



**CenCalHEALTH<sup>®</sup>**  
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# ***CenCal Health Board of Directors Information Update***

***For the Month of January 2022***

February 14, 2022

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**Date:** February 11, 2022  
**To:** Board of Directors  
**From:** Marina Owen, Chief Executive Officer  
**Subject:** Executive Summary

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**Legislative.** The Legislature is approaching the February 18, 2022 deadline to introduce bills. The Senate and Assembly Budget committees have begun to meet in earnest. AB 1400 (Kalra) – the “single-payer health care” measure – did not secure enough votes to bring to the Assembly Floor. Powerful interests aligned to oppose what was considered a radical restructuring of the California health care system, including industry groups and associations representing health care professionals. Assembly Member Kalra also introduced ACA 11, which would have imposed an excise tax, payroll taxes, and a State Personal Income Tax at specified rates to fund the single-payer measure. Legislative analysts estimated the cost to be between \$314 and \$391 billion annually. AB 1400 opposition has indicated an intention to oppose again should this legislation resurface in any form. Additional details can be found in the [Legislative Update](#).

**State Policy.** In January 2022, the Governor's Office held private conversations with Kaiser Permanente (Kaiser) resulting in an announcement by the Department of Healthcare Services (DHCS) that significantly alters state policy. Effective January 1, 2024, Kaiser Permanente will be granted a no-bid contract to become a Medi-Cal Health Plan in 25 counties in California and serve 900K members with an intention for 25% growth over time. This arrangement was made without stakeholder input, public process or discussion with safety-net providers, counties, community advocates or local health plans like CenCal Health. Kaiser is the only commercial insurance company in California that has been afforded such an opportunity, as DHCS recently released the Request for Proposal for commercial health plans in California. DHCS indicated an intention to introduce Trailer Bill language that enacts these changes in local health plan and County Organized Health System (COHS) - regardless of prior legislative or county intent. The Director of DHCS has indicated to me that the Trailer Bill Language will not apply to CenCal Health, given that Kaiser is not operating within Santa Barbara or San Luis Obispo Counties at this time. The Local Health Plans of California (LHPC) association has advocated for an open and transparent process to discuss the Governor's plans and this debate has garnered media attention, including articles in *California Healthline* and the *LA Times*. LHPC will continue to advocate for and support the interests of health plans like CenCal Health and local discussions with counties will

be forthcoming. This matter of strategic significance will be discussed in further detail at the March Board of Directors meeting.

**Financial.** CenCal Health's net operating gain in January 2022 was \$335K, given improved revenue and medical expense factors and trends. Administrative expenses are under budget by \$889K for the month and \$3.7M for the year (or 10.6%) representing an administrative ratio of 5%. Tangible Net Equity (TNE) is \$158M, which is 427% of the DMHC required minimum and 61% of the board approved target. Additional details can be found in the Financial Report.

**Health Services.** As your Board is aware, Behavioral Health benefit administration and operations were insourced from the Holman Group as of January 1, 2022. Health Management Associates (HMA) is a consulting firm that continues to support CenCal Health and drive the insourcing program and will remain engaged to support operational stabilization and integration. Access to care is a high priority, as are call center and authorization activities. Workgroups are in place to support these next steps.

Medi-Cal RX, the State's Pharmacy Benefit Management program, went live on January 1, 2022 as well with Magellan Health being the administrator. Our Pharmacy Department is actively involved in supporting members and providers while triaging issues that arise. CenCal Health has been actively involved with DHCS to raise, track and resolve issues that arise and holds regular calls with Magellan leadership. Lastly, with the recent need to maximize hospital access due to increased COVID infection in both counties, CenCal Health utilization management team has supported hospital partners with the facilitation in discharge planning and placement for our members requiring after hospital care in skilled nursing or long term care placements. Additional details can be found in the Health Services Report.

**Operations.** Terri Howell, Provider Services Director, is no longer with CenCal Health effective Wednesday, February 2<sup>nd</sup>. We thank her for her contributions and wish her well in future endeavors and have the utmost confidence in the management team within Provider Services, including Cathy Slaughter, *Provider Relations Manager*, Sheila Thompson, *Provider Credentialing and Quality Manager*, among others. Transition plans are in place to support our community providers and CenCal Health will begin recruiting for the next leader of Provider Services Director. This individual will focus on access to care for our members, partner well with our provider community and support the longer-term strategy for the organization. Additional details can be found in the Operations Report.

**Quality.** In January 2022, a significant component of an ongoing National Committee for Quality Assurance (NCQA) HEDIS Compliance Audit was successfully completed. This milestone marked completion of the Health Services Advisory Group's (HSAG's) evaluation of CenCal Health's operational systems and capacity to reliably report on 26 industry-standard quality measures. HSAG is one of the nation's leading NCQA-licensed auditing organizations and the California Department of Health Care Services designated External Quality Review Organization. HSAG's assessment encompassed CenCal Health's claims, provider, member, and clinical data sources, and the

operations to manage those data for quality reporting. The next phase of CenCal Health's quality assessment is now underway, which requires collection of medical record documentation to complete measurements that cannot otherwise be performed with only administrative data. The complete quality assessment will conclude in June 2022, with formal reporting of results to demonstrate the value CenCal Health and its provider network make available to members and the community.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Marina Owen", with a stylized flourish extending to the right.

Marina Owen, Chief Executive Officer



**Date:** February 7, 2022

**To:** Board of Directors

**From:** Amanda Flaum; Chief Health Operations Officer  
 Karen Hord, MD; Interim Chief Medical Officer  
 Jeff Januska, PharmD; Director of Pharmacy Services  
 Carlos Hernandez, Quality Officer  
 Seleste Bowers, DBH; Director of Behavioral Health  
 Isis Montalvo, MBA, MS, RN, CPHQ; Interim Director of Medical Management  
 Lauren Geeb, MBA; Director of Quality  
 Rita Washington; Health Services Operations Analyst

**Through:** Marina Owen, Chief Executive Officer

**Subject:** Health Services Department Report

***How are we performing? How do we compare to others? Are we improving?***

***Are members and providers getting what they need from CenCal Health?***

**Purpose:**

- To spur feedback and dialogue between the BOD, the CMO, and the CHO for all areas of accountability
- To provide a strategic overview of activity within the CMO's and the CHO's areas of accountability

**Chief Health Operations Officer (CHOO) & Chief Medical Officer (CMO) Board Memo**

Behavioral Health benefit administration and operations were insourced from the Holman Group as of January 1, 2022. Health Management Associates (HMA) continues to drive the insourcing program and will remain engaged to support operational stabilization and integration. Day 1 capabilities (e.g. receive calls, create authorizations, process a claim) are operational. There is an active Issues Log to identify, track and resolve Day 1 issues. Access to care issues are a high priority and are being actively addressed by the program workgroup.

With the recent need to maximize hospital access due to increased COVID infection in both SB and SLO counties, CenCal Health UM teams have been supporting our hospital systems with facilitation in discharge planning and efficient placement for our members requiring after hospital care. This has resulted in more out of area Skilled Nursing and Long Term Care placements. We will continue to carefully monitor the members with a goal to return to local care facilities as soon as possible based on care needs, bed availability, and COVID status.

The Director of Medical Management position has been posted and recruitment is underway. Isis Montalvo, interim Director of Medical Management from HMA, will continue in her role to ensure continuity with the teams.

Medi-Cal RX, the states Pharmacy Benefit Management program for retail pharmacy, went live January 1, 2022 with Magellan Health being the administrator. Our Pharmacy team is actively engaged in triaging issues with prescription fills for our members, and are working closely with our provider community. Issues and challenges have been clearly identified, tracked, and reported to both DHCS and Magellan. The Director of Pharmacy and team are actively engaged in "office hour" calls with Magellan, represented our challenges to DHCS leadership, and are prepared to meet with Magellan leadership in early February.

In close partnership, the CHOO and CMO have empowered leaders to implement the following operational and leadership disciplines in 1Q 2022.

- CHOO/CMO Leaders Forum: This meeting will convene bi-weekly to create a cross functional forum for Health Services leadership and key contributors.
- Dashboard Refresh: This document will be produced monthly and provide a comprehensive deliverable of Key Performance Indicators (KPI) within Utilization Management (UM), Case Management (CM), Behavioral Health (BH) and Pharmacy (Rx). This tool will be memorialized in the Monthly Health Services dashboard.
- Talent Management: This component will be assessing the needs of the department with open position monitoring, identifying interdepartmental talent awareness, and standardizing the on-boarding tool.

Respectfully Submitted,

Amanda Flaum, Chief Health Operations Officer

Dr. Karen Hord, interim Chief Medical Officer, and Deputy Chief Medical Officer

## **Medical Management**

Interviews to fill vacant positions continued for various positions within Medical Management. A new CSA will start 2/22/2022. A final internal candidate has been selected for the Adult UM Supervisor position and is being offered the position.

For Adult UM in January, there was high compliance with Turn-Around Time (TAT) rates for urgent pre-service authorizations at (98%), retrospective or post-service authorizations at (99%) and standard pre-service authorizations at (93%). The latter being an improvement from the previous month. For adult UM, authorizations past the 5 day turnaround time have been due to current one time authorization (OTA's) process. A weekly huddle between Medical Management and Provider Services was established to provide line of sight on these OTA's and get status updates. Progress has been made with the number of outstanding OTA's. Pediatric (Peds) UM TAT's was not captured in January due to IT making changes in Oracle to the owner and reviewer status for the Peds team. The Peds manager will be working with IT to address.

The CSA teams in CM and UM answered the call to assist Behavioral Health with authorizations and tasks. CSAs are helping filter out duplicate BH authorizations and with member outreach. The Pediatric team's UM are reviewing pediatric therapy requests related to ABA services since the BH insourcing.

The Peds team started interviews to backfill a vacancy for 1 CSA position. The team recently re-divided their Alpha Split caseloads to assign members to 1 HPNC in CM and 1 HPNC in UM as they are successfully completing their training and orientation. The Peds CSA team continue to average 98% of phone calls answered from the direct Peds line and interdepartmental transfers.

Multiple issues and concerns regarding Medi-Cal Rx and Magellan were discussed in the January CCS Advisory Group meeting, particularly the extreme delay in getting medications authorized and filled. CenCal Health's Pediatric team is addressing such problems by providing assistance to members, parents, caregivers and care coordination with CenCal Health's Pharmacy and Member Services team.

With the combined effort of Peds UM and CM Case Managers, CenCal Health supported the first out-of-state gene therapy treatment to a 5-month-old member. This was made possible through countless hours of care coordination between the Peds Case Managers, the family, lodging facilities, and the hospitals involved. The member was evaluated in December in Minnesota and is currently receiving the harvested cells that had undergone gene modification in Italy.

CalAIM Programs of Enhanced Care Management (ECM) and Community Support (CS) services for pediatric members are scheduled for implementation in July 2023. Opportunities to create CCS-focused efforts within these upcoming initiatives are being discussed in the CCS Advisory Group meetings.

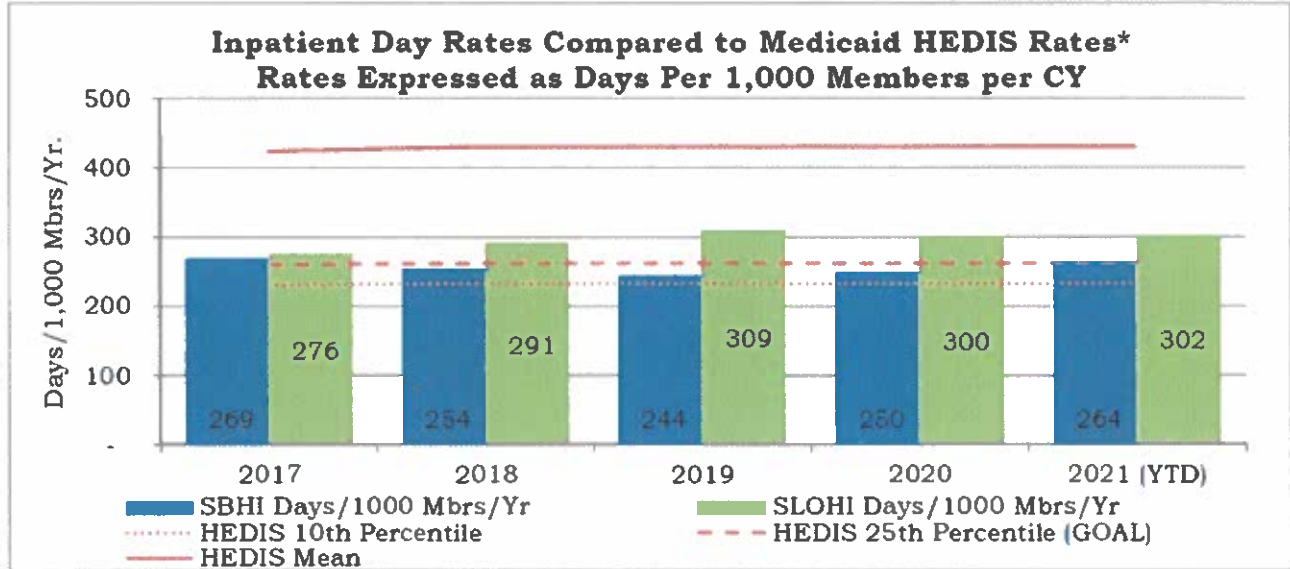
Respectfully submitted,

Isis Montalvo, MBA, MS, RN, CPHQ  
Interim Director, Medical Management

**Operational Overview of Key Performance Indicators**

**Inpatient Bed Days**

**SBHI & SLOHI Inpatient Days Rates**



Last published HEDIS rates are for calendar year 2018 (measurement year 2017)

CY 2016 HEDIS Rates:

•10th Percentile: 219 •25th Percentile: 270 •50th Percentile: 335 •75th Percentile: 429 •Mean: 478

CY 2017 HEDIS Rates:

•10th Percentile: 231 •25th Percentile: 260 •50th Percentile: 317 •75th Percentile: 388 •Mean: 424

CY 2018 HEDIS Rates:

•10th Percentile: 233 •25th Percentile: 262 •50th Percentile: 328 •75th Percentile: 404 •Mean: 430

Includes Medicare Reported Days and Members

Excludes Psych, NICU, Nursery and Mental Health/Detox Days per the HEDIS definition of Inpatient Days.

\*Rates can fluctuate for up to 12 months due to late claims.

Effective July 1, 2018, SLOHI rates include CCS claims

**Impressions:**

The graph above displays the year-to-year (YTY) annualized rate of inpatient days per 1,000 members. For 2021 YTD, rates for days/1000 is currently 264 for SBHI and 302 for SLOHI. Comparatively, 2021 rates are trending slightly higher than year-end 2020. SLOHI is above CenCal Health's goal of being in the 25<sup>th</sup> percentile of 262 and SBHI is just below the benchmark. Both remain below the Medicaid HEDIS 50<sup>th</sup> percentile of 328 and the HEDIS mean of 430.

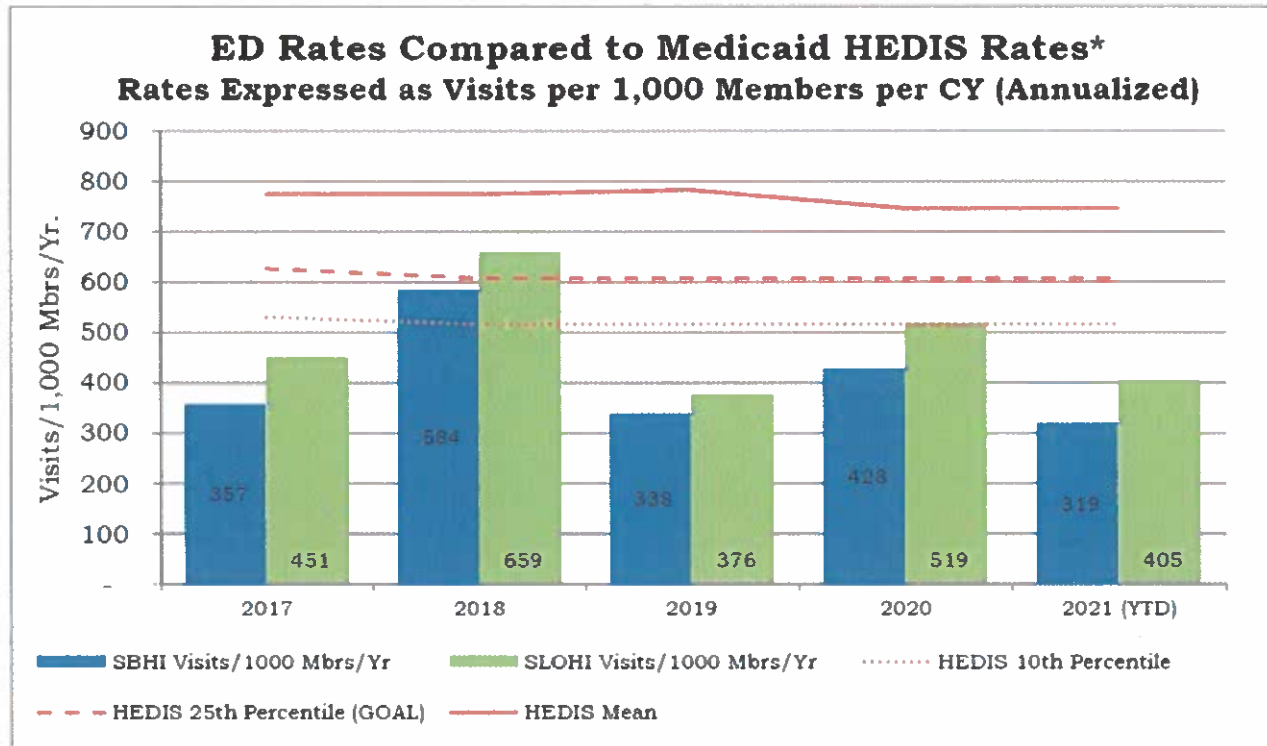
**Actions:**

Further analysis is needed to determine if the increase in days is secondary to scheduled admissions, an increase in membership, referral patterns, or other factors.



**Emergency Department – Visits per 1,000 Members per Year**

**HEDIS  
SBHI & SLOHI Emergency Department Visit Rates**



Last published HEDIS rates are for calendar year 2018 (measurement year 2017).

CY 2016 HEDIS Rates:

•10th Percentile: 515 •25th Percentile: 639 •50th Percentile: 753 •75th Percentile: 880 •Mean: 775

CY 2017 HEDIS Rates:

•10th Percentile: 531 •25th Percentile: 627 •50th Percentile: 752 •75th Percentile: 872 •Mean: 783

CY 2018 HEDIS Rates:

•10th Percentile: 517 •25th Percentile: 608 •50th Percentile: 726 •75th Percentile: 841 •Mean: 746

\*Rates can fluctuate for up to 12 months due to late claims.

Effective July 1, 2018, SLOHI rates include CCS claims.

**Impressions:**

The above graph displays a year-to-year (YTY) annualized rate of ED visits per 1,000 members. ED visits per 1,000 members appeared to be well within goal for CenCal Health as both counties continue to meet and exceed the target goal of being within the HEDIS 25<sup>th</sup> percentile.

**Actions:**

CenCal Health's overall and "avoidable" ED utilization is below the standards set by both HEDIS and DHCS. No specific actions are necessary at this time.

**Utilization Trend Report January 2022**

AUTH TYPE	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
Member Count	205,349	206,647	208,044	209,611	210,248	211,431
18-1 Acute	508	461	585	596	538	530
20-1 LTC	456	462	403	387	425	357
50-1 OP	2871	2414	2682	2425	2544	2743
RAF Referral	9222	9371	8954	8683	8682	8240
<b>TOTAL</b>	<b>13057</b>	<b>12708</b>	<b>12624</b>	<b>12091</b>	<b>12189</b>	<b>11870</b>

Membership increased from last month and authorization's decreased overall.

*(Includes all authorizations received, including auto-approvals and pharmacy)*

AUTHS BY NETWORK STATUS			
AUTH FORM	NOVEMBER	DECEMBER	JANUARY
<b>In-Network</b>	<b>11463</b>	<b>11562</b>	<b>11198</b>
18-1	509	468	462
20-1	212	238	155
50-1	2186	2298	2456
RAF	8556	8558	8125
<b>Out of Network</b>	<b>628</b>	<b>627</b>	<b>672</b>
18-1	87	70	68
20-1	175	187	202
50-1	239	246	287
RAF	127	124	115

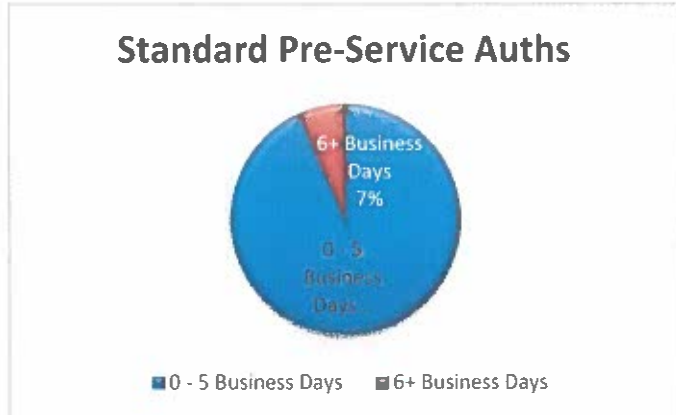
In-Network decreased and Out-of-Network increased slightly December to January.

**Medical Management Outpatient Auth Turnaround Time Report by Category for January 2022**

The following only captures a small amount of pediatric auths and predominately adults. An IT change in January that the unintended consequence of not being able to capture all peds auths and TAT's. Meeting is pending to resolve.

**93% outcome vs CMS goal of 100%**

Standard Pre-Service Auths	
0 - 5 Business Days	1310
6+ Business Days	93
<b>TOTAL</b>	<b>1403</b>



**98% outcome vs CMS goal of 100%**

Urgent Pre-Service Auths	
Within 72 Hours	119
Over 72 Hours	2
<b>TOTAL</b>	<b>121</b>



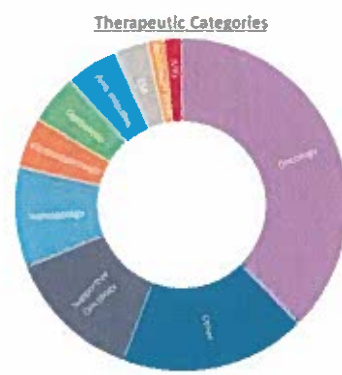
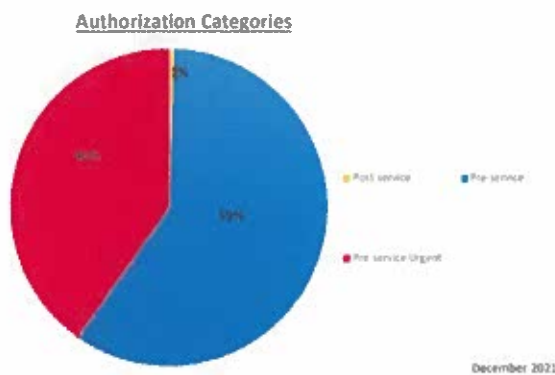
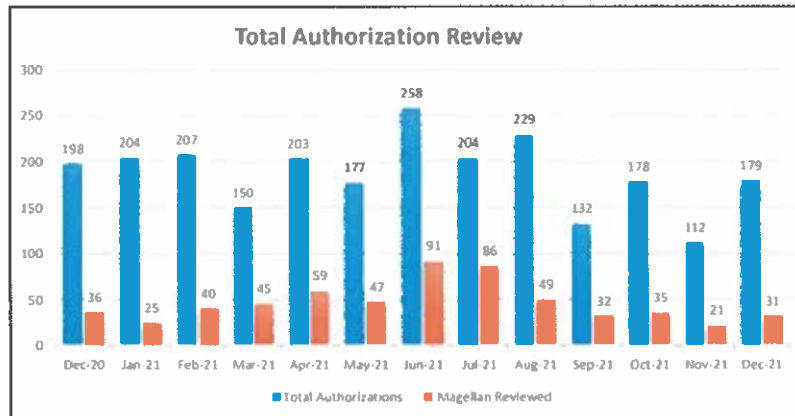
**99% outcome vs CMS goal of 100%**

Post-Service Auths	
0 - 30 Calendar Days	312
31+ Calendar Days	3
<b>TOTAL</b>	<b>315</b>



## Medical-Pharmacy (Physician Administered Drugs – PADs)

Our Pharmacy team first began managing and sharing on this aspect of pharmacy oversight approximately 2-years ago via this board reporting discipline. Our PAD benefit has evolved over that time to license clinical criteria by which we consider PAD requests, we have access to like-specialist and peer-to-peer review on PADs and run certain PADs through a 3<sup>rd</sup> party market-based claims edit logic for appropriateness. This Medical-Pharmacy oversight is still new and evolving within the payor marketplace and we are well positioned within the market. Our benefit design has begun with a preferred 1 of 2 biosimilar product position over a brand reference product affording us in some cases to contract for supplemental rebates.

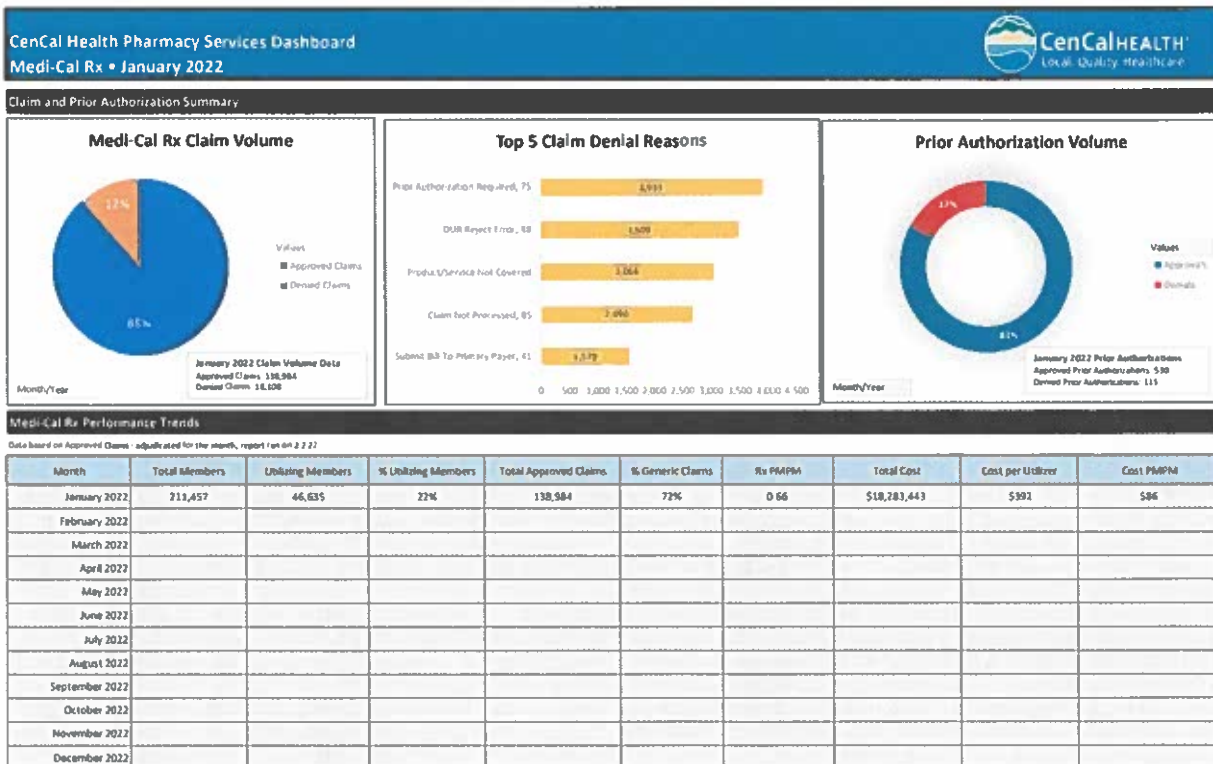


Unique Pharmacy Authorization Approvals or Denials Turnaround Time Summary						
	Unique # Urgent	Average Urgent TAT	Unique # Pre-Service	Average Pre-Service TAT	Unique # Post-Service	Average Post-Service TAT
OHCS Standard TAT		72-Hours		14-Calendar-Days		30-Calendar-Days
December 2020	12	23.4	89	2.6	18	1.3
January 2021	10	20.8	117	2.4	8	2.7
February 2021	20	30.3	88	2.7	6	2.6
March 2021	11	28.2	64	2.6	3	9.0
April 2021	15	25.4	93	4.1	8	5.9
May 2021	10	22.4	88	3.0	8	5.6
June 2021	18	31.5	107	4.3	11	6.3
July 2021	11	31.7	95	4.7	6	2.0
August 2021	17	22.4	117	3.1	10	5.1
September 2021	18	22.6	43	3.0	3	3.7
October 2021	13	19.4	74	3.4	11	2.0
November 2021	10	38.9	56	2.6	2	7.4
December 2021	5	29.1	28	1.9	1	2.0

**Medi-Cal Rx - retail pharmacy carve-out:**

January was the first full month of member experience within the Medi-Cal Rx (pharmacy carve-out) program. We will offer a dashboard view of our oversight on behalf of our members to ensure appropriate access. In tracking the January experience under the Medi-Cal Rx program relative to our natural history experience from December 2021 we have observed the following:

- The number of adjudicated prescriptions in January track to our December experience
  - CenCal December 2021 = 135,692 Rxs, Medi-Cal Rx January 2022 = 136,084\* (normalized for carve-out classes of medications)
- The amount paid for prescriptions tracks as well to historical experience
  - CenCal December 2021 = \$15,548,042, Medi-Cal Rx January 2022 = \$16,766,450 (normalized for carve-out classes of medications)
- While the amount paid under the Medi-Cal Rx program was higher than natural history from the plan by over \$1M the mix of brand versus generic is different due to DHCS's ability to contact for "best price" for brand medications. The rebates may normalize or perhaps be an improvement over plan experience
  - CenCal December 2021 generic utilization rate = 88.9%, Medi-Cal Rx January 2022 generic utilization rate = 72.2%
- Prior Authorization (PA) from Medi-Cal Rx was tracking below natural history experience from CenCal,
  - CenCal December 2021 = 974 PAs (22.7% denial rate), Medi-Cal Rx January 2022 = 606 PAs (16.5% denial rate).



## **Behavioral Health**

### **Behavioral Health Care Coordination Center**

The Behavioral Health Department took the first Member call on 1/3/22. The call volume for January 2022 was 1,847 calls. Of those 1,847 calls, 336 were provider calls. The Behavioral Health Department served 1,462 members (English and Spanish calls).

<b>BH Phone statistics for January 2022</b>	<b>Jan Total</b>
Call volume <i>(including non-queue calls)</i>	<b>1,847</b>
Provider	336
Spanish	214
English	1,248
Calls answered	<b>1,738</b>
Calls answered within 30 seconds	<b>1,470</b>
Daily Call Volume Average	<b>96</b>
Queue Calls only	<b>1,662</b>
<b>ASA goal - 85% or higher</b>	<b>85%</b>

In terms of preliminary trends, we are seeing call volume highest before 12 noon. This has guided and informed support and staffing of the Behavioral Health Care Coordination Center. The Behavioral Health Care Coordination Manager has been answering calls to support member care.

### **Utilization Management**

The Behavioral Health Department has received 1,051 authorization requests. Of these, 486 were for psychotherapy, 27 for medication management, 2 for ABA and 523 unspecified. The 523 unspecified were those pending requests transferred from the Holman Group and data did not populate type of request automatically. The average turnaround time is 7.6 days. The Behavioral Health Department is working on ensuring that all positions are filled. The Behavioral Health Team (UM) has one unfilled position.

### **Recruiting, Hiring and Training Updates**

The Behavioral Health Department is actively recruiting for the open Clinical Manager position which oversees the clinical teams. In lieu of having this position filled, the Director of Behavioral Health is filling this position's responsibilities.

The Behavioral Health Department is also actively recruiting for the Behavioral Health Care Manager-Mental Health Team (County liaison position). We have an offer pending with a qualified candidate. In lieu of this position being filled, the Director of Behavioral Health is filling these responsibilities. The Behavioral Health Care Coordination Center is actively recruiting and interviewing candidates for the open Behavioral Health Care Coordination Supervisor and Care Coordinator position. There has been minimal impact on Call Center operations without these positions filled. The Behavioral Health Care Coordination Manager has been supporting the operations of the call center accordingly. There was one Behavioral Health Care Coordinator who started on 01/10/2022, and is in the training.

The Behavioral Health Department is actively supporting the transition of members and providers through training and support. In a partnership with Provider Services, we have developed training and hosted three trainings for providers. New Behavioral Health Provider Training, New Mental Health Provider Clinical Training, New Behavioral Health Treatment (ABA) Provider training, and PCP Training. The PCP training is aimed in support of PCP's knowledge of the Behavioral Health Department referral process, supportive tools, and benefit questions. We will continue to partner with Provider Services to set-up regular trainings and develop tools such as FAQ guides, training videos, and links to support providers.

In the month of January, the Behavioral Health Director met with each county; Santa Barbara and SLO, to support the transition and establish monthly Multi-disciplinary Meetings to support collaboration, member care, and the referral process. The Behavioral Health Director has also met with two FQHC's, CHCC, and Neighborhood clinics, to support providers and ensure supportive collaboration of member care. The Behavioral Health Director will be partnering with Provider Services to establish regular meetings to collaborate with FQHC's with member care as it relates to behavioral health needs, referral process, and provider support.

Respectfully Submitted,

Seleste Bowers, DHA, LCSW  
Director of Behavioral Health

### **Behavioral Health Integration Incentive Program (BHIIIP)**

The BHIIIP program is funded by the Department of Health Care Services (DHCS), and was developed to incentivize providers in the improvement of physical and behavioral health outcomes within the health care delivery system and establish or expand behavioral health as part of the integrated care model of Medi-Cal Managed Care Plans (MCP). CenCal Health has partnered with local network providers, based on their approved DHCS applications. This program was awarded over a 2 year performance measurement and funded quarterly upon completion of each identified milestone met within the grantees application.

Recently, this incentive was reassigned within Medical Management leadership to ensure proper oversight and funding disbursements. With collaboration of our Chief Health Operations Officer and Director of Government Affairs we've developed a cross departmental workgroup to review and reconcile quarterly performance measures and ensure appropriate funding allocations are awarded. Completion of Performance Year (PY) 1, Quarter (Q) 1 funding was completed by previous leadership. This workgroup is expected to complete PY1 Q2 funding in the coming weeks with PY 1 Q3 following promptly.

### **Process Improvement: Medical Management**

Medical Management (MM) has been presented with an opportunity to revisit the consultative review completed in 2019 by consultant, Amanda Flaum, to improve department operations and ultimately supporting culture stability. With the recent addition of Amanda as our Chief Health Operations Officer, we have gained momentum to complete a reassessment based on the current needs of the department. Leadership has assigned a Core Team to fully reevaluate this assessment. The goal for 1Q22 is to refresh the assessment to provide an updated view of "current state", update the recommendations (previously 38 identified in 2019), and prioritize the updated list of recommendations (quick hit, low, med, high). These deliverables will inform the roadmap for 2022/23.



## Population Health

Throughout January, the Population Health team continued to monitor programs and quality improvement activities to address 15 areas of care with a substantial **focus on COVID-19 vaccination uptake**. Below is a status report for many of the programs under way.

Program	Program Description	Initiation Date	Program Status
COVID-19 Quality Improvement Plan	Addresses three aspects of care negatively impacted by the ongoing COVID-19 crisis by developing strategies to address and improve preventive care. The aspects of care included are pediatric developmental screening, adolescent depression screening, and chlamydia screening for women.	September 2020	<p>COVID-19 QI Plan outcomes due March 2022.</p> <p>Developmental screening strategy complete.</p> <p>Chlamydia screening strategy in pilot testing in partnership with Community Health Centers of the Central Coast.</p> <p>Adolescent depression screening strategy in development for distribution by March 1<sup>st</sup>.</p>
Timely Postpartum Care in San Luis Obispo PIP	Performance improvement project to improve timely postpartum care for new mothers in San Luis Obispo County. Project includes comprehensive member outreach, case management, health promotion, and incentives.	August 2020	<p>108 members enrolled 69 program graduates 5 members pending 95.8% success rate</p> <p>Ongoing intervention testing through December 2022.</p>
Well Infant Visit PIP	Performance improvement project to improve well-child visits for children 0-15 months old in San Luis Obispo County. Project will focus on ensuring infants have at least 6 visits with their pediatrician in the first 15 months of their life through nurse outreach.	March 2021	Intervention implemented February 1 <sup>st</sup> , 2022 identifying 50 parents/guardians of children due for a check-up.
Fitness Adventure: Lompoc!	Physical activity program targeting obese children in Lompoc. The program encourages children and their families to complete 5 physical activity challenges over 6 weeks. For completing the challenges, families receive a \$25 gift card. If they complete 5 extra challenges, they're entered in to a raffle for a 6 month members to the Lompoc YMCA.	June 2021	<p>So far, 30 participants have returned activity logs.</p> <p>Outcomes pending final logs received.</p> <p>Expansion planned in partnership with the Healthy Lompoc Coalition.</p>

## Health Promotion

### 2022 Health Education and Cultural & Linguistic Population Needs Assessment

CenCal Health has begun work on annual Population Needs Assessment (PNA), per DHCS policy. The PNA identifies member health status and behaviors, member health education and Cultural & Linguistic needs, health disparities, and gaps in services related to these issues. The goal of the PNA is to improve health outcomes for members and ensure that CenCal Health is meeting the needs of our members by:

- Identifying member health needs and health disparities;
- Evaluating health education, C&L, and quality improvement (QI) activities and available resources to address identified concerns;
- Implementing targeted strategies for health education, C&L, and QI programs and services.

The PNA will be submitted to DHCS in June 2022. Subsequently, CenCal Health will spend the subsequent 12 months developing programs and interventions to address the gaps identified in the report.

### **COVID-19 Vaccine Strategy - DHCS Vaccine Response Plan**

CenCal Health staff continue to implement strategies identified in the COVID-19 Vaccination Response Plan (VRP). The Plan's VRP describes both current and proposed actions to close the COVID-19 vaccination gap for CenCal members.

Throughout January many activities were completed including:

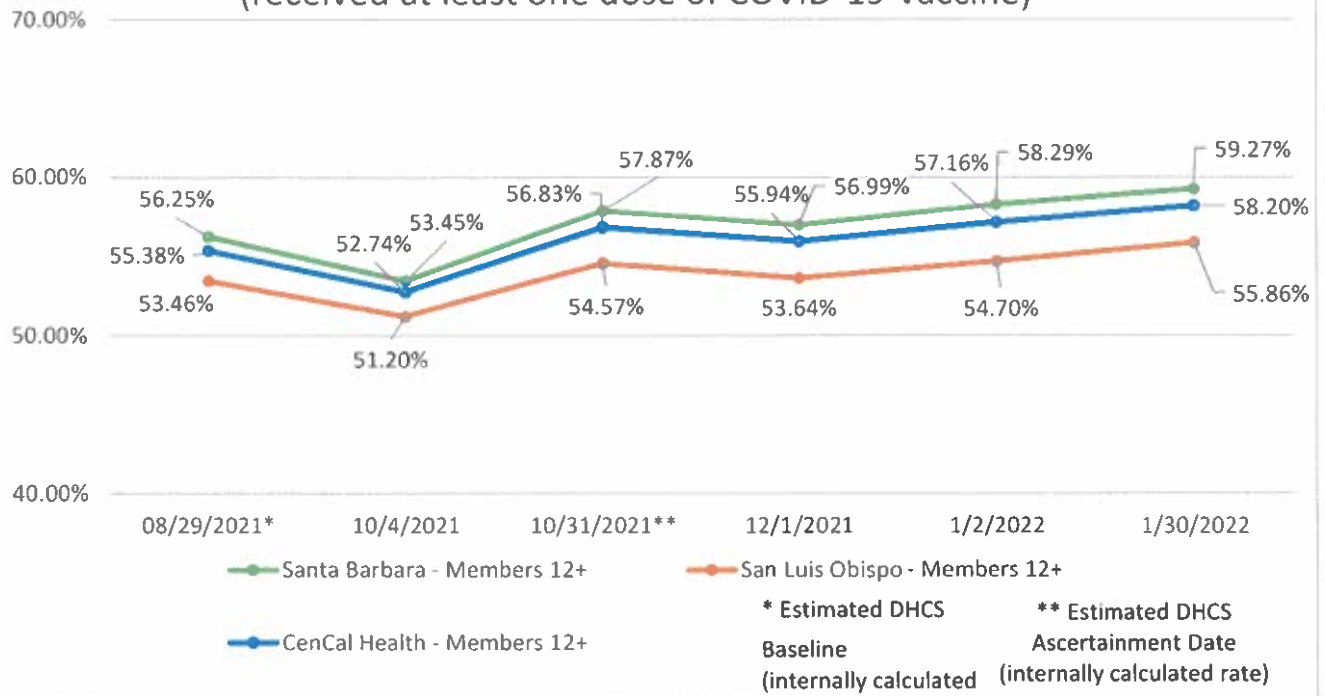
- Distribution of PCP incentives to all PCPs offering the vaccine in their office. PCPs are incentivized at \$50 per member who receives their first dose of the COVID-19 vaccine. This program will continue while funding remains available.
- Support of the Public Health Departments' vaccine clinics through 33 targeted mailings that reached over 129,000 members
- Partnership with large network provider groups
- Member incentive information inclusion in all New Member Packets
- Distribution of \$50 member incentives to approximately 7400 members
- Collaboration with the Promotoras network to provide community outreach
- Continued social media vaccine promotion

The VRP has a planned end date of March 2022. Outcomes will be reported upon program closure.

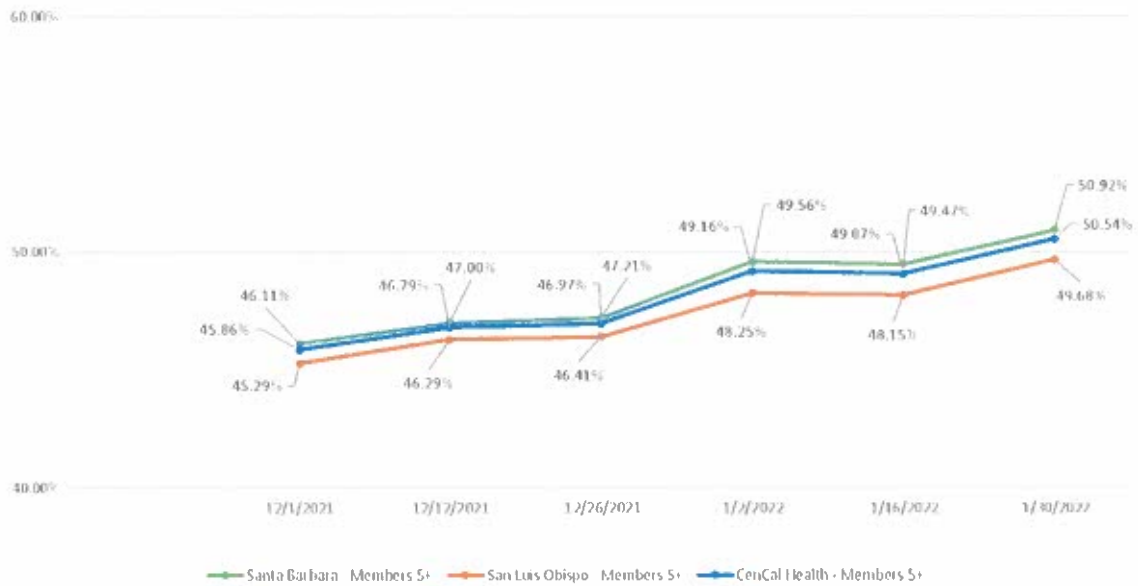
Below are graphs indicating current vaccination uptake\* since the launch of the VRP as well as the financial status and potential earnings from the VRP.

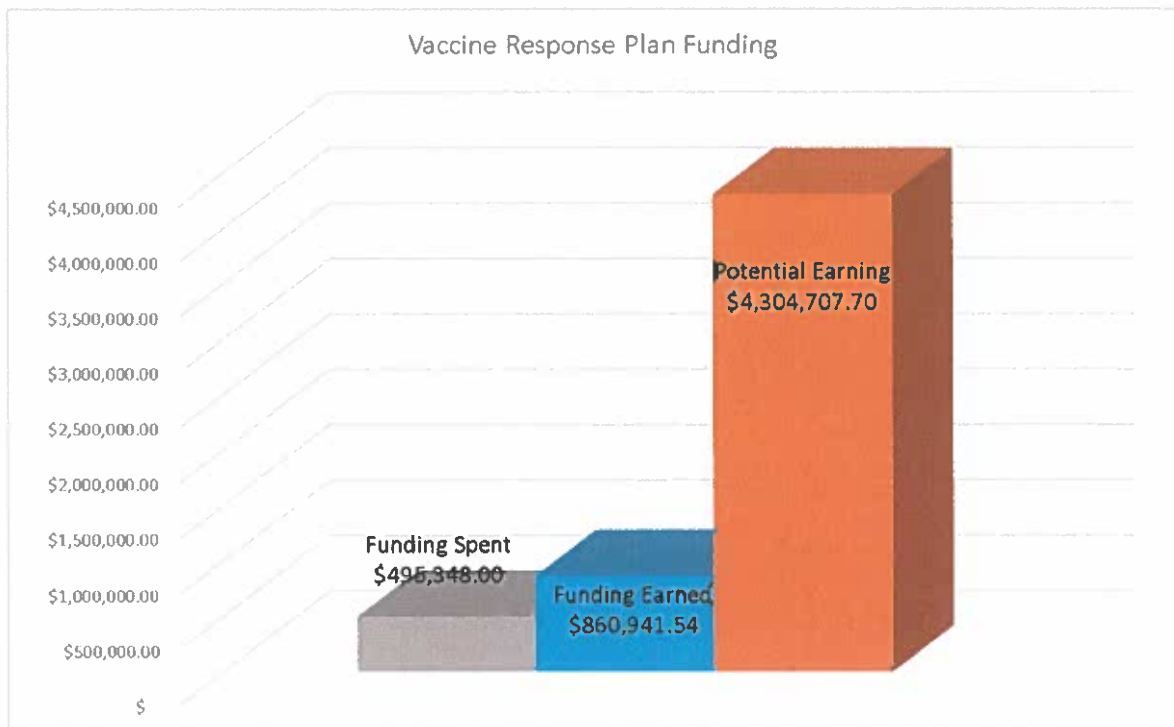
\*note that the number of eligible members for vaccination continues to increase as children turn 12

### Overall Vaccine Uptake ages 12 and older (received at least one dose of COVID-19 Vaccine)



### Overall Vaccine Uptake ages 5 and older (received at least one dose of COVID-19 Vaccine)





### Quality Measurement (QM)

#### NCQA HEDIS® Compliance Audit

On January 24<sup>th</sup>, CenCal Health's virtual "on-site" component of the ongoing NCQA HEDIS Compliance Audit was successfully completed. This significant milestone required an NCQA-licensed auditing organization, Health Services Advisory Group, to conduct a rigorous evaluation of CenCal Health's operational capacity to reliably report on quality of care indicators such as pediatric preventive screenings, disease management, maternity care, and behavioral health quality measures. HSAG's assessment encompassed CenCal Health's claims, provider, member, and clinical data sources, and the information technology and quality management operations to maintain those data sets. Despite the challenges of conducting this activity remotely and with a new auditor leading the effort, the "onsite" audit went smoothly and concluded ahead of schedule with minimal follow-up documentation required. This is a testament of a thorough pre-audit deliverable submission in December 2021 and the QM team's preparatory work leading up to the onsite.

In February, the QM team transitioned to the remaining focus of the audit which entails collection of medical record documentation to complete measurements that cannot otherwise be collected through claims data. This annual audit will formally conclude in June 2022 with reporting of CenCal Health's quality of care results that demonstrate the value CenCal Health and its provider network make available to members.



**Date:** February 9, 2022  
**To:** Board of Directors  
**From:** Paul Jaconette, MPH  
Chief Operating Officer  
**Subject:** Operations Summary Report-January 2022

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Highlights of the January operations activities and metrics are as follows:

**Claims Processing:** Our claims processing operational metrics in January were all within the target range. Medical claim receipts decreased slightly to 235,035, which is 6% over the pre-pandemic baseline. The trend appears to be in-line with recent receipts. The January trend of provider calls is steady, which is a good indicator of quality and provider satisfaction. Usually providers call for claims status, or to question payment rates.

**Member Services:** CenCal Health's aggregate membership continues to grow with the DHCS suspension of negative re-determinations for Medi-Cal Eligibility through the end of the public health emergency. The exceptions are only for members refusing coverage, members moving out of CA, or for those now deceased.

**As of February 7, 2022: Membership = 212,634.**

Call volume daily average in January was 400; slightly below December's daily average of 420. The slight decrease was mainly due to fewer pharmacy calls as members now need to contact Medi-Cal Rx directly for their pharmacy needs. Average speed to answer performance exceeded the goal in January of 85% at 88%. The abandon rate goal of 3% or below was exceeded at 2%, while 97% of calls were coded. Member Services is back to full staffing as new hires are now fully trained and live on the phones.

**Provider Services:** The Provider Services Department remains focused on the implementation of the Behavioral Health Carve-In Project. Approximately 375 behavioral health providers needed to be contracted, 750 rendering providers credentialed, and over 1,200 rendering providers configured in the system. To date, Provider Services has contracted with over 280 behavioral health providers and is ensuring all members who need access to mental health services are connected with a provider. The CenCal Health Provider Directory is a key communication piece to our members. Revisions have been made to reflect the changes with both the behavioral health network and the pharmacy network.

**Operations Work Groups:** Collaboration continues with the Health Services Department to ensure the Behavioral Health integration is meeting the member and provider's needs. We have almost daily issue resolution meetings and are tracking on target with this implementation.



February 7, 2022

**Memo To:** Board of Directors

**From:** Amy Sim, General Accounting Manager  
Leanne Bauer, Director of Finance

**Through:** David Ambrose, CPA, Chief Financial Officer/Treasurer  
Marina Owen, Chief Executive Officer

**RE:** **Financial Report for Month Ended 1/31/2022**

**Financial Highlights (year-to-date)**

- **Consolidated gain or loss** from all programs and activities show a year-to-date operating loss of \$10.2 million compared to anticipated flexible budget operating loss of \$17.9 million.
- **Capitation revenue** is over budget by \$7.4 million and 1.2%.
- **Total medical costs** are over budget by \$5.0 million and 0.9%.
- **Medical loss ratio (MLR)** FYTD is running at 90%.
- **Administrative expenses** are under budget by \$3.7 million and 10.6%.
- **Admin Costs as a Percentage of Capitation Revenue** FYTD is running at 5%.
- **Other revenue and unrealized gain (loss)** is over budget by \$1.5 million and 183.1%.
- **Tangible net equity (TNE)** is at \$158.0 million, which is 61% of the Board approved Minimum TNE Target at \$257.8 million.
- **Member enrollment** is at 210,048 covered lives as of January 2022.

**MONTHLY FINANCIAL RECONCILIATION-JAN 2022**

SB County Operating Gain/Loss	\$	93,496.45
SLO County Operating Gain/Loss	\$	(350,191.59)
Realized Gain/Loss	\$	-
Unrealized Gain/Loss	\$	(329,093.18)
Cash Management Income	\$	62,715.92
Other Program Revenues	\$	877,994.19
<b>Month GAIN</b>	<b>\$</b>	<b>354,921.79</b>

**Financial Report:**

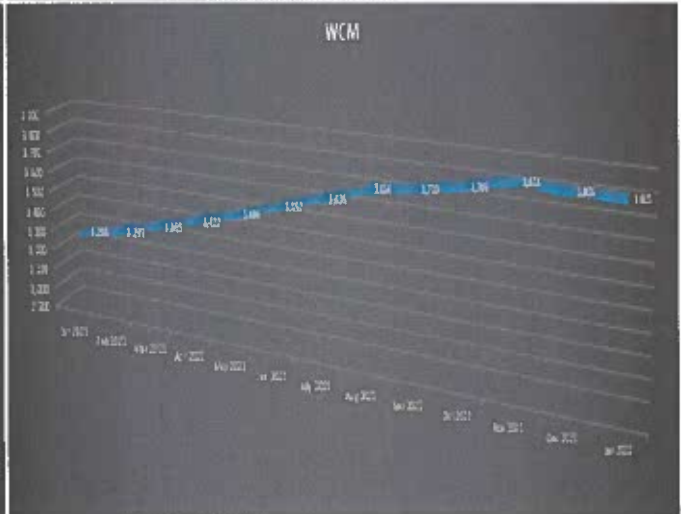
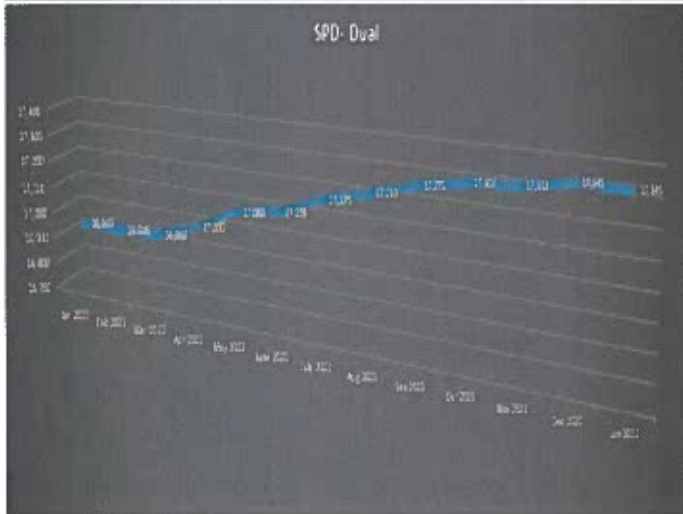
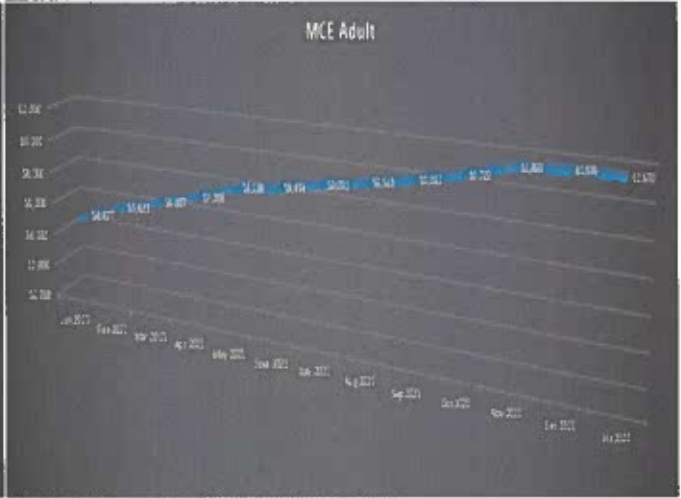
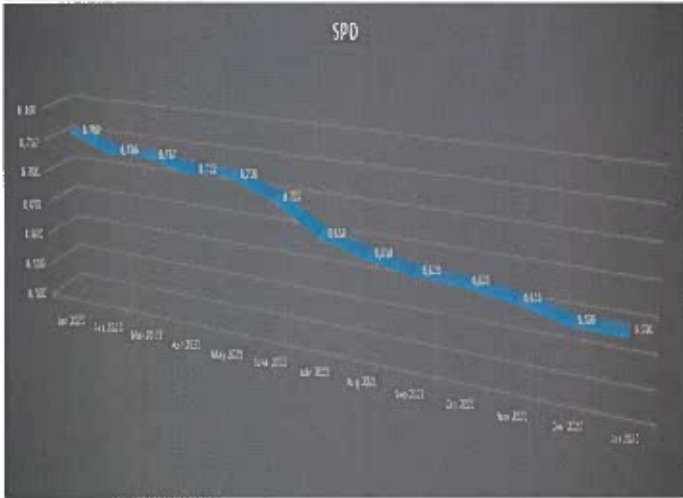
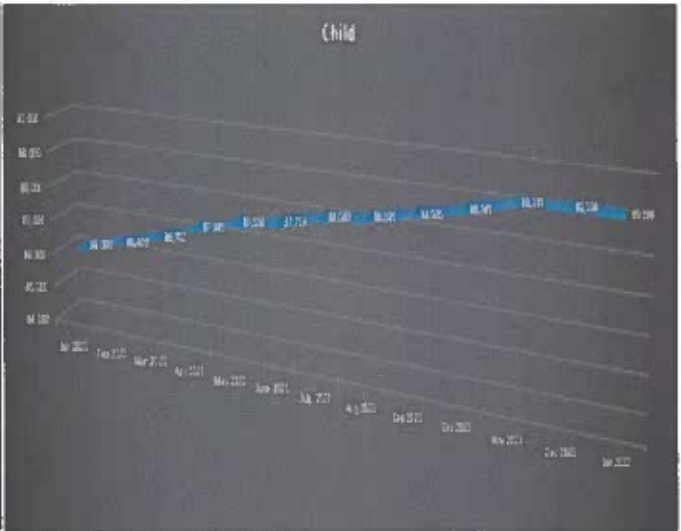
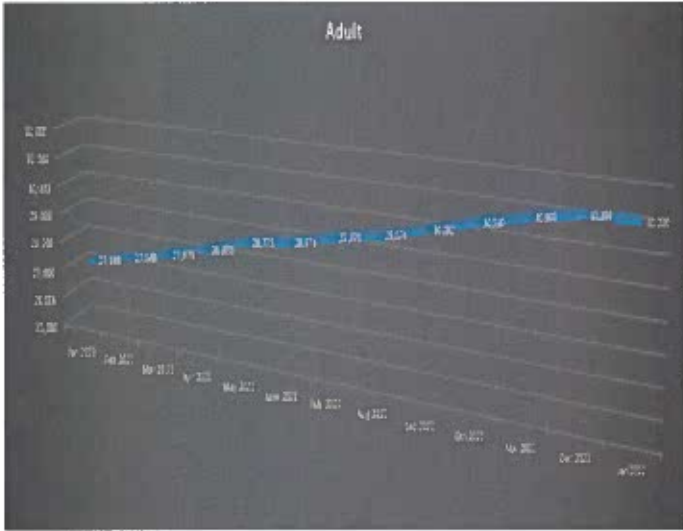
The 2021-22 unaudited financial statements and supplemental information can be found at

**Item 4.1.**

**Member Enrollment:** The health plan's membership count for January 2022 is 210,048 enrollees versus our budget forecast for January at 208,927 enrollees.



The upward enrollment trend began around March 2020. The Health Plan anticipates the upward trend to continue in the months ahead through March 2022.





With the exception of the SPD and WCM aid category member population, all aid category member populations have been on an upward trend.

**Revenue:**

FYTD is \$7.4 million or 1.2% greater than budget due to the recording of prior year revenue within the current 21/22 fiscal year.

Revenue Type	FYTD Actual Dollars	FYTD Budget	FYTD Variance	% Variance
Base Capitation Revenue	\$621,732,644	\$618,269,809	\$3,462,835	0.6%
BHT, HepC, AIS Revenue, Maternity	\$20,171,062	\$13,921,609	\$6,249,453	44.9%
<b>Budgeted Revenue Items</b>	<b>\$641,903,706</b>	<b>\$632,191,418</b>	<b>\$9,712,288</b>	<b>1.5%</b>
Prior Year Revenue Adjustments: Prior Year Items Recorded in Current Year	(\$2,279,733)	----	(\$2,279,733)	
<b>TOTAL PROGRAM REVENUE</b>	<b>\$639,623,973</b>	<b>\$632,191,418</b>	<b>\$7,432,555</b>	<b>1.2%</b>

Base Capitation revenue FYTD is tracking close to budget with a variance of only 0.6%.

Plan received \$861,000 on January 5<sup>th</sup> for VRP program (Vaccination Respond Program) initiated by DHCS. Plan has made payment to providers who help vaccinated the members.

Plan received \$710,000 for the BHIP (Behavioral Health Incentive Program) for Q1 measures. Plan paid the qualified providers in November their incentive dollars. Plan received Q2 measures payment in mid-January, payment made to some of the applicable providers and the rest of the applicable providers will be receiving payment in February.

Behavioral Health Therapy (BHT), Hepatitis C prescription (HepC), Maternity Deliveries, and American Indian Services (AIS) revenue (these four items are also known as supplemental revenue), which each are volume-based, combined are over budget with a variance of 44.9%) due to higher estimated utilization of services than anticipated compared to the budget assumption.

For the month, plan incurred several prior year revenue adjustments that are impacting the reported revenue figure on the financial statements:

- Due to capitation revenue rates changed and Prop 56 MLRs, these prior year rate changed were due to Direct Hospital Payment for FY19/20. Prop 56 MLRs adjustments for prior year activity being offset by Physician Services, which is under budget by \$3.6 million for the month (budget variance is impacted by Prop 56 services being incurred at a lower level than the associated Prop 56 revenue).

**DHCS Risk Corridor [covering the 18-month period July 2019 to Dec 2020]:**

The health plan is expecting payment from DHCS for the amount of \$3.3 million because the health plan's allowable medical expenses exceeded the 102% threshold (104.4% SB and 104.3% SLO). The receivable is recorded within the A/R – Medi-Cal Capitation account on the balance sheet. As of the date of this financial report, the DHCS has not yet established a timeline for reporting and reconciling the 18-Month Risk Corridor.

**Medical Expenses:**

January actual FYTD medical expenses are nearly at budget, over budget by \$9M or 1.6%; and the month medical expenses are under budget by \$2M or 2.8%.

Here are the items to note on the income statement:

1. PCP capitation, incentives & case mgmt. fees is under budget for the month by \$430,500 and FYTD over budget by \$221,900. This is due to the actual case mix of PCP assigned members not perfectly mirroring the case mix assumed in the budget, including the mix between assignments to physician practices and FQHCs.
2. Physician Services is under budget for the month by \$3.6 million and FYTD \$11.4 million primarily due to lower specialty capitation dollars than the budget assumed. One specialty practice was recently termed from their capitation arrangement with the health plan. Some of this budget favorability is being offset by Physician fee-for-service and FQHC fee-for-service:
  - a. FQHC FFS in SB County is over budget by \$662,000 FYTD due to the average cost per visit exceeding by 18% of the budget forecast.
3. Inpatient Hospital In-Area is under budget for the month by \$1.4 million and FYTD by \$1.5 million due to SBHI County trending lower than budget in utilization by 1.8% and average cost per visit by 15.9%.
4. Inpatient Hospital Out-of-Area is under budget for the month by \$611,000 due to SLOHI county average cost per visit is 19% lower than budget and FYTD over budget by \$6 million due to utilization in both counties trending much greater than budget.
5. Hospital Outpatient In-Area is under budget for the month by \$188,000 due to SBHI County average cost per visit is slightly lower than budget and FYTD over budget by \$859,900 due to utilization in both counties trending greater than budget.
6. Hospital Outpatient Out-of-Area is over budget for the month by \$370,000 and FYTD by \$102,000 due to utilization for both counties is trending greater than budget; even though the average cost per visit in both counties is trending lower than budget and help mitigating some of utilization expenses.
7. Pharmacy expenses being reported as a negative for the month of January due to the true-up of our share of P4P Savings Share with our PBM. The earlier accrual estimate for the savings share was lower than the final true-up figure. Plan is receiving a much greater share savings than the initial recorded amount. FYTD is under budget by \$7.9 million primarily due to the utilization of prescriptions filled is trending much lower than the budget forecast. Also, pharmacy rebates and accrued PBM P4P saving share dollars are exceeding budget expectations.

8. Long Term Care / Skilled Nursing is over budget for the month by \$140,000 and FYTD by \$9.7 million. Due to SLOHI County the utilization is trending greater than budget and SBHI County average cost per visit is trending much greater than the budget forecast.
9. Home Health Care is over budget for the month by \$15,000 due to SBHI County average cost per visit is more than budget and FYTD under budget by \$466,200 is due to both counties the utilization is trending much lower than budget forecast.
10. Audiology is under budget for the month by \$87,000 due to SBHI County average cost per visit lower than budget and mitigating the higher utilization than expected. The number of unique members utilizing audiology services recently is much greater than the number of unique members within the base period used for the budget forecast.
11. Mental Health and Behavioral Health Therapy is being accrued for the month of \$3 million primarily due to the first month of insourcing the services, thus many of claims are pending to be paid, especially the Behavior Health Therapy.
12. Prosthetic/Orthotics is under budget for the month by \$24,000 and FYTD by \$108,400. SBHI county average cost per visit is lower than budget forecast and SLOHI county utilization is lower than budget.
13. Podiatry is under budget for the month by \$68,600 is due to utilization is trending lower than budget in SBHI county. Whereas, FYTD is over budget by \$53,900 due to the average cost per visit and utilization is trending higher than budget for SLOHI county.
14. Physical Therapy is under budget for the month by \$6,000 due to SLOHI County utilization is trending lower than budget. FYTD is over budget by \$240,000 is due to SBHI County average cost per visit and utilization is trending greater than the budget forecast.
15. Transportation is under budget for the month by \$87,700 and FYTD by \$291,000. Both counties average cost per ride is trending lower than the budget forecast. Even though, both counties utilization is trending greater than the budget forecast.
16. Hospice is under budget for the month by \$22,900 and FYTD by \$1.6 million. Both counties utilization is trending much lower than budget by more than 30%. Even though, both counties average cost per encounter is trending higher than the budget forecast.
17. Dialysis is under budget for the month by \$89,000 and FYTD by \$737,800. In both counties utilization is trending much lower than the budget forecast. Even though, SLOHI county average cost per visit is trending greater than budget; being mitigating by SBHI county average cost per visit is trending lower than budget.
18. Laboratory Services is over budget for the month by 131,700 and FYTD by \$505,000. Both counties average cost per visit is trending to be greater than budget; however being mitigating by the utilization is trending slightly lower than the budget forecast in SLOHI County.
19. Durable Medical Equipment is over budget for the month by \$46,400 and FYTD by \$412,300. SBHI county utilization is trending much greater than the budget and SLOHI county average cost per visit is trending slightly greater than the budget as well. Even though, SBHI county average cost per visit is trending lower

than the budget forecast and SLOHI county utilization is trending slightly lower than the budget forecast.

20. All Other Medical Services is over budget FYTD by \$500,000. This account primarily acts as a fallback position for any outlier medical claim for which the health plan's health information system cannot determine its medical expense category classification (e.g. home health, laboratory, etc.) This is typically caused by some poor coding or other incorrect claim values. Over time, many of these claims get corrected and will subsequently be mapped into their proper expense category.
21. Directed Hospital Payments, Hospital Quality Assurance Fee (HQAF) and Inter-Governmental Transfers (IGT) are pass-thru revenue components (Budget-Neutral). The actual is over budget FYTD by \$360,000. The budget is based on a preliminary PMPM rate from the DHCS. Any dollars within these expense items also reside within the health plan's capitation revenue, resulting in a budget-neutral position.
22. Prior Year Change in IBNR Estimate for the month is recording a positive dollar-value of \$8.4 million. This means the January IBNP Model is projecting the total medical claim expense covering the 24-month period on and prior to June 30, 2021 at a total value, more by \$8.4 million, than the December IBNP Model's projection of total medical claim expense covering the same time period.

**Medical Expense Summarization:**

Medical Expense Type	FYTD Actual Dollars	FYTD Budget	FYTD Variance	% Variance
Medical Costs + Incentives	\$568,581,150	\$572,111,999	(\$3,530,849)	(0.6%)
Reinsurance - net	(\$2,923,020)	\$1,278,000	(\$4,201,020)	
<b>Budgeted Medical Items</b>	<b>\$565,658,130</b>	<b>\$573,389,999</b>	<b>(\$7,731,869)</b>	<b>(1.3%)</b>
Prior Year Expense Adjustments: Prior Year Items Recorded in Current Year	\$12,648,768		\$12,648,768	
<b>TOTAL MEDICAL COSTS</b>	<b>\$578,306,898</b>	<b>\$573,389,999</b>	<b>\$4,916,899</b>	<b>0.9%</b>

The health plan projects reinsurance recoveries at 40% of the premium cost. The deductible threshold is \$1.25 million, plus the aggregation deductible of \$0.85 pmpm. FYTD Reinsurance-net is exceeding budget expectations due to 3<sup>rd</sup> Party recoveries (Medicare and Commercial payers) currently occurring at a greater value than the budget forecast.

The prior year expense adjustments of \$12.6 million is due to rate change for PHDP (Private Hospitals Direct Payment). The budget is based on a preliminary PMPM rate from the DHCS. Any dollars within these expense items also reside within the health plan's capitation revenue, resulting in a budget-neutral position.

**Medicaid Expansion Population MLR:** On the Balance Sheet, \$39.9 million is a reserved liability which represents Medi-Cal capitation revenue which will be recouped back to

the DHCS under the terms of the MCE Adult aid category medical loss ratio (MLR) contract language. This amount covers the period July 2017 through December 2021.

The health plan has completed and submitted to DHCS the MLR submission specific to the period covering July 2017 – June 2018. The submission is pending final review by DHCS and staff expects \$23.6 million will be owed back to DHCS.

For the period covering July 2018 – December 2021, actual MLR submission to DHCS is likely many months away. DHCS has not established an MLR submission timeline yet. Staff has recorded an interim liability estimate at \$16.3 million for this time period.

### **Prop 56 Programs [Enhanced Reimbursement for Qualifying Providers] – Table by Programs**

The health plan anticipates that DHCS will be recouping back any Prop 56 Program revenue that has an MLR less than 98% under the terms of a Prop 56 medical loss ratio (MLR) contract provision. The current liability recorded on the balance sheet in total is \$17.9 million. For FY18/19 is \$286K, 18 months bridge period (Jul 2019 to Dec 2020) is \$10.3 million and CY2021 is \$7.3 million.

### **Administrative Costs:**

For the month Administrative Costs are under budget by \$889,000 and FYTD under budget by \$3.7 million or 10.6% driven primarily by:

- Staffing vacancies; 24 budgeted positions are currently vacant.
- Contract Services are lower than expected, due to Legal and Outside Processing costs year to date being lower than budget.
- Rent and Occupancy is lower than budget mainly due to janitorial costs and other occupancy costs. Janitorial costs should increase as staff are reintroduced into the CenCal offices. Utilities vary from month to month.
- Other Expenses are lower than expected we believe primarily as a timing issue of when during the fiscal year the expenditures will actually be incurred. Community Health Promotion, Software licensing, Professional Association and Subscriptions & Publications will occur as needed.
- Depreciation costs are lower than budget due to capital items being purchased later in the year.
- Travel costs are under budget due to the timing of conferences/seminars and executive travel and the near shut down of all traveling since the Covid public health emergency.

### **Insourcing MH/BHT for January 2022 Go-Live:**

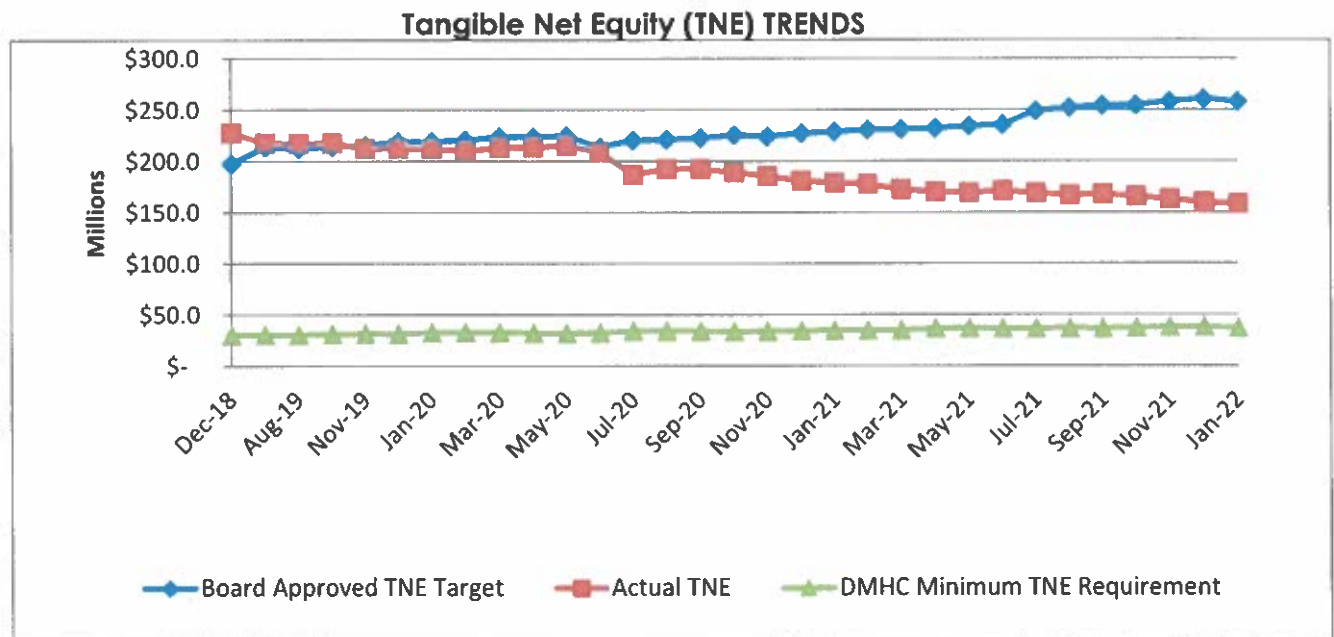
The total administrative cost under budget variance is also influenced by the timing or ramp-up of expenditures associated to the start-up costs of the MH/BHT Project. FYTD the health plan has incurred \$710,800 of start-up cost while the budget forecast was \$1.3 million of expenditures incurred through January 31st. The favorability for FYTD is \$949,200. As we move into the future months, this will be changing as more staff of MH/BHT being hired in preparation for the January go-live.

### **Recruitment and Retention Program:**

This program became effective July 2020. The health plan purchased \$10 million of Corporate Owned Life Insurance (COLI). As a reminder, this event is solely a balance sheet transaction ----- converting one asset (\$10 million of cash) to another asset (the COLI worth initially \$10 million). It is estimated that as of January 31st, we have earned interest income in the amount of \$398,988 on the COLI.

MAP (Mortgage Assistance Program and SAL (Shared Appreciation Loan) Loans: The health plan has executed one (1) loan in the amount of \$300,000. This loan is recorded on the balance sheet as a receivable of \$300,000.

**Tangible Net Equity (TNE):** As of January 2021, our actual TNE is \$158.0 million. The Board approved TNE target is \$257.8 million, which equates to three and a half times the value of current fiscal year average monthly capitation revenue (base capitation, excluding pass-thru dollars & supplemental dollars) applicable for 2021-22. The minimum TNE requirement established by the Department of Managed Health Care (DMHC) for CenCal Health is currently \$37.0 million; this is a continuous moving target as it is primarily driven by our annualized medical expenditures. Currently the actual TNE is 427% of the minimum DMHC requirement, and 61% of the Board approved TNE target.



Note: The **Board Approved TNE Target** is established at three and a half times the average monthly program revenue of the health plan. The board-approved target excludes MCO Tax, Rate Range IGT, Pooled Directed payment and HQAF Directed payment. **Actual TNE** represents the value of health plan assets minus the value of health plan liabilities, as reported on the Balance Sheet. **DMHC Minimum TNE Requirement** is a calculation per *Title 10, CCR, Section 1300.76 TNE* which is primarily a function of and dependent on the magnitude of the health plan's annualized medical expenses. As health plan membership grows and/or medical utilization & unit costs increase, the DMHC Minimum will correspondingly increase.

**Treasury Activities:**

**Capitation Payments Received:**

Cash received during the month in the form of capitation from the State of California, Department of Health Care Services received is shown.

Capitation and Premium Payments Received

SBHI Capitation	\$ 81,191,416
SLOHI Capitation	35,086,082
	<u>\$ 116,277,499</u>

**Investments, Cash Balances & Interest Income:**

Interest earnings for the current fiscal year to date are \$388,000 and unrealized loss on investments is \$731,000. The schedule of investments and cash balances in **Figure 2** provides details on all invested funds and accrued interest receivable at January 31, 2022, including earnings accruing on the investment in LAIF funds and CalTrust, and the unrealized loss in the Medium Term fund at CalTrust.

**Schedule of Investments and Cash Balances**

LAIF	\$ 26,507,946	
CalTrust - Short Term Fund	73,570,972 *	
CalTrust - Medium Term Fund	37,020,811 *	
Wells Fargo - checking	129,618,281	
Chase - HMS lockbox	270,921	
CD's - assigned to DMHC	300,000	
	<u>\$ 267,288,931</u>	
* Includes unrealized gain (loss) on investments:	<u>Current Month</u>	<u>YTD</u>
Beginning Balance	\$ 73,635,143	\$ 73,723,748
Accrual Income Div Reinvestment	\$ 8,953	\$ 66,558
Redemption	\$ -	\$ -
Unrealized Gain (Loss)	(73,124)	\$ (219,333)
Current Market Value	<u>\$ 73,570,972</u>	<u>\$ 73,570,972</u>
Beginning Balance	\$ 37,261,904	\$ 37,454,256
Accrual Income Div Reinvestment	\$ 14,878	\$ 78,331
Unrealized Gain (Loss)	(255,971)	(511,776)
Current Market Value	<u>\$ 37,020,811</u>	<u>\$ 37,020,811</u>
Interest income - receivable	\$ 9,691	

**Days Cash on Hand for Operations**

Cash and Investments as of Jan 31	\$ 266,988,931
Less future non-operating cash obligations	<u>\$ (96,883,175)</u>
Net Cash Available for Operations	\$ 170,105,756
Days Cash on Hand for Operations	67

**Total Projected Non-Operating Payments: \$96.9M**

- MCO Tax = \$36.6M
- AE MLR FY17/18 = \$23.6M
- AE MLR FY18/19 = \$7.7M
- AE MLR July19-December 20 = \$6.4M
- AE MLR CY2021 YTD = \$2.2M
- Prop 56 FY18/19 to CY2021 YTD MLR = \$17.9M
- Legal Cases and attorney fee = \$2.5M



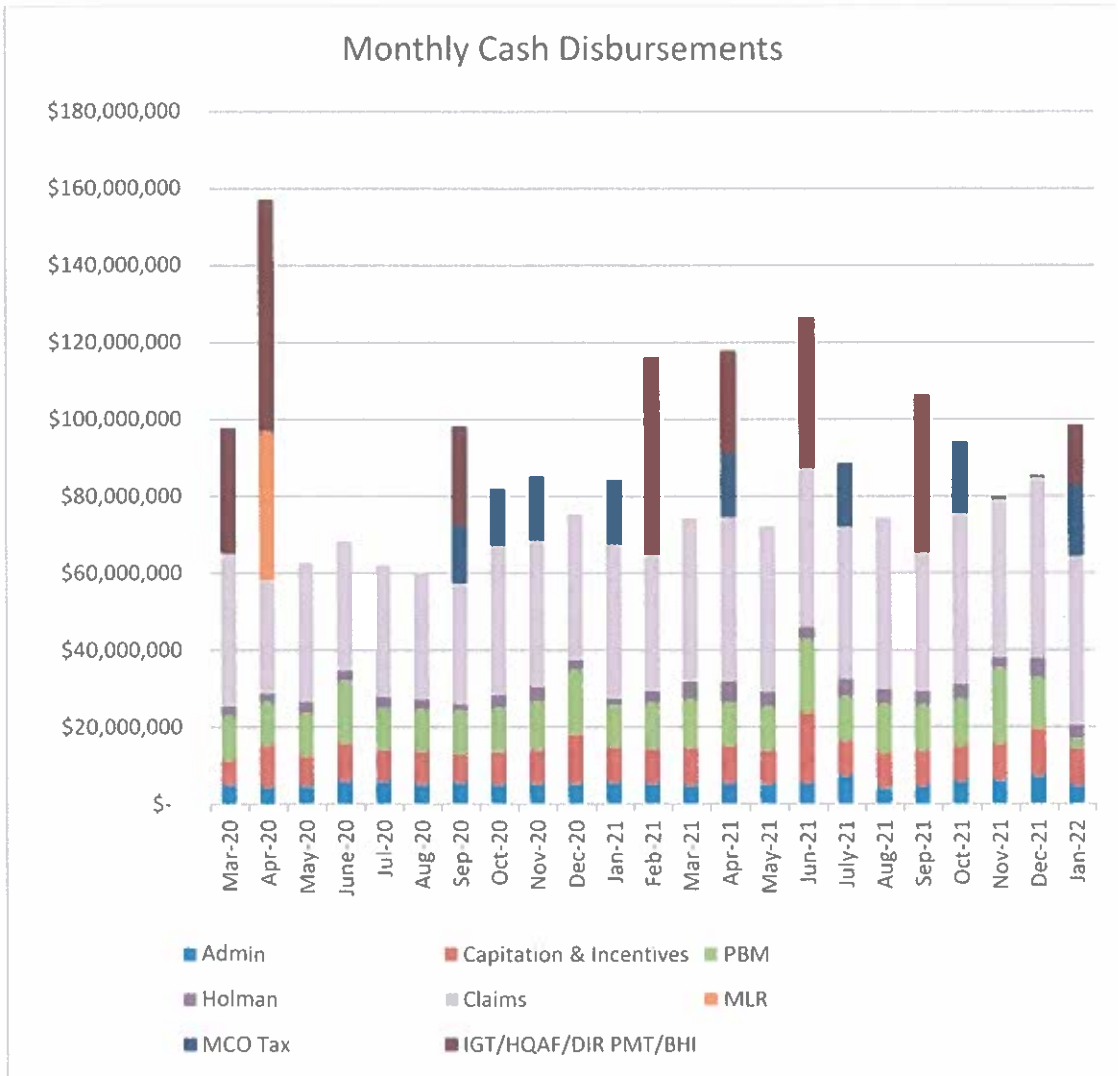
**MCO Tax**

Month	Total Membership	MCO Tax Revenue (Based on Membership)	MCO Tax Quarterly Invoice Amount	Difference (Under Funded)/Over Funded
Jan-20	172,997	\$ 4,805,856.66		
Feb-20	174,742	\$ 4,854,332.76		
Mar-20	175,102	\$ 4,864,333.56		
	522,841	\$ 14,524,522.98	\$ 14,652,070.00	\$ (127,547.02)
Apr-20	177,250	\$ 4,924,005.00		
May-20	180,307	\$ 5,008,928.46		
Jun-20	182,641	\$ 5,073,766.98		
	540,198	\$ 15,006,700.44	\$ 14,652,070.00	\$ 354,630.44
Jul-20	184,512	\$ 5,125,743.36		
Aug-20	186,629	\$ 5,184,553.62		
Sep-20	188,532	\$ 5,237,418.96		
	559,673	\$ 15,547,715.94	\$ 16,483,578.75	\$ (935,862.81)
Oct-20	190,241	\$ 5,284,894.98		
Nov-20	191,979	\$ 5,333,176.62		
Dec-20	193,599	\$ 5,378,180.22		
	575,819	\$ 15,996,251.82	\$ 16,483,578.75	\$ (487,326.93)
Jan-21	195,339	\$ 5,426,517.42		
Feb-21	196,993	\$ 5,472,465.54		
Mar-21	198,354	\$ 5,510,274.12		
	590,686	\$ 16,409,257.08	\$ 16,483,578.75	\$ (74,321.67)
Apr-21	200,062	\$ 5,557,722.36		
May-21	201,880	\$ 5,608,226.40		
Jun-21	202,691	\$ 5,630,755.98		
	604,633	\$ 16,796,704.74	\$ 16,483,578.75	\$ 313,125.99
Jul-21	204,096	\$ 6,190,231.68		
Aug-21	205,124	\$ 6,221,410.92		
Sep-21	206,461	\$ 6,261,962.13		
	615,681	\$ 18,673,604.73	\$ 18,315,087.50	\$ 358,517.23
Oct-21	207,904	\$ 6,305,728.32		
Nov-21	209,441	\$ 6,352,345.53		
Dec-21	210,048	\$ 6,370,755.84		
	627,393	\$ 19,028,829.69	\$ 18,315,087.50	\$ 713,742.19
Jan-22	210,048	\$ 6,370,755.84		
Feb-22	210,048	\$ 6,370,755.84	*Estimate	
Mar-22	210,048	\$ 6,370,755.84	*Estimate	
	630,144	\$ 19,112,267.52	\$ 18,315,087.50	\$ 797,180.02

\$ 912,137.44

This table tracks the difference between the health plan earned MCO Tax revenue components of our capitation rates versus the magnitude of the MCO Tax due. Currently, MCO Tax revenue appears to be trending slightly higher than the actual MCO Tax Expense for Q4 2021.

**Historical Cash Disbursements:**



# CenCal Health

## Financial Statements and Additional Information For The Period Ended January 31, 2022

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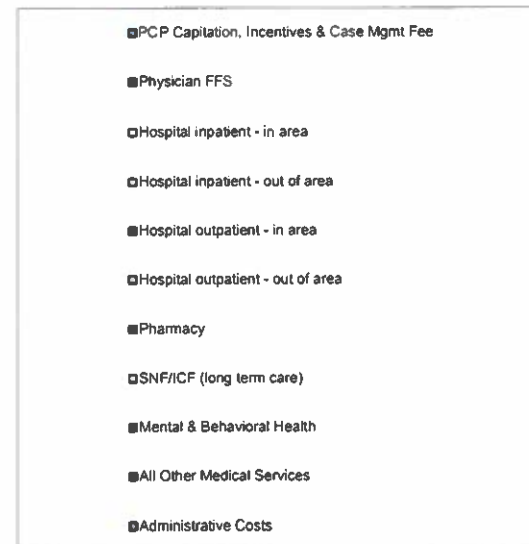
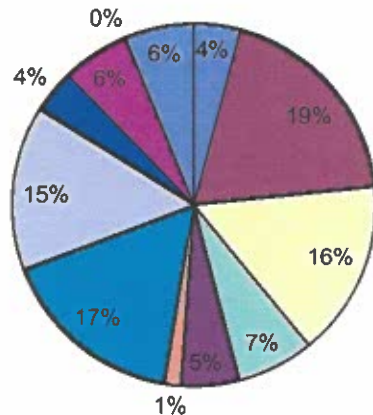
# Executive Dashboard

## Trends in Key Measures of Financial Performance (modified)

CenCal Health	2021-22	Actual	Actual	Actual
	Budget	FYTD 2021-22	2020-21	2019-20
Avg. # of Covered Lives	208,927	207,589	194,234	176,160
Capitation Revenue PMPM - net	\$ 435.06	\$ 440.17	\$ 292.84	\$ 311.46
<i>Per Member Per Month:</i>				
PCP Capitation, Incentives & Case Mgmt Fee	\$ 14.26	\$ 14.41	\$ 15.57	\$ 13.91
Physician FFS	\$ 74.71	\$ 66.86	\$ 79.52	\$ 67.40
Hospital inpatient - in area	\$ 55.17	\$ 54.21	\$ 57.48	\$ 46.25
Hospital inpatient - out of area	\$ 19.61	\$ 23.77	\$ 21.97	\$ 20.11
Hospital outpatient - in area	\$ 17.61	\$ 18.00	\$ 18.50	\$ 16.91
Hospital outpatient - out of area	\$ 4.88	\$ 4.95	\$ 5.48	\$ 3.77
Pharmacy	\$ 63.18	\$ 57.74	\$ 74.10	\$ 64.17
SNF/ICF (long term care)	\$ 43.85	\$ 50.54	\$ 51.55	\$ 44.82
Mental & Behavioral Health	\$ 13.60	\$ 13.67	\$ 17.32	\$ 9.82
All Other Medical Services	\$ 18.73	\$ 20.71	\$ 20.44	\$ 14.81
Administrative Costs	\$ 23.90	\$ 21.37	\$ 24.10	\$ 16.54

CenCal Health	Actual FYTD 2021-22
<i>Other Financial Indicators:</i>	
Actual TNE as of month-end (millions)	\$160.0
TNE \$ per Member	\$771
FYTD Medical Loss Ratio (MLR)	90%
Total Assets (millions)	\$565.8
Total Liabilities (millions)	\$405.8
Assets to Liabilities Ratio	139%
Cash & Short Term Investments (millions)	\$267.0
Admin Costs to Total Operating Costs	5%
FYTD Operating Gain (Loss) (millions)	-\$10.2

**How Each Dollar Is Spent  
FYTD 2021-22**



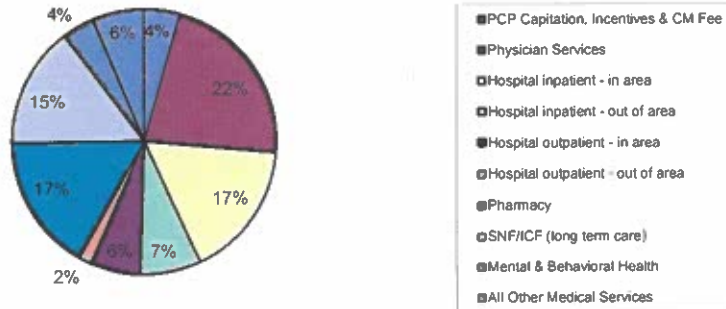
# Executive Dashboard

## Trends in Key Measures of Financial Performance (modified) for Medi-Cal Programs

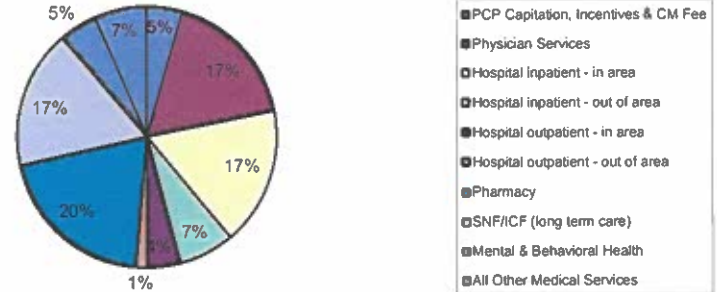
<b>Santa Barbara Co</b>	2021-22 Budget	Actual FYTD 2021-22	Actual 2020-21	Actual 2019-20
Avg. # of Covered Lives	147,076	145,603	136,838	124,631
Capitation revenue PMPM - net	\$ 430.12	\$ 434.15	\$ 293.42	\$ 312.13
<i>Per Member Per Month:</i>				
PCP Capitation, Incentives & CM Fee	\$ 14.06	\$ 14.16	\$ 15.35	\$ 14.54
Physician Services	\$ 78.52	\$ 70.43	\$ 82.15	\$ 78.04
Hospital inpatient - in area	\$ 58.05	\$ 53.14	\$ 59.55	\$ 57.20
Hospital inpatient - out of area	\$ 19.81	\$ 23.97	\$ 21.10	\$ 20.19
Hospital outpatient - in area	\$ 19.57	\$ 19.67	\$ 20.61	\$ 20.75
Hospital outpatient - out of area	\$ 5.17	\$ 5.10	\$ 5.43	\$ 5.21
Pharmacy	\$ 57.41	\$ 53.50	\$ 68.48	\$ 64.50
SNF/ICF (long term care)	\$ 41.30	\$ 47.49	\$ 48.57	\$ 50.50
Mental & Behavioral Health	\$ 12.83	\$ 12.71	\$ 16.05	\$ 12.57
All Other Medical Services	\$ 17.93	\$ 20.23	\$ 20.18	\$ 17.92

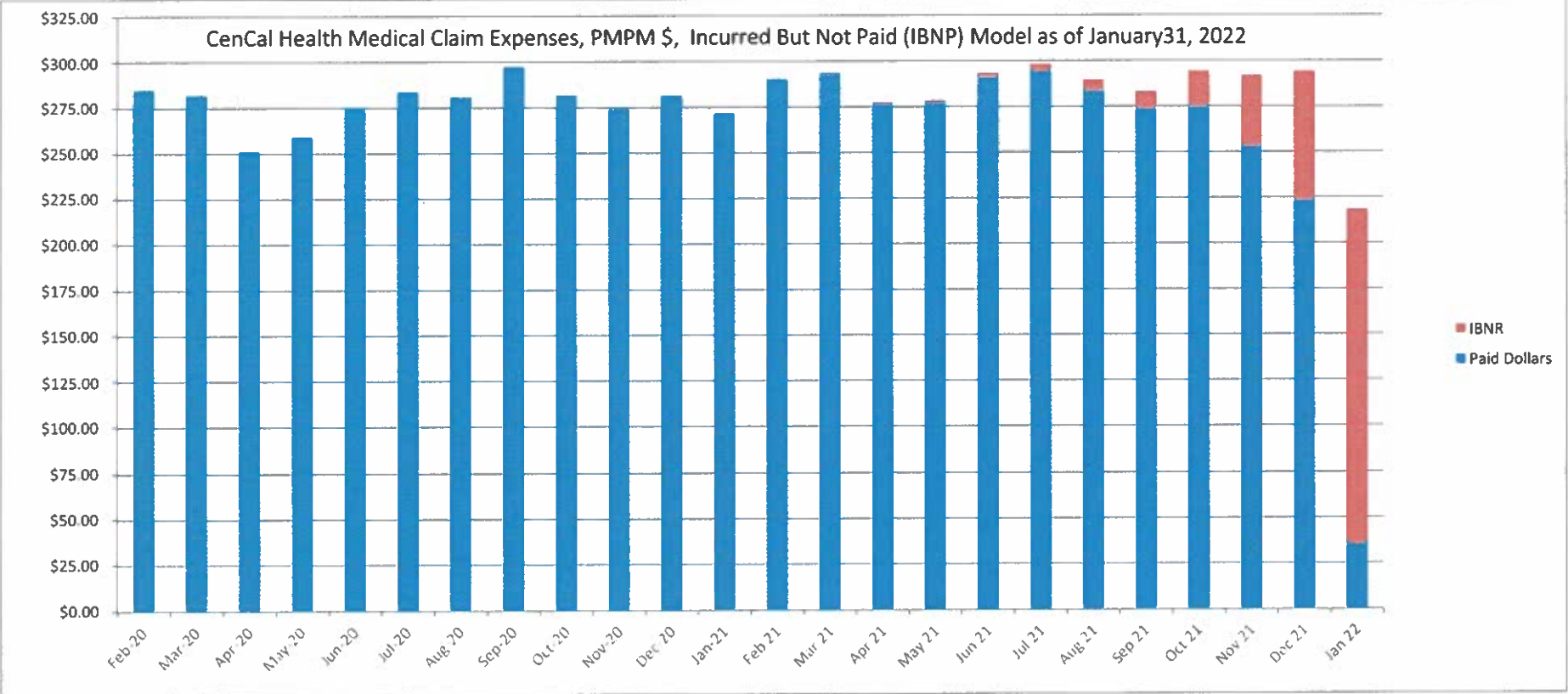
<b>SLOHI</b>	2021-22 Budget	Actual FYTD 2021-22	Actual 2020-21	Actual 2019-20
Avg. # of Covered Lives	61,851	61,986	57,396	51,530
Capitation revenue PMPM - net	\$ 446.64	\$ 454.31	\$ 290.78	\$ 312.68
<i>Per Member Per Month:</i>				
PCP Capitation, Incentives & CM Fee	\$ 14.74	\$ 15.00	\$ 16.11	\$ 15.09
Physician Services	\$ 65.77	\$ 58.47	\$ 73.24	\$ 72.58
Hospital inpatient - in area	\$ 48.42	\$ 56.73	\$ 52.54	\$ 50.97
Hospital inpatient - out of area	\$ 19.16	\$ 23.31	\$ 24.06	\$ 26.90
Hospital outpatient - in area	\$ 13.00	\$ 14.09	\$ 13.46	\$ 13.60
Hospital outpatient - out of area	\$ 4.20	\$ 4.61	\$ 5.60	\$ 8.75
Pharmacy	\$ 76.72	\$ 67.71	\$ 87.52	\$ 84.77
SNF/ICF (long term care)	\$ 49.85	\$ 57.69	\$ 58.64	\$ 63.14
Mental & Behavioral Health	\$ 15.41	\$ 15.93	\$ 20.35	\$ 16.12
All Other Medical Services	\$ 20.61	\$ 21.84	\$ 21.07	\$ 21.24

**SBHI Medical Expenditures  
FY 2021-22**



**SLOHI Medical Expenditures  
FY 2021-22**





**CenCal Health**  
**Statement of Financial Condition**  
**As of January 31, 2022**  
(Unaudited)

<b>ASSETS</b>		
Cash and Short-Term Investments		\$ 266,988,931.02
Receivables		
A/R - Medi-Cal Capitation	243,944,339.05	
A/R - Recoveries	109,756.87	
A/R - Reinsurance	779,000.00	
A/R - VRP Funding	0.00	
Interest Receivable	9,691.05	
Other Receivables	<u>4,912,294.03</u>	
Total Receivables		249,755,081.00
Prepaid Expenses		
Prepaid Insurance	1,050,682.27	
Other Prepays	<u>1,175,567.29</u>	
Total Prepaid Expense		2,226,249.56
Other Current Assets		
Security Deposits	<u>105,017.84</u>	
Total Other Current Assets		105,017.84
Total Current Assets		519,075,279.42
Net Property, Plant, & Equipment		29,764,919.08
Other Assets		
Restricted CD - Knox-Keene		300,000.00
Restricted COLI		10,399,987.92
Deferred Outflow of Resources		
Deferred pensions		6,274,156.00
<b>TOTAL ASSETS</b>		<u><u>\$ 565,814,342.42</u></u>
<b>LIABILITIES</b>		
Current Payables		
Medical Claims - Incurred But Not Paid	\$ 92,673,317.00	
Other Current Payables	<u>890,697.71</u>	
Total Current Payables		93,564,014.71
Accrued Payables		
Accrued Salary, Wages, & Benefits	2,853,024.24	
Accrued IGT Distribution	45,347,736.33	
Accrued Pooled Directed Pmt	130,330,000.00	
Accrued HQAF Directed Pmts	36,176,534.59	
Accrued DHCS Revenue Recoup - 85% MLR	58,151,169.32	
Accrued MCO Tax	7,105,029.19	
Other Accrued Expenses	<u>7,955,479.32</u>	
Total Accrued Payables		288,770,290.99
Other Current Liabilities		
Primary Care Provider Incentives	11,763,095.94	
Quality Initiative Incentives	<u>2,924,000.00</u>	
Total Other Current Liabilities		14,687,095.94
Total Current Liabilities		397,021,401.64
Other Non-Current Liabilities		
Accrued Unfunded Pension Liability - GASB 68		8,125,246.93
Deferred Inflow of Resources		
Deferred pensions		651,019.00
Total Liabilities		405,797,667.57
<b>FUND BALANCES</b>		
Designated - Contingency Reserve	170,209,882.66	
Undesignated - Current Year	<u>(10,193,207.81)</u>	
Total Fund Balance		160,016,674.85
<b>Total Liabilities and Fund Balance</b>		<u><u>\$ 565,814,342.42</u></u>

**CenCal Health**

Consolidated Statement of Revenue and Expense

As of January 31, 2022

	Month Actual	FYTD Actual	FYTD Flexible Budget	Over (Under) Flexible Budget	Pct. Over(Under) Budget	YTD Actual PMPM
<b>PROGRAM REVENUE</b>						
Capitation Revenue	\$ 81,889,548	\$ 639,623,973	\$ 632,191,418	\$ 7,432,555	1.18%	\$440.17
<b>PROGRAM RELATED MEDICAL COSTS</b>						
PCP capitation, incentives & case mgmt fees	3,053,473	20,944,934	20,723,000	221,934	1.07%	\$14.41
Physician services	12,563,821	97,155,311	108,568,000	(11,412,689)	-10.51%	\$66.86
Hospital inpatient - in area	10,175,720	78,779,513	80,171,000	(1,391,487)	-1.74%	\$54.21
Hospital inpatient - out of area	4,345,997	34,543,455	28,500,000	6,043,455	21.21%	\$23.77
Hospital outpatient - in area	3,591,007	26,160,574	25,591,000	569,574	2.23%	\$18.00
Hospital outpatient - out of area	1,467,824	7,193,961	7,092,000	101,961	1.44%	\$4.95
Pharmacy	(1,603,208)	83,903,075	91,801,000	(7,897,925)	-8.60%	\$57.74
Long term care / skilled nursing	9,609,772	73,436,718	63,724,000	9,712,718	15.24%	\$50.54
Dialysis	548,062	3,953,204	4,691,000	(737,796)	-15.73%	\$2.72
Home health & hospice	1,016,359	6,454,258	8,525,000	(2,070,742)	-24.29%	\$4.44
Mental health & behavioral health	2,264,048	19,764,319	19,767,000	(2,681)	0.50%	\$13.67
All other health care services	4,299,496	28,643,231	27,218,000	1,425,231	5.24%	\$20.71
Quality initiative incentives & support	379,500	2,542,550	2,546,000	(3,450)	-0.14%	\$1.75
HQA/F Directed Pmt	2,802,634	19,950,643	20,027,999	(77,356)	-0.39%	\$13.73
Behavioral Health Integration Incentive Program	-	-	-	-		\$0.00
Pooled Directed Pmt	5,445,000	40,994,000	41,004,000	(10,000)	-0.02%	\$28.21
Rate Range IGT	3,312,910	22,610,399	22,163,000	447,399	2.02%	\$15.56
Reinsurance/recoveries - net	140,788	(2,923,020)	1,278,000	(4,201,020)	-328.72%	(\$2.01)
Prior year change in IBNR estimate	8,366,488	12,648,768	-	12,648,768		\$8.70
<b>Total Medical Costs</b>	<b>71,779,692</b>	<b>578,306,898</b>	<b>573,389,999</b>	<b>4,916,899</b>	<b>0.86%</b>	<b>\$397.98</b>
<b>ADMINISTRATIVE COSTS</b>						
Salary, wages, & benefits	3,018,124	21,003,625	22,502,328	(1,498,703)	-6.66%	\$14.45
Contract services	441,348	5,310,307	5,999,525	(689,218)	-11.49%	\$3.65
Travel expense	785	29,335	156,240	(126,905)	-81.22%	\$0.02
Rent & occupancy	104,154	683,383	750,350	(66,967)	-8.92%	\$0.47
Office supplies & equip	111,557	728,447	737,355	(8,908)	-1.21%	\$0.50
Insurance	220,352	509,750	391,300	118,450	30.27%	\$0.35
Depreciation & amortization	98,052	688,758	941,300	(252,542)	-26.83%	\$0.47
Other expenses	267,149	2,100,266	3,257,425	(1,157,159)	-35.52%	\$1.45
<b>Total Administrative Costs</b>	<b>4,261,522</b>	<b>31,053,872</b>	<b>34,735,823</b>	<b>(3,681,951)</b>	<b>-10.60%</b>	<b>\$21.37</b>
MCO Tax Expense	6,105,029	42,735,204	42,735,000	204	0.00%	\$29.41
<b>TOTAL OPERATING EXPENSES</b>	<b>82,146,243</b>	<b>652,095,973</b>	<b>650,860,822</b>	<b>1,235,151</b>	<b>0.19%</b>	<b>448.76</b>
<b>OTHER REVENUE (EXPENSE)</b>						
Interest income	62,716	388,375	805,000	(416,625)	-51.75%	\$0.27
Realized gain (loss) on investments	-	-	-	-		\$0.00
Unrealized gain (loss) on investments	(329,093)	(731,109)	-	(731,109)		(\$0.50)
Other activities	877,994	2,621,527	-	2,621,527		\$1.80
<b>NET OPERATING GAIN (LOSS)</b>	<b>\$ 354,922</b>	<b>\$ (10,193,208)</b>	<b>\$ (17,864,404)</b>	<b>\$ 7,671,196</b>	<b>-42.94%</b>	<b>(\$7.01)</b>

Average Member Count	210,048	207,589
FYTD Member Months	----	1,453,122
Medical Loss Ratio (MLR)	88%	90%
Admin Ratio [admin divided by cap revenue]	5%	5%
Pct. Admin to Total Expenses	5%	5%
Operating Margin Gain (Loss)	0%	-2%



# CenCal Health

## Medical Expenses by Category

As of January 31, 2022

All Programs Combined

Direct Medical Expenses Paid to Providers	FYTD Actual	FYTD Budget	Over (Under) Budget	Percentage Over (Under) Budget	FYTD Actual PMPM \$
PCP capitation, incentives & case mgmt fees	\$ 20,944,934	\$ 20,723,000	\$ 221,934	1.1%	\$14.41
Physician services	97,155,311	108,568,000	(11,412,689)	-10.5%	\$66.86
Hospital inpatient - in area	46,673,161	48,172,000	(1,498,839)	-3.1%	\$32.12
Hospital inpatient - out of area	34,543,455	28,500,000	6,043,455	21.2%	\$23.77
Hospital capitation - inpatient services	32,106,352	31,999,000	107,352	0.3%	\$22.09
Hospital outpatient: in-area	10,978,887	10,307,000	671,887	6.5%	\$7.56
Hospital outpatient: out-of-area	7,193,961	7,092,000	101,961	1.4%	\$4.95
Hospital capitation - outpatient services	15,181,687	15,284,000	(102,313)	-0.7%	\$10.45
Pharmacy	83,903,075	91,801,000	(7,897,925)	-8.6%	\$57.74
Long term care / skilled nursing	73,436,718	63,724,000	9,712,718	15.2%	\$50.54
Chiropractic	16,422	26,000	(9,578)	-36.8%	\$0.01
Acupuncture	43,997	53,000	(9,003)	-17.0%	\$0.03
Optometry	969,559	1,049,000	(79,441)	-7.6%	\$0.67
Optician	47,476	31,000	16,476	53.1%	\$0.03
Audiology	646,188	648,000	(1,812)	-0.3%	\$0.44
Mental & behavioral health therapy	19,764,319	19,767,000	(2,681)	0.0%	\$12.60
Podiatry	786,889	734,000	52,889	7.2%	\$0.54
Physical therapy	1,730,021	1,490,000	240,021	16.1%	\$1.19
Speech therapy	1,959	5,000	(3,041)	-60.8%	\$0.00
Transportation	6,291,002	6,582,000	(290,998)	-4.4%	\$4.33
Prosthetics	1,089,554	1,198,000	(108,446)	-9.1%	\$0.75
Home health	1,931,808	2,398,000	(466,192)	-19.4%	\$1.33
Hospice	4,522,451	6,127,000	(1,604,549)	-26.2%	\$3.11
Dialysis	3,953,204	4,691,000	(737,796)	-15.7%	\$2.72
Laboratory	8,847,011	8,342,000	505,011	6.1%	\$6.09
Durable medical equipment	5,167,291	4,755,000	412,291	8.7%	\$3.56
All other medical services	3,005,862	2,305,000	700,862	30.4%	\$3.07
Quality initiative incentives	2,542,550	2,546,000	(3,450)	-0.1%	\$1.75
	\$ 483,475,103	\$ 488,917,000	\$ (5,441,897)	-1.1%	\$ 332.71

# Santa Barbara County Medi-Cal

## Program Operating Statement

As of January 31, 2022

	<u>FYTD Actual</u>	<u>FYTD Flexible Budget</u>	<u>Over (Under) Flexible Budget</u>	<u>Pct. Over(Under) Budget</u>	<u>YTD Actual PMPM</u>
<b>PROGRAM REVENUE</b>					
<b>Capitation Revenue</b>	<b>\$ 442,499,663</b>	<b>\$ 438,391,820</b>	<b>\$ 4,107,843</b>	<b>0.94%</b>	<b>\$ 434.15</b>
<b>PROGRAM RELATED MEDICAL COSTS</b>					
PCP capitation, incentives & case mgmt fees	14,436,032	14,328,000	108,032	0.75%	14.16
Physician services	71,783,417	80,030,000	(8,246,583)	-10.30%	70.43
Hospital inpatient - in area	54,165,580	59,163,000	(4,997,420)	-8.45%	53.14
Hospital inpatient - out of area	24,429,905	20,186,000	4,243,905	21.02%	23.97
Hospital outpatient - in area	20,047,814	19,950,000	97,814	0.49%	19.67
Hospital outpatient - out of area	5,195,866	5,268,000	(72,134)	-1.37%	5.10
Pharmacy	54,524,232	58,511,000	(3,986,768)	-6.81%	53.50
Long term care / skilled nursing	48,403,024	42,093,000	6,310,024	14.99%	47.49
Dialysis	3,171,030	3,747,000	(575,970)	-15.37%	3.11
Home health & hospice	4,310,965	5,769,000	(1,458,035)	-25.27%	4.23
Mental health & behavioral health	13,902,797	13,080,000	822,797	6.29%	12.71
All other health care services	19,668,809	18,275,000	1,393,809	7.63%	20.23
Quality initiative incentives & support	1,786,341	1,784,000	2,341	0.13%	1.75
Reinsurance/recoveries - net	(2,573,642)	695,000	(3,268,642)	-470.31%	(2.53)
HQAF Directed Pmt	14,175,571	14,322,999	(147,428)	-1.03%	13.91
Behavioral Health Integration Incentive Program	-	-	-	-	-
Pooled Directed Pmt	28,225,000	28,225,000	-	0.00%	27.69
Rate Range IGT	15,806,556	15,581,000	225,556	1.45%	15.51
Prior year change in IBNR estimate	5,800,172	-	5,800,172	-	5.69
<b>Total Medical Costs</b>	<b>397,259,469</b>	<b>401,007,999</b>	<b>(3,748,530)</b>	<b>-0.93%</b>	<b>389.77</b>
<b>ADMINISTRATIVE COSTS - allocation</b>	<b>21,781,212</b>	<b>24,364,000</b>	<b>(2,582,788)</b>	<b>-10.60%</b>	<b>21.37</b>
MCO Tax Expense	30,025,482	30,002,000	23,482	0.08%	29.46
<b>TOTAL OPERATING EXPENSES</b>	<b>449,066,163</b>	<b>455,373,999</b>	<b>(6,307,836)</b>	<b>-1.39%</b>	<b>440.60</b>
<b>NET OPERATING GAIN (LOSS)</b>	<b>\$ (6,566,499)</b>	<b>\$ (16,982,179)</b>	<b>\$ 10,415,680</b>	<b>-61.33%</b>	<b>\$ (6.44)</b>

Average FYTD Member Count	145,603	Admin Ratio [admin divided by cap revenue]	4.9%
Current Month Member Count	147,163	Pct. Admin to Total Expenses	4.9%
FYTD Member Months	1,019,221		
Medical Loss Ratio (MLR)	90%		
Operating Margin Gain (Loss) %	-1.5%		

**San Luis Obispo County Medi-Cal**  
**Program Operating Statement**  
As of January 31, 2022

	FYTD Actual	FYTD Flexible Budget	Over (Under) Flexible Budget	Pct. Over(Under) Budget	YTD Actual PMPM
<b>PROGRAM REVENUE</b>					
<b>Capitation Revenue</b>	<b>\$ 197,124,309</b>	<b>\$ 193,799,598</b>	<b>\$ 3,324,711</b>	<b>1.72%</b>	<b>\$ 454.31</b>
<b>MEDICAL COSTS</b>					
PCP capitation, incentives & case mgmt fees	6,508,901	6,395,000	113,901	1.78%	15.00
Physician services	25,371,894	28,538,000	(3,166,106)	-11.09%	58.47
Hospital inpatient - in area	24,613,933	21,008,000	3,605,933	17.16%	56.73
Hospital inpatient - out of area	10,113,550	8,314,000	1,799,550	21.64%	23.31
Hospital outpatient - in area	6,112,760	5,641,000	471,760	8.36%	14.09
Hospital outpatient - out of area	1,998,095	1,824,000	174,095	9.54%	4.60
Pharmacy	29,378,844	33,290,000	(3,911,156)	-11.75%	67.71
Long term care / skilled nursing	25,033,694	21,631,000	3,402,694	15.73%	57.69
Dialysis	782,174	944,000	(161,826)	-17.14%	1.80
Home health & hospice	2,143,293	2,756,000	(612,707)	-22.23%	4.94
Mental health & behavioral health	7,412,526	6,687,000	725,526	10.85%	15.93
All other health care services	8,974,423	8,943,000	31,423	0.35%	21.84
Quality initiative incentives & support	756,209	762,000	(5,791)	-0.76%	1.74
Reinsurance/recoveries - net	(349,378)	583,000	(932,378)	-159.93%	(0.81)
HQAF Directed Pmt	5,775,072	5,705,000	70,072	1.23%	13.31
Pooled Directed Pmt	12,769,000	12,779,000	(10,000)	-0.08%	29.43
Rate Range IGT	6,803,843	6,582,000	221,843		15.68
Prior year change in IBNR estimate	6,848,596	-	6,848,596		15.78
<b>Total Medical Costs</b>	<b>181,047,429</b>	<b>172,382,000</b>	<b>8,665,429</b>	<b>5.03%</b>	<b>417.26</b>
<b>ADMINISTRATIVE COSTS - allocation</b>	9,272,660	10,372,000	(1,099,340)	-10.60%	21.37
MCO Tax Expense	12,709,722	12,733,000	(23,278)	-0.18%	29.29
<b>TOTAL OPERATING EXPENSES</b>	<b>203,029,811</b>	<b>195,487,000</b>	<b>7,542,811</b>	<b>3.86%</b>	<b>467.92</b>
<b>NET OPERATING GAIN (LOSS)</b>	<b>\$ (5,905,501)</b>	<b>\$ (1,687,402)</b>	<b>\$ (4,218,099)</b>	<b>-249.98%</b>	<b>\$ (13.61)</b>

Average FYTD Member Count	61,986	Admin Ratio [admin divided by cap revenue]	4.7%
Current Month Member Count	62,885	Pct. Admin to Total Expenses	4.6%
FYTD Member Months	433,901		
Medical Loss Ratio (MLR)	92%		
Operating Margin Gain (Loss)	-3%		

**CenCal Health**  
**Total Administrative Expenses**  
Fiscal Year-to-Date as of January 31, 2022

	Current YTD Actual	Current YTD Budget	Over (Under) Variance	
Salaries & Wages	\$ 14,145,108	\$ 15,213,260	\$ (1,068,152)	
Fringe Benefits	6,858,517	7,289,068	(430,551)	
Contract Services	5,310,307	5,999,525	(689,218)	
Travel Expenses	29,335	156,240	(126,905)	
Rent & Occupancy	683,383	750,350	(66,967)	
Office Supplies & Equip.	728,447	737,355	(8,908)	
Insurance	509,750	391,300	118,450	
Depreciation	688,758	941,300	(252,542)	
Equipment/Software Maintenance	56,927	58,310	(1,383)	
Communications	302,727	374,100	(71,373)	
Publications	10,159	45,665	(35,506)	
Software Licensing Fees	1,241,472	1,175,685	65,787	
Professional Associate Dues	124,854	153,320	(28,466)	
Community Relations and Marketing	196,282	537,800	(341,518)	
Community Health Promotion	26,061	157,100	(131,039)	
Member and Provider Materials	-	41,500	(41,500)	
Provider Relations & Recruitment	-	37,100	(37,100)	
Credentialing Fees	15,048	15,750	(703)	
Director and Advisory Board Fees	12,372	20,200	(7,828)	
Business Meeting Costs	14,539	95,135	(80,596)	
All Other Misc Expenses	99,826	545,760	(445,934)	
	<hr/>	<hr/>	<hr/>	
<b>Total</b>	<b><u>\$ 31,053,872</u></b>	<b><u>\$ 34,735,823</u></b>	<b><u>\$ (3,681,951)</u></b>	-10.6%
	PMPM \$ 21.37	\$23.90		

**NOTES TO THE FINANCIAL STATEMENTS FOR 7 MONTHS ENDING 1/31/2022**

**USE OF ESTIMATES** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. CenCal Health’s principal areas of estimates include reinsurance, third-party recoveries, retroactive capitation receivables, and claims incurred but not yet reported. Actual results could differ from those estimates.

**REVENUE RECOGNITION** Under contracts with the State of California, Medi-Cal is based on the estimated number of eligible enrollees per month, times the contracted monthly capitation rate. Revenue is recorded in the month in which eligible enrollees are entitled to health care services. Revenue projections for Medi-Cal are based on draft capitation rates issued by the DHCS effective as of January 1, 2021, as well as prior year any retroactive rate adjustments issued by the DHCS.

**SIGNIFICANT ITEMS REPORTED IN THE CURRENT MONTH’S FINANCIAL STATEMENTS**

- Reserve for 85% Medical Loss Ratio (MLR) contractual provision on the Affordable Care Act (ACA) Medi-Cal Expansion (MCE) population: As January 31, 2022 \$39.9M is reserved on the balance sheet as potential Medi-Cal capitation revenue that will be recouped back to the DHCS under the terms of the MLR contract language. A recoupment of this amount will result in an MLR of 85% for the MCE Adult population. This reserve covers the period July 1, 2017 – December 31, 2021.
- Reserve for Prop 56 healthcare items including Physician Services, Development Screening Services, Adverse Childhood Event (Trauma) Screening Services, Family Planning Services and Value Based Payment Program. This reserve is effective FY18/19, FY19/20 through Dec 2020, CY2021, and CY 2022 January YTD for the amount of \$17.9M for the 3 fiscal/calendar years.
- GASB 68 requires the health plan to record the magnitude of the unfunded pension liability. Accrued CalPERS Pension Liability is reserved on the balance sheet as of January 31, 2022 in the amount of \$8,008,982 based on current estimates. The GASB 68 liability amount is derived by smoothing and amortizing the health plan’s actual unfunded liability over several years and as a result will normally be calculated at a lower amount than the unfunded liability derived by CalPERS.

The CalPERS Annual Valuation Report dated July 2021 reports the health plan’s actual unfunded pension liability at \$10,198,049 as of June 30, 2020.

CalPERS Misc Plan for employees hired prior to Jan 1, 2013	\$9,446,850
CalPERS PEPRA Misc Plan for employees hired on or after Jan 1, 2013	<u>751,199</u>
	\$10,198,049

**CenCal Health**  
**TANGIBLE NET EQUITY CALCULATION**  
**At January 31, 2022**

(1)	Total Assets	\$ 565,814,342
(2)	Less: Intangible assets	_____
(3)	Less: Obligations of officers, directors or owners, which are not fully secured	_____
(4)	Less: Obligations of affiliates which are not current, or not fully secured	_____
(5)	Less: Long-term prepayments of deferred charges or nonreturnable deposits	_____
(6)	Less: Total Liabilities	<u>(407,806,343)</u>
(7)	Add: Subordinated debt	<u>0</u>
	Less: Other	<u>0</u>
	Total Line 7 (net)	<u>0</u>
(8)	ACTUAL TANGIBLE NET EQUITY (Line 1 through 7)	<u>\$ 158,008,000</u>
<b><u>Title 10, CCR, Section 1300.76 TNE Requirement:</u></b>		
(9)	Minimum TNE Requirement (\$1 million)	<u>\$ 1,000,000</u>
(10)	2% of first \$150M of annualized premium revenue	<u>\$ 3,000,000</u>
	PLUS: 1% of annualized premium revenue > \$150M	<u>9,122,936</u>
	Total (Line 10)	<u>\$ 12,122,936</u>
(11)	8% of first \$150M of annualized health care expenditures, except those paid on a capitated or managed hospital payment basis	<u>\$ 12,000,000</u>
	PLUS: 4% of first \$150M of annualized health care expenditures > \$150M, EXCEPT those paid on a capitated or managed hospital payment basis	<u>15,035,425</u>
	PLUS: 4% of the annualized hospital expenditures paid on a managed hospital payment basis (i.e., per diem payments made to the hospitals)	<u>9,977,207</u>
	Total (Line 11)	<u>\$ 37,012,631</u>
(12)	The greater of lines 9, 10, or 11	<u>\$ 37,012,631</u>
(13)	% of the amount required by Title 10, CCR, Section 1300.76 ©	<u>100%</u>
(14)	Tangible Net Equity - Minimum required (Line 12 x Line 13)	<u>\$ 37,012,631.31</u>
(15)	Actual Tangible Net Equity (Line 8)	427% <u>\$ 158,008,000</u>
(16)	Tangible Net Equity - Excess (Deficiency) (Line 15 - Line 14)	<u>\$ 120,995,369</u>



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## **Appendices**

- Appendix A: Compliance Report
- Appendix B: Public Policy Advocates (State) Legislative Report
- Appendix C: Communications and Community Relations Department Report
- Appendix D: Provider Grievance Tracking Report
- Appendix E: Provider Services Departmental Metrics
- Appendix F: Claims Report
- Appendix G: Member Services Telephone Statistics
- Appendix H: Member Grievance, System Grievance & Appeal Receipts
- Appendix I: CenCal Health Monthly Enrollment by Program



**Date:** February 7, 2022  
**To:** Board of Directors  
**From:** Karen S. Kim, JD, MPH, Chief Legal and Compliance Officer  
**Subject:** Compliance Report

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**Department of Health Care Services (DHCS) Medical Audit 2021**

The 2021 Department of Health Care Services (DHCS) Medical Audit (Audit) was held virtually from October 25 through November 5, 2021. The Audit was a full scope audit with a two-year look-back period from November 1, 2019 through September 30, 2021 and included the following components: Utilization Management, Case Management and Coordination of Care, Access and Availability, Member Rights, Quality Management, Administrative and Organizational Capacity, and State Supported Services. The CenCal delegate selected for the Audit is Care to Care.

*The Plan has not yet received final audit results from DHCS. The Plan expects the preliminary audit report within the next 30 days.*

**Medi-Cal Rx: Medi-Cal Pharmacy Benefits Transition from Managed Care to Fee For Service (APL 20-020)**

The pharmacy benefit officially transitioned on January 1, 2022. There has not been a significant impact to CenCal's call center at this time. However, there have been several communication and authorization issues with Magellan, the Medi-Cal Rx administrator, which has affected member access to the pharmacy benefit. These issues have been documented and raised to DHCS for follow-up and remediation.

**Department of Health Care Services (DHCS) All Plan Letters**

Since the last report to the Board, the Department of Health Care Services issued and revised the following All Plan Letters (APL) to provide guidance for Managed Care Plans (MCPs):

**APLs Released in January 2022:**

APL 22-001: 2022-2023 Medi-Cal Managed Care Health Plan Meds/834 Cutoff and Processing Schedule. Released 1/11/2022.



## **Compliance Department Operational Updates**

### *Delegation Oversight and Internal Audit*

In December 2021, the Annual Audit of Sansum Clinic, a delegate that is delegated Credentialing and Re-credentialing was conducted and completed in January 2022. Upcoming audits of ChildNet and UCLA Medical Group, also delegated Credentialing and Re-credentialing, are scheduled to be conducted in March 2022. Lastly, the 2021 Annual Audit of Ventura Transit Systems was closed in January 2022.

Internal Audit Program: The CenCal Health Compliance Department is building an Internal Audit Program for the organization. The Compliance Department is in the early stages of determining program scope and function. An Internal Audit Program will facilitate the organization's compliance with federal and state rules and regulations.

### *Fraud, Waste, and Abuse (FWA)*

The Compliance Department is evaluating the development of an Anti-Fraud Committee for the organization. The purpose of the committee would be to address reported concerns regarding FWA and to pro-actively detect fraud within the organization.

### *Policies and Procedures*

The Compliance Department is evaluating the procurement of a policy management tool for the organization. A policy management tool would facilitate the drafting, review, and approval process for organizational policies. In addition, the tool would store policies with the ability to search and view approved policies.

### *Compliance Department Recruitment*

The Executive Team recently opened up a Compliance Specialist position for recruitment. The position has been posted and CenCal is actively recruiting for this role.



1015 K Street, Suite 200  
Sacramento, CA 95814-3803  
Tel 916.441.0702  
Fax 916.441.3549

**To:** Marina Owen, Chief Executive Officer  
Michael Harris, Director of Government Affairs  
CenCal Health

**From:** Russ Noack, Legislative Advocate

**Subject:** Legislative Update –February 2022

---

**Legislature**

The Legislature is currently approaching the February 18 deadline to introduce bills. The Senate and Assembly Budget committees have begun to meet in earnest. The Legislature currently has 5 vacancies to fill – all Democrat held seats.

**Legislation**

The big health legislation news is the demise of AB 1400 (Kalra) – the “single-payer health care” measure. Assembly Member Kalra could not secure enough votes to bring it up on the Assembly Floor prior to deadline. Powerful interests aligned to oppose what was considered a radical restructuring of the California health care system. AB 1400 was labeled a “job killer” by the California Chamber of Commerce. The Chamber’s lobbying campaign was joined by insurers industry groups and various associations representing health care professionals. Assembly Member Kalra had also introduced ACA 11 that would have imposed an excise tax, payroll taxes, and a State Personal Income Tax at specified rates to fund the single-payer measure. Legislative analysts estimated funding costs somewhere between \$314 billion and \$391 billion annually. AB 1400 opposition has indicated that they will be ready to oppose again should this legislation resurface in any form.

Glaringly absent was support by the Governor. Governor Newsom has his own health care proposals contained within his proposed budget. One of which is the expansion of Medi-Cal.

**Medicaid Drug Program**

California’s new program to buy prescription drugs for its nearly 14 million Medicaid patients is causing unease among health clinics, some of whom serve some of the poorest California residents. Many clinics are stating that they are poised to lose money and will have to cut services. That fear has been acknowledged by the Governor and as a result he has included \$105 million to cover them in the 2022-23 proposed state budget. Clinic officials say that amount falls drastically short. The proposed funding is not guaranteed as it now will be subjected to the annual budget negotiation process. California’s federally qualified health centers have filed a lawsuit in federal court to exempt them from the program.

o-o-o



**CenCalHEALTH**<sup>®</sup>  
Local. Quality. Healthcare.

# January 2022 Look Back

**To:**  
Board of Directors

**From:**  
Nicolette Worley Marselian  
Director, Communications &  
Community Relations

**Date:**  
February 11, 2022

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## Appendix C

### EXCITING NEWS COMING IN NEXT MONTH'S BOARD REPORT!

To publicize Lynda Tanner's appointment as CenCal Health's new Board Chair, a press release will be distributed on February 11.

The March Board Report will include a detailed account of the press release's earned media coverage.

(Note: to read the press release, go to page 11.)

### EARNED MEDIA

#### Public Relations/Publicity Efforts

In January, the Communications and Community Relations department distributed the following three press releases:

- **CenCal Health Awarded for Welcome Back to Care Campaign**  
COVID-19 PSAs Featuring Local Healthcare Providers Lauded
- **CenCal Health Welcomes Governor's Plan to Expand Medi-Cal to All Eligible**  
Newsom proposal to bring health equity to Central Coast
- **CenCal Health Adds Two Members to Executive Team**  
New hires begin this month in newly-created positions to support growth, innovation at public health plan

(Note: to read the press releases, go to page 6.)

The bilingual press release announcing Marina Owen's response to Governor Newsom's proposal for Medi-Cal expansion, earned CenCal Health five positive media mentions, including regional media coverage provided by the *Santa Maria Times*, *Santa Ynez Valley News* and *Lompoc Record*. In addition, the story was reported by the *NonProfit Resource Network* and *Amigos 805*.

As new members of CenCal Health's Executive Leadership team, the press release publicizing Chris Morris and Amanda Flaum's hiring earned publicity in the *NonProfit Resource Network*, *Becker's Hospital Review*, and the Local Health Plans of California's (LHPC) weekly e-newsletter. In January, Mr. Morris joined the organization as Chief Performance Officer (CPO), and Ms. Flaum as Chief Health Operations Officer (CHOO).

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

Date: February 11, 2022



## EARNED MEDIA

### Public Relations/Publicity Efforts (cont.)

January also rendered organic publicity. *The Santa Barbara Independent* announced the upcoming retirement of one of CenCal Health's long-standing providers and community partners, Santa Barbara Neighborhood Clinics CEO Dr. Charles Fenzi. The story, which mentioned CenCal Health, was also amplified as a preview and link in *LHPC's Member Mentions* e-newsletter.

# January 2022 Look Back

To: Board of Directors  
 From: Nicolette Worley Marselian, Director, Communications & Community Relations  
 Date: February 11, 2022



## EARNED MEDIA

### Media Coverage Report

CenCal Health received 12 media mentions, including press release coverage, for the month of January 2022.

#### CenCal Health Media Coverage Report - January 2022

Date	Name	Type	Page	Section	Subject	Headline
*1/28/2022	Pacific Coast Business Times	Print & digital	21A	The List	#1 Best Place to Work	<b>The List No. 1s</b>
*1/28/2022	Local Health Plans of California (LHPC) Email	Email		Member Mentions	CenCal Health New Hires	<b>30 recent hospital, health system executive moves</b>
1/28/2022	Becker's Hospital Review	Digital		News	CenCal Health New Hires	<b>30 recent hospital, health system executive moves</b>
1/25/2022	NonProfit Resource Network	Digital		News	CenCal Health New Hires	<b>CenCal Health Adds Two Members to Executive Team</b>
*1/20/2022	CCMA's e-newsletter The Pulse	Email		News	2021 PRSA Award for Public Service Announcements	<b>CenCal Health Awarded for Welcome Back to Care Campaign</b>
*1/20/2022	Santa Maria Times	Print & digital	A6	Central Coast News/County Lines	Response to Gov. Newsome Announcement on Medi-Cal	<b>CenCal Health Plans to Expand Health Care Coverage</b>
1/20/2022	Amigos 805	Digital		Bilingual Report	Response to Gov. Newsome Announcement on Medi-Cal	<b>CenCal Health Welcomes Governor's Plan to Expand Medi-Cal to All Eligible</b>
1/19/2022	Santa Ynez Valley News	Digital		Local News	Response to Gov. Newsome Announcement on Medi-Cal	<b>CenCal plans to expand health care coverage in Santa Barbara, SLO counties</b>
1/19/2022	Lompoc Record	Digital		Local News	Response to Gov. Newsome Announcement on Medi-Cal	<b>CenCal plans to expand health care coverage in Santa Barbara, SLO counties</b>
1/18/2022	NonProfit Resource Network	Digital		News	Response to Gov. Newsome Announcement on Medi-Cal	<b>CenCal Health Welcomes Governor's Plan to Expand Medi-Cal to All Eligible</b>
1/13/2022	Local Health Plans of California (LHPC) Email	Email		Member Mentions	Dr. Fenzi Retirement from Affordable Care System	<b>Santa Barbara Neighborhood Clinics CEO Stepping Down</b>
*1/11/2022	Santa Barbara Independent	Print & digital		Health News	Dr. Fenzi Retirement from Affordable Care System	<b>Santa Barbara Neighborhood Clinics CEO Stepping Down</b>

\*Clipping of online and/or print articles included below.

# January 2022 Look Back

To: Board of Directors  
 From: Nicolette Worley Marselian, Director, Communications & Community Relations  
 Date: February 11, 2022



## Clippings Samples

Of the 12 press mentions, below are five notable samples.

1

1/28/2022 – *Pacific Coast Business Times*, The List No. 1s



2

1/28/2022 – *Member Mentions e-newsletter*, Local Health Plans of California (LHPC), 30 recent hospital, health system executive moves



3

1/20/2022 – *The Pulse e-newsletter*, Central Coast Medical Association (CCMA), CenCal Health Awarded for Welcome Back to Care Campaign



# January 2022 Look Back

To: Board of Directors  
From: Nicolette Worley Marselian, Director, Communications & Community Relations  
Date: February 11, 2022



## Clippings Samples (cont.)

4

1/20/2022 – *Santa Maria Times*,  
CenCal Health Plans to Expand  
Health Care Coverage

### CenCal plans to expand health care coverage in Santa Barbara, SLO counties

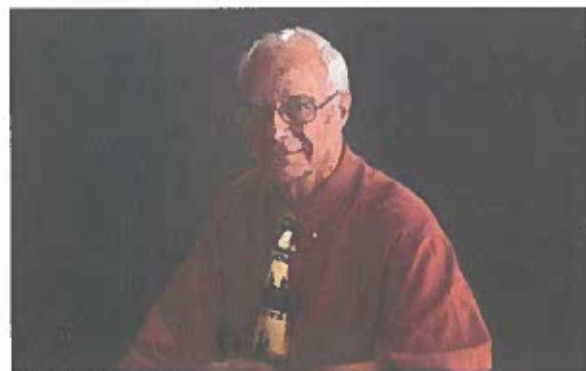


5

1/11/2022 – *Santa Barbara Independent*,  
Santa Barbara  
Neighborhood Clinics CEO  
Stepping Down

### Santa Barbara Neighborhood Clinics CEO Stepping Down

Dr. Charles Fenzl Retiring from Affordable Health-Care System This  
Summer



Charles Fenzl / Credit: Paul Wilton / iStock

By Nick Walsh

Tue Jan 11, 2022, 1:44pm



Dr. Charles Fenzl, the most publicly known face of the Santa Barbara Neighborhood Clinics for the past 10 years, announced he will be stepping down sometime this summer as CEO and chief medical officer of the critical health-care system that provides care and treatment to those without means or documentation.

Fenzl, who turned 80 this past December, said he'd never really sought the chief executive spot when he was promoted from chief medical officer in 2015. "I got my arm twisted," he explained.

Until recently, Fenzl — famous for working 12-hour days — still saw patients, putting in half a shift a week. "It was one of the most pleasurable parts of my job," he said.

When Fenzl started working for the clinics in late 2011, the organization was circling the drain. Clinicians, he recalled, were threatening to unionize, the organization, it had just been discovered, was for sale. The Santa Barbara Foundation cornered a special emergency effort involving Ochsner, Sermo, and CenCal to keep the clinics — a vital component of Santa Barbara's social safety net — afloat. Those efforts paid off.

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #1

### **CenCal Health Awarded for Welcome Back to Care Campaign COVID-19 PSAs Featuring Local Healthcare Providers Lauded**

**SANTA BARBARA, Calif.** – Jan. 10, 2022 – CenCal Health, the publicly-sponsored health plan for Medi-Cal in Santa Barbara and San Luis Obispo counties, was recently recognized by the Los Angeles regional chapter of the Public Relations Society of America (PRSA), during its 57th annual PRISM Awards ceremony. The awards recognize excellence in communications strategies and tactical marketing programs. CenCal Health received six awards, including four for its COVID-19 public service TV campaign. "Welcome Back to Care" was a communications effort prompted by the local healthcare needs that ensued from pandemic-related shutdowns in 2020. The chapter's highest honor is the PRISM Award, which were two of the four awards that CenCal Health received, taking the top awards in the Strategic Campaign categories of Corporate Social Responsibility and Public Service.

PRSA hosted the ceremony on October 21 at the Annenberg Beach House in Santa Monica, where 50 awards were presented to communications professionals representing LA-area corporations, academic institutions, government agencies and nonprofit organizations.

CenCal Health's most decorated campaign was launched in Fall 2020 in both English and Spanish, and consisted of multiple TV commercials broadcast on local affiliate stations of major networks ABC, NBC, CBS and FOX, popular cable networks including CNN, E! and Nickelodeon, and various social media outlets. The public service announcements featured over a dozen local healthcare providers urging patients to return for preventive and follow-up care.

Locally and nationally, the rates of care had dropped sharply at the beginning of the COVID-19 pandemic, hurting patients as well as provider businesses. Claims reports revealed a 34% decrease in immunizations for the health plan's adolescent members in Santa Barbara County. There was also a 50% decline in cervical cancer screenings in Santa Barbara County, and a 40% decline in San Luis Obispo County. Additionally, there was over a 30% decrease in preventive medicine evaluations (such as annual physicals) for adults across the health plan's service area.



# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marsellan, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #1 (cont.)

The following CenCal Health providers and partners donated their time and energy by participating in the Welcome Back to Care televised PSAs:

- Dr. Van Do-Reynoso, Director, Santa Barbara County Public Health
- Dr. Martha Viviana Martinez, Family Physician, Santa Barbara County Public Health
- Dr. Angeles Halusic, Obstetrician/Gynecologist, Tenant Health Central Coast Women's Health
- Dr. Charles Fenzi, CEO & CMO, Santa Barbara Neighborhood Clinics
- Nicole Martinez, Certified Family Nurse Practitioner, Santa Barbara Neighborhood Clinics
- Dr. Robert Barry, Pediatrician, Robert S. Barry MD, Inc.
- Barbara Brown-Ramirez, Certified Pediatric Nurse Practitioner, Robert S. Barry MD, Inc.
- Dr. Rocio Rodriguez Valencia, Pediatrician, Community Health Centers of the Central Coast
- Sue Andersen, President and CEO, Marian Regional Medical Center
- Dr. Jade Mas, Obstetrician/Gynecologist, Marian Regional Medical Center
- Dr. Melvin Lopez, Family Physician, Marian Community Clinic
- Laura Lopez, Phlebotomy Technician, Quest Diagnostics
- Dr. Paul Hennig, CMO & Family Physician, American Indian Health & Services
- Dr. Shaun Ehsani, Family Physician, Jackson Medical Group
- Ana Cardona, Medical Assistant, Jackson Medical Group
- Dr. Richard Macias, Pediatrician, Central Coast Pediatrics
- Dr. Bryce Holderness, Internist, Sansum Clinic
- Dr. Sylvia Rivera, Endocrinologist, Sansum Clinic

This is the second year in a row that CenCal Health has entered the PRSA awards competition, and the first time it was a finalist in all award categories, including graphic design and annual reports. The health plan was also the runner-up in the overall Best of Show category.

"CenCal Health's mission is to provide high quality health services, along with education and outreach, for our membership," said CenCal Health CEO Marina Owen. "Excellence in communication is an important part of that, particularly wellness campaigns that support the efforts of local providers and community partners."

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #2

### **CenCal Health Welcomes Governor's Plan to Expand Medi-Cal to All Eligible**

Newsom proposal to bring health equity to Central Coast

**SANTA BARBARA, Calif.** – Jan. 14, 2022 - In response to this week's announcement and 2022-23 budget proposal from California State Governor Gavin Newsom, community-based health plan CenCal Health made the following statement:

"CenCal Health welcomes Governor Newsom's health care expansion plan for California and is ready to support Medi-Cal coverage for eligible residents in Santa Barbara and San Luis Obispo counties – regardless of their immigration status," said **Marina Owen**, CenCal Health CEO.

"Along with our Board of Directors, executive team and staff, I am gratified that our organization here on the Central Coast can help bring much-needed, long overdue health coverage to the region, and take this step towards health equity. In partnership with our network of dedicated doctors, hospitals, pharmacies, and other providers, CenCal Health is ready to deliver high-quality health care to all." If the new budget plan is supported by the legislature, coverage would begin on Jan. 1, 2024.

"Beginning May 1 of this year, CenCal Health will offer health coverage to undocumented residents age 50 and older that are eligible for Medi-Cal. Since 2020, CenCal Health has provided local health coverage to all eligible children and young people under the age of 26 including those not documented. In addition, our organization has already been hard at work on the California Advancing and Innovating Medi-Cal program called CalAIM. CalAIM is the far-reaching, multi-year plan to transform Medi-Cal; it is the state's largest overhaul of how Medi-Cal services are delivered since the implementation of managed care in the late 1970's."

Details on the California Governor's plan to be the "first state in the nation to offer universal access to healthcare coverage" can be found in *The California Blueprint*.

"From COVID-19, we have certainly witnessed that the state of our communities' health includes all of us, the whole population. With this support from Sacramento, CenCal Health can continue to improve the health and wellness of our diverse communities, advancing health equity now and into the future."

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #3

### CenCal Health Adds Two Members to Executive Team

New hires begin this month in newly-created positions to support growth, innovation at public health plan

**SANTA BARBARA, Calif.** – Jan. 25, 2022 – CenCal Health, the Medi-Cal health plan with over 210,000 members on California's central coast, announced the addition of two new executives to newly-created positions on its leadership team. The announcement was made by CenCal Health CEO **Marina Owen**, who was named to the top position in November 2021.

**Chris Morris** joined CenCal Health as its Chief Performance Officer (CPO) on January 4 to focus on operational excellence and strategic advancement. He will support CenCal Health's journey toward the California Advancing and Innovating Medi-Cal program called CalAIM. CalAIM is the far-reaching, multi-year plan to transform Medi-Cal; it is the state's largest overhaul of how Medi-Cal services are delivered since the implementation of managed care in the late 1970's.

Over the past four years, Morris served as Director of Operational Excellence at **Central California Alliance for Health**. Prior to being selected to establish and direct a new Operational Excellence Department, he led the initiatives in Quality Improvement and Compliance for seven years. Morris holds a Bachelor of Arts degree in Psychology, and a Master of Science in Organizational Development from the University of San Francisco.

"Chris is a values-driven leader whose purpose is to support the success of people and organizations," said Owen. "Like all of us, he shares a commitment to our mission with its focus on people and partnerships, and cares about those we serve."

**Amanda Flaum** joined CenCal Health on January 10 as the Chief Health Operations Officer (CHOO), partnering with the organization's physician leaders and its community providers to support medical management, pharmacy, whole child model and behavioral health teams. Having previously worked with CenCal Health as a consultant, Flaum will also implement a comprehensive assessment she conducted earlier, with a focus on enhancing the organization's readiness for health services growth and expansion initiatives.

Flaum brings a wealth of experience to the health plan including as Chief Executive Officer for **Aetna Better Health of California**; Chief Operating Officer for Promise Health Plan, and Vice President of Medical Care Solutions, both at **Blue Shield of California**; and Staff Vice President Care Management at **Anthem Inc.** Flaum holds a master's degree in Family and Consumer Sciences and a Bachelor of Arts in Sociology from the California State University, Northridge.

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #3 (cont.)

"I am pleased to name Amanda to this new executive position focused on supporting operations in our health services department," said Owen. "We know from the excellence of her earlier work here that Amanda is thoughtful in her approach, inclusive of the thoughts and opinions of others, and committed to our mission and our provider partners."

Owen continued, "As we nurture our culture of continuous improvement, we are delighted that these two seasoned professionals join our well-established CenCal Health team."

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marsellian, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #4

### Lynda Tanner Appointed Board Chair at CenCal Health

Retiring VNA Health CEO to Lead Board of Directors at Local Health Plan

**SANTA BARBARA, Calif.** – Feb 11, 2022 – CenCal Health CEO **Marina Owen** announced today that, effective January 19, **Lynda S. Tanner** will serve as Chair of the 2022 CenCal Health Board of Directors. Tanner has served on the CenCal Health's Board since 2015, most recently as Vice Chair and Finance Committee Chair.

Tanner is the President and CEO of VNA Health, an organization of 250 employees providing hospice, home health and palliative care service programs to more than 12,000 people annually across Santa Barbara County. On February 14, in preparation for her upcoming retirement, Tanner will step down from her current position as CEO of VNA Health, but will remain with the organization as Past President and CEO during a period of transition.

"Having worked with Lynda during my earlier tenure at CenCal Health, I know her to be an exceptional healthcare executive who is wholly dedicated to her community," said Owen in making the announcement. "Lynda will be invaluable to me and our Board of Directors, offering us her thoughtful, professional guidance as together we fulfill our mission of improving the health and wellness of our diverse communities."

After successfully pressing for legislation to increase end-of-life inpatient beds, in 2011 Tanner oversaw VNA Health's opening of a new state-of-the-art inpatient hospice facility, Serenity House. She also directed the acquisition of Community Home Health, which increased VNA Health's delivery of home health services by 35%, and successfully obtained branch status for a satellite location in Santa Ynez. Since 2014, Tanner has participated in VNA Health's annual PHorum: Perspectives in Healthcare, providing leadership on key healthcare priorities in Santa Barbara. In late 2017, after five years of diligent work, Tanner announced that VNA Health had achieved Level 4 of the We Honor Veterans; a program of the National Hospice and Palliative Care Organization in collaboration with the Department of Veterans Affairs. VNA Health is the only hospice organization in the Tri-County area (Santa Barbara, Ventura, and San Luis Obispo) to have achieved this level.

# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

Date: February 11, 2022



## Press Release #4 (cont.)

As Chairperson of the CenCal Health Board of Directors, Tanner will lead a representative group of distinguished directors from Santa Barbara and San Luis Obispo counties. Those directors are:

**Sue Andersen**, President and CEO, Marian Regional Medical Center

**Supervisor Debbie Arnold**, District 5, San Luis Obispo County Board of Supervisors

**Edward S. Bentley, MD**, Santa Barbara Gastroenterology Consultants (Medical Association Representative for Santa Barbara County)

**René Bravo, MD**, Bravo Pediatrics (Medical Association Representative for San Luis Obispo County)

**Van Do-Reynoso, MPH, PhD**, Director, Santa Barbara County Public Health Department

**Supervisor Joan Hartmann**, District 3, Santa Barbara County Board of Supervisors

**Dan Herlinger**, Consumer Classification (Medi-Cal/Medicare Representative for Santa Barbara County)

**Richard "Michael" Hill**, Director, San Luis Obispo County Health Agency

**Mark P. Lisa**, CEO, Tenet Health Central Coast

**Daniel Nielson**, Director, Santa Barbara County Department of Social Services

Lynda Tanner graduated from Idaho State University with a Bachelor of Science in Nursing and later earned a Master's degree in Nursing Administration. She has more than 40 years of experience working in homecare, including working as a consultant and a surveyor for The Joint Commission and as Chief Clinical Executive at Sutter VNA and Hospice. Active in many professional, service, business and community organizations, the Pacific Coast Business Times named Tanner the "Grand Champion of Healthcare" in 2017.

For more information on CenCal Health, visit [cencalhealth.org](http://cencalhealth.org)

# January 2022 Look Back



To: Board of Directors  
From: Nicolette Worley Marselian, Director, Communications & Community Relations  
Date: February 11, 2022

## SHARED MEDIA

### January Social Media Campaigns

CenCal Health uses social media platforms to communicate with our members, providers, staff, and communities at large.



**CenCal Health's  
\$50.00 Member  
Incentive**



**Vaccine Education**



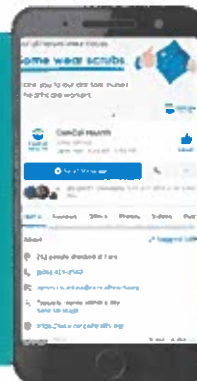
**Pop-up Clinic  
Information**



**Educational Events**

As a reminder, we encourage members of the Board to:

- **Follow** CenCal Health on Facebook, Instagram, and LinkedIn.
- **"Like"** posts.
- **Post comments** as appropriate.
- **Share posts** you think others could find interesting or informative.



Facebook



Instagram



LinkedIn

On our social media platforms, you will see what we're communicating to our viewers, as well as teleworking posts with CenCal Health staff. Together, we will reach a larger audience, become a resource for our local communities, and connect with local partners and stakeholders.

# January 2022 Look Back

To: Board of Directors  
 From: Nicolette Worley Marselian, Director, Communications & Community Relations  
 Date: February 11, 2022



## COMMUNITY RELATIONS

### Community Meetings

CenCal Health staff is virtually active on community boards, councils, and committees representing issues on access to healthcare, children and senior issues, behavioral health, Latino outreach, individuals with developmental disabilities, and homelessness. All meetings are still held remotely. Our focus is on improving access to high-quality healthcare, reducing health inequities, providing education, and promoting a healthy lifestyle.

### Activities Report

In January, CenCal Health participated in 19 community-focused activities including meetings and online events. Please note that all meetings were attended virtually due to the COVID-19 pandemic.

Date	Activity/Event/Meeting	Audience Reached
January 5	Special Meeting: KIDS Network General Membership & Executive Committee - (SB)	Public/CBOs/Business Community/ County
January 5	CHCCC & CenCal Health - COVID-19 Vaccine Response Plan – (SLO)	Provider
January 6	Follow-up: Santa Barbara County Homeless COVID-19 Vaccine Activities & CenCal Health's Vaccine Response Plan Discussion – (SB)	CBOs/ County/Provider
January 7	Adult Services Policy Council – (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
January 10	ACEs Aware Grantee Series: Trauma Imposters of Behavioral and Physical Pediatric: Affinity Group Session # 1 -(SB)	Public/CBOs/Business Community/ County
January 13	Early Childhood and Family Wellness Coalition Meeting (SB)	Public/CBOs/Business Community/ County/ Business Community
January 14	Help Me Grow Steering Committee (SB)	Public/CBOs/Business Community/ County/ Business Community
January 18	Adult Services Policy Council Executive Meeting (SLO)	CBOs/Business Community/ County/ Business Community
January 18	Lompoc Primary and Behavioral Health Care Collaborative (SB)	Public/CBOs/Business Community/ County/ Provider/Legislators/
January 19	First 5 SLO & CenCal Health Developmental Screening Discussion Continued (SLO)	CBO
January 19	COVID-19 Homeless/Housing Task Force (SB)	Public/CBOs/Business Community/ County/ Provider/Legislators



# January 2022 Look Back

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Community Relations

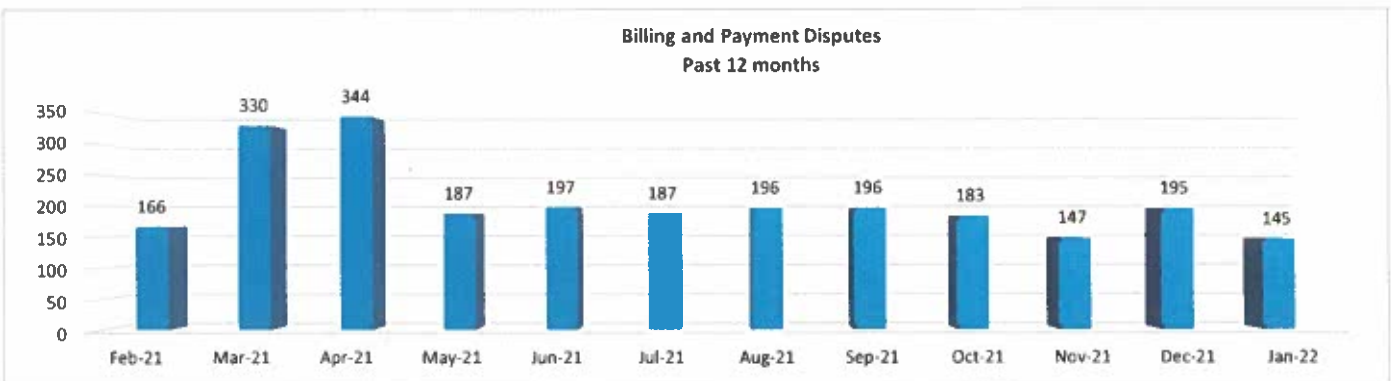
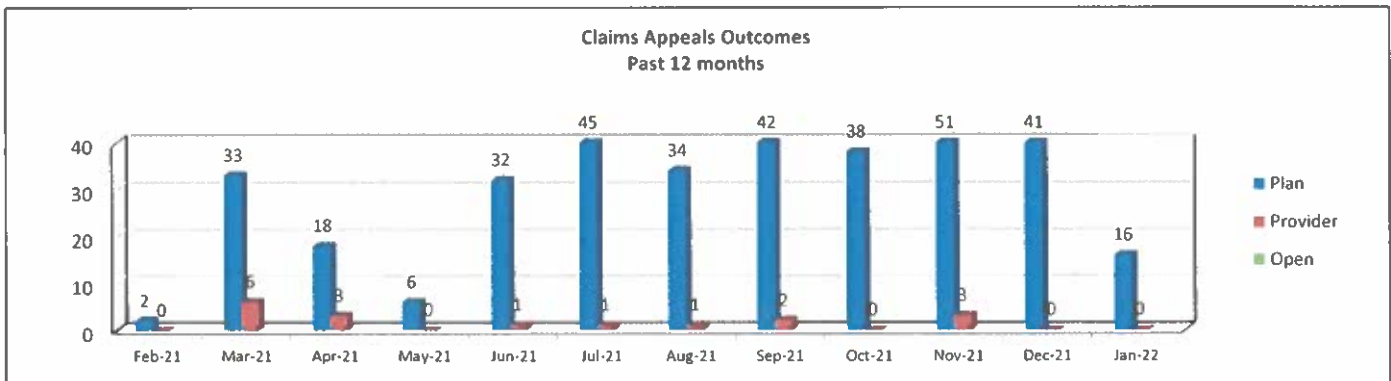
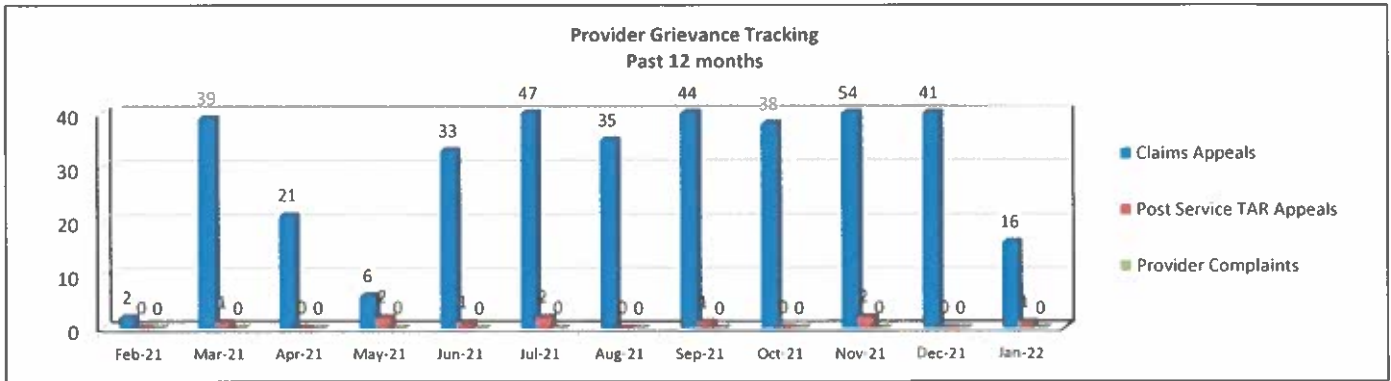
Date: February 11, 2022



## COMMUNITY RELATIONS (cont.)

Date	Activity/Event/Meeting	Audience Reached
January 19	Talking with Patients in the Latinx Community about COVID-19 Vaccines (Webinar)	Public/CBOs/Business Community/ County/ Provider/Legislators
January 19	Full Homeless Services Oversight Council Meeting (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
January 19	San Luis Obispo County Behavioral Health Board (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
January 21	Behavioral Health Linkages Team - YouthWell Meeting (SB)	CBOs/Business Community/ County/Provider
January 26	SLO Health Agency Vaccine Task Force (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
January 26	San Luis Obispo Suicide Prevention Council Meeting (SLO)	CBOs/Business Community/ County/Provider
January 27	Healthy Lompoc Coalition (SB)	Public/CBOs/Business Community/ County/ Provider
January 31	Month of the Child/Children's Day in the Plaza Kick Off Meeting (SLO)	Public/CBOs/Business Community/ County/ Provider

**CenCal Health**  
**Type of Indicator: Service**  
**Indicator: Provider Grievance Tracking**  
**Rolling 12 months**



**CenCal Health**  
**Type of Indicator: Service**  
**Indicator: Provider Grievance Tracking**  
**Rolling 12 months**

**Executive Summary:**

**Measure Description:** This report tracks all provider disputes, appeals and grievances; including provider complaints/grievances, provider claims disputes and appeals, and provider TAR appeals. This report does not track outcomes (except for claims disputes and appeals, see below), only the number and type of disputes, appeals and grievances. August 2017 bundles were removed from data collection and a third graph with total disputes was added.

**Strategic Importance:** Provider satisfaction and plan responsiveness to provider issues are important to maintaining the provider network. Tracking of grievances allows trending of number and type of grievances, and also ensures plan compliance with regulatory and contractual requirements (i.e. timeliness of resolution).

**Benchmark or Goal:** There are no established benchmarks or goals for number or type of disputes, appeals or grievances; however changes in trends may be indicative of system or process changes or problems. Plan expectations are that all disputes and appeals will be resolved within the timelines established by applicable regulations, and grievances will be resolved within 45 business days.

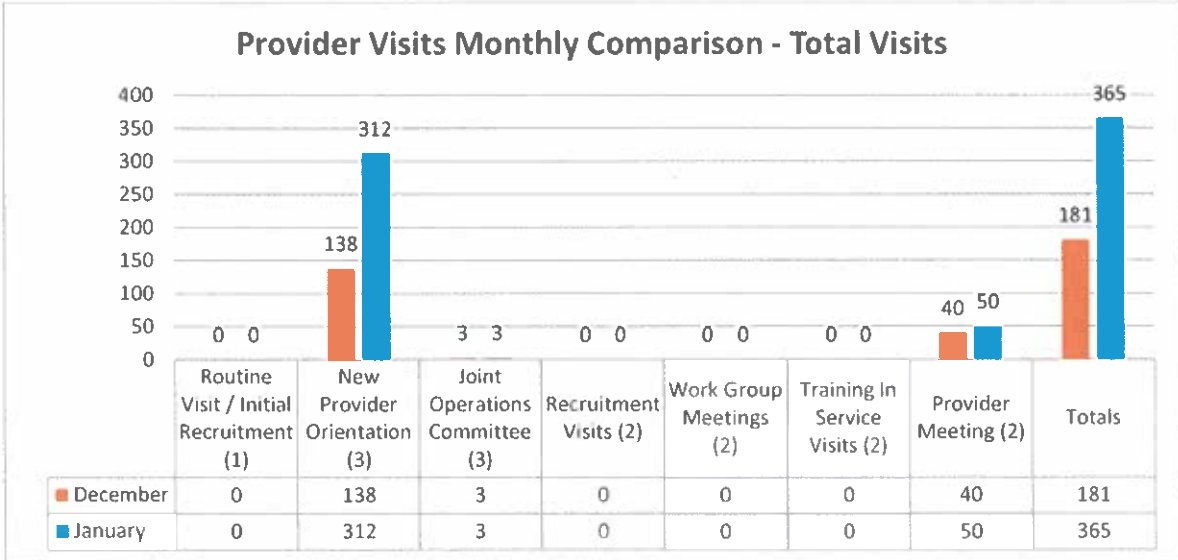
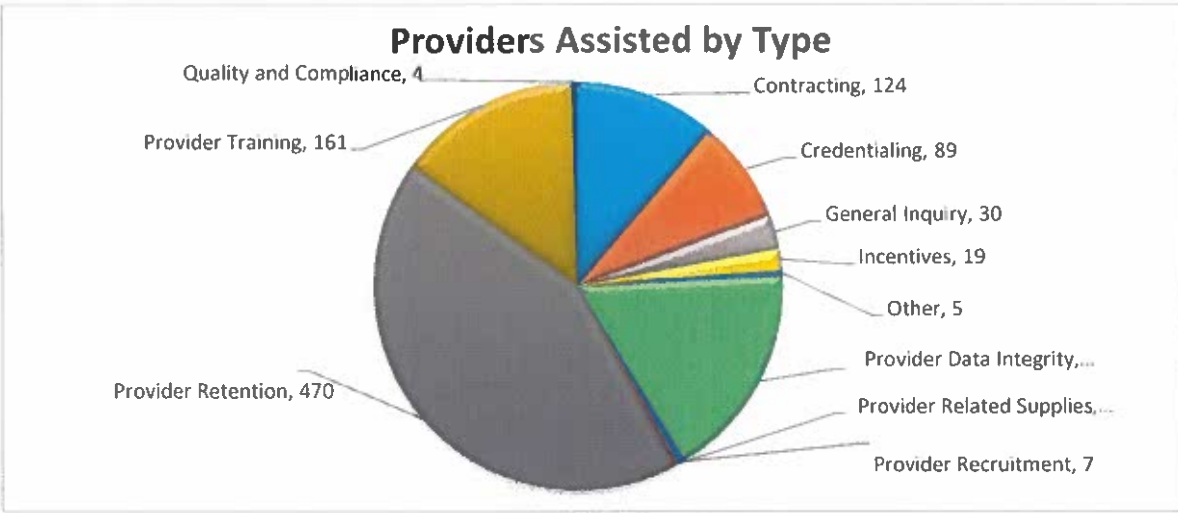
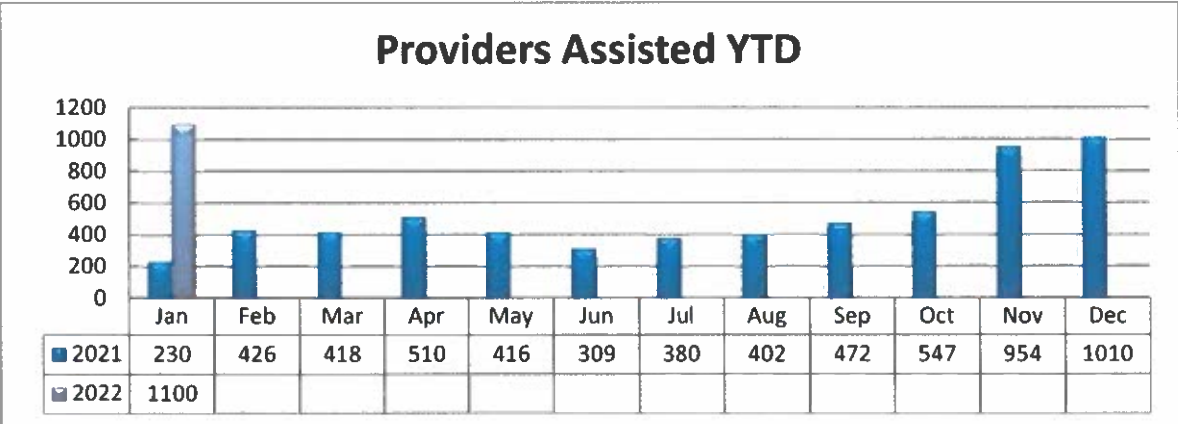
**Conclusions & Actions:** Disputes for January came in at 145. Claims Appeals came in at 16 for the month. All 16 claims appeals in favor of the plan and 0 in favor of the provider. There was 1 Post Service TAR Appeals and no Provider Complaints for January.

**General Trend & Comparison to Benchmark or Goal:** Claims disputes and appeals outcome categories have been revised in this report beginning with the December 2016 data to reflect whether the resolution was in favor of the Plan ("Plan") or the Provider ("Provider"). This is in alignment with how the Claims department reports data to Plan regulators. Resolutions in favor of the Plan include those formerly categorized as "Upheld", while those in favor of the Provider include those formerly categorized as either "Adjusted" or "Overturned". Roughly 30-50% of claims appeals received each month are adjusted based on additional information received (beyond the required non-claim mail process). Tar appeals are averaging 0 to 2 per month. Provider Services uses Case Tracking to capture provider complaints in a standardized fashion, with outcome & severity criteria. This report shows a rolling 12 months of data, rather than calendar year.

**Caveats and Limitations:** Claims disputes and appeals reports are run by Resolution Date, so data may be incomplete at the time it is first reported as some disputes and appeals may not yet be resolved, categorized as "Open". The graph will be updated the following month with the appropriate outcome codes. Claims and Provider Services staff are collaborating to ensure timely and accurate reporting. Post-service TAR appeals are processed and tracked by the Health Services Department.

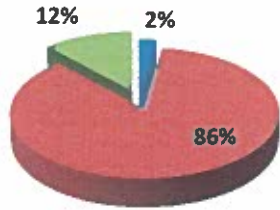
# Provider Services Departmental Metrics

Providers Assisted – January 2022

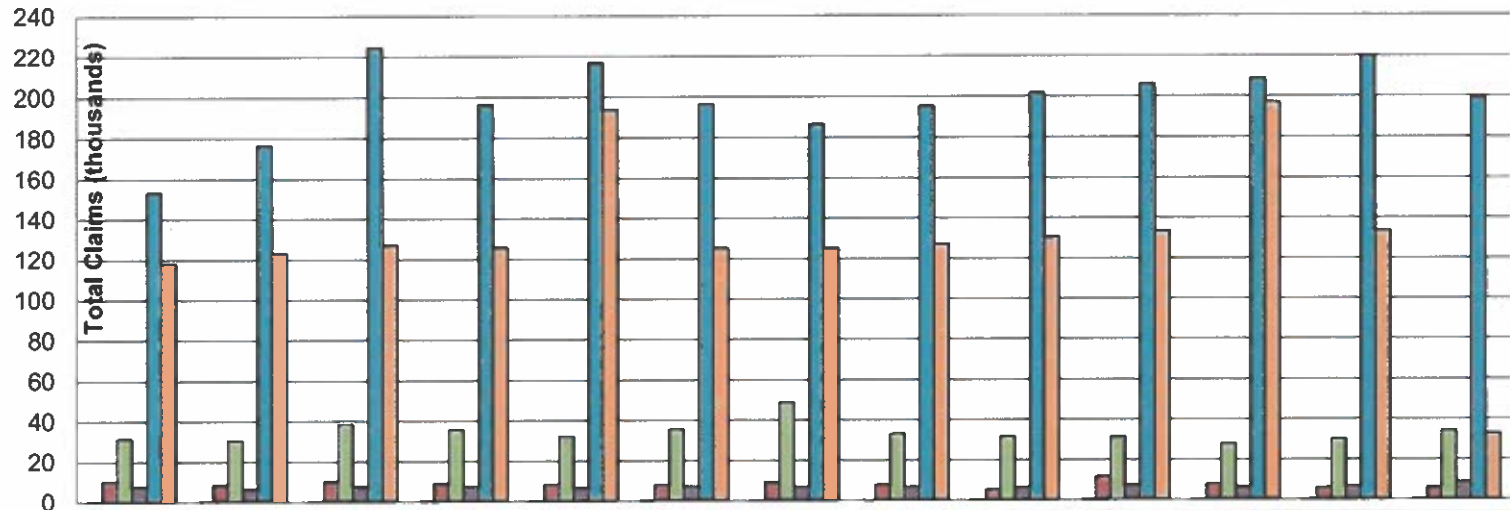


Claims Received by Submission Type per Month: January 2021 - January 2022

Total Claims Submitted for January 2022



■ Percent Paper  
 ■ Percent Electronic  
 ■ Percent PBM



	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
■ Paper - CenCal Health	12	32	32	5	44	54	30	149	29	61	22	27	123
■ Paper - Outsourced	10,119	8,560	10,137	9,161	8,209	7,918	9,438	7,874	5,246	11,798	7,879	5,948	6,200
■ AdminisTEP	31,635	30,582	38,375	35,653	32,298	35,461	48,743	33,003	31,736	31,317	27,990	30,067	34,382
■ Web-Processed	7,638	6,536	7,545	7,422	6,714	7,251	6,788	6,699	6,409	7,390	6,521	6,559	8,499
■ HIPAA Files	153,382	176,467	224,427	196,350	216,751	196,473	186,513	195,453	201,716	206,191	208,644	219,855	198,763
■ Med-Impact/PBM	117,967	123,195	127,100	125,848	193,881	125,344	125,169	127,392	130,566	133,539	197,089	133,659	32,698

**Summary:**

<b>Measure Description:</b>	Monthly report used to oversee total claims received by submission type.
<b>Submission Types:</b>	<p><u>Paper CenCal Health</u> - Claims processed "in-house" by staff at CenCal Health due to special circumstances (example Infusion Providers).</p> <p><u>Paper Outsourced</u> - Claims outsourced to Smart Data Solutions for data entry and imaging.</p> <p><u>AdminisTEP</u> - Paper claims submitted through outsourcing vendor to assist with reduction of Paper claim submission.</p> <p><u>Web Processed</u> - Claims submitted by providers through the CenCal Health website.</p> <p><u>HIPAA Files</u> -HIPAA compliant electronic claims submitted directly to the FTP server, including crossover claims from the Benefits Coordination &amp; Recovery Center (BCRC).</p> <p><u>Med-Impact</u> - Pharmacy claims managed and processed by a contracted PBM</p>





# CENCAL HEALTH CALENDAR 2022 MEMBER GRIEVANCE SYSTEM GRIEVANCE & APPEAL RECEIPTS

## MEMBER GRIEVANCES & APPEALS

**Reporting period:**

January 2022 - Calendar 2022

In Control

Not in Control

January's PTMPY for grievance and appeals was 1.25, below 2021's Mean of 1.93 and in control.

**January Grievance/Appeals = 22**

Quality of Care = 8

Appeals = 6 (including 2 "Expedited" appeals)

Access = 3

Interpersonal = 3

Administrative = 1

Benefit = 1

**Analysis and Trends**

\* Appeals: 5 TAR appeals (4 for various outpatient requests, 1 for DME - with no trends); 1 RAF appeal for an out of area provider.

\* QOC Grievances (8 total - 3 PCP, 2 Specialist, 2 Hospital, 1 Behavioral Health): related to member quality of care concerns with no trends.

\* Access Grievances (1 to Behavior Health, 1 to Specialist, 1 to transportation) with no trends.

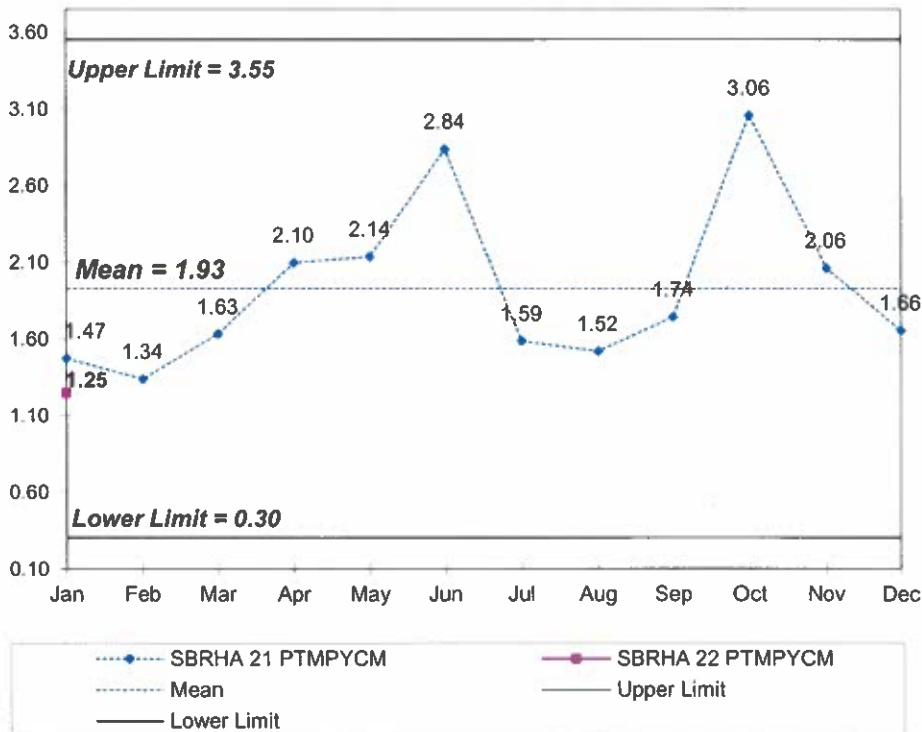
\* Interpersonal Grievances: Main cause of overall interpersonal issues was the member's perception of rude demeanor by provider/comments made during visits or by office staff interactions, no trends.

Of the 22 grievances/appeals filed:

17 = SB County (7 QOC grievances = 41% of SB G&A Vol.)

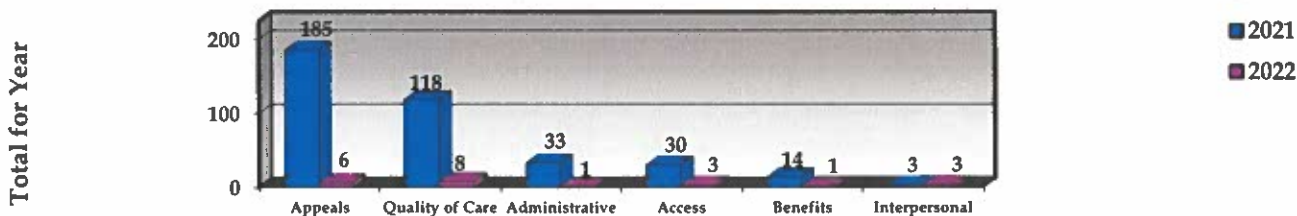
5 = SLO County (2 Interpersonal = 40% of SLO G&A Vol.)

**Grievance & Appeal System - Total Receipts 2022  
Calendar Current Month**



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CenCal 21 Mbrshp	195,461	197,133	198,508	200,226	202,122	202,922	204,328	205,378	206,647	208,069	209,655	210,248
CenCal G&A Issues	24	22	27	35	36	48	27	26	30	53	36	29
CenCal PTMPYCM	1.47	1.34	1.63	2.10	2.14	2.84	1.59	1.52	1.74	3.06	2.06	1.66
CenCal 22 Mbrshp	211,466											
CenCal G&A Issues	22											
CenCal PTMPYCM	1.25											

**Member Grievance & Appeal System Receipts by Reasons**



Type	Calendar 2021	Calendar 2022 (Through January)
Appeals	185	6
Quality of Care	118	8
Administrative	33	1
Access	30	3
Benefits	14	1
Interpersonal	3	3
Other (All are "Refusal or Delay by PCP to issue a member-requested RAF, TAR or MRF")	0	0











**CenCalHEALTH**  
Local. Quality. Healthcare.

# PROVIDER BULLETIN

A PUBLICATION FOR OUR  
PROVIDERS FROM  
CENCAL HEALTH

VOL. 32 NO. 1 • JANUARY 2022

## IN THIS ISSUE:

### PROVIDER NEWS

- New Year Message from our CEO
- Are you missing out on COVID-19 vaccine incentive funds?
- Timely Access survey reminder
- Attention Primary Care Physicians: NEW Facility Site Review & Medical Record Review Regulatory Requirement Standards delayed
- CenCal Health now managing Behavioral Health benefits
- SAVE THE DATE! Quality Care Incentive Program Redesign training coming in February

### HEALTH PROMOTION UPDATE

- CenCal Health's member newsletter hits homes this month
- Annual Check-Up Reminder

### PROVIDER TRAINING

- Provider training: Upcoming events & training library

### PHARMACY Medi-Cal Rx Insert

- Medi-Cal Rx transition is here!

PROVIDER NEWS

## New Year Message from our CEO

**CenCal Health wishes to acknowledge our providers crucial role in making Santa Barbara and San Luis Obispo counties healthier communities. We know it has been a challenging time with the pandemic testing us all and yet local providers stepped up to serve those in need with incredible bravery and courage.**



If the past two years have taught us anything, it is a lesson in resilience and vulnerability. We certainly celebrate how far we have come while recognizing, sometimes painfully, how far we must go to achieve health equity in every neighborhood.

Our mission here at CenCal Health is to improve the health and well-being of our community by providing access to high quality health services. It is more important than ever. This declaration is the reason we exist and is, of course, what draws us all together. "Health" speaks to the physical and emotional aspects along the entire health continuum. "Well-being" signals our ongoing dedication to help members with the social determinants of health towards wellness. "Providing access to high quality services" is how we fulfill our purpose and affirms our two key priorities: access and quality. It also conveys a critical third priority, which is partnership. At CenCal Health, we believe our providers are our most important partners.

We'll need that partnership in the years ahead. California has been pursuing an ambitious multi-year plan to advance health equity, called California's Advancing and Innovating Medi-Cal (CalAIM) initiative. For example, CenCal Health will expand services through an Enhanced Case Management benefit in July 2022 as part of the CalAIM initiative and will be partnering with safety net clinics and other providers to deliver needed services to the most vulnerable. In addition to providing additional services to meet systemic needs, in time we will be asked to serve new populations as well. As we look towards the future, the long-term vision for the health plan is one that will celebrate a pursuit of a more equitable health outcome for all members in the communities we serve.

Next year, CenCal Health will celebrate 40 years in service to Santa Barbara County – the first Medi-Cal Managed Care Plan in the nation – and 15 years in service to San Luis Obispo County. Today, as we turn the page from 2021 into 2022, we wish to thank our providers for their partnership and celebrate your care for our members and commitment to improve their quality of life. Together, we will continue building a brighter future of health care for our members and communities.

Marina Owen  
Chief Executive Officer

**New to CenCal Health's  
Monthly Provider Bulletin**

**Behavioral Health  
Treatment (ABA)  
& Mental Health Updates**



## Look for New CenCal Health ID Cards Effective January 1, 2022

The Pharmacy Benefit will shift away from CenCal Health to fee-for-service through Medi-Cal Rx, run by Magellan. Due to this change, all CenCal Health members will get new ID cards with the Medi-Cal Rx (Magellan) pharmacy customer service phone number on it. As part of the re-design of our Member Services phone (877-814-1861) menu, we will also include an option to transfer directly to Medi-Cal Rx by pressing a number in the menu.



## Annual Check-Up Reminder

With the beginning of the New Year, it is important to get your patients in for their annual wellness checks and screenings. Due to the COVID-19 pandemic, many people have been forgoing their annual check-ups. Patients with chronic conditions are at higher risk of experiencing complications if they contract COVID-19 so it is more important than ever to make sure that your patients receive their annual wellness check to help mitigate potential health problems.

Below are a few of the recommended health screenings that should be completed at least once a year:



- Children – ACEs screening, depression screening, immunizations, and other lab tests as recommended (e.g. lead & TB)
- Adults – depression screening, cancer screenings, flu vaccine, and injury prevention for seniors
- Patients with diabetes – HbA1c test, retinal eye exam, nephropathy screening, and hypertension monitoring
- Patients with asthma – asthma action plan and flu vaccine
- Patients with hypertension – blood pressure check

For more information regarding recommended annual screenings, visit: [cencalhealth.org/providers/quality-of-care/clinical-guidelines](https://cencalhealth.org/providers/quality-of-care/clinical-guidelines).

## Are you missing out on COVID-19 vaccine incentive funds?

In order to support our Primary Care Providers' efforts to get their patients vaccinated against COVID-19, CenCal Health is now paying PCPs \$50 per assigned member who receive their first COVID-19 vaccine after October 31st, 2021. This limited-time incentive is available to our PCPs who are currently offering the vaccine.

The first payment for the incentive program went out in December to 55 PCP locations for a total of over \$76,000.

### Want to receive this incentive?

If you'd like to participate in the incentive program, let CenCal Health know you are offering the vaccine in your office. Once CenCal is notified, PCPs offering the vaccine in their office are automatically enrolled in the incentive program. No reports from you are required! First-shot records are gathered by CenCal Health and compared to state-reported data. The program will last as long as funds are available.

For more information, contact [populationhealth@cencalhealth.org](mailto:populationhealth@cencalhealth.org).



# CenCal Health now managing Behavioral Health Benefits

CenCal Health would like to welcome all of our newly contracted ABA and Mental Health Treatment Providers. In an effort to focus more closely on whole person care, CenCal Health has elected to transition the Behavioral Health benefit in-house effective January 1, 2022.

Please visit our new website for providers to learn more about our Mental Health Level of Care Screening Tools, ABA Functional Behavioral Assessment resources, FAQs, in addition to PCP screening tools at [www.cencalhealth.org/providers/behavioral-health/](http://www.cencalhealth.org/providers/behavioral-health/)

Any provider who would like to participate as an in-network behavioral health provider should contact Provider Services at [psrgroup@cencalhealth.org](mailto:psrgroup@cencalhealth.org) or call 805-562-1676 to begin contracting with CenCal Health.

## Mental Health Services

Psychotherapy and psychiatry services do not require a CenCal authorization. Members not currently receiving mental health services with County Mental Health can access these services in one of the following ways:

- Members can contact a contracted CenCal provider to schedule an initial appointment. (contracted providers are listed on the CenCal website)
- Members can also call the BH Care Coordination Center at (877) 814-1861

**Members who are stepping down from Specialty Mental Health Services must be referred by the provider to the CenCal BH Department by calling the Behavioral Health Provider Line (805) 562-1600 or faxing a referral to (805) 681-3070.**

**Psychological Testing** requires a referral from the member's assigned PCP to CenCal Health for authorization.

## ABA Services

ABA services are available for children under the age of 21. A referral must be submitted to CenCal Health by the assigned Primary Care provider through the CenCal Health Portal or by TCRC by fax.

**Member BH Care Coordination Line:** (877) 814-1861  
**BH Provider Line:** (805) 562-1600  
**BH Fax:** (805) 681-3070

Please submit all claims for date of service (DOS) on or after 1/1/2022 to CenCal Health. For more details visit [www.cencalhealth.org/providers/claims/](http://www.cencalhealth.org/providers/claims/)



## A MESSAGE TO OUR PCPS:

Members can now schedule directly with a mental health provider for psychotherapy or medication management.

Referrals and authorizations are no longer required through The Holman Group, because CenCal Health is now managing these benefits.

Please continue to submit referrals to the Behavioral Health Department for members who would benefit from Care Coordination for Mental Health or Substance User Services.

Look out for new Case Manager Referral forms that will have updated referral categories as well as a new PCP Referral form for Behavioral Health Treatment (ABA) services for eligible members.

## LIVE TRAINING AVAILABLE:

**Join our Behavioral Health Team on January 20th at 2 p.m. for our PCP Behavioral Health Carve-In Transition Webinar.**

During this training, we will review how PCPs can refer their assigned members for mental health services; how members may access services; the referral process and forms for Behavioral Health Treatment (ABA) services; referrals for Care Coordination; and PCP responsibilities in care coordination for members who are receiving or eligible to receive ABA services.

Register for this important training today at [www.cencalhealth.org/providers/provider-training-resources/](http://www.cencalhealth.org/providers/provider-training-resources/)

SAVE THE DATE!

# Quality Care Incentive Program Redesign Training

CenCal Health is currently developing a new pay for performance program which will now be called the 'Quality Care Incentive Program.' This will allow our Primary Care Providers to focus their attention on one quality improvement incentive program instead of the many programs CenCal Health currently has in place. The new program will launch in February 2022.

We invite you to join us for a free virtual training to learn about basic program components, measures included in the program, and financial incentive details.

All capitated PCPs and their quality improvement staff including but not limited to PCP billing/finance staff should attend this training event on Wednesday, February 17th, 2022

To learn more, or to register for this upcoming event please go to [cencalhealth.org/providers/provider-training-resources/](https://cencalhealth.org/providers/provider-training-resources/)

# Monthly Provider Bulletin

January 2022

## CENTRAL PHONE LINES

Provider Services (805) 562-1676

Claims Services (805) 562-1083

Pharmacy Services (805) 562-1080

Health Services (805) 562-1082

Member Services (877) 814-1861

## CENCAL HEALTH Office Closure

CenCal Health will be closed on Monday, January 17, 2022

in observance of Martin Luther King, Jr. Day.



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## HEALTH PROMOTION

# CenCal Health's member newsletter hits homes this month

The Winter issue of CenCal Health's member newsletter, "Health Matters/Temas de Salud" will be mailed to about 86,000 member households in January.

Articles in this issue include information about:

- \$50 COVID vaccine member incentive
- Behavioral Health integration
- Adolescent Depression and Colorectal cancer screening
- Invitation to join CenCal Health's Community Advisory Board
- Preventing falls at home
- Medi-Cal Rx transition
- Well Child visits



# Provider Training

View Upcoming Events and our Training Library for micro learning videos on a wide variety of topics. To learn more, go to [cencalhealth.org/providers/provider-training-resources/](https://cencalhealth.org/providers/provider-training-resources/)



## Timely Access survey reminder

After a hiatus in response to the COVID-19 public health emergency, the Department of Health Care Services (DHCS) is resuming quarterly appointment availability surveys in Q1 of 2022, otherwise known as the Timely Access Survey. To refresh your memory, this survey is a state requirement. Each quarter, DHCS conducts a version of the survey.

Simultaneously, CenCal Health is also required to conduct a version of the survey tailored specifically to our network (don't worry: with random sampling, the likelihood that your office would be selected for both surveys in the same quarter is pretty low).

**The primary goal is to understand how long it takes CenCal Health members to get appointments with their providers. Depending on provider type, the questions might include both urgent and non-urgent appoints or just non-urgent appointments.**

If DHCS calls you, remember: if there are any question about participation in Medi-Cal, CenCal Health is your local Medi-Cal plan. By being contracted with CenCal Health, you are participating in Medi-Cal.

The survey conducted by CenCal Health, largely mirrors the methodology of DHCS. We randomly select providers, and then members of our staff call that provider's appointment line. The survey only takes 2-4 minutes (again, provider type dictates the number of questions and thereby the length of time it takes).

Each quarter approximately 21 PCPs, 21 Mental Health providers, 21 OB/GYNs, 21 ancillary providers, and 21 specialists are randomly selected. The specialists rotate quarterly, and for Q1 of 2022, the specialists are Cardiologists and Psychiatrists.

As a reminder: network adequacy standards are based on those established by the Medicaid Managed Care Final Rule, which was released March 26th, 2018, and codified by CA Assembly Bill 205, contractual requirements from the California Department of Health Care Services (DHCS), and health care industry standards.



Appointment	Standard Time Frame
Non-urgent Primary Care Appointment	Within 10 business days (or via Advanced Access)
Non-urgent Specialist Appointment	Within 15 business days
Non-urgent Obstetrics/Gynecology (includes Initial Prenatal Care Appointment)	Within 10 business days (within 1st trimester per ACOG)
Non-urgent (non-physician) Mental Health Care Appointment- Outpatient Services	Within 10 business days
Non-urgent Ancillary Services Appointment (for diagnosis or treatment)	Within 15 business days*
Urgent Care Appointment	Within 48 hours*
Emergency Care	Immediately*
Primary Care Triage and Screening	Within 30 minutes*
Mental Health Care Triage and Screening	Within 30 minutes*
Wait Time in Office	Within 30 minutes*
After Hours Care	24 hours a day*
Telephone Access	24 hours a day*

\*reflects separate regulatory and/or industry standards



# Attention Primary Care Physicians

## NEW Facility Site Review & Medical Record Review Regulatory Requirement Standards delayed to March 1, 2022

The Department of Healthcare Services (DHCS) has made updates to the site review process, which includes Facility Site Review (FSR) and Medical Record Review (MRR) policies. DHCS has updated the FSR and MRR standards and criteria to reflect current guidelines of professional organizations by expanding certain criteria, re-organizing the criteria groups to help better identify deficiencies, and adjusting the scoring methods to better generalize the scores.

DHCS has released a new All Plan Letter (APL) 20-006 to reflect these updates. This APL supersedes Policy Letters (PL) 14-004, PL 03-002, and APL 03-007. DHCS recognizes the extent and impact of these changes. Providers and staff should remain informed and begin training on the updates to FSR and MRR criteria and standards.

In the spirit of collaboration, 22 California Managed Care Plans have partnered through collaborative efforts to provide training and resources to our Primary Care Physicians.

### **This video series will explain changes to the current guidelines corresponding to the APL 20-006 and release date of the new standards.**

**Watch the FSR Provider Training** online at [www.youtube.com/watch?v=SXeqdSOmrpg](https://www.youtube.com/watch?v=SXeqdSOmrpg) or download the presentation and all link references at [https://drive.google.com/file/d/1yq1r2ZNIWHRy2hnO\\_wY2taM1QINZHIB/view](https://drive.google.com/file/d/1yq1r2ZNIWHRy2hnO_wY2taM1QINZHIB/view). The MRR Provider Training video will be available soon. Please refer to the DHCS website below to access the APL 20-006 referred to in this communication <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2020/APL20-006.pdf>

For more questions or concerns, please contact CenCal Health's Facility Site Review Representative via email at [myoung@cencalhealth.org](mailto:myoung@cencalhealth.org)

#### PHARMACY UPDATES

## Medi-Cal Rx transition is here!

### **Effective January 1, 2022, Medi-Cal pharmacy benefits are now provided through the new delivery system called Medi-Cal Rx, administered by Magellan Medicaid Administration, Inc.**

Medi-Cal Rx includes all pharmacy services billed as a pharmacy claim, including but not limited to:

- Outpatient drugs (prescription and over-the-counter), including Physician-Administered Drugs (PADs)
- Enteral nutrition products
- Medical supplies

Medi-Cal Rx does not include pharmacy services billed as a medical (professional) or institutional claim.

All pharmacy claims must be processed using the new Medi-Cal Rx Bank Identification Number (BIN), Process Control Number (PCN), and Group ID. The payer sheet is available online at [www.medi-calrx.dhcs.ca.gov/provider/forms/](https://www.medi-calrx.dhcs.ca.gov/provider/forms/). The payer sheet includes the claim submission, prior authorization submission, eligibility verification request, and drug inquiry pricing request fields and requirements.

DHCS has taken the necessary steps to ensure beneficiaries are able to receive their prescriptions, and that pharmacies will have available needed information regarding claims and prior authorizations. They have also ensured that Medi-Cal managed care plans will receive the necessary data to ensure appropriate utilization and continuity of care for beneficiaries enrolled in managed care.

The following Medi-Cal Rx Resources are available for further information:

- Medi-Cal RX Website: <https://medi-calrx.dhcs.ca.gov/home/>
- Medi-Cal Rx Customer Service Center: **(800) 977-2273**

For inquires on pharmacy services billed as a medical (professional) or institutional claim, please visit the CenCal Health website: [cencalhealth.org/providers/pharmacy/](https://cencalhealth.org/providers/pharmacy/)