 20-40% due to “hard market” of ~$250K; assumed mid-range for budget
- Medi-Cal Rx implementation assumed as of 1/1/2022
- In-person travel assumed to start 1/1/2022 (all training prior to this date is virtual)
- PMPM driven expenses are assumed at ~230K members for fiscal year

Administrative Expense Budget

Total Administrative Expenses (*in millions*)

	FY20-21 Actuals*	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FYE 22 vs FYE 21 Budget Δ	
Salaries, Wages & Benefits	$24.8M	$26.4M	$29.1M		$4.3M	17%	$2.7M	10%
Training, Conference & Travel	$0.0M	$0.2M	$0.4M		$.4M	190%	$0.2M	100%
Outside Services	$24.9M	$24.6M	$27.4M		$2.5M	10%	$2.8M	11%
Professional Services	$4.8M	$3.4M	$4.0M		($0.8M)	-17%	$0.6M	19%
Occupancy, Supplies, Insurance & Other	$7.0M	$9.4M	$10.9M		$3.9M	55%	$1.5M	15%
CM Reclass to Medical Exp	($15.2M)	($14.5M)	($15.5M)		($.3M)	2%	($1.0M)	7%
Project Portfolio	$2.7M	$5.5M	$6.3M		$3.6M	133%	$0.8M	15%
TOTAL	**$49.0M**	**$55.0M**	**$62.4M**		**$13.4M**	**27%**	**$7.4M**	**13%**

Major Drivers:

1. Increases to membership ~$ 2.5 M
2. 22 new positions (details on next slide) ~$1.5M
3. Equity Adj, Merit, Promotions, EE Recruit ~$1.2M
4. Project Portfolio ~$.8M
5. Travel Reinstatement ~$.2M
6. Benefits / Business Insurance Increases ~$.5M

** Projected*

Return to Agenda

Administrative Expense Budget

Salaries, Wages & Benefits

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FY21-22 vs FY20-21 Budget Δ	
$ 24,758,754	$ 26,379,708	$29,067,616		$4,308,862	17.4% ⬆	$2,687,908	10.2% ⬆

Major Drivers:

1. 22 new positions (details on next slide) ~$1.5M
2. Reinstate 3% merit increase effective 8/1/21 ~$.7M;
3. Equity increases (resulting from Compensation Analysis ~$250K;
4. Promotions ~$150K
5. Significant increases expected by HR for health, dental and vision insurance effective 1/1/2022

Return to Agenda

Administrative Expense Budget

New Positions

Business	Business Unit Desc	New Position Title	New Position Annual Salary	FY21-22 Budget Impact	Start Date	New Position Reason
116	Solutions Services	EDI Analyst Senior	$ 120,000.00	$ 80,000.00	11/1/2021	Stategic Plan - SAP/Quality
116	Solutions Services	EDI Developer II	$ 120,000.00	$ 80,000.00	11/1/2021	Stategic Plan - SAP/Quality
116	Solutions Services	EDI Manager	$ 140,000.00	$ 116,666.67	9/1/2021	Stategic Plan - SAP/Quality
173	Population Health	Manager, Population Health & Equity	$ 130,000.00	$ 97,500.00	10/1/2021	Stategic Plan - Quality
171	Utilization Management	Clinical Operations Assistant I	$ 47,500.00	$ 31,666.67	11/1/2021	CalAIM
172	Case Management	Care Management Coordinator	$ 52,500.00	$ 35,000.00	11/1/2021	CalAIM
172	Case Management	Care Management Coordinator	$ 52,500.00	$ 35,000.00	11/1/2021	CalAIM
172	Case Management	Case/Care Management, Social Worker	$ 97,500.00	$ 65,000.00	11/1/2021	CalAIM
172	Case Management	Case/Care Management, Social Worker	$ 97,500.00	$ 65,000.00	11/1/2021	CalAIM
172	Case Management	Manager, Care Management	$ 117,117.00	$ 78,078.00	11/1/2021	CalAIM
172	Case Management	RN, Case/Care Management	$ 97,500.00	$ 65,000.00	11/1/2021	CalAIM
172	Case Management	RN, Case/Care Management	$ 97,500.00	$ 65,000.00	11/1/2021	CalAIM
175	Compliance	Regulatory Affairs Analyst	$ 97,500.00	$ 81,250.00	9/1/2021	CalAIM
116	Solutions Services	API Developer	$ 135,000.00	$ 67,500.00	1/1/2022	Strategic - Interoperability
117	PMO	Manager, Enterprise Portfolio PMO	$ 150,000.00	$ 137,500.00	8/1/2021	Strategic Plan
140	Quality	QI Specialist	$ 62,400.00	$ 62,400.00	7/1/2021	Strategic - Quality
145	Government Relations	Community Relations Specialist	$ 65,000.00	$ 10,833.33	5/2/2022	Strategic - Community Partner
160	Claims	Claims Analyst II	$ 59,446.00	$ 59,446.00	7/1/2021	Strategic - Business Partner
171	Utilization Management	RN, Utilization Management	$ 97,500.00	$ 97,500.00	7/1/2021	Regulatory/Compliance
171	Utilization Management	RN, Utilization Management	$ 97,500.00	$ 48,750.00	1/3/2022	Regulatory/Compliance
175	Compliance	Compliance Auditor	$ 97,500.00	$ 81,250.00	9/1/2021	Solvency Action Plan
175	Compliance	Compliance Auditor	$ 97,500.00	$ 81,250.00	9/1/2021	Solvency Action Plan
			$ 2,128,963.00	**$ 1,541,590.67**		

Return to Agenda

Administrative Expense Budget

Position Summary				
Department	May-21 Filled	Budget FY 2020-21	Budget FY 2021-22	Change
Executive	8	8.0	9.0	1.0
Finance	7	7.0	7.0	-
Procurement	3	3.0	3.0	-
Decision Support Services	7	8.0	9.0	1.0
Infrastructure	5	5.0	5.0	-
Solution Services	8	14.0	16.0	2.0
Project Management Organization	1	2.0	4.0	2.0
Information Technology	4	3.0	5.0	2.0
Operations	2	1.0	1.0	-
Grievance and Appeals	5	5.0	7.0	2.0
Operations Support Services	5	6.0	4.0	(2.0)
Member Services	5	5.0	5.0	-
Network Operations	10	12.0	11.0	(1.0)
Quality	9.5	9.5	10.0	0.5
Government Relations	3	4.0	5.0	1.0
Health Education	5	6.0	6.0	-
Pharmacy	2.5	2.5	2.5	-
Communications	2	2.0	2.0	-
Claims	6	5.0	6.0	1.0
Health Services	5	5.0	6.0	1.0
Utilization Management	39.5	42.5	44.5	2.0
Care Management	30	31.0	38.0	7.0
Population Health	2	4.0	4.0	-
Compliance	9	11.0	13.0	2.0
Human Resources	6	6.0	6.0	-
Facilities	3	3.0	3.0	-
Interoperability				-
	192.5	210.5	232.0	21.5
Assumed Filled (6% Vacancy)		**198**	**218**	

Return to Agenda

Administrative Expense Budget

Training, Conference & Travel

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FY21-22 vs FY20-21 Budget Δ	
$18,490	$177,570	$369,699		$351,209	189.9% ↑	$192,129	108.2% ↑

119 of 185 pages

Major Drivers:

1. This category of expense was significantly cut in the FY20-21 budget due to Public Health Emergency and Solvency Action Plan.
2. Current proposed budget reinstates in-person travel as of 1/1/2022 (all training and events prior are virtual)
3. Includes $35K budgeted by Chief Diversity Office for internal and community events (new to budget this year)
4. Proposed budget is ~ 50% of FY19-20 budget

Return to Agenda

Administrative Expense Budget

Outside Services

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FY21-22 vs FY20-21 Budget Δ	
$24,936,008	$24,572,292	$27,362,059		$2,426,051	9.9% ⬆	$2,789,767	11.3% ⬆

Major Drivers:

1. Increase of ~$450K due to budget for Conduent Fulfillment reimbursement (this was missed in FY20-21 budget last year)

2. Increase of ~$2.2 for PMPM based expenses (due to increase in membership over prior year budget)

Return to Agenda

Administrative Expense Budget

Professional Services

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FY21-22 vs FY20-21 Budget Δ	
$4,761,019	$3,401,517	$3,967,500		($793,519)	(16.7%) ↓	$565,983	19.3% ↑

Major Drivers:

1. Increase in HMA consulting budget ~$620K offset by reduction in legal budget of ($350K) for a net increase of ~$270K
2. Increase in Edrington Health Consulting budget due to anticipated new RDT related reporting requests and new quarterly format ~$195K
3. Increase in HR Employee Recruitment budget due to increase in number of positions that will need to be recruited for in FY21-22 ~180K
4. Increase in IT consulting services (SharePoint, API Gateway, HIPAA Audit) ~$107K

Return to Agenda

Administrative Expense Budget

Occupancy, Supplies, Insurance & Other

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FY21-22 vs FY20-21 Budget Δ	
$6,991,442	$9,406,822	$10,852,255		$3,860,813	55.2% ↑	$1,445,433	15.4% ↑

Major Drivers:

1. Increases in Software Licenses (Optum APR-DRG for Ops, Edifecs for Interoperability, Gartner & Pilotfish for IT) ~$700K
2. Increase in business insurance due to “hard market”; our broker is projecting many of the categories of insurance to increase between 20-40% ~$250K
3. Increase in Communications printing/postage due to budget of 2 EOC/Member Handbook mailings in FY21-22 (July 2021 & April 2022)
4. Increase in depreciation expense ~$200K

Return to Agenda

Administrative Expense Budget

Project Portfolio

FY20-21 Actuals	FY20-21 Budget	FY21-22 Budget		FY21-22 vs Actual Δ		FY21-22 vs FY20-21 Budget Δ	
$2,728,099	$5,474,986	$6,331,642		$3,603,543	132.1% ⬆	$856,656	15.6% ⬆

Major Drivers:

1. Provider Portal ~$1.0M
2. Interoperability ~$1.5M
3. Enterprise Data Warehouse ~$640K
4. CalAIM ~$475K
5. HSP ~$160K
6. IT Infrastructure ~$289K
7. Health Services (HEDIS/MCAS EMR integration, Med Therapy Mgmt,HIE) ~$1.0M
8. PCCM ~$530K
9. Staff Augmentation ~$700K

Return to Agenda

Project Portfolio

Gold Coast Health Plan FY 2021-22 Project Portfolio

FY 2020-21 Carry-over Initiatives

Project	Description	Strategic Plan Objective	FY 2021-22 Expense	FY 2021-22 Capital
CMS Interoperability	CMS Interoperability and Patient Access Final Rule is a mandate for payers effective January 1, 2021. The goal is to provide member's access to health data and support member choice.	Healthcare Leader Responsible Fiscal Steward	$ 1,236,078	$ -
Enterprise Data Warehouse	Strategic technology investment in data warehouse architecture, tools and resources to effectively support the provision, management, proliferation, and use of data for improved decision making, business process improvement, and faster response to regulatory conditions.	Healthcare Leader	643,900	$ -
Provider Credentialing, Contracting & Data Management (PCCM)	Implementation of an integrated system for the management of provider credentialing, contracting and data. Mission critical initiative to ensure that GCHP continues to meet ongoing and increasing regulatory requirements around provider data accuracy, support contracting efforts, and optimize business processes.	Strategic Business Partner	528,080	$ -
Manifest MedEx	Effort to support the Ventura County Health Improvement Exchange (HIE) and improve population health management. HEDIS/MCAS EMR integration project to establish EMR integration with 4 major clinical systems to support Quality Improvement initiatives	Healthcare Leader Quality Health Outcomes	382,500	
Enterprise Transformation Projects (ETP)	Initiative to convert to a new core administrative platform - Health Solutions Plus (HSP) for claims processing, eligibility, membership and benefit maintenance, along with implementation of a new customer service system solution to optimize call center efficiencies.	Future Demands of Providing Quality Care	200,500	
IT Infrastructure- Maintenance & Business Continuity Projects	Additional infrastructure hardware investments and installations to add business continuity capabilities.	Future Demands of Providing Quality Care	258,538	$ 927,100
Staff Augmentation (All Projects)			700,000	
		FY 2020-21 Carry-over Initiatives	**$ 3,949,596**	**$ 927,100**

Return to Agenda

Project Portfolio

Gold Coast Health Plan FY 2021-22 Project Portfolio

New Initiatives

Project	Description	Strategic Plan Objective	FY 2021-22 Expense	FY 2021-22 Capital
Portal Capabilities	Investment to provide a consistent and more robust provider portal experience for enhanced provider engagement and GCHP improved business process effectiveness/efficiencies	Strategic Business Partner	960,500	
CalAIM	A multi-year DHCS mandated initiative to reform the Medi-Cal program to improve the quality of life and health outcomes of Medi-Cal members. The program will implement broad delivery system, program and payment reform across the Medi-Cal system, building upon the successful outcomes of various pilots. Year 1 project budget to include: -ECM/ILOS Benefit implementation -Population Health Registry -Knox-Keene Implementation (Application/License Fee) -NCQA Accreditation analysis -D-SNP / PBM RFP consultant	Collaborative Community Partner	475,630	
MHK Med Therapy Mgmt (MTM)	Implementation of a MHK module that is CMS compliant for Part D MTM's program	Quality Health Outcomes	259,167	
MHK Medical Management System Upgrade	Needed System upgrade from v3.5E to v3.9. GCHP is currently on MedHOK version 3.5.6, per contractual terms GCHP needs to be within 2 versions of the latest code.	Quality Health Outcomes	204,750	
Other- Misc. Business Process Improvement / Strategic Plan initiatives	*Misc. Business Process Improvement Projects < $100K each:* - Prospective RDT Reporting - Provider Pay for Performance Incentive Program (consulting only) -274 Business Process Improvement (automation/stabilization/decision audit log)	Responsible Fiscal Steward Strategic Business Partner Healthcare Leader	152,500	
Encounter Data Mgmt Program Assessment	Temp Labor for assistance in performing gap analysis and development of a process improvement roadmap.	Healthcare Leader	126,000	
Fix Existing Project Web PWA	Portfolio & Project Mgmt Implementation	Future Demands of Providing Quality Care	118,000	
		New Initiatives	**$ 2,296,547**	**$ -**
Depreciation & Amortization Expense			$ 85,500	
		Total Project Cost	**$ 6,331,642**	**$ 927,100**

Return to Agenda

Admin Expense Budget

FY 2021-22 GENERAL AND ADMINISTRATIVE EXPENSES

	FY 2020-21 Projected Actual	FY 2020-21 Budget	FY 2021-22 Budget		Change Budget to Budget	Percent Change
Salary Expense	$ 19,018,837	$ 19,984,614	$ 21,882,765		$ 1,898,151	9%
Temp Labor	98,196	239,000	214,100		(24,900)	-10%
Taxes and Benefits	5,641,721	6,156,095	6,970,751		814,657	13%
Training, Conference, and Travel	18,490	177,570	369,699		192,129	108%
Outside Services - Conduent	19,073,944	19,207,066	19,719,860		512,795	3%
Outside Services - PBM Admin	2,082,234	1,147,065	1,221,322		74,257	6%
Outside Services - Other	3,779,830	4,218,162	6,420,877		2,202,714	52%
Accounting & Actuarial Services	116,815	175,000	165,000		(10,000)	-6%
Legal	2,422,696	1,500,000	1,150,000		(350,000)	-23%
Consulting Services	1,782,964	1,269,000	1,960,000		691,000	54%
Translation Services	134,235	325,017	380,000		54,983	17%
Committee/Advisory	8,500	12,500	12,500		-	0%
Employee Recruitment	295,809	120,000	300,000		180,000	150%
Lease	1,367,233	1,555,248	1,547,496		(7,752)	0%
Depreciation & Amortization	508,163	443,387	407,739		(35,648)	-8%
Non-Capital - Furniture & Equipment	38,171	264,000	181,700		(82,300)	-31%
Office & Operating Supplies	35,018	160,716	187,920		27,204	17%
Shipping & Postage	99,178	213,460	308,890		95,430	45%
Printing	328,159	566,300	810,600		244,300	43%
Software Licenses	3,184,811	4,236,150	5,094,380		858,230	20%
Repairs & Maintenance	106,955	154,043	204,875		50,832	33%
Telephone/Internet	131,550	284,276	245,700		(38,576)	-14%
Advertising and promotion	108,663	225,500	393,900		168,400	75%
Insurance	655,694	600,000	850,000		250,000	42%
Interest	109,250	270,000	270,000		-	0%
Professional dues, fees, and licenses	234,250	242,863	237,767		(5,096)	-2%
Subscriptions and publications	17,390	22,878	27,288		4,410	19%
Bank Service Fees	7,536	18,000	9,000		(9,000)	-50%
Other miscellaneous	59,423	150,000	75,000		(75,000)	-50%
Care Management	(15,232,119)	(14,482,056)	(15,529,043)		(1,046,987)	7%
Total General and Administrative	$ 46,233,593	$ 49,455,853	$ 56,090,086	*	$ 6,634,233	13%
% Admin to Revenue	**5.1%**	**6.5%**	**5.9%**			
Enterprise Project Portfolio	$ 2,728,099	$ 5,474,986	$ 6,331,642		$ 856,656	16%
Total G&A (including Projects)	$ 48,961,692	$ 54,930,839	$ 62,421,728		$ 7,490,889	14%
% to Revenue	**5.4%**	**7.3%**	**6.5%**			

*** Approximately 60% of budget contractully obligated amounts (Conduent, PBM fees, Software Licenses, etc.)**

Return to Agenda

GCHP Admin Expenses

History & Trends

Admin	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 (Budget)
Admin (Budget)	$ 54,539,066	$ 49,627,225	$53,869,160	$ 57,701,709	$ 54,930,839	**$ 62,421,728**
Admin (Actual)	$ 51,176,317	$ 49,015,352	$ 46,655,880	$ 50,830,596	$ 48,961,692*	
% ACR-GCHP	7.5%	7.1%	6.6%	6.1%	5.4%	**6.5%**
Average ACR COHS plans	5.5%	6.1%	6.7%	6.3%	5.7%	
Drivers	$1.2M Arch Grants; $2.2 M increase to salaries and benefits; $1.1 M increase to Conduent; $3.6 M increase to legal from PY; leases; software; advertising; interest expense	Decrease related to PBM admin fees and grants	Decrease to Conduent fees (enrollment); decrease to legal and accounting fees; decrease to community grants	Projects; lift of hiring freeze; severance packages; increased legal and consulting fees; interest expense	Excluding projects, admin expenses anticipated to decline from current run rate despite estimated 12% growth in membership.	**Increases to membership ~$ 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**

* Projected

Return to Agenda

FY2021-22 Capital Budget

GOLD COAST HEALTH PLAN FY 2021-22 CAPITAL BUDGET		
Asset Category	**Description**	**Amount ($)**
Leasehold Improvements	Cubicle Configuration Changes	$ 50,000
Leasehold Improvements	Door hardware and security equipment	5,500
Leasehold Improvements	Building upgrades	28,050
Computer Systems & Software	Office Phone System Refresh	60,000
Computer Systems & Software	IT Infrastructure Wireless Network Refresh	41,000
Computer Systems & Software	IT Infrastructure Storage Access Network Refresh	260,000
Computer Systems & Software	IT Infrastructure BC Implementation -Network	198,600
Computer Systems & Software	IT Infrastructure Backup Power Supply Refresh	100,000
Computer Systems & Software	Data Environment Refresh	267,500
		$ 1,010,650

Return to Agenda

FY 2021-22 Operating Budget

GOLD COAST HEALTH PLAN FY 2021-22 OPERATING BUDGET	Jul 1- Dec 31 2021	Jan 1- Jun 30 2022*	TOTAL
Program Revenue	$ 567,622,662	$ 472,074,012	$ 1,039,696,673
MCO Tax Expense	$ (43,131,600)	$ (43,131,600)	$ (86,263,200)
Net Revenue	$ 524,491,062	$ 428,942,412	$ 953,433,473
Medical Expenses	$ 486,370,870	$ 388,367,621	$ 874,738,491
MLR	92.7%	90.5%	91.7%
Gross Margin	$ 38,120,191	$ 40,574,791	$ 78,694,982
General & Administrative Expenses	$ 29,194,175	$ 26,895,911	$ 56,090,086
Project Portfolio	$ 4,254,146	$ 2,077,496	$ 6,331,642
Admin %	6.4%	6.8%	6.5%
Interest Income	$ 180,000	$ 180,000	$ 360,000
Net Gain	$ 4,851,870	$ 11,781,385	$ 16,633,255

* Assumes pharmacy carve-out effective 1/1/22.

Return to Agenda

Questions?

Staff requests that Commission approve the Fiscal Year 2021-2022 Operating and Capital budgets, and corresponding contract renewals outlined in the appendix.

Return to Agenda

Gold Coast Health Plan℠
A Public Entity

FY 2021-22 OPERATING AND CAPITAL BUDGETS

Executive Budget Summary

Overview

The FY 2021-22 budget and corresponding forecasts indicate that Gold Coast Health Plan (GCHP) is on a positive trajectory for financial recovery. While this is good news, it is imperative that GCHP not lose sight of its financial goals and continues to build reserves. This will protect GCHP against increasing risk associated with economic uncertainty and requirements under CalAIM and the Interoperability Rule[1].

Investing in important projects at this critical point will mitigate the adverse impact of future risks and allow GCHP to meet evolving demands and regulatory requirements. GCHP will potentially need to invest in products which are the contractual requirements of Conduent to minimize the provider abrasion associated with deficiencies in the new core administrative services platform, Health Solutions Plus. While there are administrative costs associated with these projects, there will be long term efficiencies, cost savings, and benefits to providers and members.

It should be noted at the outset that the GCHP FY 2021-22 general and administrative budget is $62,421,728. This is 6.5% of estimated revenue and 9 million less than the amount allocated in the capitation rates for administrative expenses which is a total of $71,503,465. GCHP has been thoughtful about its administrative budget in response to the Solvency Action Plan and balanced with needed operational and project investments.

In any budget year, and heightened by this fiscal year's uncertainties related to post-pandemic recovery, there are several variables that can impact actual Plan's 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, and fires.

GCHP is deeply committed to the long-term stability of Plan finances through implementation of the Solvency Action Plan, the health care needs of the Plan's members, the future success of the Plan, and the value that the Plan brings to its members and the provider community. GCHP remains dedicated to its mission to improve the health of our members through the provision of high-quality care and services.

This document outlines the fiscal year 2021-22 operating and capital budgets and major associated assumptions. It is segregated into 6-month increments to demonstrate the impact of projected rates from the State effective January 1, 2022, and the State's pharmacy carve out under Medi-Cal Rx. The budget estimates modest gains of approximately $4.8 million in the first six months of the fiscal year, followed by more significant gains of $11.8 million in the second half of the fiscal year.

[1] The Centers for Medicare & Medicaid Services (CMS) Interoperability and Patient Access final Rule (Rule) (CMS-9115-F).

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

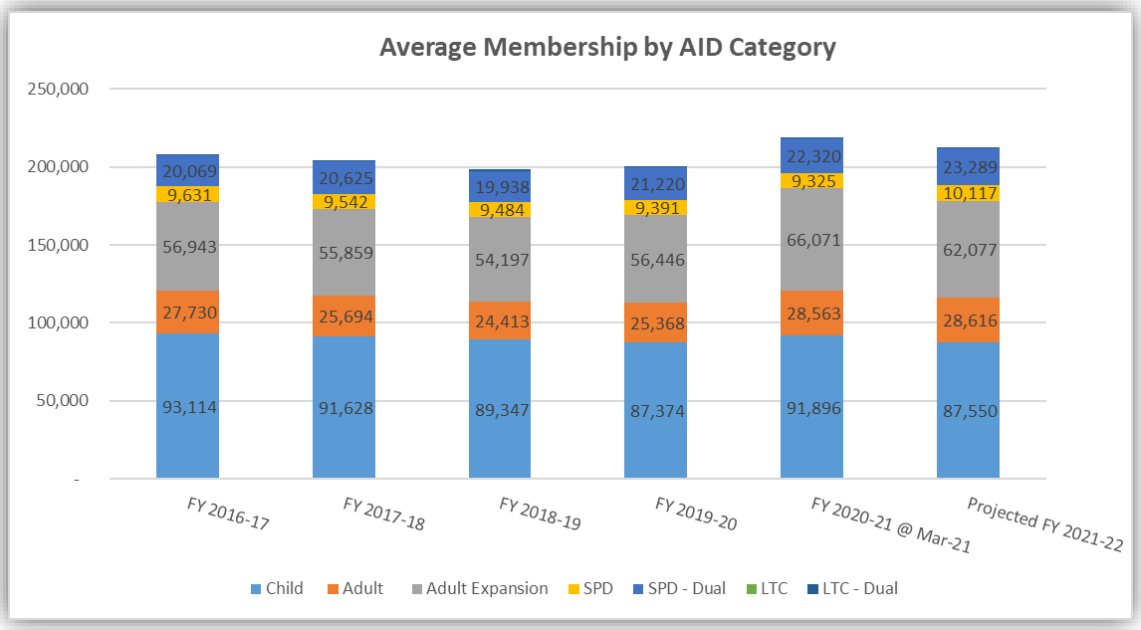
Membership

Membership is expected to increase through the end of the Public Health Emergency (PHE) due to the current moratorium on Medi-Cal redeterminations. The budget assumes a membership increase of 7.6% through the end of assumed PHE (12/31/21) and thereafter membership drops down towards pre-COVID levels over a 6-month period (~-16% per month). 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 212,000 by the end of the fiscal year. For reference, the table on page 5 is historical data that reflects changes in Medi-Cal enrollment over several recessions.

Years Spanned (Total # of Months During Economic Recession)[1]	Start Date of Economic Recession	End Date of Economic Recession	Year-over-year change in Medi-Cal Enrollment[2]
1970 (11)	January 1970	November 1970	22.6%
1973-1975 (16)	December 1973	March 1975	-2.2% 3.9% 9.1%
1980 (6)	February 1980	July 1980	4.8%
1981-1982 (16)	August 1981	November 1982	3.9% -1.4%
1990-1991 (8)	August 1990	March 1991	13.1% 16.6%
2001 (8)	April 2001	November 2001	8.2%
2008-2009 (18)	January 2008	June 2009	2.5% 5.3%

[1] Department of Health Care Services (DHCS), Research and Analytic Studies Division (RASD), *Medi-Cal Statistical Brief, August 2015*

[2] This increase could also include changes in eligibility so this may not reflect a direct link to the recessionary growth only.



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 per member per month basis and do fluctuate with actual membership levels.

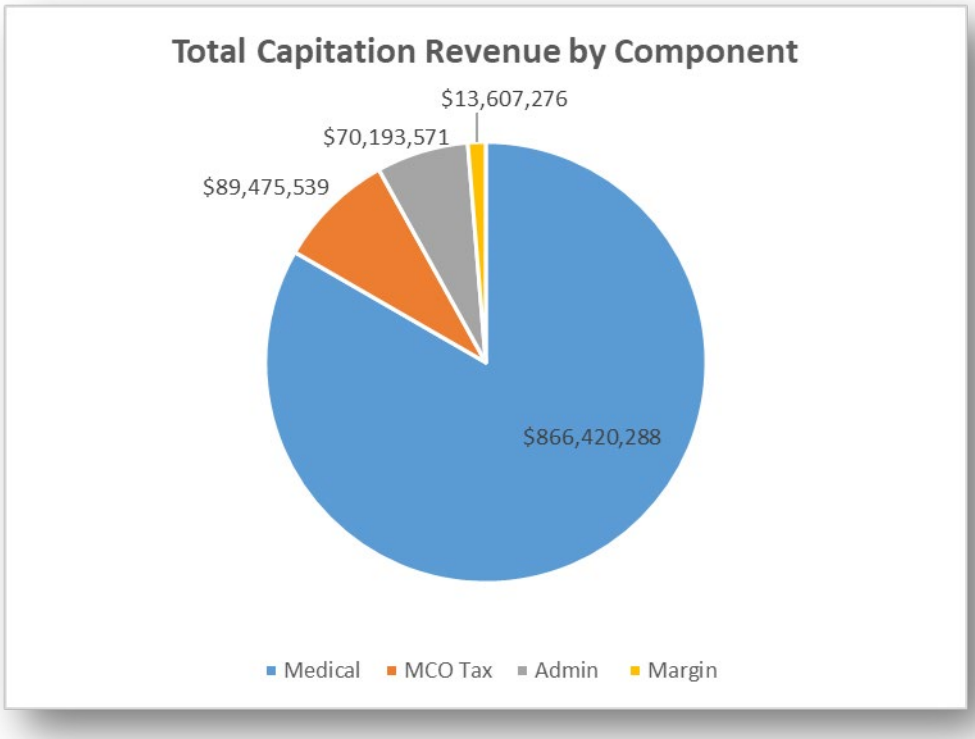
Revenue

Total revenue (net of MCO tax) in the budget is projected at $953.4 million ($345.35 pmpm) based on the calendar year 2021capitation rates from the State that are effective from January 1, 2021 to December 31, 2021. The budget assumes a revenue reduction associated with the pharmacy benefit carve-out effective 1/1/2022 and reflects current draft rates for the CalAIM Enhanced Care Management benefit effective 1/1/2022. In addition, the budget includes revenue related to Proposition 56 consistent with the May Revise.

GCHP is expected to receive revised capitation rates from the State which will be effective January 1, 2022. Initial projections based on the rate development template submitted to the State indicated the Plan would receive a 5% increase. The calendar year 2022 capitation rates from the State will be established based on medical expenditures in calendar year 2019, with applied trend factors, credibility adjustments and program changes. Components are then applied for administrative expenses and an operating margin.

The Plan receives additional revenue for specialty drug treatments associated with members diagnosed and treated for Hepatitis C, for members receiving behavioral health (BHT) services and for female members who deliver a newborn child.

FY21-22 Projections			
Base Capitation	$	879,670,559	**84.6%**
ECM Revenue (CalAIM)	$	1,741,851	**0.2%**
Hep C Supplemental	$	2,341,784	**0.2%**
BHT Supplemental	$	16,858,080	**1.6%**
Maternity Supplemental	$	20,818,197	**2.0%**
Prop 56 Directed Payments	$	28,790,663	**2.8%**
MCO Premium Tax	$	89,475,539	**8.6%**
	$	**1,039,696,673**	



Medical Expenses

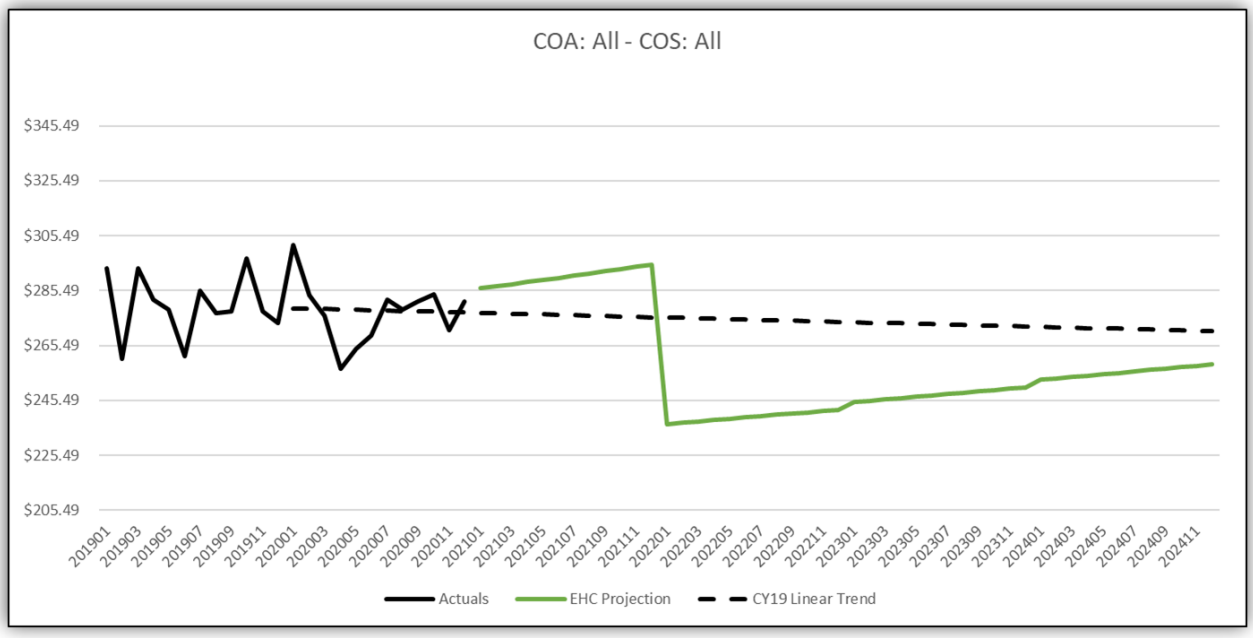
The medical expense budget is $874,738,490. The fee for service medical expenses are developed by calculating pmpm costs for CY 2019 by AID category and provider type, and then incorporating anticipated changes as a result of membership, utilization patterns, market trends and changes in provider reimbursement rates forecasted to occur during the budget year.

The major assumptions impacting projected medical expenses are as follows:

- Medical expense increase to incorporate changes in unit costs or utilization consistent with the methodology utilized by the Department of Health Care Services (DHCS) which is between 2-4% depending on the category of service.
- There were no major contracting changes projected to increase fee for service costs from the base period.
- An assumed increase of 3.9% for LTC/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 public health emergency.
- A projected increase of ~5.8% in pharmacy expenses associated with drug unit cost trends and utilization factors for July 1, 2021 to December 31, 2021. The carve-out of the pharmacy benefit is budgeted to occur 1/1/2022 with reduction of pharmacy expenses
- Medical expense related to Proposition 56 funding was included in the budget, consistent with the May Revise.
- Capitation expense reflects current capitated agreements.

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

The graph below represents the fee for service medical expense trend from 2019 and projected forward through 2024.



FY 2021-22 MEDICAL EXPENSE BUDGET						
	FY 2020-21 as of March 2021 PMPM	Projected Jul - Dec 2021 PMPM	Projected Jan - Jun 2022 PMPM	FY 2021-22 PMPM	% Change	Projected Dollars
Capitation - PCP Expense	$ 34.17	$ 36.57	$ 34.03	$ 35.33	3%	$ 99,203,619
Fee For Service						
Inpatient FFS Expense	$ 66.45	$ 66.35	$ 73.87	$ 70.02	5%	$193,309,969
Outpatient FFS Expense	23.44	26.24	29.46	27.81	19%	76,779,169
LTC/SNF Expense	56.72	55.41	54.08	54.76	-3%	151,185,196
ER Facility Services FFS	9.06	13.45	14.29	13.86	53%	38,273,865
Physician Specialty Services FFS	25.58	27.11	27.14	27.12	6%	74,878,141
Transportation FFS	1.47	0.81	0.83	0.82	-44%	2,268,988
Primary Care Physician FFS	7.04	7.47	7.48	7.47	6%	20,631,465
Mental and Behaviorial Health	11.98	11.03	11.12	11.07	-8%	30,569,722
Pharmacy Expense FFS	62.67	65.14	-	33.36	-47%	92,104,164
Other Medical Professional	1.47	1.79	1.85	1.82	24%	5,021,692
Home & Community Based Svcs	9.35	9.91	10.44	10.17	9%	28,076,269
Laboratory and Radiology Expense	3.28	2.35	2.06	2.21	-33%	6,094,824
Other Medical Care Expenses	3.77	4.06	4.27	4.16	10%	11,483,512
Directed Payments	10.47	11.01	9.85	10.45	0%	28,844,065
Provider Reserve	0.50	-	-	-	-100%	-
Sub-total	$ 293.25	$ 302.13	$ 246.75	$ 275.12	-6%	$759,521,041
Reinsurance-Net	$ 1.30	$ 1.35	$ 1.35	$ 1.35	4%	$ 3,726,997
Refunds & Recoveries	$ (1.81)	$ (1.56)	$ (0.77)	$ (1.17)	-35%	$ (3,242,210)
Care Management	$ 6.03	$ 5.50	$ 5.76	$ 5.62	-7%	$ 15,529,043
Total Medical Expenses	$ 332.94	$ 344.00	$ 287.12	$ 316.25	-5%	$874,738,491
MLR	**93.1%**	**92.7%**	**90.5%**	**91.7%**	**-1.4%**	

The pmpm variances from YTD actual noted above are primarily due to expected increases in utilization as public health emergency ends, case mix changes offset by the carve-out of the pharmacy benefit assumed for 1/1/2022. A chart outlining the pmpm medical expenses by AID category is on the following page.

Total estimated medical expenses for the fiscal year are $874,738,491.

FY 2021-22 MEDICAL EXPENSE BUDGET
PMPM COST BY AID CATEGORY

	Child	Adult	Adult Expansion	SPD	SPD Dual	LTC	LTC Dual
Capitation - PCP Expense	$ 17.55	$ 63.99	$ 53.50	$ 64.49	$ 4.79	$ 5.14	$ 4.72
Fee For Service							
Inpatient FFS Expense	$ 6.64	$ 118.96	$ 119.86	$ 248.54	$ 22.77	$ 669.20	$ 70.51
Outpatient FFS Expense	4.74	46.13	41.08	101.19	21.55	197.59	16.29
LTC/SNF Expense	0.48	8.36	24.98	147.46	103.40	6,338.37	9,161.79
ER Facility Services FFS	10.69	17.52	18.34	27.80	2.07	14.22	0.98
Physician Specialty Services FFS	5.22	43.87	41.92	84.43	20.82	179.78	13.82
Transportation FFS	0.33	0.79	1.31	3.64	0.10	12.53	0.48
Primary Care Physician FFS	6.46	9.34	7.30	18.78	4.71	8.83	0.61
Mental and Behaviorial Health	10.98	6.62	6.84	78.66	1.41	2.88	0.81
Pharmacy Expense FFS	5.65	45.86	58.77	140.55	2.74	130.86	-
Other Medical Professional	0.47	1.68	3.03	5.37	2.14	3.88	1.17
Home & Community Based Svcs	0.03	1.86	3.50	46.32	58.77	380.08	255.31
Laboratory and Radiology Expense	0.69	4.49	3.46	4.76	0.18	3.11	0.06
Other Medical Care Expenses	0.72	3.02	3.45	24.91	11.29	71.04	42.02
Prop 56 / GEMT	7.90	19.44	11.91	19.13	0.02	19.46	0.02
Sub-total	$ 61.00	$ 327.95	$ 345.76	$ 951.55	$ 251.96	$ 8,031.82	$ 9,563.87
Reinsurance-Net	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 1.35
Refunds & Recoveries	$ (1.28)	$ (1.04)	$ (1.07)	$ (1.25)	$ (1.19)	$ (0.99)	$ (1.62)
Care Management	$ 5.62	$ 5.62	$ 5.62	$ 5.62	$ 5.62	$ 5.62	$ 5.62
Total PMPM Medical Expenses	$ 84.24	$ 397.87	$ 405.16	$ 1,021.76	$ 262.54	$ 8,042.95	$ 9,573.94

General and Administrative Expenses

The FY 2021-22 general and administrative budget is $62,421,728. This is 6.5% of estimated revenue and ~9 million less than the amount allocated in the capitation rates for administrative expenses which is a total of $71,503,465.

The budget was developed at a department level and is based on a review of FY 2020-21 actual expenditures with changes based on certain assumptions and expectations for FY 2021-22. Staff was diligent in the administrative review and strove to balance the Solvency Action Plan and realistic expectations around essential budget needs for operations and projects. The administrative budget, including care management expense, has increased by $7.4 million and 13% from the FY 2020-21.

The following table outlines general and administrative budget and includes a comparison to the initial budget (adopted in July 2020) for FY 2020-21, as well as a projection on the actual expenditures to be incurred during the current FY 2020-21.

There is some necessary 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 decreased from the prior year due to increase in revenue associated with more favorable rates from DHCS. The Department of Health Care services has indicated funding for administrative expense as a percent of revenue will increase effective January 1, 2022 due to the pharmacy carve out.

FY 2021-22 GENERAL AND ADMINISTRATIVE EXPENSES					
	FY 2020-21 Projected Actual	FY 2020-21 Budget	FY 2021-22 Budget	Change Budget to Budget	Percent Change
Salary Expense	$ 19,018,837	$ 19,984,614	$ 21,882,765	$ 1,898,151	9%
Temp Labor	98,196	239,000	214,100	(24,900)	-10%
Taxes and Benefits	5,641,721	6,156,095	6,970,751	814,657	13%
Training, Conference, and Travel	18,490	177,570	369,699	192,129	108%
Outside Services - Conduent	19,073,944	19,207,066	19,719,860	512,795	3%
Outside Services - PBM Admin	2,082,234	1,147,065	1,221,322	74,257	6%
Outside Services - Other	3,779,830	4,218,162	6,420,877	2,202,714	52%
Accounting & Actuarial Services	116,815	175,000	165,000	(10,000)	-6%
Legal	2,422,696	1,500,000	1,150,000	(350,000)	-23%
Consulting Services	1,782,964	1,269,000	1,960,000	691,000	54%
Translation Services	134,235	325,017	380,000	54,983	17%
Committee/Advisory	8,500	12,500	12,500	-	0%
Employee Recruitment	295,809	120,000	300,000	180,000	150%
Lease	1,367,233	1,555,248	1,547,496	(7,752)	0%
Depreciation & Amortization	508,163	443,387	407,739	(35,648)	-8%
Non-Capital - Furniture & Equipment	38,171	264,000	181,700	(82,300)	-31%
Office & Operating Supplies	35,018	160,716	187,920	27,204	17%
Shipping & Postage	99,178	213,460	308,890	95,430	45%
Printing	328,159	566,300	810,600	244,300	43%
Software Licenses	3,184,811	4,236,150	5,094,380	858,230	20%
Repairs & Maintenance	106,955	154,043	204,875	50,832	33%
Telephone/Internet	131,550	284,276	245,700	(38,576)	-14%
Advertising and promotion	108,663	225,500	393,900	168,400	75%
Insurance	655,694	600,000	850,000	250,000	42%
Interest	109,250	270,000	270,000	-	0%
Professional dues, fees, and licenses	234,250	242,863	237,767	(5,096)	-2%
Subscriptions and publications	17,390	22,878	27,288	4,410	19%
Bank Service Fees	7,536	18,000	9,000	(9,000)	-50%
Other miscellaneous	59,423	150,000	75,000	(75,000)	-50%
Care Management	(15,232,119)	(14,482,056)	(15,529,043)	(1,046,987)	7%
Total General and Administrative	$ 46,233,593	$ 49,455,853	$ 56,090,086 *	$ 6,634,233	13%
% Admin to Revenue	**5.1%**	**6.5%**	**5.9%**		
Enterprise Project Portfolio	$ 2,728,099	$ 5,474,986	$ 6,331,642	$ 856,656	16%
Total G&A (including Projects)	$ 48,961,692	$ 54,930,839	$ 62,421,728	$ 7,490,889	14%
% to Revenue	**5.4%**	**7.3%**	**6.5%**		

*** Approximately 60% of budget contractully obligated amounts (Conduent, PBM fees, Software Licenses, etc.)**

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

Salary Expense

Salary expense includes the reinstatement of a 3% merit increase pool effective August 2021 and equity adjustments resulting from a commission-approved compensation analysis offset by a 6% vacancy factor.

Also, impacting the salary expense are the addition of new positions. The table below represents budgeted positions by department in comparison with the FY 2020-21 budget.

Position Summary

Department	May-21 Filled	Budget FY 2020-21	Budget FY 2021-22	Change
Executive	8	8.0	9.0	1.0
Finance	7	7.0	7.0	-
Procurement	3	3.0	3.0	-
Decision Support Services	7	8.0	9.0	1.0
Infrastructure	5	5.0	5.0	-
Solution Services	8	14.0	16.0	2.0
Project Management Organization	1	2.0	4.0	2.0
Information Technology	4	3.0	5.0	2.0
Operations	2	1.0	1.0	-
Grievance and Appeals	5	5.0	7.0	2.0
Operations Support Services	5	6.0	4.0	(2.0)
Member Services	5	5.0	5.0	-
Network Operations	10	12.0	11.0	(1.0)
Quality	9.5	9.5	10.0	0.5
Government Relations	3	4.0	5.0	1.0
Health Education	5	6.0	6.0	-
Pharmacy	2.5	2.5	2.5	-
Communications	2	2.0	2.0	-
Claims	6	5.0	6.0	1.0
Health Services	5	5.0	6.0	1.0
Utilization Management	39.5	42.5	44.5	2.0
Care Management	30	31.0	38.0	7.0
Population Health	2	4.0	4.0	-
Compliance	9	11.0	13.0	2.0
Human Resources	6	6.0	6.0	-
Facilities	3	3.0	3.0	-
Interoperability				-
	192.5	210.5	232.0	21.5
Assumed Filled (6% Vacancy)		**198**	**218**	

There are 22 new positions added which align with 1) the new CalAIM ECM benefit implementation and support Knox-Keene Licensure; 2) GCHP strategic and/or solvency action plans; or 3) support regulatory/compliance needs.

CalAIM (9)

- Manager, Care Management
- Care Management Coordinator (2)
- Case/Care Management, Social Worker (2)
- RN, Case/Care Management (2)
- Clinical Operations Assistant I
- Regulatory Affairs Analyst

Strategic Plan / Solvency Action Plan (10.5)

- Compliance Auditor (2)
- Claims Analyst II
- Community Relations Specialist
- Quality Improvement (QI) Specialist (.5) move from part-time to full-time
- Manager, Enterprise Portfolio PMO
- API Developer
- EDI Developer II
- EDI Analyst Senior
- Manager, EDI
- Manager, Population Health & Equity

Regulatory Compliance (2)

- RN, Utilization Management (2)

Taxes and Benefits

The estimated expense was revised based on more current costs and anticipated changes in rates for employee benefits expected for calendar year 2022.

Training, Conference, and Travel

The budget was increased to reflect resuming travel after expiration of public health emergency and a modest training and conference budget to reflect investment in staff.

Outside Services – Conduent

The budget is pmpm based and increase is due to the increasing membership projected through 12/31/2021.

Outside Services – PBM fees

Costs are impacted by increasing membership due to the moratorium on Medi-Cal redeterminations through the end of the public health emergency (assumed 12/31/21).

Outside Services – Other

Increase primarily due to Conduent Fulfillment reimbursements that were not captured in prior year budget.

Legal

The reduction is due to a revised assessment of needs.

Consulting Services

Increases primarily due to increase in HMA consulting budget, Edrington Health Consulting budget due to new RDT related reporting requests and increase in IT consulting services (SharePoint, API Gateway, HIPAA Audit).

Employee Recruitment

The increase is based on analysis of historical recruitment costs trends and the expectation of increased employee recruitment needs for FY2021-22.

Shipping & Postage / Printing

Increase in estimated printing and postage costs associated with the need for additional provider and member communications and budgeted for printing/postage of 2 EOC/Member Handbook mailings expected to be required in FY21-22 (July 2021 and April 2022).

Software Licenses

Increases in software licenses primarily for Optum APR-DRG for Operations, Edifecs for Interoperability, Gartner and Pilotfish.

Insurance

Increase in business insurance budget due to “hard market”. Our broker is projecting many of the categories of insurance to increase between 20-40% especially cyber-security insurance

Care Management

The increase in the care management increase to MLR is due to a projected increase in qualified expenses in particular, health information technology.

FY 2020-21 Enterprise Project Portfolio (EPP)

The FY 2021-22 Enterprise Project Portfolio comprises the projects identified through our project steering committee process as GCHP’s highest priorities in support of its strategic objectives.

Gold Coast Health Plan FY 2021-22 Project Portfolio				
FY 2020-21 Carryover				
Project	**Description**	**Strategic Plan Objective**	**FY 2021-22 Expense**	**FY 2021-22 Capital**
CMS Interoperability	CMS Interoperability and Patient Access Final Rule is a mandate for payers effective January 1, 2021. The goal is to provide member's access to health data and support member choice.	Healthcare Leader Responsible Fiscal Steward	$ 1,236,078	$ -
Enterprise Data Warehouse	Strategic technology investment in data warehouse architecture, tools and resources to effectively support the provision, management, proliferation, and use of data for improved decision making, business process improvement, and faster response to regulatory conditions.	Healthcare Leader	643,900	$ -
Provider Credentialing, Contracting & Data Management (PCCM)	Implementation of an integrated system for the management of provider credentialing, contracting and data. Mission critical initiative to ensure that GCHP continues to meet ongoing and increasing regulatory requirements around provider data accuracy, support contracting efforts, and optimize business processes.	Strategic Business Partner	528,080	$ -
Manifest MedEx	Effort to support the Ventura County Health Improvement Exchange (HIE) and improve population health management. HEDIS/MCAS EMR integration project to establish EMR integration with 4 major clinical systems to support Quality Improvement initiatives	Healthcare Leader Quality Health Outcomes	382,500	
Enterprise Transformation Projects (ETP)	Initiative to convert to a new core administrative platform - Health Solutions Plus (HSP) for claims processing, eligibility, membership and benefit maintenance, along with implementation of a new customer service system solution to optimize call center efficiencies.	Future Demands of Providing Quality Care	200,500	
IT Infrastructure- Maintenance & Business Continuity Projects	Additional infrastructure hardware investments and installations to add business continuity capabilities.	Future Demands of Providing Quality Care	258,538	$ 927,100
Staff Augmentation (All Projects)			700,000	
		FY 2020-21 Carry-over Initiatives	**$ 3,949,596**	**$ 927,100**
New Initiatives				
Portal Capabilities	Investment to provide a consistent and more robust provider portal experience for enhanced provider engagement and GCHP improved business process effectiveness/efficiencies	Strategic Business Partner	960,500	
CalAIM	A multi-year DHCS mandated initiative to reform the Medi-Cal program to improve the quality of life and health outcomes of Medi-Cal members. The program will implement broad delivery system, program and payment reform across the Medi-Cal system, building upon the successful outcomes of various pilots. Year 1 project budget to include: -ECM/ILOS Benefit implementation -Population Health Registry -Knox-Keene Implementation (Application/License Fee) -NCQA Accreditation analysis -D-SNP / PBM RFP consultant	Collaborative Community Partner	475,630	
MHK Med Therapy Mgmt (MTM)	Implementation of a MHK module that is CMS compliant for Part D MTM's program	Quality Health Outcomes	259,167	
MHK Medical Management System Upgrade	Needed System upgrade from v3.5E to v3.9. GCHP is currently on MedHOK version 3.5.6, per contractual terms GCHP needs to be within 2 versions of the latest code.	Quality Health Outcomes	204,750	
Other- Misc. Business Process Improvement / Strategic Plan initiatives	*Misc. Business Process Improvement Projects < $100K each:* - Prospective RDT Reporting - Provider Pay for Performance Incentive Program (consulting only) -274 Business Process Improvement (automation/stabilization/decision audit log)	Responsible Fiscal Steward Strategic Business Partner Healthcare Leader	152,500	
Encounter Data Mgmt Program Assessment	Temp Labor for assistance in performing gap analysis and development of a process improvement roadmap.	Healthcare Leader	126,000	
Fix Existing Project Web PWA	Portfolio & Project Mgmt Implementation	Future Demands of Providing Quality Care	118,000	
		New Initiatives	**$ 2,296,547**	**$ -**
Depreciation & Amortization Expense			$ 85,500	
		Total Project Cost	**$ 6,331,642**	**$ 927,100**

Capital Budget

The total budget for capital expenditures, including those included in the project portfolio, are $1,010,650. Of that amount, $927,100 is related to the Enterprise Project Portfolio.

GOLD COAST HEALTH PLAN FY 2021-22 OPERATING BUDGET			
	Jul 1- Dec 31 2021	Jan 1- Jun 30 2022*	TOTAL
Program Revenue	$ 567,622,662	$ 472,074,012	$ 1,039,696,673
MCO Tax Expense	$ (43,131,600)	$ (43,131,600)	$ (86,263,200)
Net Revenue	$ 524,491,062	$ 428,942,412	$ 953,433,473
Medical Expenses	$ 486,370,870	$ 388,367,621	$ 874,738,491
MLR	92.7%	90.5%	91.7%
Gross Margin	$ 38,120,191	$ 40,574,791	$ 78,694,982
General & Administrative Expenses	$ 29,194,175	$ 26,895,911	$ 56,090,086
Project Portfolio	$ 4,254,146	$ 2,077,496	$ 6,331,642
Admin %	6.4%	6.8%	6.5%
Interest Income	$ 180,000	$ 180,000	$ 360,000
Net Gain	$ 4,851,870	$ 11,781,385	$ 16,633,255

* Assumes pharmacy carve-out effective 1/1/22.

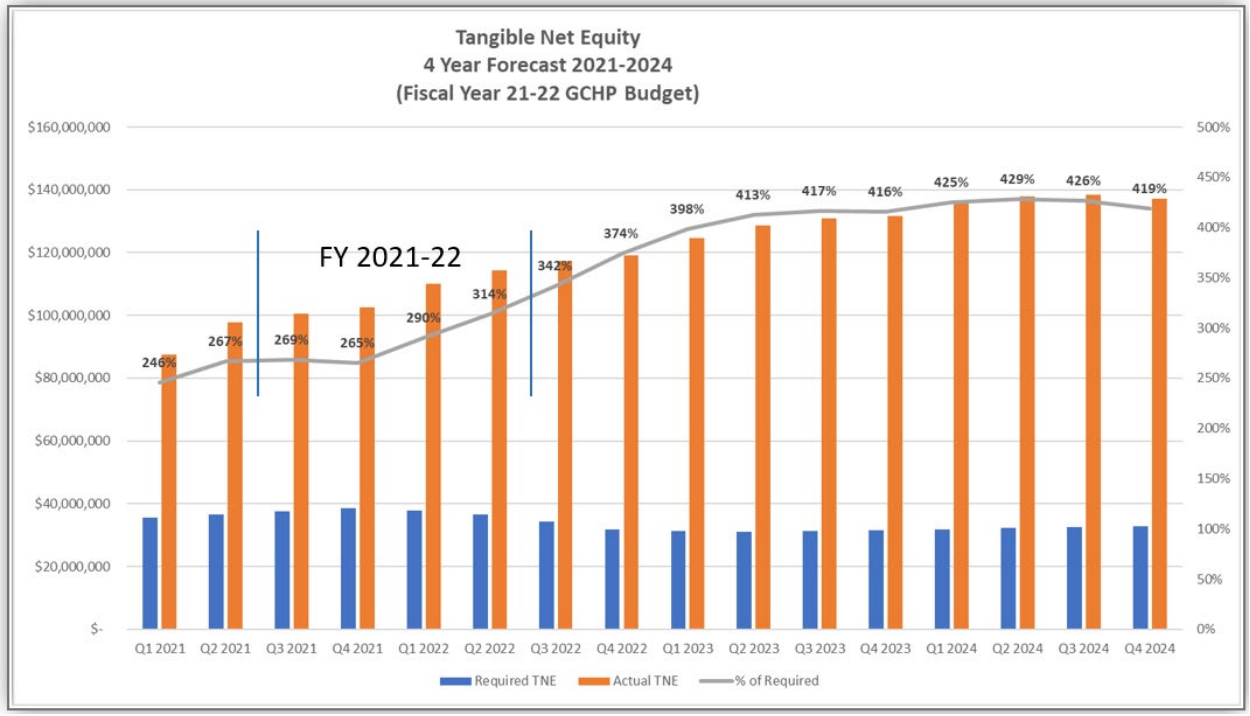
GOLD COAST HEALTH PLAN FY 2021-22 CAPITAL BUDGET		
Asset Category	**Description**	**Amount ($)**
Leasehold Improvements	Cubicle Configuration Changes	$ 50,000
Leasehold Improvements	Door hardware and security equipment	5,500
Leasehold Improvements	Building upgrades	28,050
Computer Systems & Software	Office Phone System Refresh	60,000
Computer Systems & Software	IT Infrastructure Wireless Network Refresh	41,000
Computer Systems & Software	IT Infrastructure Storage Access Network Refresh	260,000
Computer Systems & Software	IT Infrastructure BC Implementation -Network	198,600
Computer Systems & Software	IT Infrastructure Backup Power Supply Refresh	100,000
Computer Systems & Software	Data Environment Refresh	267,500
		$ 1,010,650

Projected Tangible Net Equity (TNE)

The TNE is projected to be at $114.5 million or 314% of the State required amount at 6/30/2022.

The FY 2021-22 Tangible Net Equity (TNE) forecast incorporates the financial implications of the proposed budget. The forecast beyond FY 2021-22 assumes modest growth the revenue and medical expense trend factors consistent with the methodology utilized by the State.

This indicates that we will achieve ~314% of TNE by June 30, 2022.



APPENDIX – CONTRACT RENEWALS IN FY 2021-22

Vendor	Description	Contract Typ	SOW/SO No.	PO #.	Contract Start	Contract Expiration Date	Actual Spend as of 03/18/2	Estimated Remaining Cost Until Expiration	Estimated Annual Cos	Renewal Strategy	Renewal Projected Co	Projected Cumulative Cost (As of 3/18/21)	Renewal End Date
3M Health Information	Grouper software and inpatient pricing tables	License & Service Agreement		118	11/1/2018	10/31/2021	$160,070.00	$0.00	$50,000.00	Renew for 1 year	$50,000.00	$210,070.00	10/31/2022
Adecco USA, Inc.	Temporary Labor Agreement	SOW	1	Multiple	1/22/2018	1/31/2022	$935,495.00	$0.00	$295,419.47	Renew for 1 year	$295,419.47	$1,230,914.47	1/31/2023
Allegis Grp Hold, Inc. dba Teksystems, Inc.	Temporary Labor Agreement	SOW	1	Multiple	1/23/2018	1/31/2022	$1,100,885.00	$0.00	$347,647.89	Renew for 1 year	$347,647.89	$1,448,532.89	1/31/2023
Axcient Holdings, LLC	Fusion access & retention	Order Form and Master Subscription Agreement		379	5/1/2020	4/30/2022	$36,977.00	$57,512.00	$49,296.00	Renew for 1 year	$49,296.00	$143,785.00	4/30/2023
CIO Solutions	Infrastructure maintenance and support	Service Order	1	16036	11/1/2016	10/31/2021	$346,900.00	$52,000.00	$78,000.00	Renew for 1 year	$78,000.00	$476,900.00	10/31/2022
Coffey Communications Inc.	Member newsletter services	Service Order	8	17011	1/1/2017	12/31/2021	$615,235.00	$247,100.00	$200,000.00	Renew for 12 months and concurently look at a print	$200,000.00	$1,062,335.00	12/31/2022
Crossroads Staffing Services	Temporary Labor Agreement	SOW	1	Multiple	1/23/2018	1/31/2022	$417,473.00	$0.00	$131,833.58	Renew for 1 year	$131,833.58	$549,306.58	1/31/2023
DR Management Services LLC	ETP Consulting Services	SOW	2	214	6/3/2019	5/31/2021	$850,679.00	$147,121.00	$480,000.00	Renew for 4 months	$10,000.00	$1,007,800.00	9/30/2021
Edelstein, Gibson, Robson, Smith	Legislative advocacy services	Consulting Services Agreement			10/9/2012	10/8/2021	$ 518,365.00	$ 25,300.00	$ 65,000.00	Renew for 36 months.	$195,000.00	$738,665.00	10/8/2024
Edifecs, Inc.	Edifecs CORE hosted software	Master License & Service Agreement		43	6/22/2015	6/21/2021	$585,568.00	$0.00	$108,100.00	Renew for 1 year	$108,100.00	$693,668.00	6/21/2022
Edifecs, Inc.	Edifecs Cloud Member Access Service for CMS Interoperability	Master License & Service Agreement			7/1/2021	6/30/2022	$0.00	$152,000.00	$117,000.00	Renew for 2 years	$234,000.00	$386,000.00	6/30/2024
Edrington Health Consulting, LLC	Actuarial & RDT consulting services	SOW	3	354	1/1/2020	12/31/2021	$305,405.00	$337,232.00	$400,000.00	Renew for 24 months	$800,000.00	$1,442,637.00	12/31/2023
Emagined Security, Inc.	Security risk assessments & CISO on demand	Service Order	6	122	10/18/2018	6/30/2021	$79,531.00	$153,469.00	$100,000.00	Renew for 1 year without adding additional funding.	$0.00	$233,000.00	6/30/2021
Gartner	Professionals and Executive programs leadership subscriptions	Subscription Agreement		115 & 372	12/1/2018	4/30/2022	$390,217.00	$125,000.00	$191,000.00	Renew for 1 year	$191,000.00	$706,217.00	4/30/2023
Health Management Associates Inc.	Interim CEO & IT consulting services	SO	7	314	11/9/2019	1/31/2022	$1,660,031.00	$1,233,117.00	$900,000.00	Renew through 6/30/22	$375,000.00	$3,268,148.00	6/30/2022
Health Management Systems, Inc.	HEDIS gap services	Service Order	2	229	7/1/2019	6/30/2021	$477,511.00	$130,477.00	$150,000.00	Renew for 24 months or use dollars as a go to market	$300,000.00	$907,988.00	6/30/2023
Infomedia Group dba Carenet Healthcare Services	RN advice line	SOW	1	348	3/1/2020	5/31/2022	$100,254.00	$126,000.00	$100,800.00	Renew for 36 months	$302,400.00	$528,654.00	5/31/2025
Inovalon, Inc.	HEDIS reporting	SOW	2,4 & 5	61, 264,26	7/1/2019	6/30/2022	$2,509,390.00	$750,000.00	$1,085,000.00	Renew for 36 months or use dollars as a go to market	$3,255,000.00	$6,514,390.00	6/30/2025
Insight Direct USA	Adobe software subscription	Software License Agreement		154& 459	12/16/2018	12/15/2021	$58,391.00	$0.00	$40,000.00	Renew for 3 year	$120,000.00	$178,391.00	12/15/2024
Insight Public Sector	Microsoft Enterprise License	Microsoft ELA		Multiple	1/1/2019	1/31/2021	$908,876.00	$0.00	$403,000.00	Renew for 3 years	$1,209,000.00	$2,117,876.00	1/31/2024
Jason Kim	Supports - IT data base administration work	Consulting Services Agreement	1	16040	8/19/2013	6/30/2021	$438,400.00	$188,155.00	$72,000.00	Renew for 1 year	$72,000.00	$698,555.00	6/30/2022
Moss Adams	Financial audit services	Service Order	7&9	342	11/1/2019	10/31/2021	$414,890.00	$168,350.00	$155,000.00	Renew for 12 months.	$155,000.00	$738,240.00	10/31/2022
Multiview Corporation	SaaS license	Subscription Agreement		383	7/1/2020	6/30/2022	$46,435.00	$40,435.00	$52,000.00	Renew for 1 year	$52,000.00	$138,870.00	6/30/2023
Omnidata	Cloud Service Provider Services	SOW	5	503	5/1/2021	4/30/2022	$0.00	$42,000.00	$42,000.00	Renew for 2 years	$84,000.00	$126,000.00	4/30/2024
Practice Management Info Corp. (PMIC)	Medical coding data files	License Agreement		421	8/7/2020	8/6/2021	$ 53,352.00	$ -	$ 56,000.00	Renew for 24 months	$112,000.00	$165,352.00	8/6/2023
Quest Analytics	Data verification and attestation accuracy services	Software License Agreement		145	12/17/2018	12/16/2021	$240,000.00	$0.00	$85,600.00	Renew for 1 year	$85,600.00	$325,600.00	12/16/2022
SAI Global	Compliance 360 software	Solutions Agreement		17013	11/15/2016	11/14/2021	$ 103,614.00	$ -	$ 36,000.00	Renew for 36 months.	$108,000.00	$211,614.00	11/14/2024
Solera Health, Inc.	DPP program	Master Services Agreement		162	1/1/2019	12/31/2021	$99,000.00	$0.00	$33,000.00	Renew for 36 months or use dollars as a go to market strategy	$99,000.00	$198,000.00	12/31/2024
SPH	Provider surveys	SOW 4,5&7	18, 259, 463	463	9/10/2020	6/30/2021	$51,274.00	$3,718.00	$27,000.00	Renew for 36 months.	$81,000.00	$135,992.00	6/30/2024
Tevora Business Solutions, Inc.	OKTA software & support	Software License Agreement		127	10/29/2018	10/28/2021	$49,650.00	$0.00	$60,651.00	Renew for 1 year	$60,651.00	$110,301.00	10/28/2022
Wells Fargo Financial Leasing Inc.	Multifunctional device lease - 8 Ricoh MPC 6004 printers	Lease		19 & 400	7/1/2018	6/30/2022	$112,816.00	$36,368.00	$29,253.00	Renew for 1 year	$29,253.00	$178,437.00	6/30/2023
Xpedite Systems (Easylink) OpenText	Fax-messaging services	Customer Service Agreement		15198	6/1/2015	5/31/2022	$175,634.00	$58,500.00	$45,000.00	Renew for 1 year	$45,000.00	$279,134.00	5/31/2023

Gold Coast Health Plan℠
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AGENDA ITEM NO. 10

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Cathy Deubel Salenko, Health Counsel

DATE: June 28, 2021

SUBJECT: Conduent Contract Amendment

VERBAL PRESENTATION

AGENDA ITEM NO. 11

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Margaret Tatar, Chief Executive Officer

DATE: June 28, 2021

SUBJECT: Chief Executive Officer (CEO) Report

I. EXTERNAL AFFAIRS:
The California Budget 2021-2022

The California State Legislature is required by the constitution of California to pass a budget by midnight on June 15, 2021. The Governor must enact the budget by July 1, 2021. CalAIM and other proposals that are currently moving forward within the Legislature also require additional budget appropriations and legislation to implement. We may see additional minor budget bills in August, depending on legislative priorities the Senate and Assembly take up. GCHP's Government Affairs team will continue to observe budget negotiations and actions made by the Governor. Below is a summary of actions taken by the Legislature in this year's budget hearings.

Behavioral Health

The Legislature and Governor have prioritized behavioral health services for youth ages 25 and younger. The May Revise includes nearly $4 billion in funding, with several initiatives focusing on care coordination, prevention and early intervention, and access to treatment services. Bold steps are being taken to implement an incentive program integrating through Medi-Cal managed care plans, in partnership with county behavioral health departments and local education agencies, to increase the number of students receiving preventive and early intervention behavioral health services at school. Highlights include:

1. $4.4 billion of expenditures over five years for the Children and Youth Behavioral Health Initiative.
2. Approve state operations for the behavioral health service virtual platform but reject $73 million funding for the platform in 2021-22 until the project has met the appropriate milestones.
3. Approve $800 million to support the addition of dyadic services as a Medi-Cal benefit.
4. Approve $245 million for children- and youth-focused behavioral health infrastructure, consistent with the proposed allocation of funding for immediate mobile crisis support teams identified in the Legislature's proposed action on the $2.5 billion Behavioral Health Continuum Infrastructure investments.
5. $228.3 million over five years to support behavioral health counselors and coaches.

6. Adopt Modified Placeholder Trailer Bill Language to reflect these actions, as well as the proposed language regarding commercial health plan coverage of behavioral health services on a school campus.

California Advancing and Innovating Medi-Cal (CalAIM)

Components of the CalAIM proposal, such as Enhanced Care Management (ECM) and In Lieu of Services (ILOS), continue to receive funding as the Legislature approves funding for CalAIM and adopts modified placeholder Trailer Bill Language that will authorize new incentive payments, grants for Providing Access and Transforming Health (PATH) for qualified entities to support services, infrastructure, and capacity building in advancing select goals and components of CalAIM. Authorize funding for the Population Health Management Service, contingent on the passage of trailer bill language clarifying additional details and approve funding for the medically tailored foods project.

Health Equity

The Legislature plans to invest $115 million annually in community-based health equity and racial justice efforts, and $63.1 million one-time for the California Reducing Disparities Project.

Homelessness and Housing

COVID-19 continued to highlight the issue of homelessness throughout the pandemic The May Revise built from the January Proposed Budget, and the Legislature continues to reinforce it as a priority in California. The Legislature proposes to adopt a multi-year homeless package including roughly $10.6 billion over four years, including approximately $8.6 billion over two years. This includes $1.2 billion federal ARPA funds for Project Homekey, $1 billion in general funds for flexible local aid, $40 million for Family Homelessness Challenge Grants, $30 million for Encampment Resolution Grants, and funding for health and human services programs.

Medi-Cal Expansion

The May Revise looked to expand Medi Cal eligibility to those 60 years or older, regardless of immigration status, but the Legislature is taking the historic step to amend the budget to expand Medi-Cal coverage to undocumented adults ages 50 and older. The Legislative budget also includes $90 million to expand Medi-Cal eligibility for postpartum women.

Telehealth

The May Revise included language that would let the state Department of Health Care Services (DHCS) establish audio-only telehealth rates at 65% of the Medi-Cal fee-for-service rates. The Legislature, in its revision of the Governor's Budget, has adopted a proposed trailer bill to make permanent flexibilities for Medi-Cal providers to utilize telehealth at the same rate as made available during the Public Health Emergency, consistent with AB 32 (Aguiar-Curry) and rejects the administration-proposed trailer bill on telehealth.

A. Federal	Implications
Executive Action (as of June 11,2021)	
Administrator of the Centers for Medicare and Medicaid Services, Chiquita Brooks-LaSure. Nomination Approved by the full Senate. May 27, 2021	No Impact to GCHP
Congressional Action	
May 26, 2021 – House of Representatives Passage of health-related bills:	
H.R. 433, the "Family Support Services for Addiction Act of 2021," was introduced by Reps. David Trone (D-MD) and Daniel Meuser (R-PA). The bill would authorize the Secretary of Health and Human Services (HHS) to award grants to support family community organizations that develop, expand, and enhance evidence-informed family support services for families and family members living with substance use disorders or addiction. The grants may be used to build connections between family support networks, with behavioral health and primary care providers, and foster care services, among others. The grant may also be used to reduce stigma around addiction and addiction treatment, family support outreach activities, and connect families to peer support programs. The bill passed by an en bloc vote of 349-74.	No immediate impact to GCHP.
H.R. 1475, the "Pursuing Equity in Mental Health Act," was introduced by Reps. Bonnie Watson Coleman (D-NJ) and John Katko (R-NY). The bill would authorize federal funding to address mental health disparities among underserved populations, including communities of color. The bill includes provisions that would: Create a grant program targeted at high-poverty communities for culturally and linguistically appropriate mental health services; support research into disparities in mental health; reauthorize the Minority Fellowship Program to support more students of color entering the mental health workforce; and study the impact of smartphones and social media on adolescents. The bill passed by an en bloc vote of 349-74.	No immediate impact to GCHP.

Congressional Action	
H.R. 721, the "Mental Health Services for Students Act of 2021," was introduced by Reps. Grace Napolitano (D-CA) and Katko. The bill would authorize grants to fund school-based mental health services. The program would support screening for social, emotional, mental, and behavioral issues, including suicide or substance use disorders; treatment and referral for these issues; development of evidence-based programs for students experiencing these issues; and other strategies for schools to support students and the communities that surround them. The goal of the program is to create partnerships between schools and community-based mental health professionals across the country. The bill passed by an en bloc vote of 349-74.	No immediate impact to GCHP.
H.R. 1205, the "Improving Mental Health Access from the Emergency Department Act of 2021," was introduced by Rep. Raul Ruiz (D-CA). The bill would authorize the Substance Abuse and Mental Health Services Administration (SAMHSA) to award grants to qualifying emergency departments for the purpose of supporting mental health services. Grant recipients must use funds to support the provision of follow-up services for individuals who present for care of acute mental health episodes, such as placement in appropriate facilities. The bill passed by an en bloc vote of 349-74.	No immediate impact to GCHP.
H.R. 1324, the "Effective Suicide Screening and Assessment in the Emergency Department Act of 2021," was introduced by Reps. Bilirakis and Darren Soto (D-FL). The bill would create a grant program to improve the identification, assessment, and treatment of patients in emergency departments who are at risk for suicide by: Developing policies and procedures for identifying and assessing individuals who are at risk of suicide and enhancing the coordination of care for such individuals after discharge. The bill passed by an en bloc vote of 349-74.	No immediate impact to GCHP.

Congressional Action	
H.R. 2862, the "Campaign to Prevent Suicide Act," was introduced by Reps. Don Beyer (D-VA) and Kinzinger. The bill would direct HHS, in coordination with the Centers for Disease Control and Prevention (CDC) and SAMHSA, to carry out a national suicide prevention media campaign to advertise the new 9-8-8 number, when it becomes effective, raise awareness for suicide prevention resources, and cultivate a more effective discourse on how to prevent suicide. The bill would also provide guidance to TV and social media companies on how to talk about suicide by creating a best practices toolkit. The bill passed by an en bloc vote of 349-74.	No immediate impact to GCHP.
H.R. 2877, the "Behavioral Intervention Guidelines Act of 2021," was introduced by Reps. Drew Ferguson (R-GA), Michael Burgess (R-TX), Peters, and Jimmy Panetta (D-CA). The bill would require SAMHSA to develop best practices for schools to establish behavioral intervention teams and properly train them on how to intervene and avoid inappropriate use of mental health assessments and law enforcement. Not later than one year after enactment, best practices shall be made publicly available on an HHS website. The bill passed by a vote of 323-93 with two members voting present.	No immediate impact to GCHP.
May 26, 2021 – House Energy and Commerce and Senate HELP Committees Issue Request for Information. The House Energy & Commerce Committee is considering plans to develop legislation to establish a public option for health coverage to lower health care costs and help families get quality, affordable health care.	No impact to GCHP.

B. State	Implications
Legislative Actions (as of May 7,2021)	
June 2, 2021 – Senate Budget Committee: Children and Youth Behavioral Health Initiative In the May Revision, the Administration proposed $4.4 billion of expenditures over a five-year period to transform California's behavioral health system so that all children and youth ages 25 and younger, regardless of payer, are screened, supported, and served for emerging and existing behavioral health needs. The Administration's proposal provides an allocation of resources for the enormous task of ensuring a full continuum of behavioral health services is available to all children and youth. Adjustments made include reducing the total by $73 million, Behavioral Health Counselors and Coaches reduced by $200 million, and $200 million added to the Mental Health Student Services Act Partnerships program.	No impact to GCHP.
Legislative Actions (as of May 7,2021)	
May 26, 2021 Senate and Assembly Hearings: Budget and Fiscal Review Subcommittee on health and human services: Notable Action: Issue 47, Telehealth Services and Audio-Only Telehealth. The voted action was to reject the May Revisions to the budget and adopt trailer bill language consistent with AB 32 (Aguiar-Curry).	
State Legislature Bills	
CalAIM	
SB 256 (Pan D) Medi-Cal: covered benefits. Introduced: Jan. 26, 2021 Status: Passed Senate Floor, Ayes 39. Noes 0. June1, 2021 Referred to Assembly Health. Summary: Establishes the CalAIM Act to require DHCS to seek federal approval for and implement waivers for the CalAIM initiative according to the CalAIM Terms and Conditions and consistent with existing federal law. Requires DHCS to implement the Population Health Management, Enhanced Care Management (ECM), In Lieu of Services (ILOS), and Incentive Payments components of the CalAIM initiative.	GCHP is laying the foundation for contracting with the ECM provider and analyzing the ILOS options for feasibility. This bill will allow GCHP to work closer with community-based programs and provide an expanded whole-person approach to serving GCHP's members.

CalAIM	
AB 875 (Wood D) Medi-Cal: demonstration project. Introduced: February 17, 2021 Status: Held under submission in Appropriations, bill is dead. A Similar companion bill to SB 256, Summary: This bill would extend the payment methodologies in CalAIM. The bill would modify reimbursement methodologies for designated public hospitals, as prescribed.	Ventura County Medical Center (VCMC) would be eligible to receive global payments that are calculated using a value-based point methodology based on the health care that they provide to the uninsured.
AB 1160 (Rubio D) Medically supportive food. Introduced: February 18, 2021 Status: Held in committee, similar language was adopted into the trailer bill. Summary: Like the ILOS benefit, authorizes MCPs to provide medically tailored meals to enrollees. The bill would authorize the department to implement this provision by various means, including plan or provider bulletins.	This bill would create a new benefit for GCHP members.
Medi-Cal	
AB 4 (Arambula D) Medi-Cal: Eligibility. Introduced: Dec. 7, 2020 Status: Passed Assembly Floor, Ayes 58. Noes 18. June 1, 2021 Referred to Senate Health. Summary: Extends eligibility for full-scope Medi-Cal benefits to undocumented adults age 26 and above who are otherwise eligible except for their immigration status.	Potential increase in GCHP membership.
AB 470 (Carrillo D) Medi-Cal: eligibility. Introduced: Feb. 8, 2021 Status: Passed Assembly Floor, Ayes 70. Noes 2. May 21, 2021 Referred to Senate Health. Summary: Repeals the Medi-Cal “asset test” by prohibiting resources like property from being used to determine eligibility.	Potential increase in GCHP membership.

Medi-Cal	
SB 56 (Durazo D) Medi-Cal: eligibility. Introduced: Dec. 7, 2020 Status: Passed Senate Floor, Ayes 29. Noes 7. June 2, 2021 Referred to Assembly Health. Similar language was adopted into the trailer bill, but for those who are 50 years of age and over. Summary: Effective July 1, 2022, this bill would extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older and who are otherwise eligible for those benefits except for their immigration status.	Potential increase in GCHP membership.
Behavioral Health	
AB 383 (Salas D) Mental health: older adults. Introduced: Feb. 2, 2021 Status: Passed Assembly Floor, Ayes 78. Noes 0. May 27, 2021 Referred to Senate Health. Summary: Would establish within DHCS an Older Adult Mental Health Services Administrator to oversee mental health services for older adults.	No direct implications for GCHP.
Health Information Exchange	
AB 1131 (Wood D) Health Information Network. Introduced: Feb. 18, 2021 Status: Held in committee, will become a two-year bill. Similar provisional language was adopted into the trailer bill related to California Health Information Exchange Onboarding Program (Cal-HOP) through the end of 2021-22 for interoperability or data exchange purposes. Summary: This bill establishes a statewide “health information network (HIN),” governed by an independent board. The board would: Select an operator for data warehousing, integrate and exchange infrastructure for health information for care and treatment, as well as the exchange of data for purposes of public health reporting and broader analyses of health disparities.	This bill could create a statewide HIN to facilitate data sharing for GCHP related to its members. The HIN would support the electronic exchange of health information among, and aggregate and integrate data from, multiple sources within our service area. The bill is supported by Manifest Medex.

Telehealth	
AB 32 Telehealth Introduced: Dec. 7, 2020 Status: Passed Assembly Floor, Ayes 78. Noes 0. June 1, 2021 Referred to Senate Health. Language was adopted into the trailer bill that mirrors AB 32 to provide parity for audio-only telehealth. This bill expands the definition of synchronous interaction for purposes of telehealth to include audio-video, audio-only, and other virtual communication. Requires health plans and insurers to reimburse for audio-video, audio-only, and other virtual communication on the same basis and to the same extent that the plan/insurer is responsible for reimbursement for the same service through in-person diagnosis, consultation, or treatment.	Potential to increase access for members to all services that can be provided via telehealth. The bill could influence costs due to reimbursement being fixed at the same rate as in-person visits.
Health Equity	
SB 17 Office of Racial Equity. Introduced: Dec. 7, 2020 Status: Passed Senate Floor, Ayes 31. Noes 6. June 2, 2021 Referred to Assembly Health. Summary: This bill establishes the Office of Racial Equity, which would develop statewide guidelines for inclusive policies and practices that reduce racial inequities, promote racial equity, address individual, institutional, and structural racism, and establish goals and strategies to advance racial equity and address structural racism and racial inequities.	No direct implications for GCHP.

A. 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 serve Medi-Cal members and vulnerable populations. Additionally, GCHP provides in-kind donations to community-based organizations that are working on health initiatives and holding community events. Below is a table summarizing sponsorships awarded in May and June.

Name of Organization	Description	Amount
City of Oxnard	The City of Oxnard Recreation and Community Services strives to enrich the quality of life for people of all ages by providing safe, positive, and active opportunities within the community. The sponsorship will go toward the "Run Oxnard 5K" to promote healthy lifestyles through exercise.	$600
Prototypes program of HealthRIGHT360	HealthRIGHT 360 offers residential, drug and alcohol treatment, along with parenting, vocational and educational training for women over the age of 18. The sponsorship will go toward the "Green Places to Connect, Heal and Thrive" garden.	$1,000
Ventura County Behavioral Health (VCBH)	VCBH provides a continuum of care for substance use disorder treatment services, offering individuals with services to help with the process of recovery from substance use disorders. The sponsorship will go toward their annual fundraising event to support "NAMIWalks".	$300
Housing Trust Fund Ventura County	Housing Trust Fund Ventura County helps fund workforce housing for low-to-moderate income families. The sponsorship will go toward their "Everyone Deserves a Home" compassion campaign.	$1,000
Kids & Families Together	Kids & Families Together is a nonprofit that has been serving foster, adoptive, kinship, and birth families throughout Ventura County. The sponsorship will go toward their annual fundraising gala "A Home for the Holidays".	$1,000
Total Sponsorships		**$3,900**

In June, GCHP also supported Students for Eco-Education & Agriculture (SEEAG) in their Farm Fresh Wellness Fair initiative. A total of 1,800 items were distributed to low-income families from Cesar E. Chavez Elementary School in Oxnard. Families also received information about GCHP's resources, including member services, care management, and transportation.

B. Community Relations – Community Meetings

The Community Relations team actively participates in collaborative meetings, council meetings, and informational sessions via virtual platforms. The purpose of these meetings is to connect with our community partners and engage in dialogue to bring awareness and services to the most vulnerable Medi-Cal population. Below you can find more information about our collaborative efforts.

Name of Organization	Description	Date
Family Financial Well-Being Collaborative Meeting	The Family Financial Well-Being Collaborative advocates on behalf of families and individuals to address barriers to financial well-being in a holistic way. The collaborative works to address social needs like employment and economic security, training and education, financial education, housing affordability, and supportive services.	May 26, 2021
Partnership for Safe Families Strengthening Families Collaborative meeting	The Partnership for Safe Families & Communities of Ventura County is a collaborative non-profit organization providing inter-agency coordination, networking, advocacy, and public awareness. The collaborative meeting engages parents and community representatives to share resources, announcements, and community events.	June 3, 2021

Name of 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 13-19year-olds and bridge 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 3, 2021
Inter-Neighborhood Council Organization (INCO) meeting	The INCO serves as an advocacy group for each neighborhood in the City of Oxnard. The INCO helps the neighborhood councils communicate with the Oxnard City Council and address concerns of the community.	June 3, 2021
City of Santa Paula Senior Advisory Council	Santa Paula residents serve as advocates for residents who are 60 and older with a mission to bring awareness to issues that impact senior living and family caregivers.	June 4, 2021
Bridges to Resilience Virtual Conference	The Bridges to Resilience is a conference that invites health care professionals and community partners to discuss Adverse Childhood Experiences (ACEs) to increase engagement and build stronger networks of care throughout the tri-counties.	June 9, 2021
Simi Valley Council on Aging	The Council on Aging is an advisory body to the City Council that serves to support programs and services providing seniors with maximum independence, safety, and quality of life.	June 14, 2021
Total community meetings		**7**

C. Speakers Bureau

In June, GCHP launched a Speakers Bureau to educate and inform the public, community partners and external groups about GCHP and its mission in the community. The team of speakers will meet with providers, community partners, and other organizations throughout the county – both virtually and in person – to provide information about GCHP's services, along with current and upcoming Medi-Cal initiatives, including California Advancing & Innovating Medi-Cal (CalAIM), Medi-Cal Rx, health equity, and population health. Depending

on the audience, GCHP's speakers also may discuss state and federal policies that would impact the Medi-Cal/Medicaid programs. So far, we have participated in one speaking engagement listed below.

Name of Organization	Description	Date
Mixteco/Indigena Community Organizing Project (MICOP) Radio Indigena	A panel of speakers provided information about what benefits are considered in public charge. Additionally, speakers provided information about their organization's services.	May 26, 2021
Total speaking engagements		**1**

For more information, email CommunityRelations@goldchp.org. To request a speaker, complete the application located on GCHP's website under the Community page or click here to access it directly.

D. Community Relations – Building Community Newsletter

The Building Community newsletter highlights GCHP's contributions to the community and serves as a platform to inform community partners about GCHP's initiatives and collaboration opportunities. In the upcoming newsletter, we share information about our community project, sponsorship efforts, legislative updates, and much more. Click here to read previous issues of the newsletter.

II. Provider Network Operations:

A. Membership

	VCMC	CLINICAS	CMH	PCP-OTHER	DIGNITY	ADMIN MEMBERS	NOT ASSIGNED	KAISER
Mar-21	84,132	41,686	31,496	4,965	6,036	16,028	3,927	6,326
Feb-21	83,624	41,478	31,284	5,138	5,944	15,606	4,051	6,249
Jan-21	83,016	41,247	31,110	5,128	5,841	14,941	4,363	6,156

Notes:

1. The 2020 Admin Member numbers will differ from the member numbers below as both reports represent different snapshots of eligibility.
2. 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	April 2021
Total Administrative Members	40,966
Share of Cost	1,672
Long Term Care	733
BCCTP	80
Hospice (REST-SVS)	128
Out of Area (Not in Ventura)	639
Other Health Care	
DUALS (A, AB, ABD, AD, B, BD)	25,147
Commercial OHI (Removing Medicare, Medicare Retro Billing and Null)	15,210

NOTE:
The total number of members will not add up to the total admin members, 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 of those boxes.

METHODOLOGY
The criteria used to identify members for this report was vetted and confirmed in collaboration with the Member Services Department. Admin members for this report were identified as anyone with active coverage with the benefit code ADM01. Additional criteria are as follows:

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

3. BCCTP members identified by AID codes 0M, 0N,0P, and 0W.
4. Hospice members identified by the flag (REST-SVS) with values of 900, 901, 910, 911, 920, 921, 930, or 931.
5. Out of Area members were identified by the following zip codes:
    a. Ventura Zip Codes include: 90265, 91304, 91307, 91311, 91319-20, 91358-62, 91377, 93000-12, 93015-16, 93020-24, 93030-36, 93040-44, 93060-66, 93094, 93099, 93225, 93252
    b. If no residential address, the mailing address is used for this determination
6. Other commercial insurance was identified by a current record of commercial insurance for the member.

B. Provider Contracting Update:

GCHP works with providers through:

1. **Agreements:** Newly negotiated contracts between GCHP and a provider.
2. **Amendments:** Updates to existing Agreements.
3. **Interim Letters of Agreement:** Agreements created for providers who have applied for Medi-Cal enrollment but have not been approved. Once Medi-Cal enrollment has been approved and the provider has been credentialed by GCHP, the provider will enter into an Agreement with GCHP**.** Also used for Out-of-Area providers who are Medi-Cal enrolled to meet DHCS Out-of-Network contracting requirements.
4. **Letters of Agreement (LOA):** Member-specific negotiated agreements with non-contracted GCHP providers.

From May 1-31, 2021, the following contracting actions were taken:

Contract Amendments - Total: 8		
Provider	**Specialty**	**Action Taken**
Premier Physical Therapy and Associates	Physical Therapy	Updated the rate sheet to remove local codes for evaluations.
Providence Health Systems	Hospital	Termination of California Lab Associates and Valley Radiation Oncology Center from Hospital agreement. Change in NPI for Providence Saint Joseph Medical Center – Acute Rehab.
Planned Parenthood California Central Coast	ObGyn Specialist Group	Addition of providers while they are pending credentialing. These providers have been pending for more than 120 days.

Provider	Specialty	Action Taken
Cassandra Woods-Pierce dba Children's Therapy Network Interim LOA	Physical Therapy	Addition of two occupational therapists and termination of four therapists from Interim LOA
Amigo Baby Interim LOA	Physical Therapy	Addition of 13 therapists while they are pending Medi-Cal enrollment and provisional credentialing
Brooks Home IV	Pharmacy Infusion	Updated servicing location
Two Trees Physical Therapy Interim LOA	Physical Therapy	Addition of two servicing locations that are pending Medi-Cal enrollment
Adventist Health Physicians Network Interim LOA	Specialist Group	Termination of Interim LOA. Group is now credential approved and will transition into fully executed agreement.
Letters of Agreement – Total: 5		
Provider	**Specialty**	**Action Taken**
Stanford Medical Center	Hospital	COC LOA for Postural Orthostatic Tachycardia Syndrome Management
Rizvi Murtaza, MD	Surgery	Follow-up surgery for ER hand injury.
Arise Congregate Living	Skilled Level 1	Extension of previous LOA; homeless member unable to care for self and denied admission to other LTCs in county is getting treatment for wound care to lower right extremity and PT.
Providence LCM Medical Center – Torrance	Acute Rehab	Member needing acute rehab post liver transplant at UCLA. The transplant team prefers to discharge patients to an acute rehab that is geographically near for follow-up visits.
LA Center for Oral & Maxillofacial Surgery	Surgery	COC LOA for follow-up surgeries for member with severe jaw infection and bone wasting disease. Member needs extensive surgery, drainage, extractions of teeth, and debridement.

Network Operations Department Projects

Project	Status
BetterDoctor: BetterDoctor is a product that performs outreach to providers to gather and update provider demographic information. This is an ongoing initiative.	Network Operations continues to meet weekly with Quest Analytics. In May 2021, the team did not verify demographic information from BetterDoctor, focusing instead on the claims system implementation and following up with providers with calls and emails.
Provider Contracting and Credentialing Management System (PCCM): Referred to as eVIPs, this software will allow consolidation of contracting, credentialing and provider information management activities. The project is scheduled to be implemented in the 3rd Quarter of 2021.	The Network Operations team is working on the following processes: 1. Desk-level Procedures 2. Dynamic Import Utility (DIU) - Roster Import Training 3. Data Corrections / Maintenance 4. eApply Overview 5. eSearch Overview 6. Reporting requirements review and revisions 7. UAT Testing complete 8. UAT Testing for Provider Directory

Provider Additions: May 2021 – 19 Total

Provider Type	In-Area Providers	Out-of-Area Providers
Midlevel	5	1
PCP	0	0
Specialist	4	8
Specialist-Hospitalist	1	0
Total	10	9

Provider Terminations: May 2021 – 26 Total

Provider Type	In-Area Providers	Out-of-Area Providers
Midlevel	4	3
PCP	0	0
Specialist	11	8
Specialist-Hospitalist	0	0
Total	15	11

The provider terminations have no impact on member access and availability. Of note, the specialist terminations are primarily associated with tertiary adult and pediatric academic medical centers where interns, residents, and fellows have finished with their clinical rotations.

C. Compliance

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

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

**Ongoing monitoring denotes 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.*

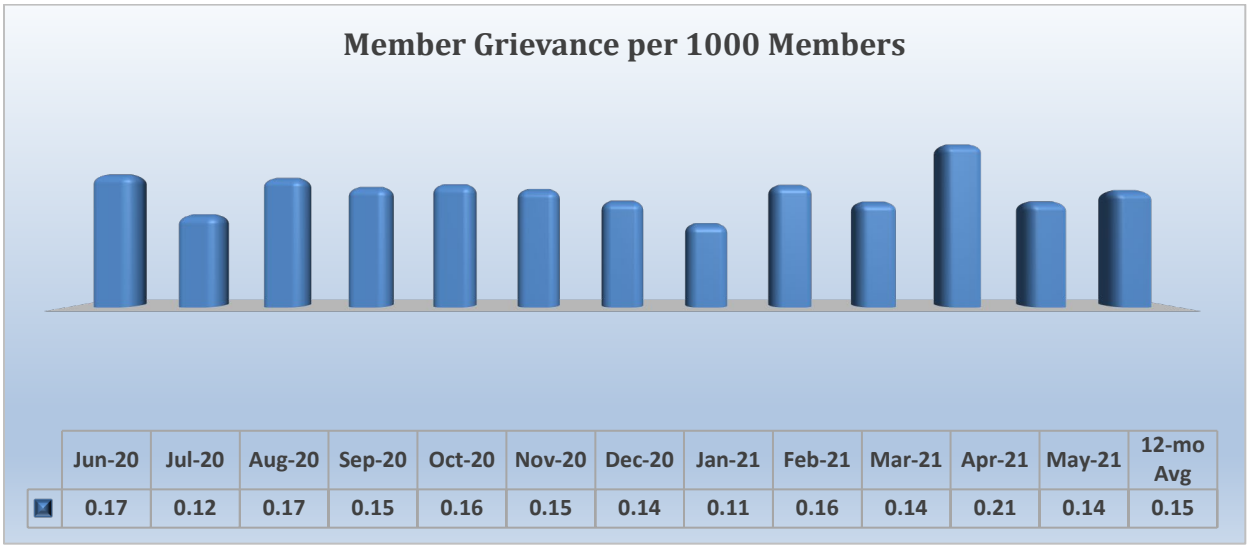
Compliance will continue to monitor all CAPs. GCHP's goal is to ensure compliance is achieved and sustained by its delegates. It is a DHCS requirement for GCHP to hold all delegates accountable. The oversight activities conducted by GCHP are evaluated during the annual DHCS medical audit. DHCS auditors 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 oversight of 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 from May 8 – June 10, 2021.

Delegation Oversight					
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
Beacon	2020 Annual Claims Audit	Open	4/21/2020	Under CAP	
Beacon	2021 Annual Claims Audit	Open	5/06/2021	Under CAP	

Delegate	Audit Year/Type	Audit Status	Date CAP Issued	Date CAP Closed	Notes
Conduent	2020 Call Center Audit	Open	1/20/2021	Under CAP	CAP issued 1/20/2021
VTS	2021 Call Center Audit	Open	5/21/2021	Under CAP	
Beacon	Quarterly UM Audit	Closed	4/28/2021	5/6/2021	
CDCR	Annual UM Audit	Closed	5/6/2021	5/27/2021	
VSP	Annual QI and C&L Audit	Closed	NA	NA	No findings, audit completed June 10, 2021
Privacy & Security CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
Conduent	Annual Vendor Security Risk Assessment 2020	Open	9/22/2020	N/A	4 findings still open
Conduent	Call Center Recordings Website	Open	1/06/2021	N/A	
Operational CAPs					
Delegate	**CAP Type**	**Status**	**Date CAP Issued**	**Date CAP Closed**	**Notes**
Conduent	February 2021 Service Level Agreements	Open	4/15/2021	N/A	
Conduent	IKA Inventory, KWIK Queue, APL 21-002	Open	4/28/2021	N/A	
Conduent	HSP Provider Portal	Open	4/29/2021	N/A	

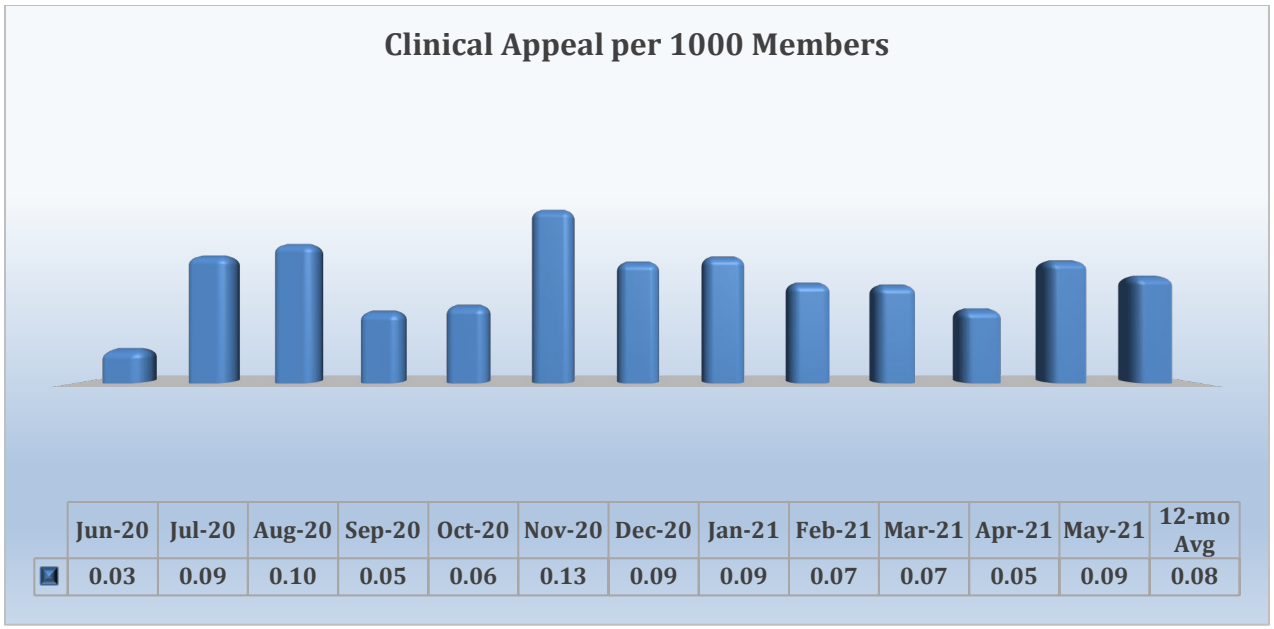
D. GRIEVANCE AND APPEALS



	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	12-mo Avg
	0.17	0.12	0.17	0.15	0.16	0.15	0.14	0.11	0.16	0.14	0.21	0.14	0.15

Member Grievances per 1,000 Members
The data shows GCHP's volume of grievances is low in comparison to the number of enrolled members. The 12-month average of enrollees is 210,717, with an average annual grievance rate of .15 grievances per 1,000 members.

In May 2021, there were 30 member grievances. The top reason was "Quality of Care" due to a delay in care.



	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	12-mo Avg
☑	0.03	0.09	0.10	0.05	0.06	0.13	0.09	0.09	0.07	0.07	0.05	0.09	0.08

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

In May 2021, GCHP received 20 clinical appeals:

1. Seven were overturned
2. Nine were upheld
3. Three are still in review
4. One was withdrawn

RECOMMENDATION:

Receive and file

Gold Coast Health Plan℠
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AGENDA ITEM NO. 12

TO: Ventura County Medi-Cal Managed Care Commission

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

DATE: June 28, 2021

SUBJECT: Chief Medical Officer (CMO) Report

Medi-Cal Children's Preventive Services Report

Children Now, a policy development and advocacy organization published a brief on children's preventive services in Medi-Cal in May 2021. The report noted that over 90% of children with Medi-Cal receive care through a managed care plan and that the pandemic caused a dramatic fall in children's preventive services in the Medi-Cal system. By August 2020, the number of children's visits for preventive care dropped by 40% compared to prior year. The report also stressed that pre-pandemic performance was poor, and the rates were even lower for children of color or from non-English speaking households.

Medi-Cal managed care plans were ranked on measurement year 2019 performance on five preventive care measures. Gold Coast Health Plan ("GCHP") ranked 6th of 56 plans. Half of the top 10 plans were County Organized Health System ("COHS") model plans.

Preventive Service	Plan Average	GCHP Rate	GCHP Rank
Lead Screening	61%	69.38%	18/56
Well Child Visits – First 15 Months of Live	26%	48.98%	2/56
Child & Adolescent Well Visits	51%	49.95%	24/56
Fluoride Varnish	23%	37.24%	9/56
Tobacco Screening	1%	0.22%	24/56

The full report is available at: https://www.childrennow.org/portfolio-posts/accountability-for-medi-cal-childrens-preventive-services/

Population Needs Assessment

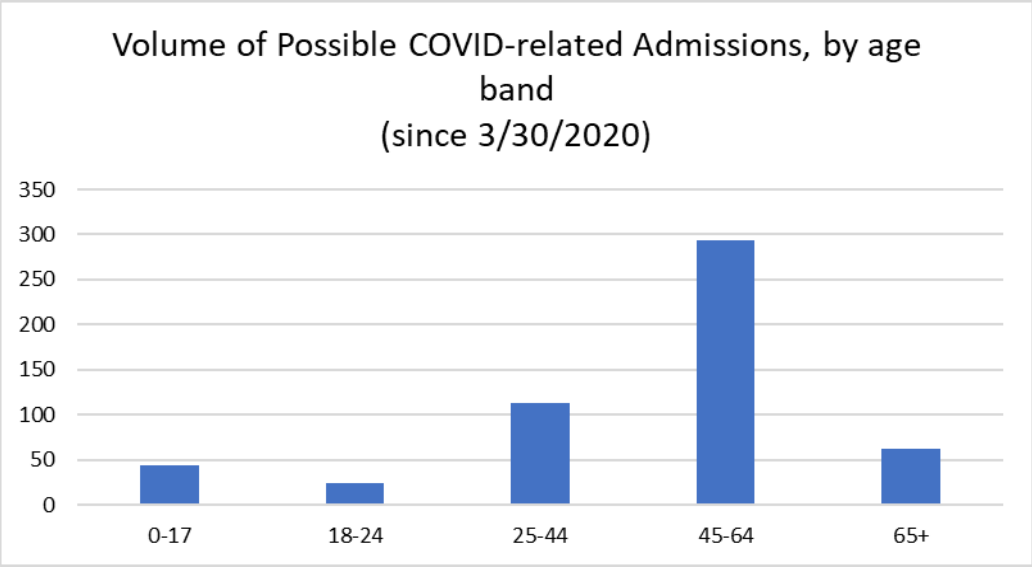
The Population Needs Assessment ("PNA") fulfills a contractual requirement set by the Department of Health Care Services ("DHCS"). The PNA is a collaborative effort led by the Department of Health Education, Cultural and Linguistic Services, with support from Quality Improvement, Provider Network Operations, and Decision Support Services departments. GCHP conducts the PNA annually to assess the health status and behaviors of members, health education and cultural linguistic needs, health disparities and gaps in care. Multiple reliable data sources were used to identify health outcomes among members as well survey responses from the 2021 GCHP community stakeholder engagement survey. The survey was administered to members of the Community Advisory Committee ("CAC"), the Ventura County Medi-Cal Managed Care Commission and community-based organizations including schools, social services agencies, and advocacy groups.

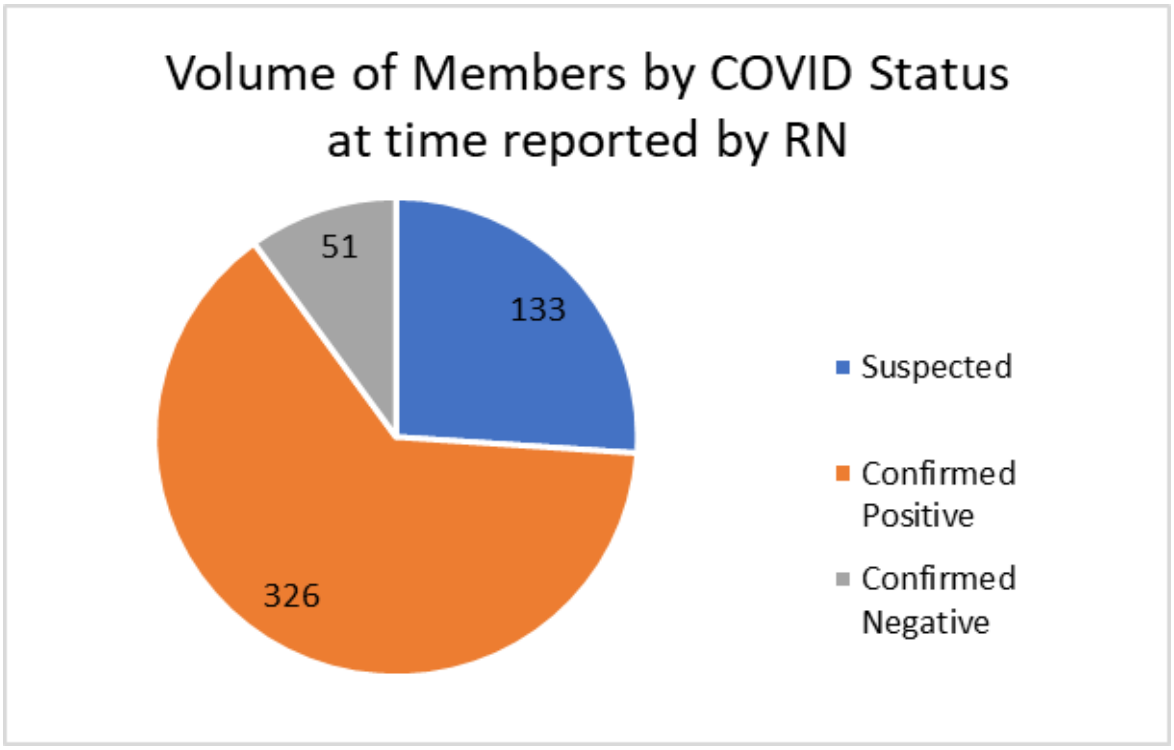
The PNA report outlines seven (7) key strategic objectives and interventions designed to improve quality of care among members. The PNA will be submitted to DHCS at the end of this month and the full report will be presented to the Commission in July 2021.

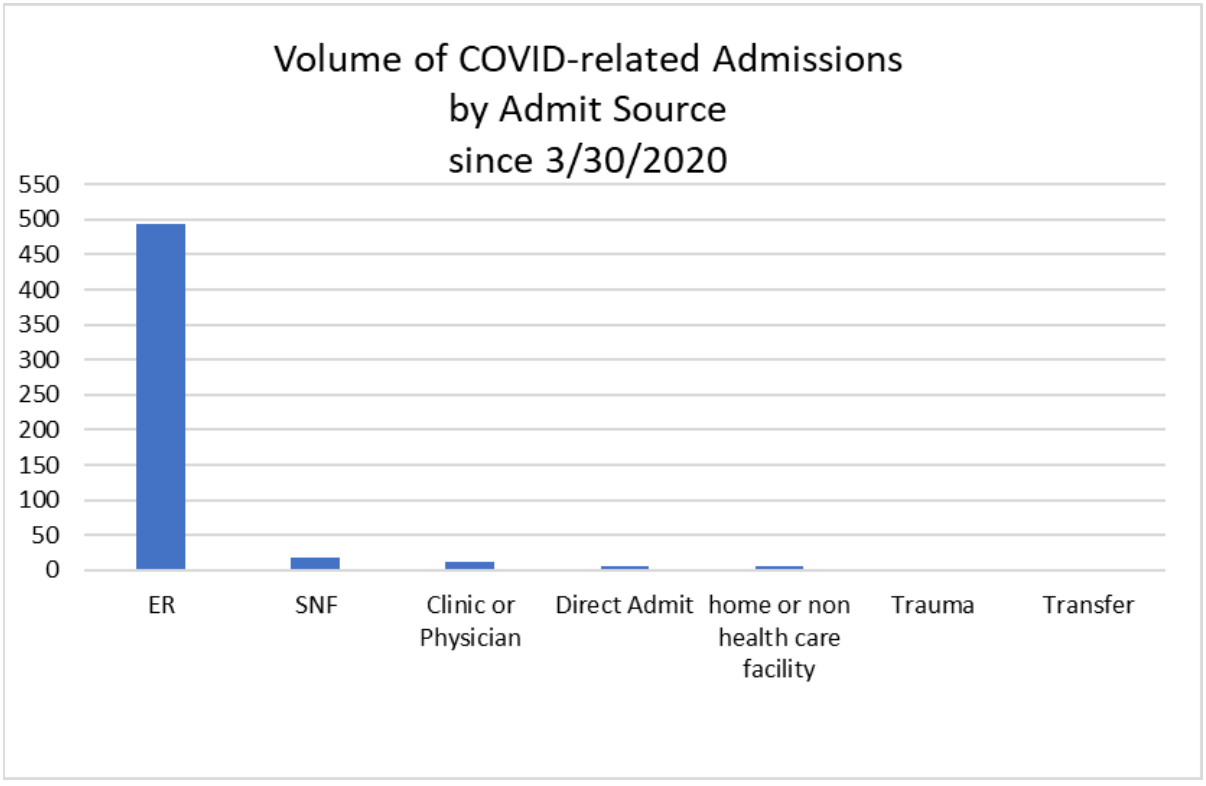
Utilization Update

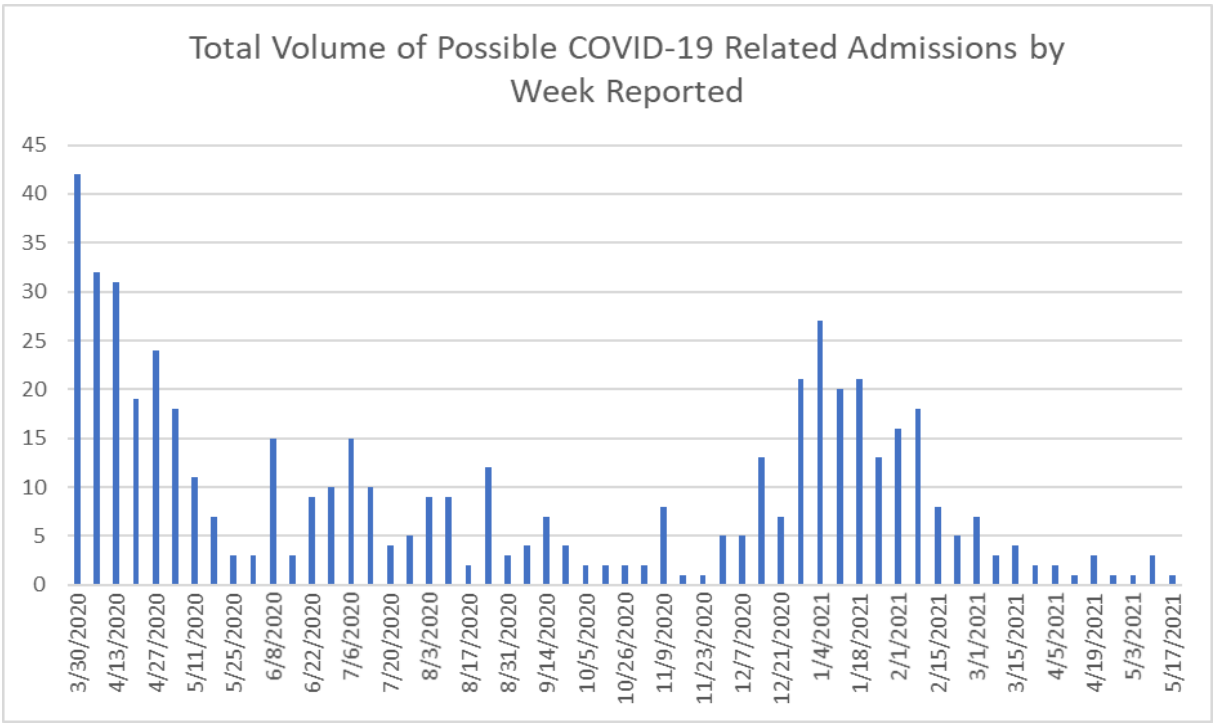
COVID-19 Related Admissions

GCHP staff have only reported 4 additional COVID-19 related admissions to the Department of Health Care Services ("DHCS") since May 2021 for a total of 536. Most admissions are in the 45-64 year old age groups followed by the 25-44 year old age group. Most (>60%) inpatients are confirmed COVID-19 positive at the time of admission. Nearly all (92%) admissions result from an emergency room visit. The highest peaks for admissions occurred in March 2020 and January 2021.



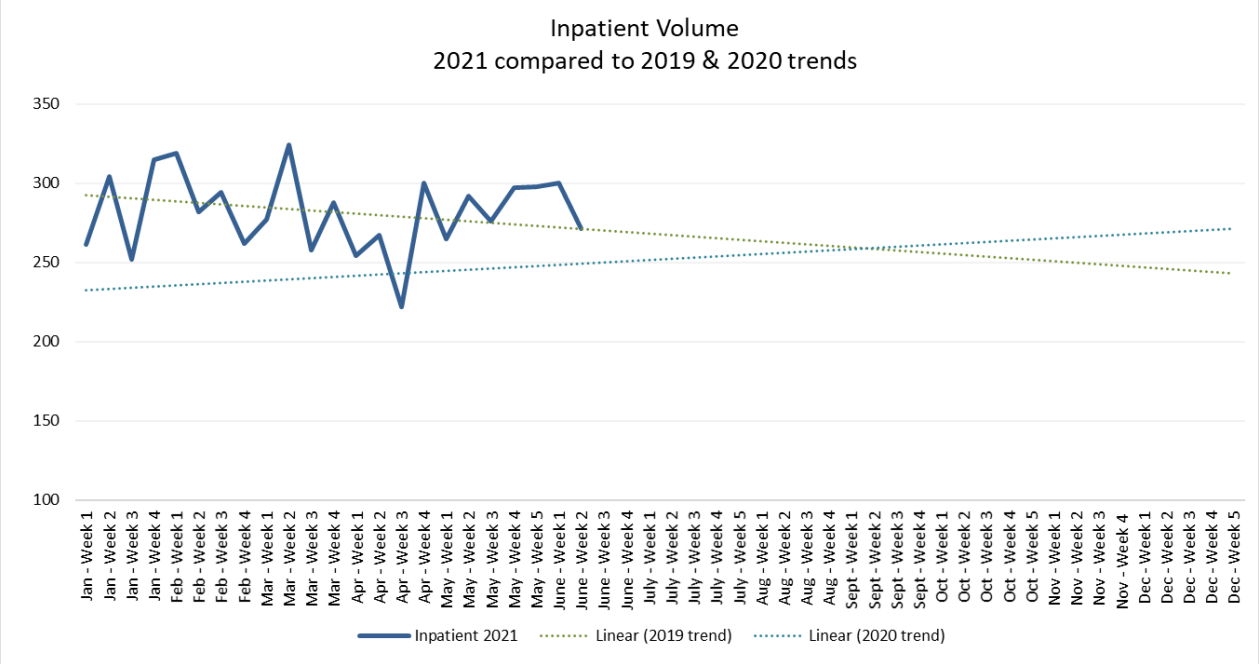

Volume of Members by COVID Status
at time reported by RN
51
133
326
Suspected
Confirmed Positive
Confirmed Negative


Volume of COVID-related Admissions
by Admit Source
since 3/30/2020
550
500
450
400
350
300
250
200
150
100
50
0
ER
SNF
Clinic or Physician
Direct Admit
home or non health care facility
Trauma
Transfer

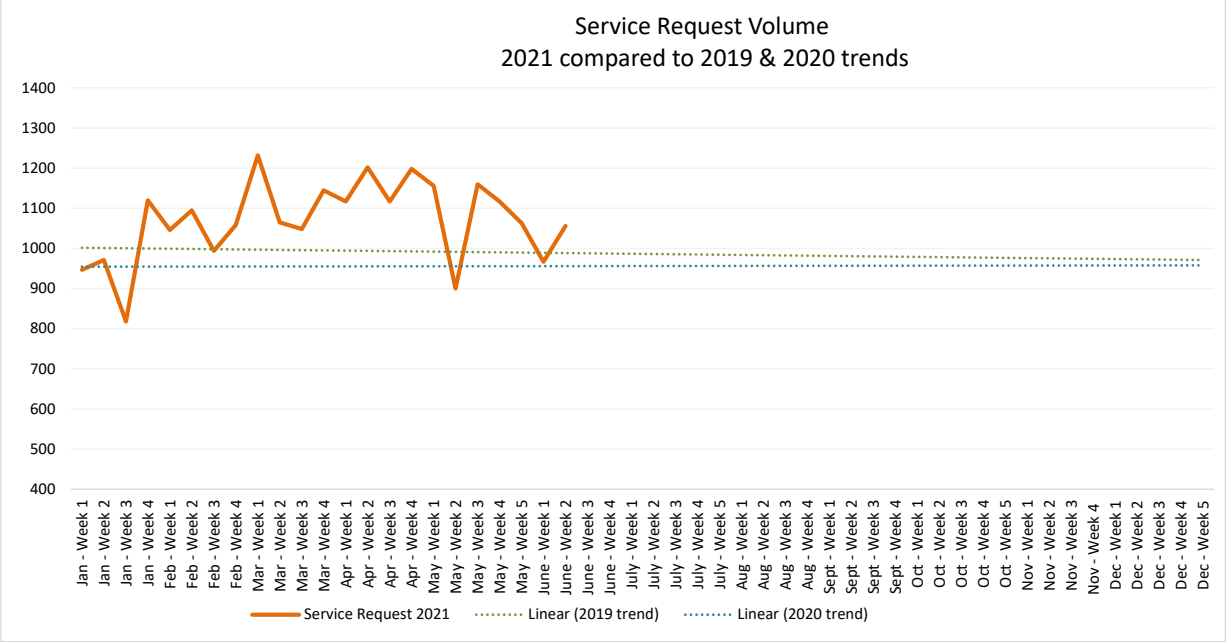


Inpatient and Outpatient Service Requests

Inpatient volume for CY2021 is closely mirroring pre-COVID-19 CY2019 trends.

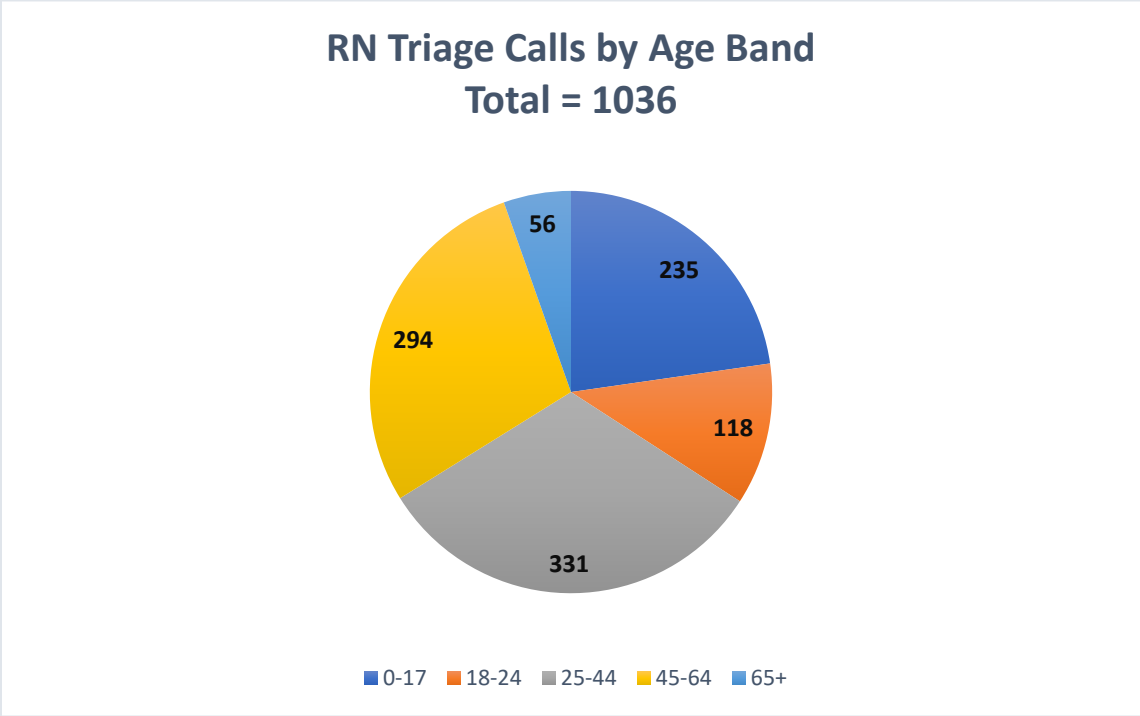


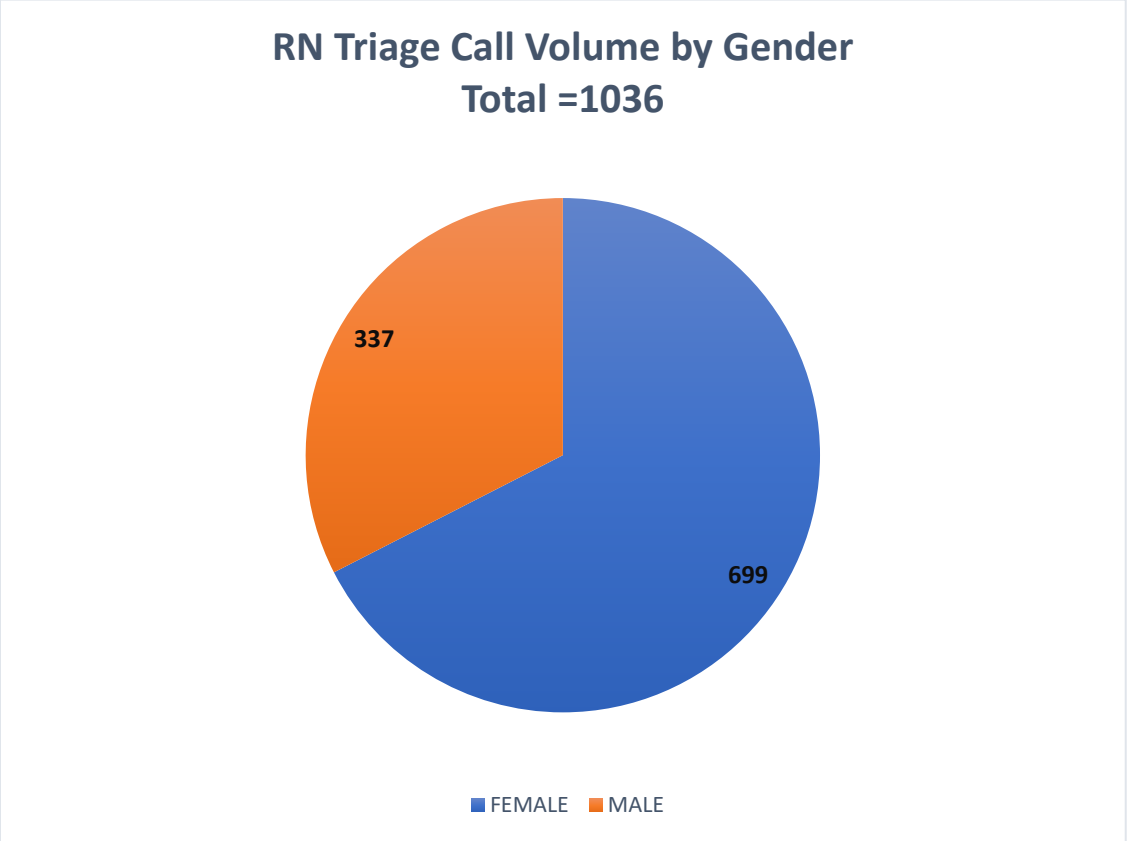
Outpatient service requests generally increased through May CY2021 compared to both CY2019 and CY2020. This is explained by an increase in membership and pent up demand for services after the pandemic. Drop offs seen in May and June reflect provider portal changes experienced with the system conversion. The graph reflects a delay in cases created by the Health Services team as providers made a switch from portal to faxed submissions.

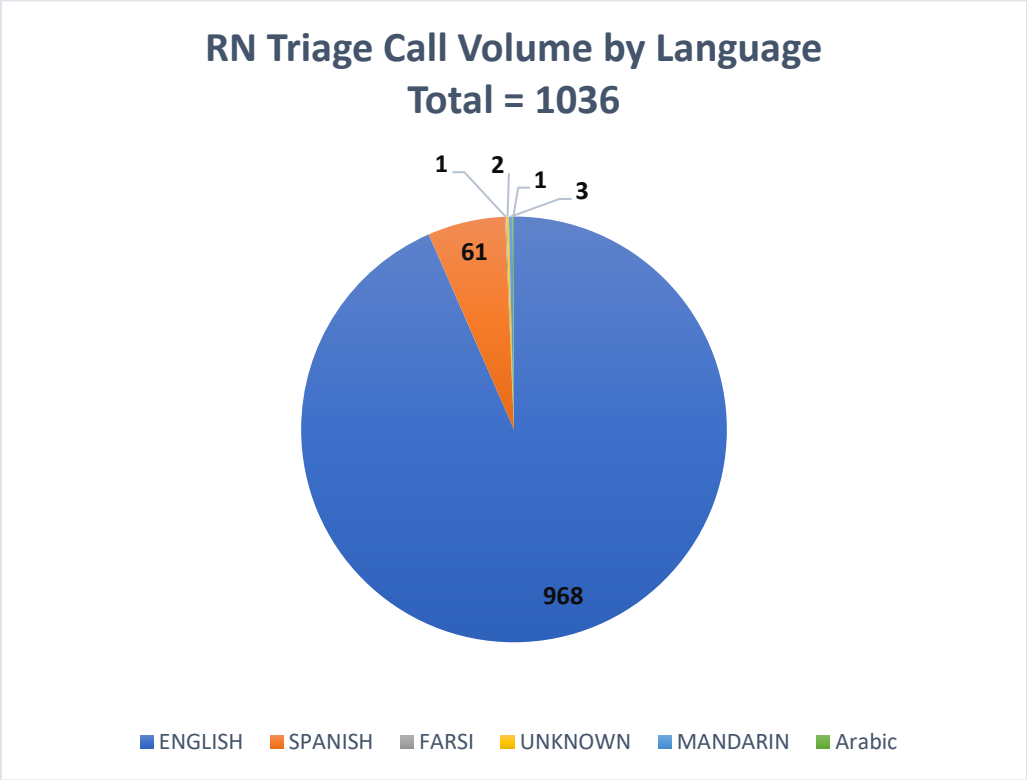


Nurse Advice Line

Of almost 3,400 calls made to the GCHP nurse advice line since its inception in March 2020, most come from members in the 24-44 year old age group followed by the 45-64 and 0-17 year old age bands. Most calls (65%) are from women and most (93%) are from members who speak English. Call volume peaked in July of CY 2020 with a second peak in December 2020.


RN Triage Calls by Age Band
Total = 1036
56
235
294
118
331
0-17
18-24
25-44
45-64
65+


RN Triage Call Volume by Gender
Total =1036
337
699
FEMALE
MALE



Pharmacy Hot Topics

Medi-Cal Rx

Medi-Cal Rx is currently on an indefinite hold by DHCS. Further information is expected to be released and information will be shared verbally with the commission if available at the June commission meeting.

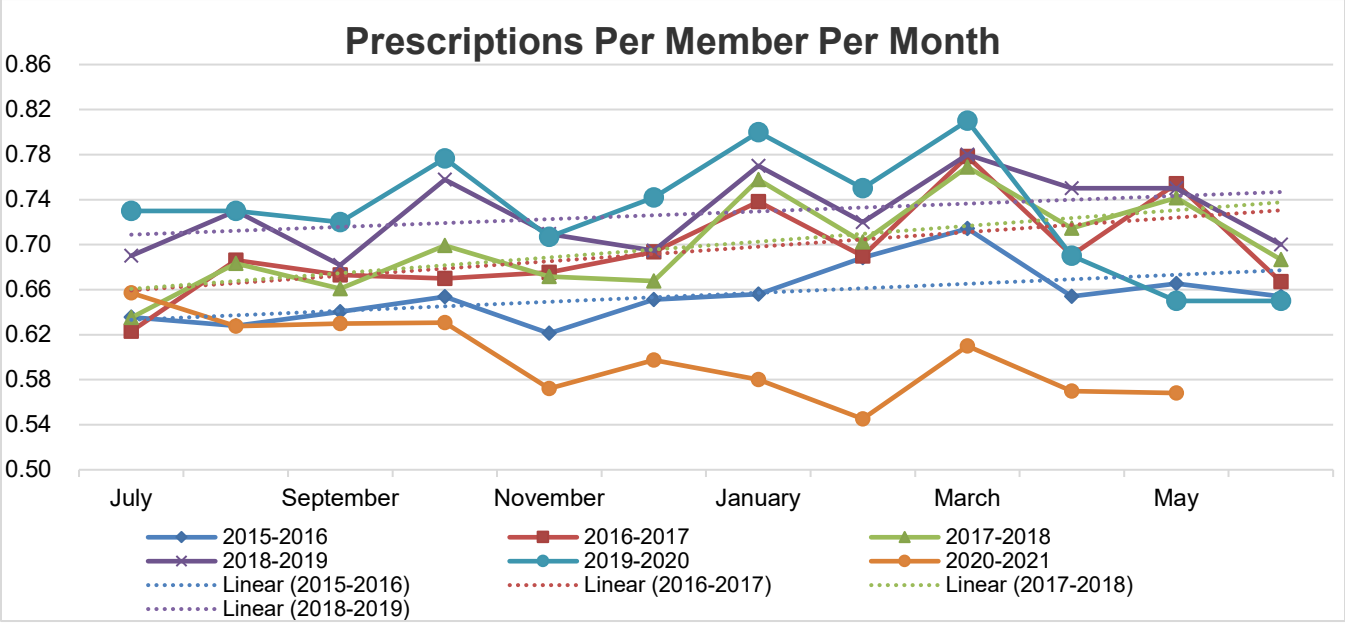
Pharmacy Benefit Cost Trends

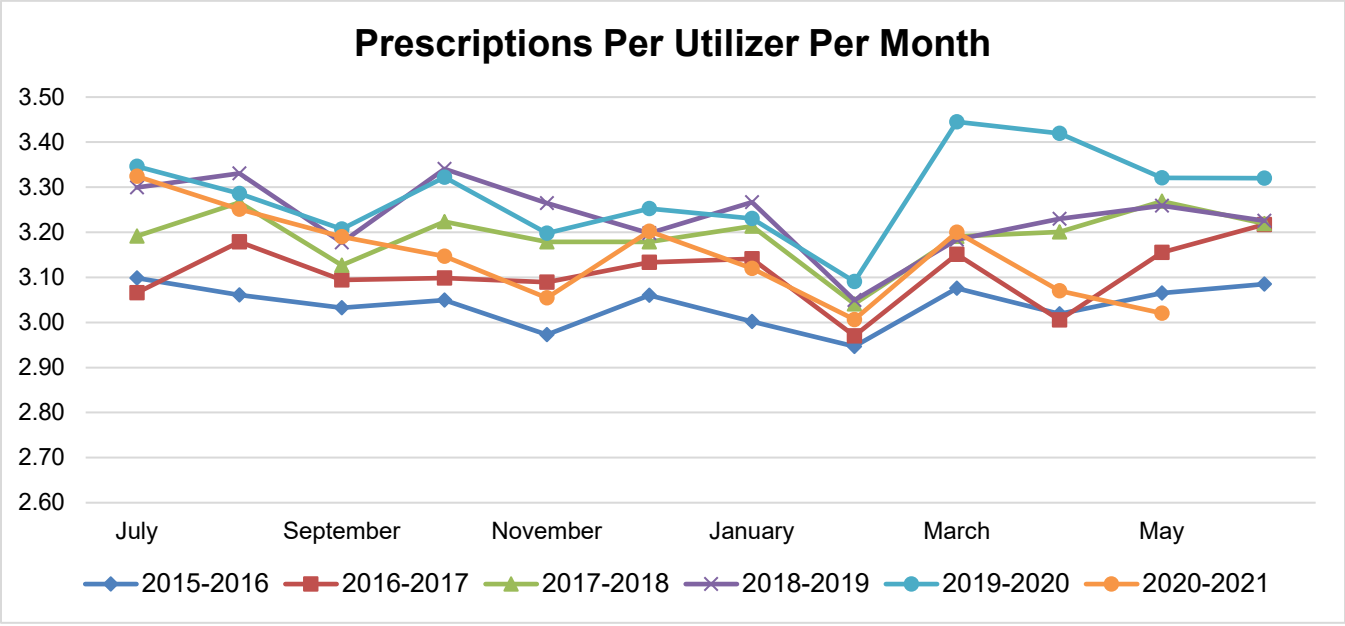
Gold Coast Health Plan's (GCHP) pharmacy trend for May 2021 is stable as compared to May 2020 which does represent a significant departure from prior increases of greater than 10%. When looking at the per member per month costs (PMPM), the PMPM has decreased approximately 14.5% since its peak in March 2020. Pharmacy trend is impacted by unit cost increases, utilization, and the drug mix. Pharmacy costs were predicted to experience double digit increases (>10%) each year from now until 2025. The impact of COVID-19 and the benefit changes to allow up to a 90-day supply of maintenance medications will continue to impact GCHP's spend going forward.

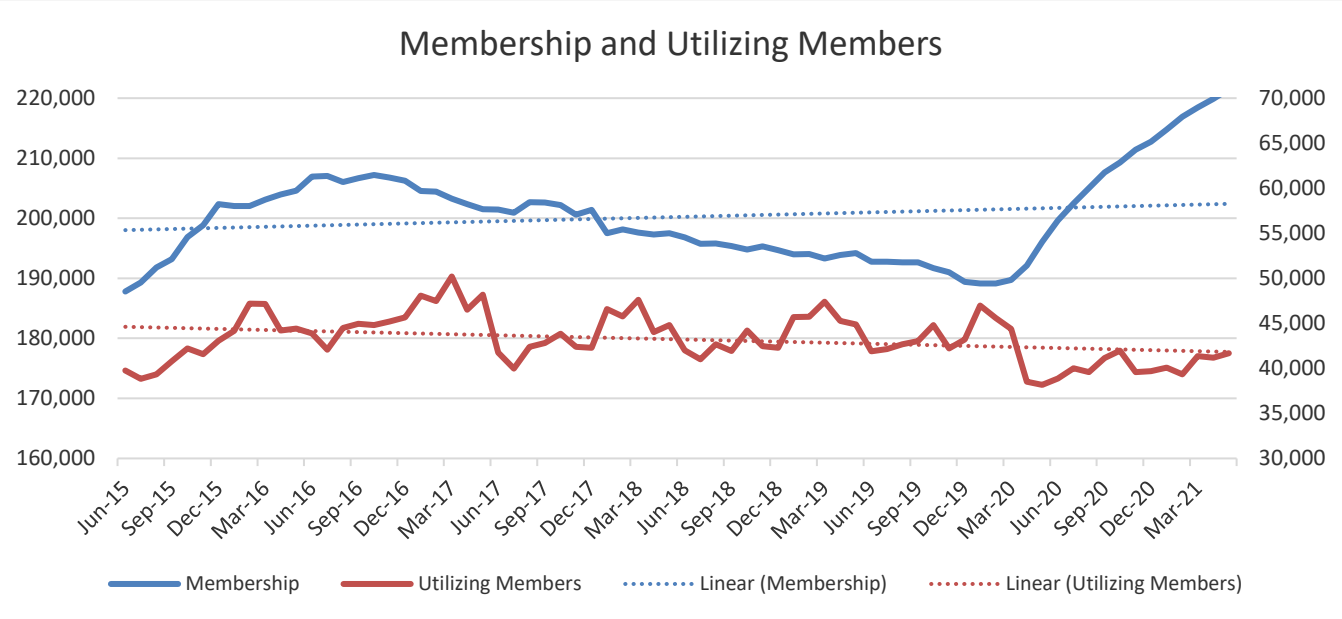
GCHP Annual Trend Data

Utilization Trends:

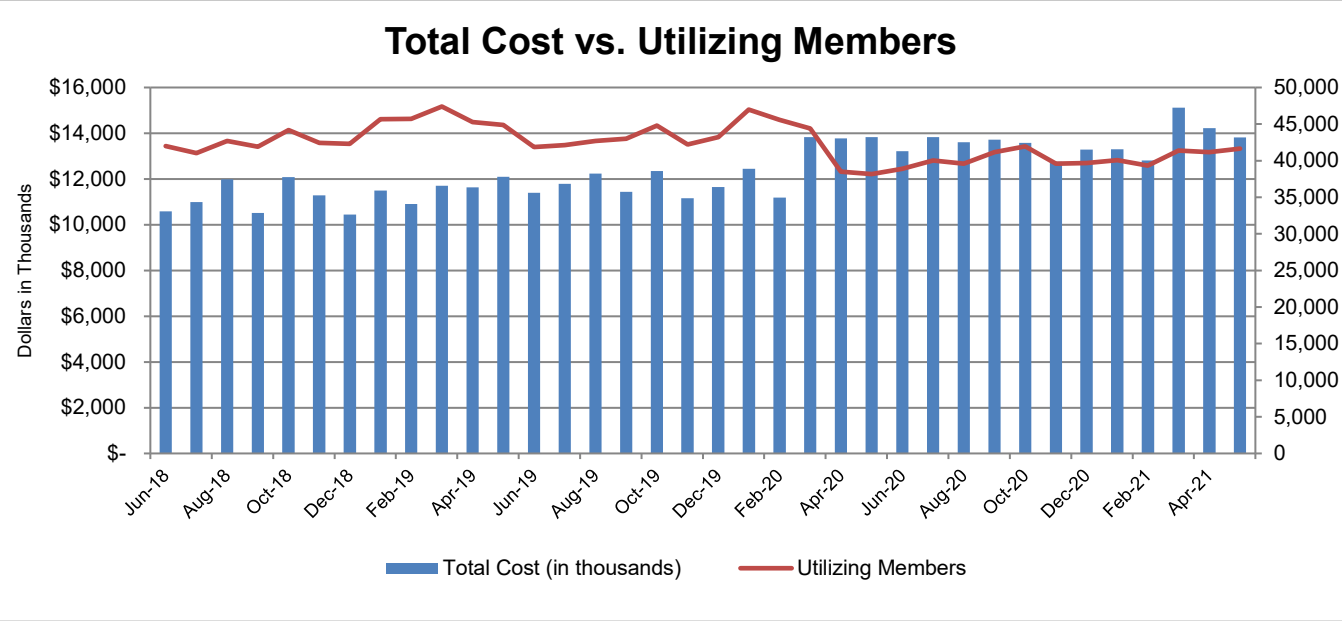
Through March 2020, GCHP's utilization was increasing as demonstrated by the number of members using prescriptions and the number of prescriptions each member is using while GCHP's total membership continued to decline. However, the impact of COVID-19 has caused an increase in membership and the utilization of extended day supplies which suppress the view of increased utilization. The graph showing prescriptions per utilizer gives a new view of the increased utilization. GCHP will be continuously monitoring the impact of COVID-19 and the increased membership.

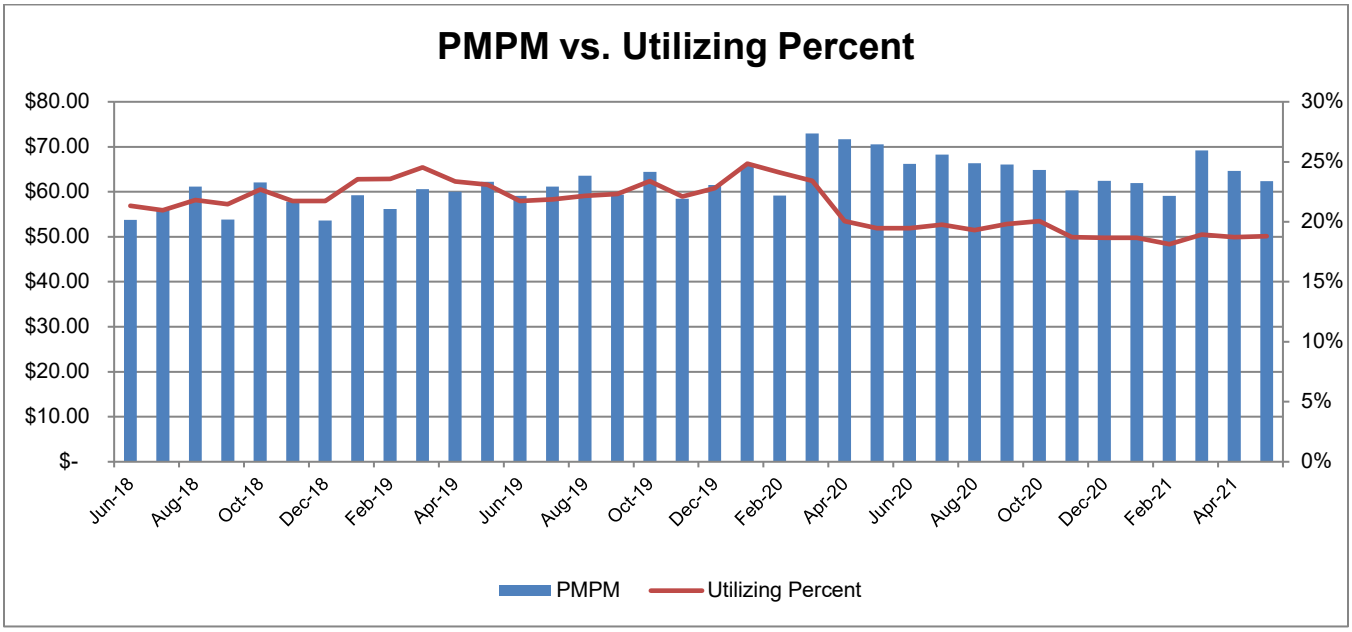


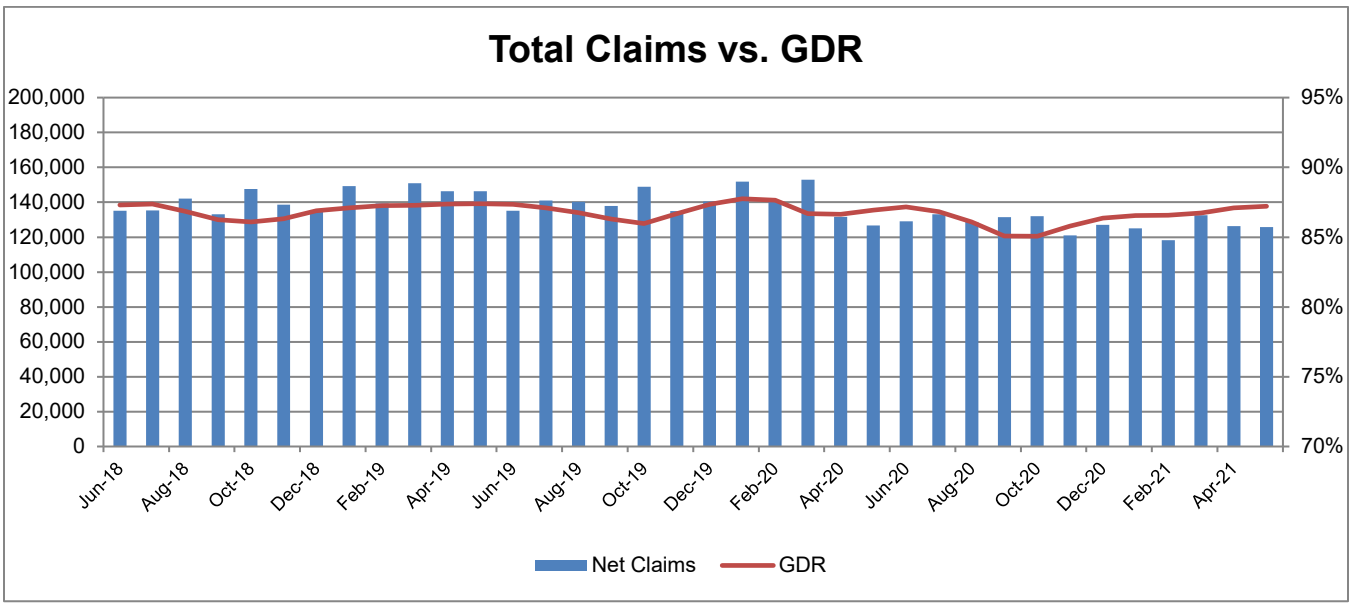




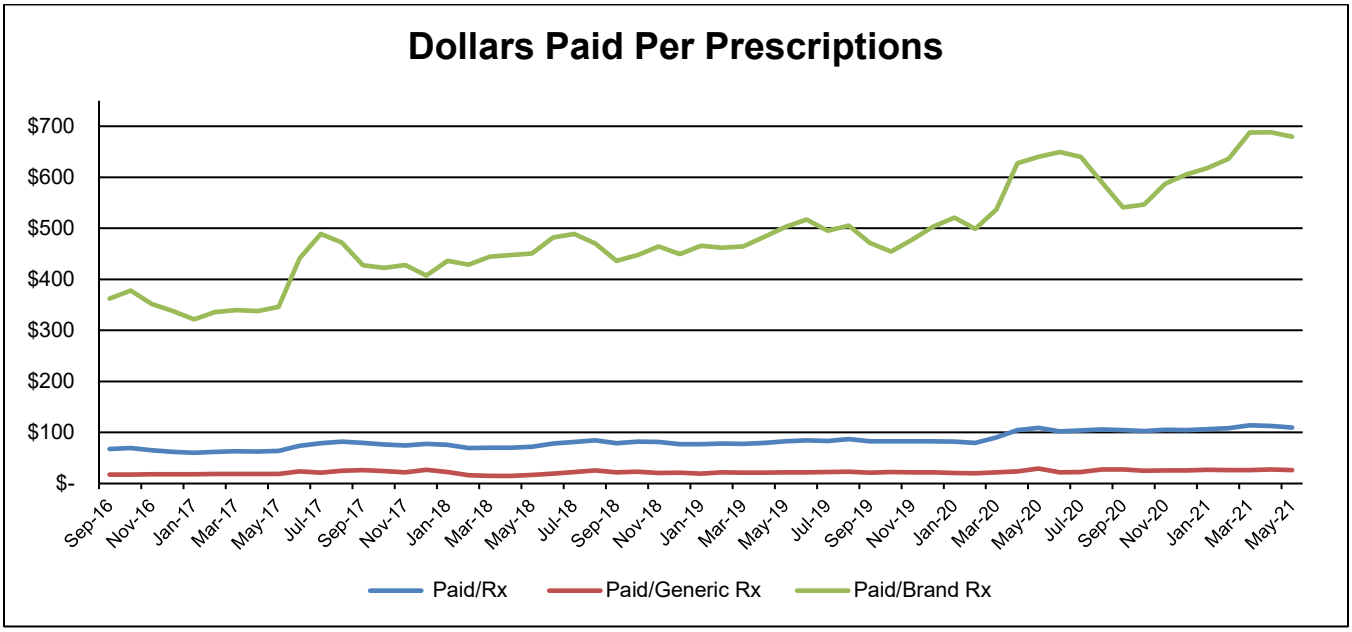
Pharmacy Monthly Cost Trends:





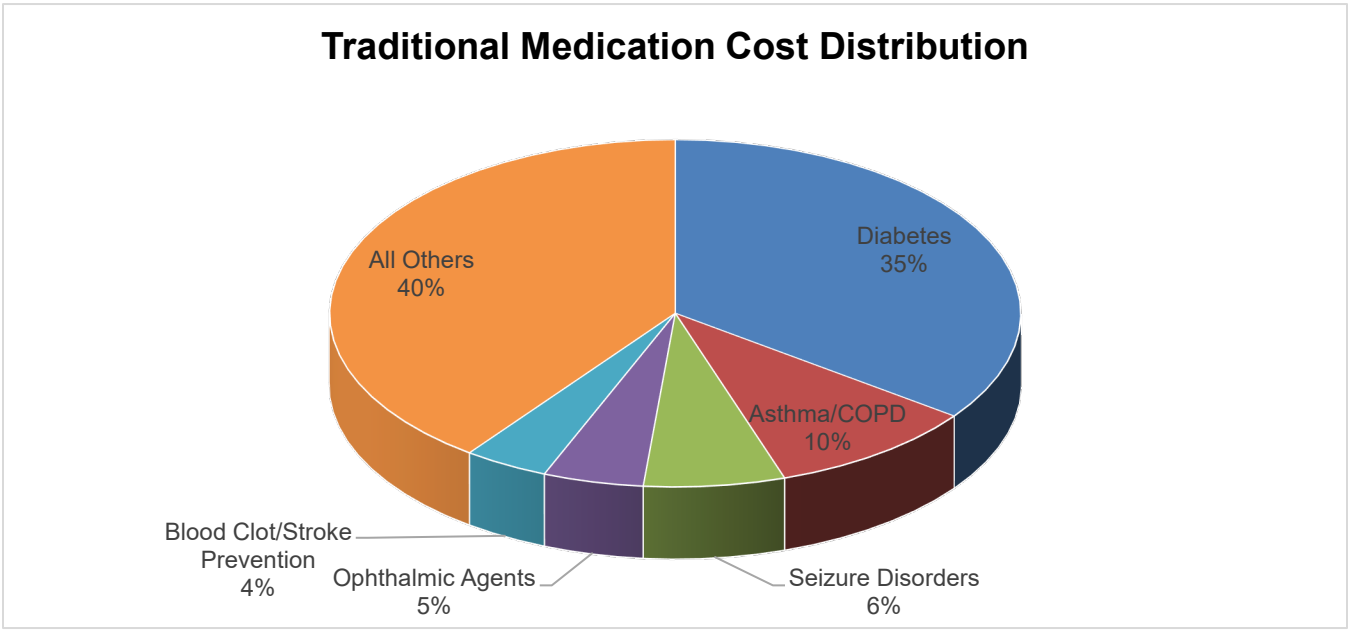


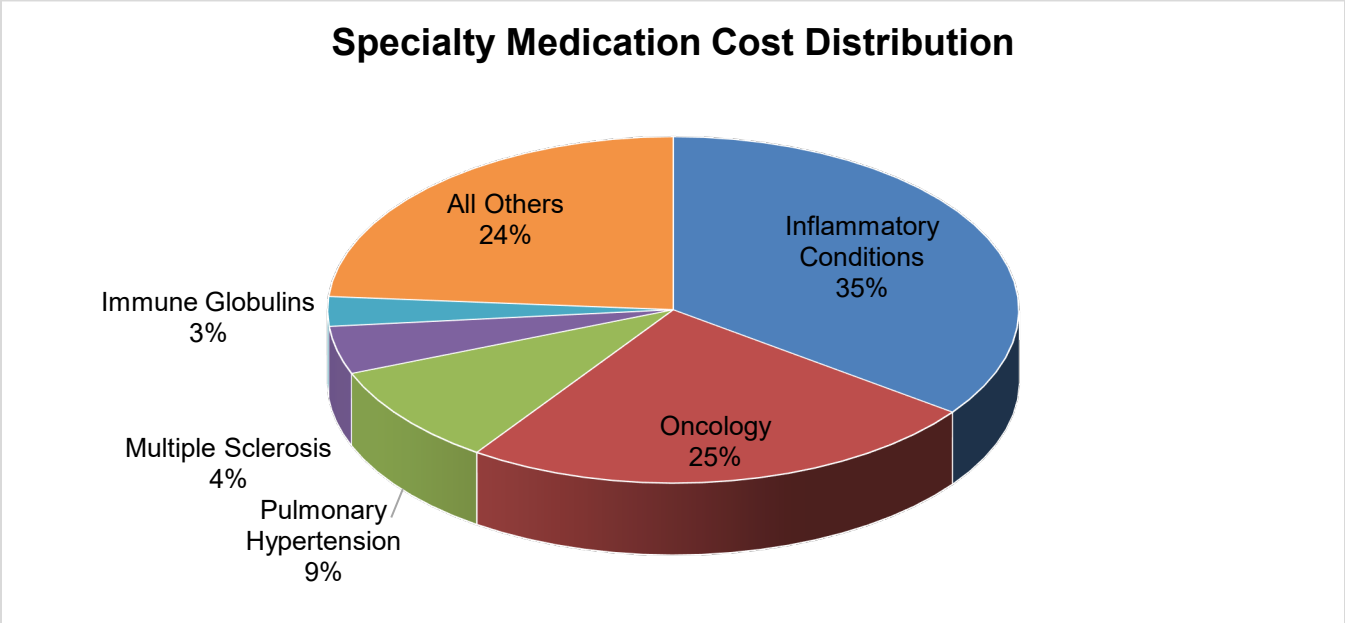
*Claim totals prior to June 2017 are adjusted to reflect net claims.



Traditional/Specialty Medication Cost by Diagnostic Category

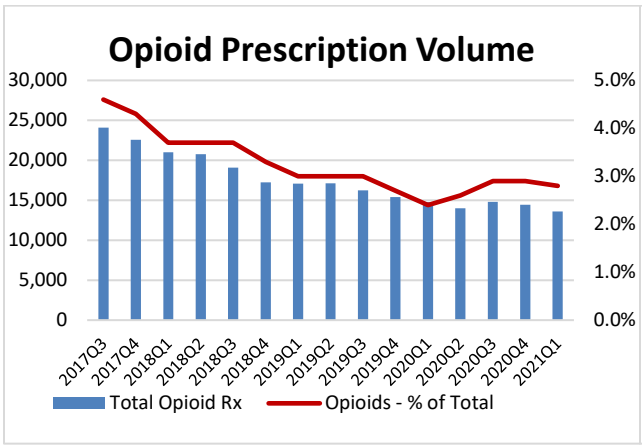
GCHP receives quarterly reports from its PBM reviewing cost trends similar to the trends shown previously. In addition to overall trends, the PBM breaks down the spend by traditional drugs and specialty drugs. Below are pie charts showing the disease state cost distribution as a percentage of PMPM from January 2021 through March 2021.

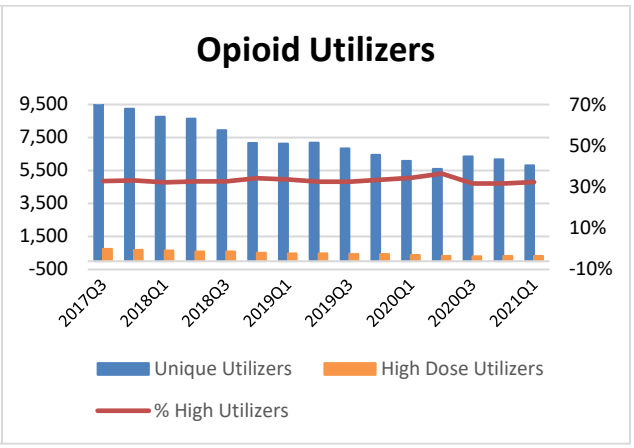


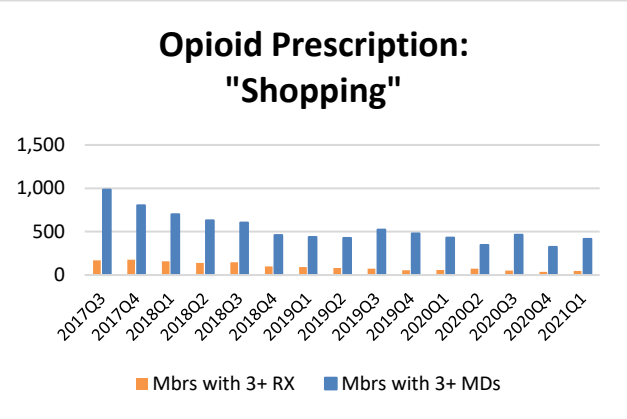


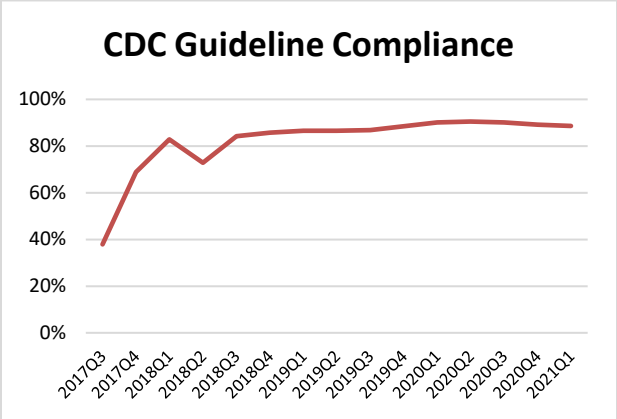
Pharmacy Opioid Utilization Statistics

GCHP continues to monitor the opioid utilization of its members and below are graphs showing some general stats that are often used to track and compare utilization. In general, GCHP continues to see a positive trend toward less prescriptions and lower doses of opioids for the membership.









Definitions and Notes:
High Dose Utilizers: utilizers using greater than 90 mg MEDD
High Utilizers: utilizers filling greater than 3 prescriptions in 120 days
Prescribers are identified by unique NPIs and not office locations.

Abbreviation Key:
PMPM: Per member per month
PUPM: Per utilizer per month
GDR: Generic dispensing rate
COHS: County Organized Health System
KPI: Key Performance indicators
RxPMPM: Prescriptions per member per month

Pharmacy utilization data is compiled from multiple sources including the pharmacy benefits manager (PBM) monthly reports, GCHP's ASO operational membership counts, and invoice data. The data shown is through the end of May 2021. The data has been pulled during the first two weeks of May which increases the likelihood of adjustments. Minor changes, of up to 10% of the script counts, may occur to the data going forward due to the potential of claim reversals, claim adjustments from audits, and/or member reimbursement requests.

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AGENDA ITEM NO. 13

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Ted Bagley, Interim Chief Diversity Officer

DATE: June 28, 2021

SUBJECT: Interim Chief Diversity Officer (CDO) Report

Actions:

1. **Community Relations**

- Met with the Simi Valley Mayor's council on Diversity. Major focus is related to police reform.
- Completed meetings with Both C.A.C and P.A.C. to review and get input on the Health Equity and Inclusion initiatives.
- Calls made to major hospital systems to understand equity issue solutions and infrastructure. Difficult time reaching necessary resources. Concerned about next steps in Health Equity direction.

2. **Case Investigations**

No new cases submitted during the month of May/June.

3. **Diversity Activities**

- The Diversity, Equity and Inclusion team conducted a Lunch 'n Learn session to celebrate Asian and Pacific Islander month. A special thank you goes out to GCHP employees Annie Lee Ginn and Patricia Washington for leading the session that was well attended.
- Accumulating contact names and community groups to participate in a summer summit on Health Equity and Inclusion. Target dates are during the months of August or September.
- Continue to coordinate with Phin Xaypangna, Ventura County Executive Officer for Diversity and Inclusion on the health equity initiatives.
- There were no diversity issues surfacing during the month.
- The diversity team is focusing on reviewing all communications and documents to address the need to use appropriate terminology related to cultural and identity groups. Reviewing all documents and policies for gender neutral language. As example: instead of he or she, use they.

- Conducting a Lunch ‘n Learn event to celebrate Juneteenth. Juneteenth is a celebration on June 19th to commemorate the emancipation of enslaved people in the United States. This holiday was first celebrated in Texas, where on that date in 1864, in the aftermath of the Civil War, enslaved people were declared free under the terms of the 1862 Emancipation Proclamation.
- Completing research at several Ventura County Hospital systems related to Health Equity and Diversity resource availability.

    1. Simi Valley Hospital
    2. Los Robles Hospital
    3. Community Memorial Hospital
    4. St John’s Pleasant Valley
    5. St. John’s Regional Medical Center
    6. Ventura County Medical Center
    7. Kaiser Permanente

AGENDA ITEM NO. 14

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Michael Murguia, Executive Director of Human Resources

DATE: June 28, 2021

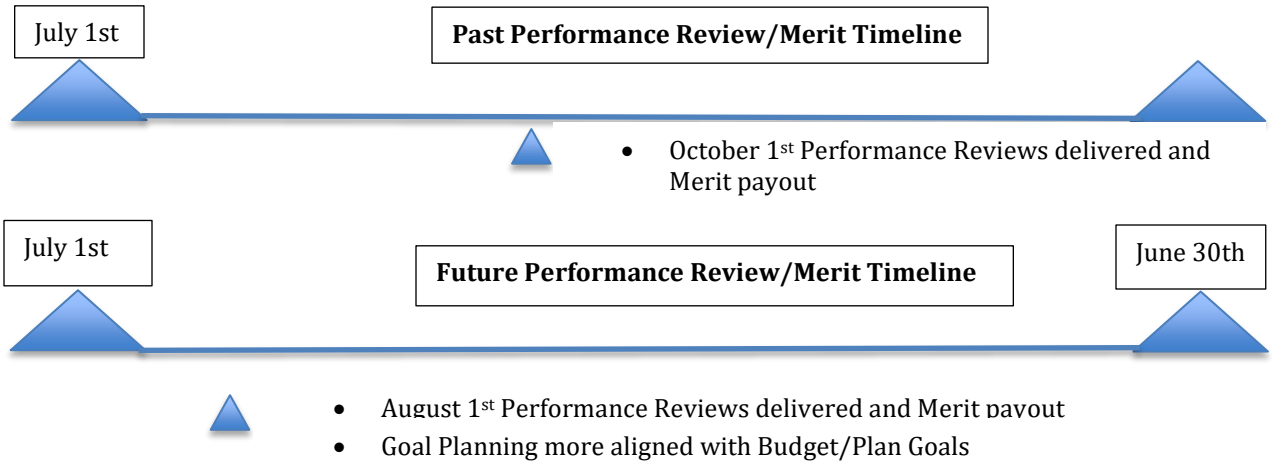
SUBJECT: Human Resources (H.R.) Report

Human Resources Activities

We are implementing a plan to move our Performance and Merit Planning process (pending budget approval) to be aligned with our Fiscal budget (July 1st - June 30th). This enables us to align our employee's performance with our Plan's performance. Our new process will enable performance reviews to be delivered to employees in late June and pay merits in early August. Being that we will be aligned with our Plan's budget will allow us to implement a better goaling process and better engagement as an organization.

We are also taking this opportunity to transform our Performance Review process. Currently, Management and Employees are extremely taxed with projects and activities. Just for this year we will simplify our Performance Reviews as an effort to relieve work requirements on management and employees. Our employees will summarize their performance in one paragraph that will describe their performance contributions and how they worked within the Gold Coast Values. Managers will summarize their assessment of their employees in one paragraph and rate employees in a scale of 1-5 basis, 5 being Excellent versus tenths of a point.

We will then spend the next nine months designing our "New" Performance Review process that we will implement next year. That process will include Goal Planning June 30th loyee Development plans. We will try to design a Performance Review process that will be simple but very effective for both Employees and Management. We have communicated this plan to our Management and Employees in early and our proposed changes were very positively received.



We have had one resignation, one involuntary termination, and two Workers Compensation cases since our last update on May 24, 2021

Facilities / Office Updates

GCHP Facilities' team is dedicated to planning a return to the office when conditions allow. The team continues to meet and evaluate:

- Protocols for the flow of employees who visit the office for supplies, printing, and other business-related activities
- Protocols for our new entrance and exit process requiring temperature checks and registration in our Proxyclick system is working very well
- Protocols for a return to the office, including taking temperatures
- Making any necessary modifications to improve air quality inside the buildings