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**40<sup>th</sup>**  
ANNIVERSARY  
1983 - 2023



## **CenCal Health Board of Directors Meeting Packet**

**January 17, 2024  
6:00 pm**

**Santa Maria Inn**  
801 South Broadway  
Santa Maria  
Santa Maria Room



## Notice of Regular Meeting CenCal Health Board of Directors

**January 17, 2024**

The Historic Santa Maria Inn  
801 South Broadway  
Santa Maria, CA  
Santa Maria Room

Members of the public wishing to provide public comment on items within the jurisdiction of the Board of Directors may do so during the public comment period or by emailing comments before 10:00 am, January 17, 2024 to the Clerk of the Board at [pbottiani@cencalhealth.org](mailto:pbottiani@cencalhealth.org) with "Public Comment" in the subject line. Comments received will be read during the meeting.

If you require any special disability-related accommodations, please contact the CenCal Health Board Clerk's Office at (805) 562-1020 or via email at [pbottiani@cencalhealth.org](mailto:pbottiani@cencalhealth.org) at least twenty-four (24) hours prior to the scheduled board meeting to request disability related accommodations.

### Agenda

#### Action/Information

1. Public Comment (*Mr. Lisa*)
2. **Consent Agenda** (*Action to accept reports*) (*Mr. Lisa*) Action
  - 2.1 Approve Minutes of October 18, 2023, Board of Directors Meeting
  - 2.2 Accept Administrative Reports
    - 2.2.1 Executive Summary
    - 2.2.2 Strategic Engagement Report
    - 2.2.3 Performance Division Report
    - 2.2.4 Health Services Report
    - 2.2.5 Quality Report
    - 2.2.6 Government and Administrative Report
    - 2.2.7 Customer Experience Report
    - 2.2.8 Operations Report
    - 2.2.9 Compliance Report
    - 2.2.10 Information Technology Report
  - 2.3 Accept Program Reports
    - 2.3.1 Community Benefit Funding: *Meals that Connect and Corazon Latino*
    - 2.3.2 CalAIM Community Steering Committee Report
    - 2.3.3 CalAIM Program Implementation Report
    - 2.3.4 Population Health Management Report
    - 2.3.5 DHCS Contract Amendment Report
  - 2.4 Accept Advisory Committee Reports
    - 2.4.1 Community Advisory Board (CAB) Report
    - 2.4.2 Community Advisory Board (CAB) Meeting Minutes of July 13, 2023

- 2.4.3 Provider Advisory Board (PAB) Report
- 2.4.4 Provider Advisory Board (PAB) Meeting Minutes of July 10, 2023, and October 9, 2023
- 2.4.5 Family Advisory Committee (FAC) Report
- 2.4.6 Family Advisory Committee (FAC) Meeting Minutes of November 16, 2023
- 2.4.7 Pediatric Clinical Advisory Committee (PCAC) Report
- 2.4.8 Pediatric Clinical Advisory Committee (PCAC) Meeting Minutes of September 27, 2023

### 3. Regular Agenda

- |  |             |
|--|-------------|
| 1. Consider Approving 2024 Board of Directors Appointments for Officers, Boards and Committees, as recommended by Nominating Committee (Mr. Lisa)  | Action      |
| 2. Consider Approving 2024 Board of Directors Schedule of Meetings (Mr. Lisa)  | Action      |
| 3. Report from Chief Executive Officer (Ms. Owen)  | Information |
| 4. Consider Accepting the Quality Improvement and Health Equity Committee (QIHEC) Report (Mr. Hernandez)   | Action      |
| 5. Consider Accepting 2024 Community Supports Report and Present Health Services Update on New Initiatives, including Transitional Care Services and Justice-Involved Enhanced Care Management (Mr. Hill and Ms. Zuniga) | Action      |
| 6. Report from Chief Financial Officer/Treasurer (Ms. Bishop)  | Information |
| 6.1 Consider Accepting the 2024 CenCal Health Budget   | Action      |
| 7. Report on Dual Special Needs Program (DSNP) Development and Present on Model of Care and Care Management for Dual Eligible Members (Ms. Turetsky and Dr. Fonda)   | Information |
| 8. Report on Medi-Cal RX and Present on Pharmacy on Industry Trends For Medi-Cal Members (Drs. Januska and Lem)  | Information |
| 9. Items for Immediate Action  | Action      |

*Items for which the need to take immediate action arose subsequent to the posting of the agenda (requires determination of this fact by vote of two-thirds of the Directors present or, if fewer than nine Directors are present, unanimous vote)*

Note: The meeting room is accessible to the disabled. Additional information can be found at the CenCal Health website: [www.cencalhealth.org](http://www.cencalhealth.org)

## DRAFT

### MINUTES CenCal Health BOARD OF DIRECTORS REGULAR MEETING October 18, 2023

The regular meeting of the Board of Directors of CenCal Health was called to order by Dr. René Bravo, Chair, on October 18, 2023, at 6:02 PM at the CenCal Health Office, 4050 Calle Real, Santa Barbara, CA

**MEMBERS PRESENT:** Antonette “Toni” Navarro, Daniel Herlinger, Supervisor Dawn Ortiz-Legg, Edward “Ned” Bentley, MD, Supervisor Joan Hartmann, Kieran Shah, Mouhanad Hammami, Nicolas Drews, René Bravo, MD, Sue Andersen, and Sara Macdonald

**MEMBERS EXCUSED:** Mark Lisa

**STAFF PRESENT:** Bill Cioffi, Carlos Hernandez, Cathy Slaughter, Chris Hill, Chris Morris, Christy Nichols, Emily Fonda, MD, Hon Chan, Jai Raisinghani, Jordan Turetsky, Karen Kim, Kashina Bishop, Kendall Klein, Lauren Geeb, Marina Owen, Michael Harris, Nicole Wilson, Stuart Warren, Tommy Curran, Van Do-Reynoso, and Paula M. Bottiani (Clerk)

**GUESTS PRESENT:** John Britton (Bartlett, Pringle & Wolf, LLC), Rosemary Schmoller (Bartlett, Pringle & Wolf, LLC), Frann Wageneck, Ed.D. (Flux Coaching and Consulting), Michael Engelhard (Health Management Associates)

**Dr. Bravo** commended Ms. Owen on her two-year anniversary as CEO.

1. Public Comment: There was no public comment.
2. **Consent Agenda** (Action to accept reports) (Dr. Bravo)
  - 2.1 Approve Minutes of September 20, 2023, Board of Directors Meeting
  - 2.2 Accept Administrative Reports
    - 2.2.1 Executive Summary
    - 2.2.2 Quality Report
    - 2.2.3 Health Services Report
    - 2.2.4 Performance Report
    - 2.2.5 Government and Administrative Report
    - 2.2.6 Customer Experience
    - 2.2.7 Operations Report
    - 2.2.8 Information Technology Report
  - 2.3 Accept Program Reports
    - 2.3.1 Community Benefit Program Report
    - 2.3.2 CalAIM Program Implementation Report
    - 2.3.3 Population Health Management Report



2.4 Accept Advisory Committee Reports

2.4.1 Pediatric Clinical Advisory Committee (PCAC) Report

2.4.2 Pediatric Clinical Advisory Committee (PCAC) Meeting Minutes of June 28, 2023

**ACTION: On motion of Ms. Macdonald the Board of Directors unanimously Accepted the Consent Agenda Reports without objection.**

**3. Regular Agenda**

1. Report from Chief Executive Officer

**Ms. Owen** reported the following:

- **40<sup>th</sup> Anniversary Celebration:**
  - The celebration will take place on Wednesday, December 6<sup>th</sup>; 5:30 pm – 7:30 pm at the Hilton Santa Barbara Beachfront Resort. Save-the-Date cards were distributed at the meeting.
  - We will celebrate the collective impact of local Medi-Cal Program while staff and Board of Directors recognize the accomplishments of providers and community partners.
  - Save-the-Date cards distributed.
- **DHCS Quality Award**
  - Today, DHCS recognized CenCal Health for high quality achievement on the Bold Goals for the Central Coast Region (2022-2023). Team members received recognition at the quality conference.
- **Appreciating our Board Chair, Dr. Bravo**
  - Served as Chair, CenCal Health Board of Directors, for five (5) years.
  - Supported the creation of a regional model, including expansion of Santa Barbara Health Regional Health Authority (now CenCal Health) into San Luis Obispo County 15 years ago.
  - Championed participation in CenCal Health's provider network amongst his colleagues.

**Dr. Bravo** thanked staff for the acknowledgement. He said he appreciates serving on the board and is here because he wants to be. He appreciates being able to watch the inception and growth of the plan following the expansion into SLO. He stated that we are known in Sacramento as the model for local plans as we are doing things right here at CenCal Health. Finally, he commended staff for bringing together an exceptional team.

2. Review and Accept Independent Financial Audit and FY 22-23 Audited Statements

**Ms. Bishop** introduced our guests, **John Britton** and **Rose Schmoller** of Bartlett, Pringle, and Wolf (independent auditors). She reported the following from the Financial Audit:

**Pension Liability Adjustment**

1. Accounting standards require an annual adjustment to the net pension liability for the CalPERS defined benefit plan.
2. It occurs after the year end due to its dependency on an actuarial analysis provided by CalPERS.

3. Resulted in an increase of \$6 million to pension expense.
4. Volatile in the past couple of years due to market conditions.

**Mr. Britton** gave a detailed PowerPoint presentation of the audited financial Statements with a clean and unmodified opinion, with a clean audit.

Highlights of this presentation were:

- General Information
- Comments
- Reporting and Compliance
- Significant Estimates
- Financial Statements/Review of the Numbers
- New and Future Standards
- Recommendations for Internal Controls

**Discussion:**

**Ms. Andersen** asked if the administrative costs were up due to the settlement.

**Mr. Britton** explained that it was due to the settlement and the pension liability adjustment.

**Dr. Bravo** commended staff for receiving a clean audit report.

**Ms. Owen** complimented Ms. Bishop for her leadership as our new CFO/Treasurer these past six months and the Finance staff for their excellent work on the audit.

**ACTION: On motion of Ms. Andersen and seconded by Supervisor Hartmann, the Board of Directors unanimously accepted the Independent Financial Audit Report and FY 22-23 Audited Financial Statements without objection.**

3. Report from Treasurer and CFO and Accept Financial Report
- 3.1 Review and Accept Financial Statements ending 09/30/2023

**Ms. Bishop** gave a detailed PowerPoint presentation with the following highlights from the financial report and financial statements:

**Membership Trends:**

- The health plan's enrollment count as of September 2023 is at 231,377 compared to a budget forecast of 223,594.
- January 1<sup>st</sup> –September 30<sup>th</sup> total member months are at 2,095,875 compared to budget expectations of 2,044,582.
- Over budget 2.5%.

**Medical Expenses- PMPM Trends**

- Medical Costs & Incentives are trending over budget with a variance of 2.7%.
- Excluding DHCS directed payments which are budget neutral, the medical expenses in aggregate are in line with budget expectations.
- We are noting some upward trends in hospital inpatient costs due to high dollars cases and some increasing costs to LTC expenses which are assessing the overall impact.

### Financial Highlights as of June 30, 2023

- **Operating Gain (Loss):** Through nine (9) months of the calendar year we are reporting an operating gain of \$54.2 million.
- **Capitation Revenue** is at \$940.6 million; over budget by \$65.8 million and 7.5%.
- **Medical Expenses** are at \$816.5 million; over budget by \$18.3 million and 2.3%.
- **Administrative Expenses** are at \$55.4 million; under budget by \$1.3 million and 2.4%. Strategic Investments are under budget by \$6.3 million and 91.5%.
- **Tangible Net Equity (TNE)** is at \$267.0 million; representing 824% of the minimum regulatory requirement and 92.5% of the minimum Board of Directors desired TNE target.
- **Total Cash and Short-Term Investments** are at \$403.2 million. Cash and Short-Term Investments available for operating the health plan is at \$280.9 million, representing 110 Days Cash on Hand.
- **Member Enrollment** is at 231,377 for the month of Sep 2023.

**ACTION:** On motion of Director Hammami and seconded by Supervisor Ortiz-Legg, the Board Accepted the Finance Report and the Unaudited Financial Statements Ended on September 30, 2023, without objection.

### 3.2 Adopt 2024 Investment Policy

**Ms. Bishop** gave a detailed PowerPoint presentation of the 2024 Investment Policy.

1. Delegates investment authority to CenCal's Treasurer for a one-year period
2. Requires that investment of funds must be specified in Government Code Sections 53601-53609
3. Requires that funds are not invested in equity securities without specific Board approval
4. Indicates the primary objectives are (1) safety of principal (2) liquidity and (3) return on invested funds
5. Policy remains unchanged from approved for 2023

**ACTION:** On motion of Ms. Macdonald and seconded by Mr. Drews, the Board Adopted the 2024 Investment Policy, without objection.

### 3.3 Accept Recruitment and Retention Benefit Recommendations

**Ms. Bishop** gave a detailed PowerPoint presentation of the Recruitment and Retention Program. These are the highlights:

#### **Program Summary approved by the Board in May 2020:**

- Housing Assistance Program
- 457(f) Supplemental Retirement Plan
- Supplemental Disability Income Benefit
- Medical Continuation Benefit Plan
- Long Term Care Insurance
- Funded by Investment in Corporate Owned Life Insurance

#### **Program Evaluation:**

- Since being approved in 2020, CenCal Health has:

- Adopted a new vision and refined our organizational values
- Adopted a multi-year Strategic Plan
- Focused on ensuring financial best practices

**New Objectives:**

- Benefits approach aligned with financial best practices
- Expanded eligibility to ensure an equitable approach
- Integrated benefits with current administrator to improve administrative efficiencies
- Enhancing the reward structure from tenure based to goal achievement in alignment with the Strategic Plan

**Recommended Plan:**

- Staff recommend termination of the Recruitment and Retention Program approved by the Board of Directors in May 2020 and approval of the associated unwinding plan with commensurate replacement offering being included in the 2024 Budget represented in the table below.
- Financial Impact of Unwinding Plan: One-Time Cost of \$675,000; off-set by current assets

Basic Life	<ul style="list-style-type: none"> <li>• Increase from 1x annual compensation to 1.5x annual compensation.</li> <li>• Increase maximum benefit to \$500,000.</li> <li>• Eligibility: Full time CenCal Health team members.</li> <li>• Premium: Covered by CenCal Health.</li> </ul>
Supplemental Life	<ul style="list-style-type: none"> <li>• Increase maximum from \$500,000 to \$800,000</li> <li>• Eligibility: Full-time CenCal Health team members.</li> <li>• Premium: Covered by CenCal Health team member.</li> </ul>
Disability	<ul style="list-style-type: none"> <li>• Increase max salary and monthly benefit to \$400,000 and \$20,000, respectively.</li> <li>• Eligibility: Full-time CenCal Health team members.</li> <li>• Premium: Covered by CenCal Health team member.</li> </ul>
Long Term Care	<ul style="list-style-type: none"> <li>• Coverage of \$3,000 per month with additional death benefit</li> <li>• Eligibility: Full-time CenCal Health team members.</li> <li>• Premium: Covered by CenCal Health team member.</li> </ul>
Incentive Program	<ul style="list-style-type: none"> <li>• Discontinuing (as of 11/30/23) and paying out 457f tenure-based incentive program.</li> <li>• Replacing with goal-based incentive program to be developed and adopted in 2024.</li> <li>• Eligibility: Expanded to all full-time CenCal Health team members.</li> </ul>

**Discussion:**

**Ms. Andersen** reported that the Finance Committee endorses the recommendations.

**Mr. Shah** said he appreciates the equity component of the new plan.

**Mr. Drews** asked if benefits are reduced.

**Ms. Bishop** stated that commiserate benefits will be offered; however, the housing incentive was discontinued and could be re-evaluated in the future.

**ACTION: On motion of Mr. Drews and seconded by Director Hammami, the Board Accepted the Recruitment and Retention Recommendations, without objection.**



4. Present Student Behavioral Health Program Update

**Dr. Do-Reynoso and Dr. Wageneck** gave a detailed PowerPoint Presentation. These are the highlights of the report:

**SBHIP Objectives**

- Improve coordination of child and adolescent behavioral health services
- Increase the # of students enrolled in Medi-Cal who are receiving behavioral health services
- Increase non-specialty services on or near school campuses
- Address health equity gaps, inequalities, and disparities

**Total Potential Incentive**

- The total available incentive monies that we can earn is \$6.8M.
- We received 3.06 M, which is 100% of the allocation available in our first year.
- The remaining allocation will be made bi-annually based on achievement of stated metrics and milestones.
- CenCal Health recently received full incentive payment for the Jan - June Bi-Quarterly Report since our Local Education Agencies (LEAs) are on target with the stated targeted intervention.
- CenCal Health earned \$221,901 for San Luis Obispo County and \$542,807 for Santa Barbara County, for a combined total of \$764,708.

**Participating Local Educational Agencies**

- Santa Barbara County Education Office
- Carpinteria Unified School District
- Cuyama Unified School District
- Guadalupe Unified School District
- Lompoc Unified School District
- San Luis Obispo County Office of Education
- Lucia Mar Unified School District
- San Luis Coast Unified School District

**Midpoint Reflections: Celebrations**

- 25 FTE staff hired, with 11.5 FTE positions open
- Staff dedicated to supporting behavioral health needs
- New trainings for staff and teachers
- Increased confidence and capacity of teachers to support students using trauma-informed strategies

**Sustainability beyond SBHIP**

- DHCS is establishing, by January 1, 2024, a statewide multi-payer school linked fee schedule that reimburses school-linked providers for mental health and substance use disorder services
- Fee Schedule will be rolled out in three phases
- Cohort 1 will bill through a third-party administrator
- 7 out of 9 LEAs have applied to participate in Cohort 1

## **Social Emotional Learning (SEL) Program**

- **Ms. Cottam** (Lompoc Unified School District) shared a brief overview of the SEL program that is being adopted at the Lompoc Unified School District. They have engaged the expertise of Dr. Rios who assists with educating staff on the needs of marginalized students. Ms. Cottam explained that they give an SEL award at each of their board meetings where a student is recognized for their progress within an SEL small group and shared a story about a middle schooler named Jacob. Jacob's counselor said that Jacob participated in a six-week group of boys with the goal of developing safe, responsible, and respectful young men. With each group that was held, Jacob opened up more and more about the person he wanted to become. He said his purpose in life is to become something great, to make my family happy and proud and to make a positive impact. The counselor shared that he passed all of his classes and is on his way to becoming a responsible and respectful young man.

### **Discussion:**

**Ms. Andersen** asked why other school districts chose not to participate. Also, what is CenCal's financial role in the program?

**Dr. Do-Reynoso** stated that it is a 3-year incentive program and some school districts were not interested in participating in just a 3-year incentivized program. For those who chose to participate, we will use data gathered throughout the process to present to those schools who did not in an effort to gain their participation in the future. The incentive dollars that CenCal Health has earned have been distributed to the participating schools.

**Ms. Andersen** asked how this will be sustained.

**Dr. Do-Reynoso** explained that the initial funding is going towards building infrastructure within their districts so they are equipped to sustain the program with the when they participate in the Medi-Cal billing process in January.

**Director Hammami** asked if opioid prevention is intersecting with this program and if there is any overlap with other programs.

**Dr. Do-Reynoso** said that schools can tailor their interventions based upon their individual needs.

**Mr. Drews** said he is concerned with the funding being moved to address homelessness and being taken away from school programs.

**Dr. Wageneck** said that she understands the concern and initiatives such as this through CenCal will shore up the gap.

**Ms. Navarro** commented that she is very happy that this is going to help with infrastructure for these nine school districts and is very hopeful that this initiative.

**Supervisor Ortiz-Legg** asked where referrals for the small groups come from.

**Ms. Cottam** said that referrals come from teachers, school counselors and from partners such as CommUnify.

**Supervisor Hartmann** asked how the program will be evaluated.

**Dr. Do-Reynoso** explained that we have just worked with our evaluators to design a logical plan to capture all the elements that we wish to demonstrate. This includes best practices to engage students, best practices in engaging the teachers, best practices in building infrastructure to connect with other providers, best practices in sustaining and recruiting. There is a very structured interview set that the evaluators will use when meeting with all the schools to disseminate this information.

**Supervisor Hartmann** said that the evaluation process and the stories we can communicate will be vital in gaining support for state funding.

**Dr. Do-Reynoso** added that the evaluators will also share personal stories in order to provide as much information as possible.

**Ms. Macdonald** shared that a program like this would have helped her when she was growing up. It was difficult for her to ask for the help she needed.

**Dr. Bravo** commended staff for an excellent presentation and program. It is an example of what health really is. It is not just treating physical maladies. Health is a much broader and inclusive topic. He said that the American Board of Pediatrics is on board with this and is looking for examples of this work throughout the country.

#### 5. Present 2023 – 2025 Strategic Plan Progress Update

**Ms. Owen** gave a detailed PowerPoint presentation. Following are the highlights of the report:

##### **Objectives:**

- Discuss progress against 2023-2025 Strategic Plan priorities and objectives
- Share themes from Board of Directors Retreat and consider feedback from key stakeholders in the coming year, including state and local partners
- Orient to priorities, objectives and 2024 working strategies

##### **Key Themes:**

- Expand role to convener and facilitator as opposed to administrator
- Lead in quality and focus on equity
- Expand role past Medi-Cal, towards coordinating more services for additional members
- Integrate well internally and strengthen operations for the future

##### **Community Stakeholder Feedback from Hospitals, Counties, Clinics, Specialists:**

- Facilitate community collaboration, convening and engagement
  - *"Take a more active role in community health to improve outcomes and equity"*
- Proactively prepare for change (e.g., CalAIM)
  - *"I am optimistic for leadership changes and going forward, we are looking for CenCal Health to be strategic partners who will be proactive, engaged and creative in their approach to addressing challenges."*
  - *"It is important for CenCal Health to re-establish itself as a leader and teacher in the local community."*
- Educate stakeholders
  - *"Overall, CenCal Health has performed well, including accessibility, willingness to assist providers with new initiatives, and openness to resolving challenges. I think we have a new opportunity to really partner better with CenCal from both sides."*
- Retain the local model
  - *"I have been a real believer in this model for a long time. I think we have always been grateful to have the local authority to have a plan like this."*

##### **Year one transformation:**

- Community partners welcome CenCal Health's increased engagement, including through the CalAIM Community Steering Committee and DHCS Listening Tour.
- CenCal Health's focus on organizing for impact and effectiveness is transforming the internal environment, with a substantial number of new capabilities being developed.
- Competition for talent is considerable, with a flexible working environment being a competitive advantage, and recruitment for talent being key to achieving our goals.
- CenCal Health's financial position remains strong; however, member redetermination is in process and efforts will need to continue to ensure members retain their insurance.
- Building a new product line, like DSNP (Medicare), will require significant investment and dedicated focus, resources, and support.
- It required considerable time and effort to develop community supports services (10 of 14 in 2024), substantial support for providers and time to build capacity.

**July Retreat – Reflections for the future from Board Members:**

- Continue building cooperative partnerships and convening role
  - *"CenCal Health can invest to support workforce issues" "Don't forget provider base"*
- Shape policy, lead advocacy and planning, and support local needs
  - *"With our propensity to be regional, need to be attentive to local"*
- Communication is the foundation
  - *"You've opened the doors of trust and participation. Next year is critical"*
- Ensure we are an effective, proactive and accountable organization
  - *"The Board is kept apprised of progress and performance"*
  - *"Emphasize quality"*
- Support transformation and multiple health related priorities
  - *"Health system strengthening" "How to do it all?" "Healthcare is not slowing down"*

**Priority 2024 Working Strategies:**

- Enhance local community engagement
- Solicit customer voice to improve experience
- Partner with providers on targeted quality improvements
- Invest in capacity to strengthen health system

**Key Takeaways:**

- CenCal Health's leadership team is strategic, purposeful and engaged in what the future holds.
- The 3-year strategic plan is being executed with intention, staff have solicited feedback and will develop outcome measures for review and adoption.
- Considerable progress has been made with 10 working strategies (of 30) complete in year one.
- We considered what is needed to foster a culture that supports our people and enables our performance.



- Development of 2024 working strategies is complete to support planning for next year

6. Present Performance Division

6.1 Consider Adopting 2024 Salary Structure and CalPERS Resolution

**Mr. Morris** gave a detailed PowerPoint presentation. Following are the highlights of the presentation:

**Objectives:**

- Review organizational growth to meet business needs over the past 18 months
- Update on the effort to drive down vacancy to enable the organization
- Orient to staff turnover trends as a key indicator of employee experience
- Consider adoption of the 2023 compensation study and associated CalPERS Resolution
- Evaluate organizational effectiveness through strategic and operational performance

**Organizational Growth** to meet business needs

- Effective organizations continuously adapt to their environment
- In 2022 staff established an effort to *align organizational structure with business need* to enhance readiness for the future

**Driving down vacancy** to enable the organization

- January 2023 vacancy was at 13.3%
- Highest in February at 22.3%
- On track to meet goal of 9% at end of December 2023

**Staff turnover** is a key indicator of employee experience

- Turnover at roughly one-third industry average
- Stable at 11.5% annualized, 11.1% rolling 12 months

**Compensation Study**

- Thoughtful and competitive compensation philosophy and approach
- Third-party consultancy provides market-based compensation guidance
- Board adopts compensation ranges and budget as a public agency
- Analysis Type: 2023 = Grade Update; 2024= Full Study
- Compensation Range Adjustment:
  - Recommended for 2023 = 5.0% Adopted = 5.0%
  - Recommended for 2024 = 3.6% Decision Today
- Compensation Budget Adjustment:
  - Recommended for 2023 = 6.2% - 7.9% Adopted 5.0%
  - Recommended for 2024 = 5.0% Decision January

**Strategic Effectiveness**

- Approximately 1/3 of Working Strategies complete
- Another 1/3 of Working Strategies planned for 2024

- Strategically on track

**Operational Effectiveness**

- Now comprehensively measurable and visible through the Executive View Dashboard
- Top-line improvement over the past three quarters, from 94.6% of target in Q422 to 96.7% of target through Q223
- Operationally on track

**Recommendation**

- Staff recommend adopting the third-party consultant recommendation to increase staff compensation ranges 3.6%, effective January 1, 2024.

**Next Steps**

- Share outcomes from the 2023 Employee Experience survey with your Board in Q1 2024.
- Prepare a compensation recommendation as part of the CY2024 budget for Board consideration in January 2024.

**ACTION: On motion of Ms. Andersen and seconded by Mr. Herlinger, the Board of Directors Adopted the 2024 Salary Structure and Adopted CalPERS Resolution without objection.**

**Discussion:**

**Ms. Andersen** asked what the budgeted amount for 2024 would be.

**Mr. Morris** stated that it would be 3.6%.

7. Present Medicare Program Report and Consider Approving Development of Dual Special Needs Program (DSNP) in 2026

**Ms. Owen, Ms. Turetsky and Mr. Engelhard (HMA)** gave a detailed PowerPoint presentation. These are the highlights of the presentation:

**D-SNP Overview**

- CalAIM System Transformation: Coordinated, Person-Centered Care
- Integrated Health Plan Services: One Plan for Medi-Cal and Medicare
- 2026 D-SNP for Dual Eligible CenCal Health Members

**Objectives**

- Summarize the opportunity to offer a D-SNP.
- Detail CenCal Health's two-year implementation plan and immediate next step activities.
- Request approval from the Board to develop a D-SNP in Santa Barbara and San Luis Obispo Counties.

**Background**

- Dual-eligible members are among the most vulnerable, and the most likely to be impacted by fragmented services.
- Local Medi-Cal Plans currently serve dual-eligible members; most plans only provide the Medi-Cal portion of coverage.

- CenCal Health's Strategic Plan includes *expanding our role and reach* in alignment with the goals of CalAIM, inclusive of improved integration of health care services.

#### **Benefits to Members: Care Coordination and Navigation**

- Exclusively Aligned Enrollment (EAE): only members receiving Medi-Cal through CenCal Health will also be eligible for D-SNP; provides unique opportunity for care coordination for our most complex members
- 23,000 residents eligible for Medicare in Santa Barbara and San Luis Obispo; 88% receiving FFS Medicare
- 1,700 Members age-in to Medicare eligibility annually
- Opportunity to positively impact the lives of thousands of existing CenCal Health Members

#### **D-SNP Planning**

- **Planned:** RFP for implementation consulting vendor; selected Health Management Associates
- **Developed:** Developed D-SNP Program Structure and multi-year Roadmap from 2023 through 2026
- **Initiated:** Launched D-SNP Steering Committee and foundational planning work, including operating model, network strategy, and regulatory licensing

#### **Implementation Timeline**

- Activities began in 2023 and the Go-live and post implementation performance monitoring will begin January 2026.

#### **Financial Considerations**

- Estimated startup investment is \$17 million.
- Estimated multi-year initial loss of approximately \$20 million.
- Full commitment to these investments is needed to ensure success, even if CenCal Health experiences financially challenging times.
- Forecasts indicate CenCal Health's tangible net equity will remain above regulatory requirements.
- Success in the program can improve CenCal Health's long term financial sustainability.
- Minimum enrollment target = 1,700 at go-live. Greater enrollment improves feasibility forecast. Grow enrollment each year.
- 15% - 18% or greater Medical Management savings off the Medicare fee-for-service benchmark.
- Average 1.9% or greater risk adjustment improvement each year.
- Achieve and Maintain at least a 4.0-Star rating in 2029 and thereafter.
- Network contracting 100% - 101% Medicare.

#### **Board Engagement**

- Decision points related to development of a D-SNP; D-SNP resourcing; contracting with selected vendors; application submission to CMS and bid submission.
- Informational items related to model of care and medical management; quality and STARS; financial management and risk adjustment; marketing and

sales; network and provider engagement; compliance activities; and behavioral health.

**Recommendation**

- Staff request that the Board consider and approve the development of a D-SNP to serve Medicare and Medi-Cal dually eligible members in Santa Barbara and San Luis Obispo Counties.
- Further, staff request approval and adoption of the draft D-SNP Board Engagement Schedule.

**Discussion:**

**Dr. Bravo** commended staff on their excellent and thorough presentation.

**ACTION: On motion of Dr. Bentley and seconded by Ms. Macdonald, the Board of Directors Approved Development of Dual Special Needs Program (DSNP) in 2026 in Santa Barbara and San Luis Obispo counties without objection.**

8. Items for Immediate Action

Items for which the need to take immediate action arose subsequent to the posting of the agenda (requires determination of this fact by vote of two-thirds of the Directors present or, if fewer than nine Directors are present, unanimous vote)

As there was no further business to come before the Board, Dr. Bravo adjourned the meeting at 8:10 pm.

Respectfully submitted,

***Paula M. Michal***

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Paula Marie Bottiani, Clerk of the Board



## CEO Executive Summary

**Date:** January 17<sup>th</sup>, 2024

**To:** CenCal Health Board of Directors

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

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### **Governor Newsom Releases FY14-15 State Budget**

On January 10<sup>th</sup>, Governor Newsom released his 2024-2025 Proposed State Budget. The overall \$291.5 billion budget proposal includes \$208.7 billion in General Fund spending while also addressing a \$37.9 billion budget shortfall for this fiscal year. Notably, the Administration's projected budget shortfall is substantially smaller than the California Legislative Analyst's Office's (LAO) projected \$68 billion shortfall.

While acknowledging the state's budget situation, the Governor has continued to maintain investments in homelessness, housing, and healthcare. Of note, funding for initiatives like CalAIM, undocumented Medi-Cal expansion, and the MCO Tax were supported, and the Governor's budget did not materially impact Medi-Cal Managed Care or CenCal Health. To address the existing budget shortfall, the Governor is proposing withdrawing approximately \$13 billion from the state's Budget Stabilization Accounts, coupled with \$8.5 billion in spending reductions, \$5.7 billion borrowing, \$5.1 billion in delays, \$3.4 billion in fund shifts, \$2.1 deferrals to close budget gap.

Additionally, the Governor also acknowledged that he is working with the Legislature on what to do with the impending implementation of [SB 525 \(Durazo\)](#), which enacts a phased-in, multi-tiered statewide minimum wage schedule for health care workers employed by covered health facilities. The Governor stated that there are some potential adjustments needed with the bill, and that proposed language is forthcoming. The language is expected to add "triggers" into the law which could make increases contingent on a healthy General Fund.

For additional information, please see the [Administrative and Government Affairs Reports](#), and State Legislative Report, provided by Michael Harris, Administrative and Government Affairs Officer, and Public Policy Advocates (PPA).

### **Strategic Engagement and Public Relations: CenCal Health 40<sup>th</sup> Anniversary**

On December 6<sup>th</sup>, CenCal Health welcomed our Board of Directors, health professionals and local leaders in Santa Barbara and San Luis Obispo counties to commemorate four decades of strengthening the region's health system. Held at the Hilton Santa Barbara, the event recognized the collective impact of those who have worked to provide exceptional care for Medi-Cal members over CenCal Health's 40-year history. Our appreciation to Mark Lisa, Supervisor Hartmann, and Dr. René Bravo for

speaking at this event and supporting our program. An award ceremony recognized over 30 champions in healthcare and public advocacy, including dedicated service awards to primary care physicians, specialists, hospitalists, and community partners. On December 8<sup>th</sup>, CenCal Health held an end of the year holiday luncheon and celebrated with over 200 team members. Over 60 team members were recognized and given service awards for 5-, 10-, 15-, and 20-years' service to the mission.

A post-event Press Release can be found on CenCal Health's website in the Press Center and distribution resulted in pick-up in 144 online and mobile media outlets or newsletters including the *Associated Press*, *Apple News*, *Bloomberg*, *Santa Maria Times*, *Paso Robles Daily News*, the *Central California Medical Association Pulse* and *Local Health Plans of California Monthly Newsletter*. Additional detail and community engagement activities can be found in the *Strategic Engagement Report* provided by Citlaly Santos, Strategic Engagement Director.

### **Medi-Cal Expansion to All Adults**

On January 1<sup>st</sup>, CenCal Health's aggregate membership was 241,242, which is an increase from 14,164 from December 2023. As your Board is aware, California expanded Medi-Cal eligibility to all adults, regardless of documentation status, which resulted in the addition of 15,775 Adult Expansion Members primarily in Santa Barbara County. CenCal Health's call volume over the past two weeks into Member Services surged, with new member's selecting their Primary Care Provider and verifying eligibility and benefits. New enrollment far exceeded CenCal Health estimates and Member Services Representatives are fielding exceptionally high call volume, in some days receiving over 1,000 calls. Meanwhile, since the reinstatement of annual Medi-Cal renewals, CenCal Health has experienced a membership decrease of approximately 8,500 from June through December 2023, which is lower than projection, with County Department of Social Services working diligently on redeterminations.

Additional information can be found in the *Customer Experience Division Report*, provided by Van Do-Reynoso, PHD, MPH, Chief Customer Experience and Health Equity Officer.

### **Expansion of Community Support Services and Enhanced Care Management**

Beginning January 1, 2024, CenCal Health began providing 4 new community supports to members, including short *Term Post Hospitalization*, *Personnel Care and Homemaker Services*, *Respite Services* and *Day Habilitation Services*. Community Supports authorization requests were processed within a 5-day timeframe, maintaining a consistent 100% compliance rate in December. During December 2023, the most frequently requested CS services included *Housing Transition Navigation Services*, *Housing Tenancy and Sustaining Services*, and *Sobering Centers*.

With this implementation, CenCal Health is now offering ten (10) of the fourteen (14) Community Supports available for health plans to elect. Also beginning January 1, 2024, CenCal Health began providing Enhanced Care Management Services (ECM) tailored for the Justice-Involved and Birth Equity populations of focus, in alignment with California's Advancing and Innovative Medical Initiative (CalAIM). Comprehensive information on ECM, the referral process, and instructions on how to contact ECM providers have been provided to our providers and community partners.

A presentation on these new initiatives will be provided to your Board at its January 2024 Regular Meeting. At this time, CenCal Health will ask the Board of Directors to consider approving the expansion of Community Supports on July 1, 2024, to offer all fourteen (14) Community Supports, thus supporting community partners with available funding for all state-approved services and fulfilling state expectations for growth.

Additional information can be found in the [Health Services Division Report](#), and [CalAIM Implementation Report](#), provided by Chris Hill, RN, MBA, Health Services Officer, Jordan Turetsky, MPH, Chief Operating Officer, and Jennifer Fraser, PMP, Program Manager, CalAIM Program.

# Strategic Engagement Department (SED) Supplemental Report December Look-Back



Date: January 10, 2024

From: Citlaly Santos, Strategic Engagement Director

Through: Michael Harris, Government Affairs & Administrative Officer

## PUBLIC RELATIONS

### Earned A YXJU! (\$h '5bbj YfgUfm7 Y`YVfUjcb/ More

CenCal Health's Strategic Engagement Department produced and distributed three press releases in the month of December:

- CenCal Health Commemorates 40 Years of Quality Care in Santa Barbara County, 15 years in SLO County
- Central Coast Primary Care Providers Recognized, Rewarded for Quality of Care
- Community Service Organizations Receive Over \$530,000 in Funding from Local Health Plan on Central Coast

*BchY. '5`dFYggfY YUgYgWub`VY`j JYk YX`cb`jY`Uhk k k "WbWU`YU`h`cfl`#bYk g*

A BusinessWire distribution of the 40th Anniversary press release resulted in 3,078 views and pick-up by 144 online/mobile media outlets including the *5ggcWJUH`X`DfYgg MU`cc`:`jUbWU, 6cca VYf[ , 5dd`Y`BYk g A cfb`b[ gUf,* and *GUbHU`A`UfjU`Hja`Yg*. Additional media mentions for the anniversary event included *PUG`F`cV`Yg8U`mBYk g* the Central Coast Medical Association's (CCMA) e-newsletter *H`Y`Di`gY,* and Local Health Plans of California's online and email newsletters.

*DUWJW7`cUg`i6i`gjbYgg`Hja`Yg* included Doctors Without Walls - Santa Barbara Street Medicine Executive Director Maggie Sanchez as one of its 2023 Who's Who in Nonprofits and Foundations. CenCal Health CEO Marina Owen nominated Ms. Sanchez for this recognition rendered in the journal's annual special report. The same issue featured a column item on CenCal Health's 40th anniversary Partner Awards celebration.

CenCal Health's Quality Award press release – distributed at the end of December – was featured in three local media outlets: *9X<Uh`Bccn`Uk`\_`and`Bcbd`fc`Z`hFYg`i`fW`BYk`c`f`\_`.* The press release highlighted the Certificate of Achievement provided to CenCal Health by the California Department of Health Care Services for notable advancements in various quality and health equity strategies.

The Community Service Organizations press release, which focuses on the grant and sponsorship funds committed by CenCal Health in 2023, was also published toward the end of December. Earned media is expected throughout January.



## PUBLIC RELATIONS (cont.)

### Clippings Samples

Of the media coverage earned in December, below are three notable samples.



**1**  
**12/25/23**  
**Edhat**  
 Central Coast Primary  
 Care Providers  
 Recognized, Rewarded  
 for Quality of Care



**2**  
**12/15/23**  
**Pacific Coast Business Times**  
 CenCal Health celebrates  
 40th Anniversary



**3**  
**12/12/23**  
**Local Health Plans of California newsletter**  
 CenCal Health celebrates 40th  
 Anniversary

### Earned Media Coverage Report

December 2023		
Date	Publication	Headline
12/25/23	Edhat	Central Coast Primary Care Providers Recognized, Rewarded for Quality of Care
12/23/23	Paso Robles Daily News	Local hospitals receive award for providing care to Medi-Cal members
12/21/23	Noozhawk	Central Coast Primary Care Providers Recognized, Rewarded for Quality of Care
12/20/23	NonProfit Resource Network	Central Coast Primary Care Providers Recognized, Rewarded for Quality of Care
12/15/23	Pacific Coast Business Times	CenCal Health celebrates 40th anniversary
12/14/23	The Pulse, CCMA e-newsletter	CCMA Honored with CenCal Health's Innovation Award
12/14/23	The Pulse, CCMA e-newsletter	CenCal Health Presents Partners Awards to Physicians, Community Partners...
12/13/23	NonProfit Resource Network	CenCal Health Commemorates 40 Years of Quality Care...
12/12/23	Local Health Plans of California e-news	CenCal Health celebrates 40th anniversary
12/11/23	Local Health Plans of California e-news	CenCal Health celebrates 40th anniversary
12/7/23	Pacific Coast Business Times	CenCal Health celebrates 40th anniversary
12/7/23	*Business Wire	CenCal Health celebrates 40th anniversary

\*Note: Business Wire distribution resulted in pick-up by 144 additional media outlets.

## SOCIAL MEDIA

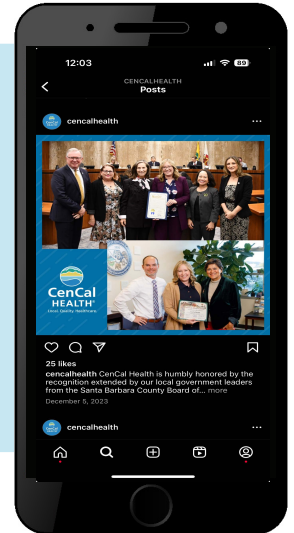


### CenCal Health's Anniversary Celebration

Two social media posts sharing images following our December 6th anniversary celebration received significant engagement through Facebook, Instagram, and LinkedIn, including comments, shares, and "likes." Thank you to all our partners who came together and joined us to commemorate this momentous occasion. It was a wonderful opportunity to celebrate our collective impact.

### Recognition from our counties' Board of Supervisors

The days leading up to our 40th anniversary celebration were also marked by momentous occasions for the health plan, with recognitions rendered by the Santa Barbara County Board of Supervisors and the San Luis Obispo County Board of Supervisors. Our CEO Marina Owen accepted both awards in person and thanked our local government leaders for their steadfast leadership and dedication throughout the years.



## COMMUNITY ENGAGEMENT

### Sponsorship & Donation Program Report

Through community engagement, outreach, and investment - drawing upon sponsorship and grant funding, SED aims to support CenCal Health's Strategic Plan priority of cultivating community partnerships.

In December, CenCal Health committed sponsorship funds to the following organizations and events:

Event Date	Organization	Event
2/22/24	The Chelsey Initiative	Do you have M.E.?
2/7/24	Planned Parenthood California Central Coast	SLO Together
2/3/24	Friendship Center Adult Day Services	Festival of Hearts

## **Performance Division Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Chris Morris, MSOD, Chief Performance Officer

**Contributors:** Andrew Hansen, MBA, Operational Excellence Director  
Joanna Hayes, Human Resources Director

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

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### **Executive Summary**

The following report provides updates surrounding the development and execution of Performance Division functions where applicable, including talent acquisition, employee experience, process management, and strategic development.

### **Human Resources**

#### *Talent Acquisition and Retention Update*

As a result of Board approval of new FTE through the CY23 budget, total staff vacancy rate peaked at 22.3% in January 2023. Recruiting capacity was subsequently increased and the vacancy rate is now 4.9%, exceeding staff's goal of 9.0%. There are no new incoming senior leadership team members or recruitments to report at this time.

All cause turnover remains healthy at a 12-month rolling average of 10.7%, greater than two-points below the CY22 average, and approximately 23 points below the industry average (Bureau of Labor Statistics). CenCal Health is committed to remaining an employer of choice for mission-driven professionals, through a thoughtful and competitive hybrid workforce strategy that meets the needs of our members, providers and community partners, and supports the collaboration and belonging.

#### *Employee Experience*

Staff conducted a successful annual employee engagement survey which concluded in December 2023, with preliminary results as follows:

- Response. We are pleased to have achieved a 65% participation rate. This is considered a good response rate relative to industry benchmarks, with anything above 70% considered excellent.
- Results. Key summary results relative to our last employee engagement survey in 2017 are as follows:
  - Overall engagement improved 10% over 2017, at 81%. This means 81% of team members selected agree/strongly agree with the five (5) engagement related questions.

- Overall satisfaction improved 15% over 2017, at 84%. This means 84% of team members selected agree/strongly agree with the four (4) satisfaction related questions.
- As we plan for 2024, top organization-wide opportunities for improvement include cross-departmental communication, employee growth and development, and workload. The first two opportunities are nicely aligned with ongoing and planned efforts. Additionally, given the significant reduction in staff vacancy outlined above, workload perceptions are expected to improve and will be monitored as we progress in 2024.

Communication and action planning is underway. The Senior Leadership Team has been oriented to these preliminary results and their department specific details. Insights from the engagement survey are informing each directors' departmental assessment, where departmental level action planning responsive to engagement survey feedback will be identified. Further, these summary results have been shared with all staff, who will additionally be engaged through employee Town Hall activities to ensure staff perspective and input informs action planning in 2024. Additional detail will be shared with your Board for awareness following these action planning activities.

### **Operational Excellence Update**

#### *Organizational Dashboard*

Compilation of the Q423 Organizational Dashboard is currently underway, and the Q423 Organizational Dashboard will be shared for your Board's review in March 2024.

#### *2024 Strategy Execution Planning*

Annual tactical planning has produced a *2024 Operating Plan* (enclosed) comprised of *strategic* organizational tactics responsive to our Strategic Priorities, Objectives and Working Strategies in 2024, as well as *required* organizational tactics necessary to maintain operations and/or meet external requirements. Staff is currently engaged in achievability assessment to align resource needs and execution timing. The *2024 Operating Plan* currently includes forty-five (45) tactics, with select highlights as follows:

- 37 tactics (82%) are responsive to the Strategic Plan and 8 tactics are necessary to maintain the organization
- 11 tactics (24.4%) are new in 2024 and 24 are carrying over from 2023

The *2024 Operating Plan* will be updated and shared with your Board routinely in 2024 to provide visibility into the progress of execution.

#### *2023 Operating Plan Update*

The 2023 Operating Plan is comprised of forty-eight (48) tactics. As of mid-December 2023, eight (8) tactics have completed, two (2) have been deferred to begin after 2023, and the remaining thirty-eight (38) are active. Of the active tactics, progress is as

follows: 10 (26%) are between 0-25% complete, 4 (11%) are between 25-50% complete, 10 (26%) are between 50-75% complete, and 14 (37%) are between 75-100%. Additionally, 90% (n=34) of active tactics are in good health, and four (4) are at-risk of becoming off-track with planned mitigations as follow:

- Ensure Equitable Provision of Preventive Services – This tactic is intended to reduce health disparities in our populations through educating and engaging providers to ensure preventive services are being uniformly and equitably addressed. There are new measures identified within Department of Health Care Services (DHCS) Managed Care Accountability Set (MCAS) that must meet minimum thresholds and are currently below standard.
- Student Behavioral Health Incentive Program – This tactic is intended to develop new Medi-Cal programs and benefits by increasing access to preventive, early intervention and behavioral health services by school-affiliated behavioral health providers for transitional kindergarten – grade 12 children in public schools. A few Local Educational Agencies (LEAs) are behind or at risk of becoming behind on deliverables. The project team is providing additional support and clarification to LEAs to ensure awareness.
- Develop Future of Work Strategy – This tactic is intended to maintain operations by evaluating best practices and adopting a strategy for a hybrid workforce, including technology, process and cultural practices that support a collaborative and high performing organization. The originally planned schedule was to complete this tactic in 2023. The revised schedule now goes through Q224 which is desirable as it will allow for integration with the local presence related tactical work newly defined on the 2024 Operating Plan.
- Develop Comprehensive Payment Integrity Program – This tactic is intended to ensure financial performance to support sustainability through a robust Payment Integrity Program that validates claims are paid by the appropriate party, coded properly, and free of potential fraud, waste and/or abuse. The work to finish a request for proposal (RFP) for a software vendor necessary to enable a robust program is behind schedule. Support from the CenCal Health Enterprise Project Management Office (EPMO) has been deployed to assist RFP completion.

### **Next Steps**

- Share employee engagement plans following director and staff action planning activities throughout Q124.
- Share the Q423 Organizational Dashboard in March 2024.

### **Recommendation**

This material is informational with no action being requested at this time.

### **Enclosures**

1. 2023 CenCal Health Operating Plan
2. 2024 CenCal Health Operating Plan



# 2023 Operating Plan

December 2023



**Mission**

To improve the health and well-being of the communities we serve by providing access to high quality health services, along with education and outreach, for our membership

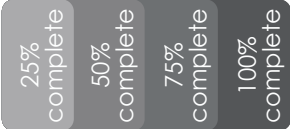
**Vision**

To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together

Advance the Organization

Maintain the Organization

Progress Legend



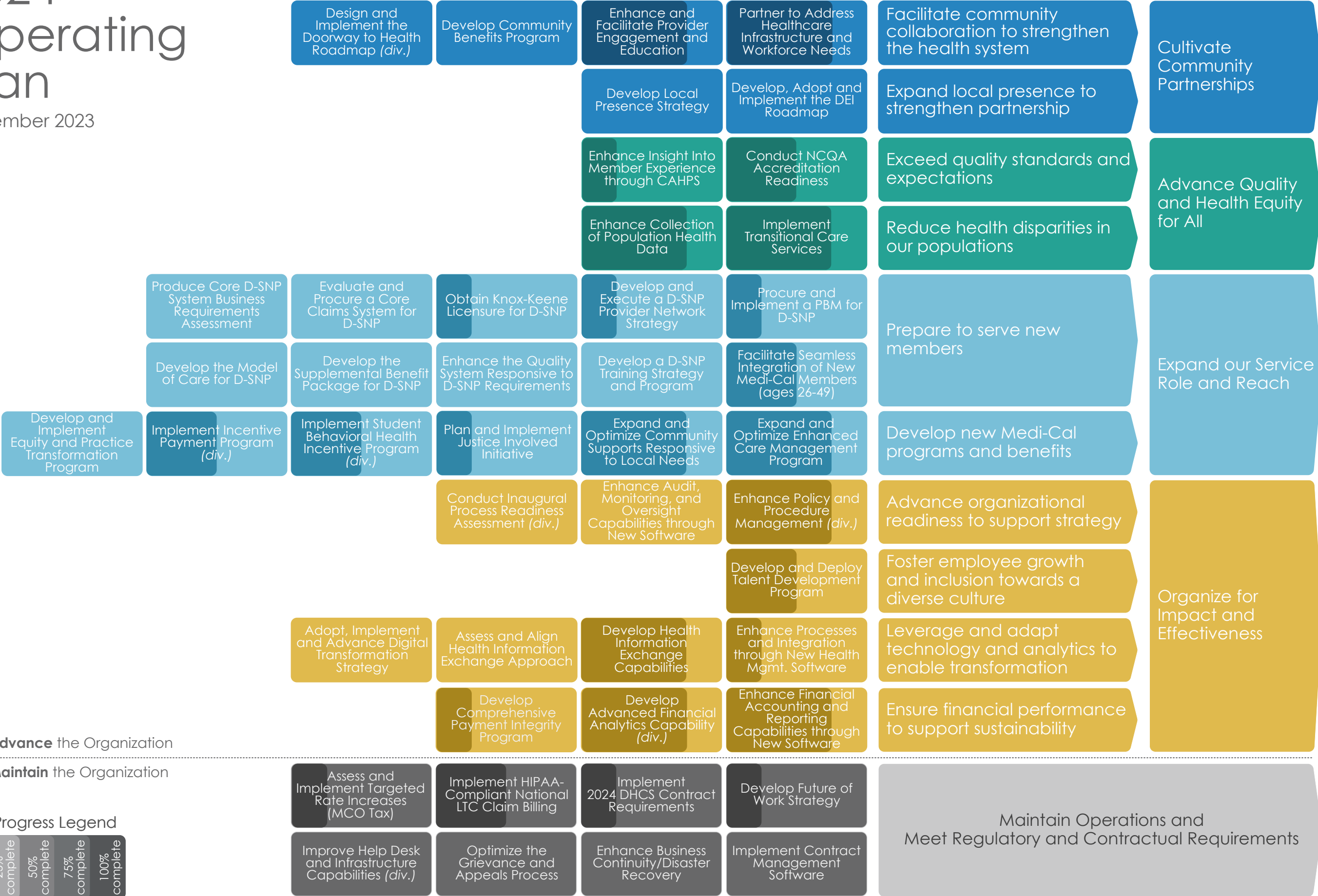
# 2024 Operating Plan

December 2023

## Organizational Tactics

## Objectives

## Priorities



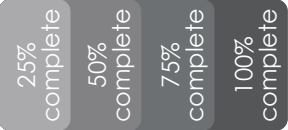
Mission

To improve the health and well-being of the communities we serve by providing access to high quality health services, along with education and outreach, for our membership

Vision

To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together

### Progress Legend



## **Health Services Division Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Christopher Hill, RN, MBA, Health Services Officer

**Contributors:** Sue Fischer RN, MA, Director medical Management  
Jeff Januska, PharmD, Director of Pharmacy Services  
Seleste Bowers, DHA, LCSW, Director of Behavioral Health  
Blanca Zuniga, Associate Director, Care Management  
Ana Stenersen, RN, Associate Director, Utilization Management

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

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### **Medical Management**

The prior authorization turnaround times have met or exceeded the 95% threshold for the month of December. Health Services will continue to actively monitor and evaluate processes to ensure compliance is met. Ongoing education with providers on the appropriate criteria for urgent referrals continues.

During the month of December, Health Services continued to work on readiness for of the Transitional Care Services (TCS) program aligning with contracted hospitals in the discharge management and post-discharge services for our members. In addition, automatic written notification to our members upon approval of authorization requests was implemented. Both programs were launched on January 1, 2024.

### **Enhanced Care Management**

In December, authorization requests for the Enhanced Care Management services were processed within the 5-day timeframe, maintaining a consistent 100% compliance rate for pre services authorization request.

Beginning January 1, 2024, CenCal Health will provide Enhanced Care Management Services (ECM) tailored for the Justice-Involved and Birth Equity populations of focus, in alignment with California's Advancing and Innovative Medical Initiative (CalAIM). Comprehensive information on ECM, the referral process, and instructions on how to contact ECM providers have been provided to our providers and community partners.

### **Community Supports**

Beginning January 1, 2024, CenCal Health will provide 4 new community supports to our members, including short *Term Post Hospitalization, Personnel Care and Homemaker Services, Respite Services and Day Habilitation Services*. Community Supports authorization requests were processed within a 5-day timeframe, maintaining a consistent 100% compliance rate in December.



During December, the most frequently requested CS services included Housing Transition Navigation Services, Housing Tenancy and Sustaining Services, and Sobering Centers. Please see the CalAIM implementation Memo for further detail.

### **Behavioral Health**

Prior authorization continues to maintain at 100% compliance for post-service and 98% pre-service authorizations in December. Care Coordination teams are showing 73% (County Care Coordination), 92% (Navigator Care Coordination) and 100% (Call Center). 12% of adult level of care screenings, indicated that the member would benefit from county level services. Additionally, 20% of pediatric/youth level of care screenings, indicated that the member would benefit from county level services.

The call center is compliant with their performance of average speed to answer, abandonment rate, and calls waiting. The department continues to work closely with both counties to support care coordination and continues weekly referral meetings to support member care. The Memorandum of Understanding (MOU) process between CenCal Health and county agencies is in process and being led by the Administrative Services department.

### **Pharmacy**

Eleven months through the calendar year 2023 the physician administered drugs (PADs) authorization volume continues the upward trend experienced throughout 2022 and has experienced a double-digit growth since November 2022. Greater than half of the activity volume continues to come from the oncology space as a combination of chemo-therapeutic and chemo-supportive followed by the immunology space and we continue to follow this closely and support our determination through like-specialty match review when appropriate. Our biosimilar preferred benefit design across several oncology products and immunology now represents an ~75% market share. All cases were processed within regulatory time standards.

### **Recommendation**

This material is informational with no action being requested at this time.

## Quality Report

**Date:** January 17<sup>th</sup>, 2024

**From:** Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer  
Carlos Hernandez, Quality & Population Health Officer

**Contributors:** Chelsee Elliott, Quality Measurement Supervisor

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

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### **Executive Summary**

This report provides an overview of a process implemented in 2023 to fulfill Department of Health Care Services (DHCS) requirements to systematically risk stratify health plan membership according to individual member need for case management. This industry-standard managed care practice, Risk Scoring & Stratification (RSS), has long been required by DHCS for Medi-Cal Seniors & Persons with Disability. However, the DHCS requirement's applicability was broadened beginning in 2023 to include all members. *In December 2023, an important milestone was fulfilled, to complete a required statistical evaluation of CenCal Health's RSS Algorithm. This evaluation marked the completion of CenCal Health's 1<sup>st</sup> year lifecycle of its RSS system.*

To address the expanded DHCS RSS requirement, CenCal Health implemented its new RSS system in January 2023. It is automated and executed monthly to compute an estimated RSS Risk Tier for every CenCal Health member. The RSS Risk Tier approximates each member's unique health risk. The Risk Tier is the product of claims-based diagnostic and reported medical events, and other non-utilization-based administrative data. Each month, the computed RSS Risk Tiers are used to stratify all members into Low, Medium, or High-Risk groups. Members with an estimated High-Risk Tier are supported by CenCal Health's Case Management team that initiates one-on-one, personalized, and coordinated support. All members, including members with lower levels of estimated risk, receive Basic Population Health Management.

At least annually Medi-Cal Managed Care plans, and those that are NCQA accredited, must assess their RSS Algorithm to evaluate and detect potential biases, including those associated with race and ethnicity. CenCal Health's comprehensive bias analysis was completed in December, and it was evaluated and approved by your Board's appointed Quality Improvement Health Equity Committee (QIHEC).

### **Background**

DHCS and NCQA require an analysis for potential RSS algorithmic bias at least annually. The results of the statistical analysis must be used to refine the risk scoring of the RSS Algorithm to more accurately estimate the actual health risk associated with members.

This process of fine-tuning the RSS Algorithm is an industry best practice to continually refine health plan RSS processes.

CenCal Health's bias analysis was based upon data segmented by age group, gender, racial/ethnic category, or housed status. For each member grouping, RSS Risk Tier outcomes were compared to Case Management (CM) validated Risk Tiers. The RSS Computed Risk Tier is the product of claims and other non-utilization administrative data available to CenCal Health. The CM Validated Risk Tier is the result of a person-to-person interaction between the member and CenCal Health's CM staff. Statistically, the observed differences between the RSS calculated Risk Tiers and CM validated Risk Tiers were measured to identify any potential RSS algorithmic bias. Measured differences that were "Statistically Significant", "Very Statistically Significant", or "Extremely Statistically Significant", require RSS Algorithm fine-tuning at least annually to improve the accuracy of Risk Tier estimates.

Statistical tests and findings from CenCal Health's initial RSS Bias Analysis completed in August 2023 revealed that the RSS Algorithm *overestimated* risk for some segments of membership. Select RSS conditions associated with the identified subpopulations were adjusted to lower the risk points used for the Risk Tier estimates.

Statistical tests performed in November 2023 revealed that while some biases were corrected by the fine-tuning completed in August, other biases were revealed that *underestimated* calculated Risk Tier outcomes. Therefore, the RSS Algorithm risk points were increased for conditions that corresponded to subpopulations associated with the remaining biases of statistical significance.

In December, the QIHEC evaluated the RSS Bias Analysis and approved the adjustments recommended by CenCal Health's Quality Measurement and CM staff.

### **Next Steps**

In mid-2024, the annual RSS bias analysis will be performed when regularly scheduled to fine tune CenCal Health's RSS Algorithm and fulfill DHCS requirements and NCQA standards. The same statistical tests used for the 2023 analysis will be applied to each subpopulation to measure differences between the RSS calculated Risk Tier and the CM validated Risk Tier. Risk score adjustments for select measures will be performed as they were in 2023 to minimize any statistically significant algorithmic biases.

### **Recommendation**

This Quality Division Report is presented for your Board's acceptance.

## **Administration Division Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Michael Harris, Government Affairs and Administrative Officer

**Contributors:** Citlaly Santos, Strategic Engagement Director  
Kaleb Madrid, Administrative Services Director

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

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### **Executive Summary**

The Administrative Report includes key updates on Strategic Engagement, Government Affairs and Administrative Services, including a information on Governor Newsom's Budget released on January 10<sup>th</sup>, 2024.

#### *40<sup>th</sup> Anniversary Celebration*

As our Board of Directors is aware, last month, with the support and participation of close to 140 healthcare partners and local leaders from Santa Barbara and San Luis Obispo counties and beyond, CenCal Health hosted a community celebration to mark its 40<sup>th</sup> anniversary in Santa Barbara County and 15<sup>th</sup> year in San Luis Obispo County. A post-event press release was distributed through the Business Wire, which has rendered over 3,000 views and was picked up by 144 online/mobile media outlets. In addition, CenCal Health earned seven other positive media mentions through our established/traditional distribution process. With the assistance of Supervisors Joan Hartmann and Dawn Ortiz-Legg, CenCal Health was also honored with special recognition from the County's Boards of Supervisors.

#### *Government Affairs*

In Sacramento, California Legislatures have returned to begin a seven-month session where they and Governor Newsom have the daunting task of addressing the Legislative Analyst Office's estimate of California's \$68B budget deficit. The fiscal shortfall is expected to affect programs that support health care, housing, education, the environment, and beyond. On January 10<sup>th</sup>, 2024, Governor Newsom submitted his budget proposal to the Legislature, which begins the process of negotiations and discussions to culminate in a final budget in June. Of note, the Governor indicated that he was "less pessimistic" about the State's FY24-25 budget deficit, predicting \$38B, with minimal impacts on Medi-Cal Managed Care while remaining committed to CalAIM initiatives and the MCO Tax. Striving for more prudent spending, the California Department of Finance (DOF) has directed all state agencies to cease any new contracts for goods and services, purchase IT equipment, supplies, or fleet vehicles, cancel travel plans, and delay projects.

In the US Capitol, Congress returned to business on January 8<sup>th</sup> with little time to agree on a spending measure to avoid another government shutdown. Congress has until January 19<sup>th</sup> and February 2<sup>nd</sup> to agree on a handful of spending bills to fund the government. Most federal agencies, including the US Department of Health and Human Services, are funded through February 2<sup>nd</sup> under the continuing resolution (CR).

Before adjourning for the holidays, in Washington, the House passed a significant health package. The Lower Costs, More Transparency Act aims to improve price transparency and reduce costs for patients and employers by requiring hospitals, ambulatory surgery centers, labs, imaging service providers, and pharmacy benefit managers contracting with Medicaid plans, to meet new price transparency requirements, among several other provisions. It would also extend funding for the federally qualified health centers and other expiring health programs.

The Biden-Harris Administration announced a revived “All Hands on Deck” approach to complete the Medicaid redetermination process. To keep eligible Medicaid and CHIP beneficiaries enrolled during the redetermination process, it is expected that all states across the country will continue to face scrutiny from the federal government. As the legislature reconvenes, and with 2024 being an election year, campaigning will also be top of mind for California lawmakers. All 80 Assembly and half the 40 Senate seats are on the ballot.

### *Administrative Services*

The Administrative Services has developed an operational initiative to centralize all non-provider procurement and services under the newly established Procurement and Contracts Unit with the department. While this initiative is anticipated to significantly improve operational effectiveness and efficiency throughout the organization, as CenCal Health contracts with over 500 non-medical vendors. Maturing into an organized and efficient system and Program is clearly indicated.

In line with this strategic direction, CenCal Health hired Sebastian Salcedo as the inaugural Manager of Procurement and Administrative Contracting, reporting to Kaleb Madrid. Mr. Salcedo began his role on January 3, 2024, and brings a wealth of expertise to this position. In tandem with these developments, Administrative Services is progressing with an upgrade to our contract management software system, which is on track for completion by the end of the second quarter of 2024.

## **Governor’s Proposed 2024-25 Fiscal Year Budget**

### *Budget Overview*

On January 10<sup>th</sup>, Governor Newsom submitted his \$291 billion proposed FY 2024-25 budget (2023-24 FY budget was \$310.8 billion). The “Governor’s Proposed Budget” now goes to the legislature where it will be reviewed, debated and the legislature will attempt to influence the governor’s his proposal. This proposed budget, and its

subsequent debate, then culminate in May. The “May Revise” initiates the final steps in the legislature’s review and submission back to the governor for the fiscal year budget.

With a multi-billion budget deficit, the governor and the legislature face a daunting task of having a balanced budget by June 2024 for the 2024-25 FY. Previously, the nonpartisan Legislative Analyst’s Office (LAO) projected a \$68 billion deficit for the 2024-25 fiscal year. The governor and his staff are now projecting a \$38 billion deficit. The governor’s office is assuming \$15 billion more in revenues than the LAO. This projection of additional revenues will, of course, be of some debate as the legislature looks at the proposed budget. The governor states that he is, “less pessimistic”, about revenues increasing.

In addition to the revenues projected by the governor’s office, the approach to close the deficit includes pulling billions out of reserves, reduction in some spending, deferring some spending to the UC and CSU systems and borrowing from special funds to support the tax on health providers.

#### *Medi-Cal Managed Care Impacts*

The Budget projects Medi-Cal expenditures of \$35.9 billion General Fund in 2024-25, a decrease of \$1.4 billion General Fund compared to the revised 2023-24 expenditures. The Budget reflects lower Medi-Cal expenditures of approximately \$195.6 million General Fund in 2023-24 compared to the 2023 Budget due to shifting revenues from the MCO Tax, moving some programmatic timelines of various behavioral health initiatives, offset by increases from a one-time retroactive state-only claiming repayment, and increased caseload costs.

- CalAIM Importantly for CenCal Health, the governor’s proposed budget maintains approximately \$2.4 billion (\$811.1 million General Fund) in 2024-25 to continue transforming the health care delivery system through CalAIM at DHCS.
- Undocumented Medi-Cal Coverage The governor’s budget maintains the expand full-scope Medi-Cal eligibility to income-eligible adults aged 26 to 49 regardless of immigration status that went into effect on January 1, 2024.
- MCO Tax In December 2023, the federal government approved California’s Managed Care Organization Provider Tax (MCO Tax), effective April 1, 2023, through December 31, 2026. Given the projected \$37.9 billion budget shortfall, will be asking the Legislature to request the federal government approve an amendment to increase the tax to achieve \$20.9 billion in total funding to the state, an increase of \$1.5 billion compared to the approved MCO Tax. The Budget proposes \$12.9 billion to support the Medi-Cal program and maintain a balanced budget, and \$8 billion for targeted rate increases and investments from this MCO Tax.
- Health Care Worker Salaries As your Board will recall, CenCal Health’s staff voiced strong concerns and met with local legislators’ staff regarding last year’s legislation that increased wages for health care workers. At the time, concerns existed that SB 525 would increase costs to various health providers without a corresponding increase in revenues to assist in offsetting those costs. The State of

California is a large health care provider and offsets some costs. The governor is considering cutting funding for some of the bills from last year that have increased state costs.

### **Next Steps**

The Ms. Owen, Mr. Harris and Strategic Engagement are already in conversations with CenCal Health's legislative advocates Public Policy Advocates (PPA) and are monitoring the budget as it evolves in the legislative process. Future updates will be provided by staff and tentative plans are for your Board's March meeting to receive a legislative briefing from PPA and Kathy Mossburg, the legislative advocate for the Local Health Plans of California.

### **Recommendation**

The information is informational, and no action is requested at this time.

### **Enclosures**

1. Additional information on the anniversary celebration is included in the Supplemental Report from the Strategic Engagement Department.
2. Further information on legislative matters is included in the reports provided by CenCal Health's representatives and legislative advocates:
  - a. Public Policy Advocates (*state advocate*)
  - b. Paul Beddoe (*federal advocate*).





## State Legislative Update

Date: January 17<sup>th</sup>, 2024

To: CenCal Health Board of Directors

Through: Marina Owen, Chief Executive Officer  
Michael Harris, Government Affairs and Administrative Officer  
Citlaly Santos, Director of Strategic Engagement

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On January 3, 2024, Governor Newsom and the Legislature enters the 2024 legislative session with a daunting task of addressing California's \$68 billion budget deficit. Recently, the Department of Finance (DOF) sent a budget letter to all state agencies and other statewide constitutional offices delivering the following message:

"The State of California anticipates significant General Fund budget deficits in fiscal years 2023-24 and 2024-25. Accordingly, this [Budget Letter] directs all entities under the Governor's direct executive authority to take immediate action to reduce current-year General Fund expenditures." Specifically, the DOF directed all state agencies to cease any new contracts for goods and services, purchase of IT equipment, supplies, or fleet vehicles, cancel travel plans, and delay projects.

On January 10, 2024, Governor Newsom will have submitted his budget proposal to the Legislature, where discussion of bridging California's \$68 billion budget deficit commences. With a significant budget deficit, it is widely anticipated that difficult policy choices will be made in 2024 as the Governor, Legislature, and other stakeholders work on addressing California's budget deficit. Although Medi-Cal is set to expand its services to more immigrants at the beginning of 2024, inevitably, Medi-Cal and other health related policy and fiscal issues will be part of budget discussions.

Following-up on committee assignments, Speaker Rivas announced specific committee assignments for all members on December 27, 2023. Assemblymember Mia Bonta was named Chair and Assemblymember Marie Waldron, named Vice Chair.

As the Legislature resumes session in Sacramento, its legislative activity will mostly focus on policy and fiscal committee hearings and floor sessions to vote on two-year bills that need to move out of its house of origin by January 31, 2024. Any two-year bill that fails passage out of its house of origin by the end of January is considered defeated but can be reintroduced in a different bill.

PPA stands ready and looks forward to collaborating with CenCal Health's team on its legislative strategic plan for 2024.



# Paul V. Beddoe Government Affairs, LLC

811 4TH ST NW UNIT 911  
WASHINGTON DC 20001-4925

**Date:** January 17<sup>th</sup>, 2024

**To:** Marina Owen, Chief Executive Officer  
Michael Harris, Government Affairs and Administrative Officer  
Citlaly Santos, Strategic Engagement Director  
CenCal Health

**Subject:** Federal Report, January 2024

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Congress returns to Washington, DC, the week of Jan. 8, with less than two weeks to address a daunting set of legislative and fiscal logjams of its own making. Funding under the current continuing resolution (CR) for the U.S. Departments of Agriculture (which includes the Food and Drug Administration), Transportation, Housing and Urban Development and Veterans Affairs runs through Jan. 19. This is also the end of short-term extensions of funding for some expiring health programs, including the Community Health Center Fund, the Teaching Health Center Graduate Medical Education Program, and the National Health Services Corps. A temporary delay of the statutory cuts to the Medicaid disproportionate share hospital (DSH) program will end at the same time. Most other federal agencies, including the U.S. Department of Health and Human Services, are funded through Feb. 2, under the CR.

Before adjourning for the holidays, the House did pass two significant health packages, with strong bipartisan support. On Jan. 11, the House passed the Lower Costs, More Transparency Act (H.R. 5378), on a vote of 320-71, with one voting present. Among other things, the bill requires pass-through pricing models, and prohibits spread pricing, for pharmacy benefit managers contracting with Medicaid plans. It would also extend funding for the federally qualified health centers and other expiring health programs and delay the Medicaid DSH cuts for two years. Rep. Carbajal voted for the measure. Rep. Panetta voted against it, along with other Ways and Means Committee Democrats, who were concerned that the transparency provisions in the bill were not strong enough. On Jan. 13, the House passed the Support for Patients and Communities Reauthorization Act (H.R. 4531), on a vote of 386-37. This bill reauthorizes and updates the 2018 bipartisan SUPPORT Act, enacted to address the opioid crisis. Both Reps. Carbajal and Panetta voted for the bill.

Finally, over the holidays, the Biden-Harris Administration announced a revived an "All Hands on Deck" approach to complete the Medicaid redetermination process. For example, HHS asked nine states to adopt additional Medicaid renewal flexibilities in order to keep eligible Medicaid and CHIP beneficiaries enrolled during the process. CMS sent letters to Texas, Florida, Georgia, Ohio, Arkansas, South Dakota, Idaho, New Hampshire, and Montana, which have dropped the largest numbers and/or the largest percentages of kids from their Medicaid and CHIP rolls. Expect states, even those not on the "naughty list" to continue to face federal scrutiny as this process unfolds.

## Customer Experience Division Report

**Date:** January 17<sup>th</sup>, 2024

**From:** Van Do-Reynoso, MPH, PhD  
Chief Customer Experience Officer and Chief Health Equity Officer

**Contributors:** Eric Buben, Member Services Director  
Nicolette Worley Marselian, MBA, Communications & Marketing Director  
Bao Xiong, Program Development Director

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

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### **Executive Summary**

This report highlights the auto-enrollment of 15,775 new members from the Medi-Cal Adult Expansion efforts, the anticipated incentive funding from meeting metrics in the Student Behavioral Health Incentive Program and the Housing and Homelessness Incentive Program, and 100% completion rate of service requests in the Communications & Marketing Department.

### **Member Services Department**

#### *Membership due to Medi-Cal Renewals and new Enrollment*

CenCal Health's aggregate membership as of January 4, 2024, is **241,242**, which is an increase of 14,164 from December total of 227,078. Since the reinstatement of the Medi-Cal annual renewal redetermination process, CenCal Health has experienced a membership decrease of approximately 8,500 from June through December 2023. The increase for January 2024 is the result of addition of 15,775 Adult Med-Cal Expansion members. Final January counts will be available on February 3, 2024.

#### *Monthly Department Performance Highlights*

In December 2023, member call volume was 7,630, slightly below 2022's monthly average of 7,939. The decline in call volume commonly occurs in December, due to the holiday season. Despite the overall decrease, the call center still maintained an average of 402 daily aggregate calls. Member Services is continuing to receive a significant volume of calls from members with questions about the renewal process.

Beginning on January 1, 2024, all Californians are eligible for full scope Medi-Cal, regardless of age, assets, or immigration status. The adult expansion significantly increased call volume on December 29, with 569 calls received. Most of the eligible community members from the adult expansion were auto-enrolled by DHCS and did not need to apply for full-scope coverage, as CenCal Health received 15,775 new members on January 1<sup>st</sup>. All new members received their automated New Member

Welcome Calls from our vendor, TeleVox, which allows direct connection to CenCal Health from the call. On December 29, within 3 hours, the call center faced a backlog of over 350 calls from this enrollment process, which proved to be overwhelming and greatly affected the monthly Average Speed to Answer metric and abandonment rates. As a result of the increased volume and limited staffing due to approved leaves, there were 118 abandoned calls, which were 40% of all call abandoned in December. The significant call volume continued the first few days of January 2024 with 1,073 calls January 2<sup>nd</sup> (499) and 3<sup>rd</sup> (574).

Despite the increase in volume of calls, the abandon rate for December still exceeded the goal of 5% or less, at 4.2%. Our Average Speed to Answer (ASA) goal to answer 85% of calls within 30 seconds was not met at 78%. Member Services is increasing call center staffing to address continued higher average call volume. The call center successfully met the goal of tracking 95% of queue calls answered with a December score of 95%.

With regards to the Member Portal, since go-live in April 2023, more than 10,400 adults have created a Member Portal account, which is 7% of eligible adults. Lastly, the Grievance & appeal volume remained in control with usual volume and all turnaround times for G&A were met.

### **Program Development**

#### *Student Behavioral Health Incentive Program (SBHIP):*

CenCal Health continues to meet with nine Local Education Agencies (LEAs) to support achievement of their local Scope of Work, including implementation of a referral system. On December 27, 2023, CenCal Health submitted the bi-quarterly report (July 1, 2023 through December 31, 2023) to DHCS and can earn up to \$221,901 for San Luis Obispo and \$542,808 for Santa Barbara County based upon the scope of work.

Last month, DHCS announced that 47 LEAs were selected to participate in the first cohort of the Children and Youth Behavioral Health Initiative (CYBHI) statewide multi-payer school-linked fee schedule (fee schedule) program that reimburses school-linked providers for mental health and substance use disorder services starting on January 1, 2024. Four (4) of our partner LEAs (*San Luis Coastal Unified, Guadalupe Union Elementary, Santa Barbara County Office of Education, and Santa Maria-Bonita*) were selected to participate in this first cohort, a learning collaborative aimed at informing state-level policy and operational guidance for the CYBHI fee schedule program. Operational readiness was key to being selected.

Our partner LEAs leveraged SBHIP funds to develop the necessary infrastructure to enhance behavioral health offerings, establish key partnerships, and build dedicated behavioral health teams, all of which contributed to their operational readiness.

### *Housing and Homelessness Incentive Program (HHIP):*

On December 23, 2023, CenCal Health submitted the final HHIP Metrics Report (Submission 2) to DHCS, which will determine the final allocation of funding. CenCal Health has the potential to earn up to \$5.2M for San Luis Obispo County and \$8.4M for Santa Barbara County. Staff anticipate DHCS will provide notification of the allocation earned for Submission 2 by the end of March 2024. In the interim, staff are developing a funding strategy for the final round of HHIP funding that addresses unmet housing needs as identified in the Local Homelessness Plans for San Luis Obispo and Santa Barbara County, considers community members experiencing disparities and inequities related to housing, and complements or enhances CenCal Health's services.

### *Health Equity*

December efforts by our health equity program included supporting NCQA Health Equity accreditation and conducting an analysis to identify gaps in CenCal Health's current diversity, equity, and inclusion (DEI) trainings and assessing the required training components as outlined in APL 23-025. Additionally, the Program Development team engaged the Health Equity Steering Committee in the review of ACAP Health Equity Survey findings and the corresponding development of strategic actions to improve health equity. Lastly, the Program Development team supported the Communications & Marketing Department in engaging community partners for outreach on Medi-Cal expansion to remaining eligible community residents in Santa Barbara and San Luis Obispo County.

### **Communications & Marketing Department**

The year-end assessment showed that between January and December 2023, the Communications and Marketing department completed over 300 projects and nearly 900 service tickets. These efforts to support internal departments included Medi-Cal redetermination, expansion efforts for newly eligibles ages 26-49, provider and member newsletters, website and intranet man management, designing, editing, and refining presentations, new staff photography and business cards, developing multiple CalAIM videos, executing two employee events, and creation of health education and outreach material for the 2024 contract requirements. The department ended the 2023 year with zero outstanding Service Desk tickets.

### **Recommendation**

This report is informational with no action being requested at this time.

# Communications December 2023 Look Back



**CenCal  
HEALTH®**  
Local. Quality. Healthcare.

Date: January 17th, 2024

From: Nicolette Worley Marselian, Director, Communications & Marketing

Through: Marina Owen, CEO

BRD-COMS-JBR-0124 E

## December Focused on New 2024 Contract Requirements Implementation

In December, the Communications & Marketing Department ("Comms") worked on nearly 70 projects with deadlines in December or January 1, 2024, the majority being new 2024 contract requirements.

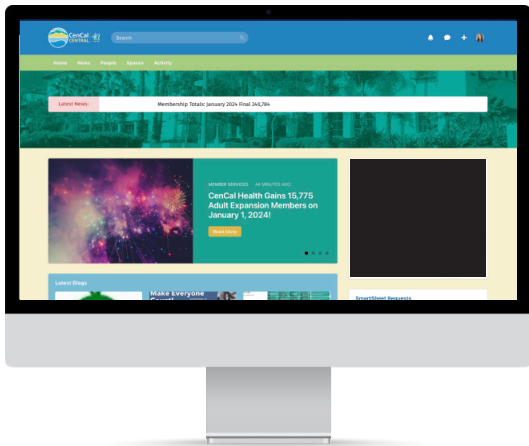
Projects included:

- Filming and editing three CalAIM success story videos, featuring two members who have benefited from the Recuperative Care and Housing Support initiatives funded through CalAIM.
- Creating the year's final hardcopy Provider Bulletin newsletter as well as the first of four 2024 member-focused newsletters, Health Matters/Temas de Salud.
- Finalizing implementation of Medical Management's new Notices of Action (NOA) member approval letter contract requirement due January 1. It is estimated that Medical Management will send nearly a quarter of a million of these letters each year.
- Supporting Quality/Population Health in the development of 24 individual English and Spanish mailers and booklets designed to close care gaps in various areas and required by the 2024 contract. Several of these include inserts and variable text, customized for each recipient, such as PCP name and phone number, to enhance member response.
- Finalizing design and printing 2024 New Member packet materials, in quantities enough to meet expected expansion numbers with January 1 effective dates.

As a reminder, DHCS has set up a dashboard with monthly renewal results [here](#).



## Marketing Outreach Meets New Membership Expansion Goals



Screenshot from CenCal Health's intranet, CenCalCentral.

In December, Comms worked closely with Member Services to examine inventories to ensure we could meet the expected influx of new members under the state's expansion to all resident adults regardless of immigration status.

Expansion efforts included reaching out to local farm worker organizations, tangential assistance organizations, and county programs currently serving the expansion population.

Two key additional pieces of information regarding changes in eligibility rules and clarification of public charge issues were heavily promoted. In addition, the effort is identifying additional local application and renewal assistance.

Next focus: Ensuring these new members learn how to access the services to which they are entitled.

# Communications December 2023 Look Back



**CenCal  
HEALTH®**  
Local. Quality. Healthcare.

To: CenCal Health's Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Marketing

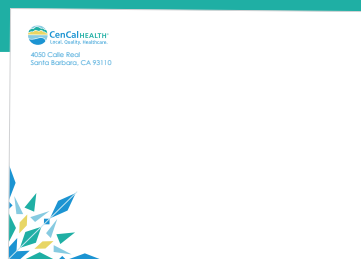
Date: January 3, 2024

## MATERIALS: Provider-focused

Communications created a number of collateral materials focused on providers and members. Provider-focused samples are included below.

### New Year's Cards

In addition to the normal holiday cards, Comms created and printed New Year's cards in support of Provider Services.



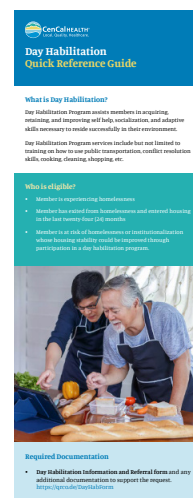
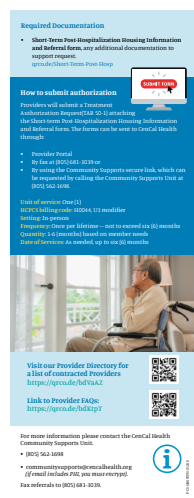
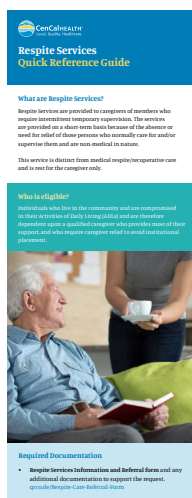
### Q4 Provider Bulletin

Comms designed, produced, and fulfilled the final quarterly hardcopy Provider Bulletin of the year. Numerous departments contributed content.

### Info Cards for Three New Community Supports Offered

Comms supported Care Management with new info cards highlighting new program launches in 2024:

- Respite Services
- Short-Term Post-Hospitalization
- Day Habilitation





# Communications December 2023 Look Back



**CenCal  
HEALTH®**  
Local. Quality. Healthcare.

To: CenCal Health's Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Marketing

Date: January 3, 2024

## MATERIALS: Member-focused

Communications created a number of collateral materials focused on providers and members. Member-focused samples are included below.

### Winter Member Newsletter 2024

Comms supported Health Education and Member Services by producing the first of four bilingual 2024 quarterly Member Newsletters. This edition informs members on lead poisoning, well-child visits, postpartum visits, updated Evidence of Coverage, and much more.



### Pop Health 2024 Contract Gap Closure Efforts

As part of the 2024 Contract, the Communications Department created **20 self-mailers** and **4 booklets** in English and Spanish. Most pieces are customized with unique member variable data to enhance member engagement and response. Pieces include topics such as Cervical Cancer screening, Primary Care Provider (PCP) visits, Pregnancy, Postpartum, or Breast Cancer screening. Throughout 2024, these pieces will be sent out monthly, quarterly, or bi-annually to appropriate members.

### Breathing Better Self-Mailer

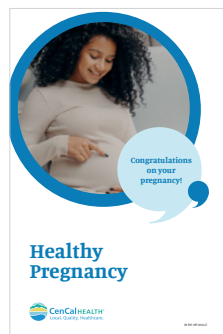
This self-mailer educates both adult and child members on ways to control their asthma.



### Booklets

#### Healthy Pregnancy Booklet

This booklet informs pregnant members on ways to ensure they and their babies are healthy during pregnancy. The booklet includes information on vaccinations, dental care, mental care, and more.



#### Healthy Postpartum Booklet

This booklet educates the member on ways to be healthy during the first year with their child. Information includes what to do during the first few weeks, how to prepare for medical visits, how to feed their baby, and many more tips.



# Communications December 2023 Look Back

To: CenCal Health's Board of Directors  
From: Nicolette Worley Marselian, Director, Communications & Marketing  
Date: January 3, 2024



## MATERIALS: Member-focused (cont.)

### Stay Healthy Adult Self-Mailers

These self-mailers target adult members. They serve as reminders for certain members on the importance of screenings, visits to their PCP, and how to control high blood pressure.

- Stay Healthy Adults: Cervical Cancer Screening
- Stay Healthy Adults: Controlling High Blood Pressure
- Stay Healthy Adults: PCP Visit
- Stay Healthy Adults: Breast Cancer Screening
- Stay Healthy Adults: Colorectal Cancer Screening



### Stay Healthy Kids Self-Mailers

These self-mailers target younger members between the ages of 0 months to 21 years. They inform the parent or guardian of immunizations needed at certain stages and serve as reminders on the importance of medical visits.

- Stay Healthy Kids: 0 – 12 months
- Stay Healthy Kids: 15 – 30 months
- Stay Healthy Kids: 3 – 12 years
- Stay Healthy: 13 – 21 years





## **Operations Division Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Jordan Turetsky, MPH, Chief Operating Officer

**Contributors:** Gary Ashburn, Claims Director  
Cathy Slaughter, Provider Relations Director  
Luis Somoza, Provider Services Director

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

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### **Executive Summary**

This Operations Report provides an overview of December activities specific to the Claims, Provider Services, and Provider Relations Departments, inclusive of department operational metrics.

### **Incentive Payment Program Update**

The Incentive Payment Program (IPP) is an opportunity offered by DHCS to health plans to support the initiation and uptake of Enhanced Care Management (ECM) and Community Supports (CS). CenCal Health applied to DHCS for IPP funding and was awarded an initial allocation of \$6.4M in 2022; \$1.8M of which was allocated to San Luis Obispo County and \$4.6M of which was allocated to Santa Barbara County (funding awards by County were prescribed by DHCS and were based on membership volume). CenCal Health developed and launched an IPP application process in October, 2022

CenCal Health earned and received a second installment of IPP funds totaling \$6.4M in July 2023. In August, staff adopted an award strategy which considered unmet member need, service expansion opportunities, geographically underserved areas, and support of upcoming services. As of December 2023, CenCal Health has awarded \$12,527,333 in IPP funds to 17 organizations across San Luis Obispo and Santa Barbara Counties, with additional applications pending review in January, 2024.

The 18<sup>1</sup> IPP awards issued to date have supported staffing costs, capital investments, system infrastructure development, staffing training, and general operations, with award allocations detailed in Table 1. Further advancing the uptake of ECM and CS services, IPP funding awarded by CenCal Health currently impacts over 8,500 members annually. The supplemental graphic details specifics of the award allocations, including the counties served, activities supported, and services provided. Lastly, CenCal Health was informed in November, 2023 of a third allocation of IPP funds totaling \$5,368,258M, allowing CenCal Health to continue to accept applications for IPP funding in 2024.

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<sup>1</sup> 18 IPP awards have been issued across 17 organizations; one organization received two distinct IPP awards.

Table 1: IPP Awards as of December 2023

<b>Organization</b>	<b>IPP Funding Awarded</b>
Doctors Without Walls	\$51,675
The Wisdom Center	\$209,909
Sanctuary Centers	\$1,396,428
Good Samaritan Shelter	\$1,253,176
Dignity Health, Marian Regional Medical Center	\$1,537,818
Community Action Partnership of San Luis Obispo	\$385,953
People's Self-Help Housing	\$70,200
Santa Barbara County Public Health	\$623,585
County of San Luis Obispo Health Agency	\$436,656
San Luis Obispo Sobering Center <sup>2</sup>	\$62,043
Titanium Healthcare	\$1,034,096
PathPoint	\$127,955
Santa Barbara Neighborhood Clinics	\$1,345,750
Independent Living Resource Center	\$671,718
Santa Barbara County Behavioral Wellness	\$804,078
San Luis Obispo County Jail Healthcare Division	\$941,000
5Cities Homeless Coalition	\$258,443
New Beginnings Counseling Center	\$989,938
<b>Total Funded as of December 2023</b>	<b>\$12,572,333</b>

Additional information on the CenCal Health Incentive Payment Program is also included.

### **Claims**

The Claims Department monitors core service metrics across all operational and customer service functions. For the December 2023 reporting period, all operational metrics were at or above goal and are within normal range, with no notable trends identified. In the prior Board report, the dispute acknowledgement and resolution goal was not met for the November 2023 reporting period. Since that time, staff investigated the issue and determined that what was reported was an error, and the disputes in question were acknowledged and resolved timely. Accordingly, November data has been updated to reflect performance at 100% for both metrics for the month of November 2023.

The included Claims Dashboard includes a suite of key operational metrics ranging from Claims Volume to Provider Call Center performance.

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<sup>2</sup> Funding for infrastructure costs associated with the development of a new Sobering Center in San Luis Obispo was awarded to the County of San Luis Obispo Health Agency, and is represented here as a distinct award specific to a development effort rather than an organization. CenCal Health, Good Samaritan Shelter, and the County of San Luis Obispo are collaborating on this initiative.

### **Provider Services and Provider Relations**

Annually, CenCal Health conducts a comprehensive provider satisfaction survey to gauge providers' overall satisfaction with health plan operations. This year, CenCal Health contracted with Press Ganey to conduct our first vendor-supported provider satisfaction survey. Partnering with Press Ganey allows us to employ a multi-channel approach, including mail, email, and phone outreach, as well as the ability to benchmark our results against their Medicaid book of business. Survey results will inform future activities and educational opportunities for our provider network, supporting CenCal Health's focus on improvement efforts to ensure ongoing provider satisfaction. Final survey responses will be collected in January, and survey results will be presented to the Board in March.

Operational metrics for Provider Services and Provider Relations were at or above goal for December 2023, with the exception of calls answered within 30 seconds which were just below goal at 84.4%.

### **Recommendation**

This Operations Division Report is informational only and no action is required.

### **Enclosure**

1. Incentive Payment Program Update
2. Provider Services Department Statistics

# Incentive Payment Program Funding Awards

\$12.5M  
Awarded

18  
Awards  
issued

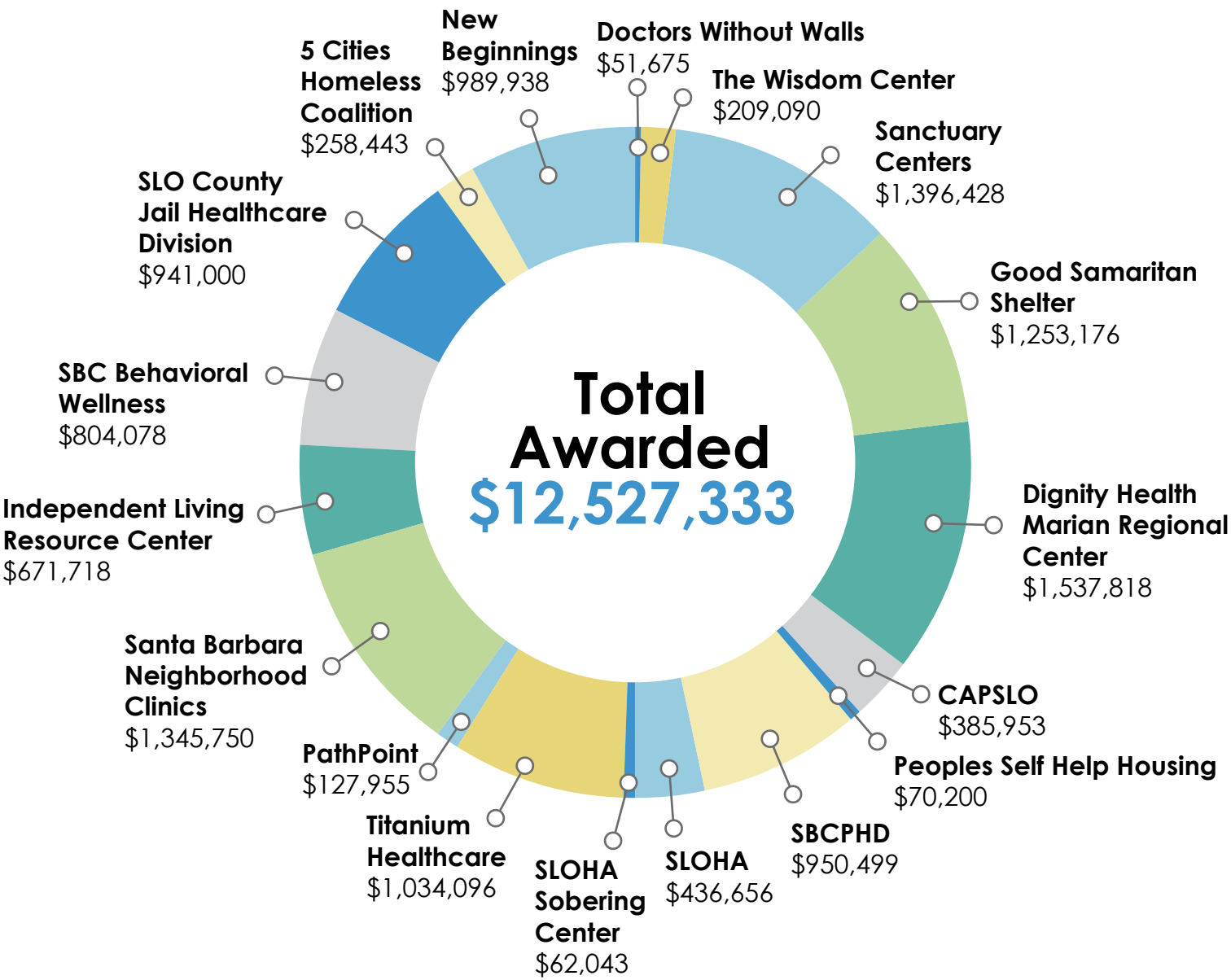
8,525\*  
CenCal Health  
Members  
Impacted

\*per year

Under the Department of Health Care Services (DHCS) CalAIM Initiative (California Advancing and Innovating in Medi-Cal), health plans are poised to work closely with health care partners to ensure that Medi-Cal members have the tools and support needed to achieve optimal health outcomes.

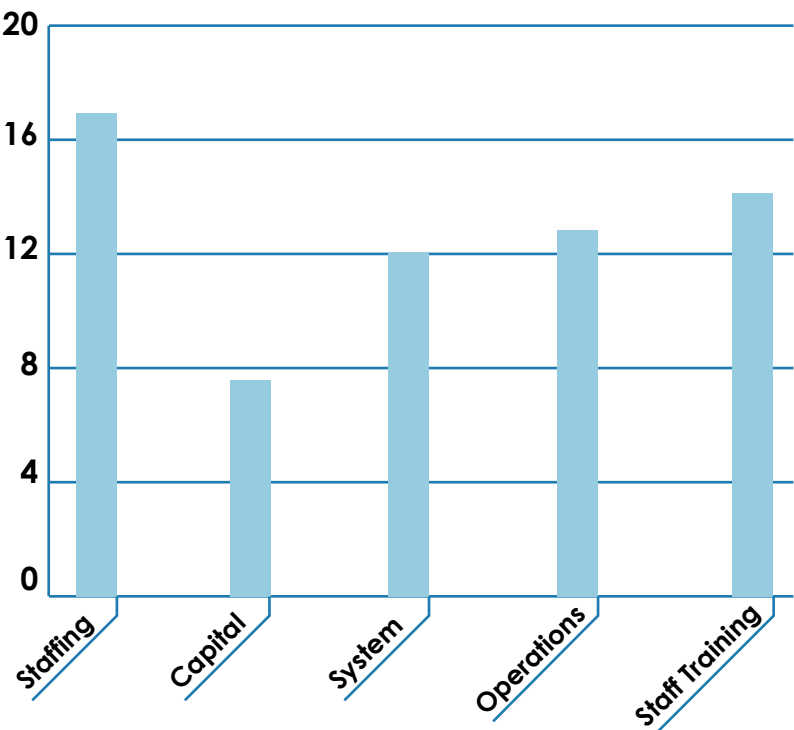
To support providers and community partners in building, launching, and expanding ECM and Community Supports services, DHCS has made available a provider incentive program, called the Incentive Payment Program (IPP). IPP funds are issued from DHCS to health plans, and from health plans to providers.

CenCal Health has IPP incentive funds available for distribution to current and potential ECM and CS providers to support the development and expansion of ECM and CS services.



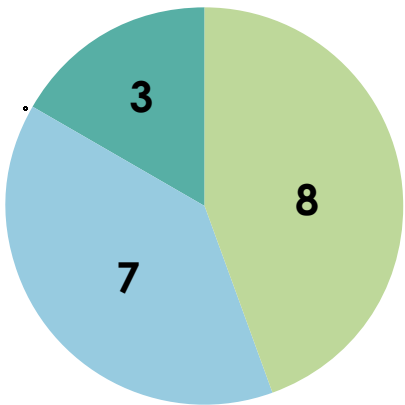
## Activities for which IPP funds will be utilized

# of applications



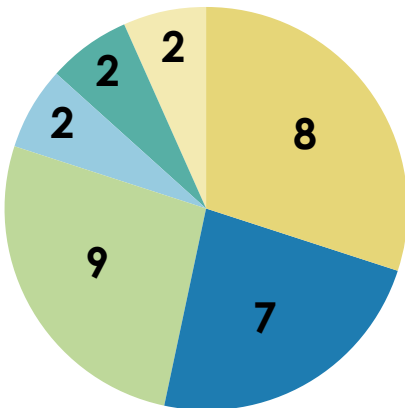
## Number of organizations providing services

- Enhanced Care Management (ECM)
- ECM & CS
- Community Supports (CS)



### Community Supports (CS) include:

- Medically Tailored Meals
- Recuperative Care
- Sobering Centers
- Housing Transition Services
- Housing Deposits
- Housing Tenancy & Sustaining Services



# CENCAL HEALTH

## PROVIDER SERVICES STATISTICS

### Analysis:

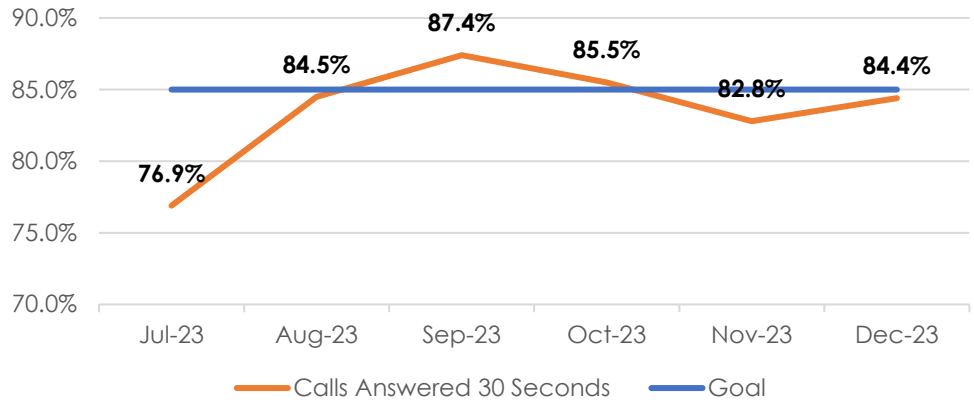
Goal: 85%

Result: 84.4%

Performance was slightly below the goal due to staff absences.

Leadership continues to monitor and seek adjustments to its call center queue staffing to improve its speed in answering results.

### Calls Answered Within 30 Seconds



Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
76.9%	84.5%	87.4%	85.5%	82.8%	84.4%

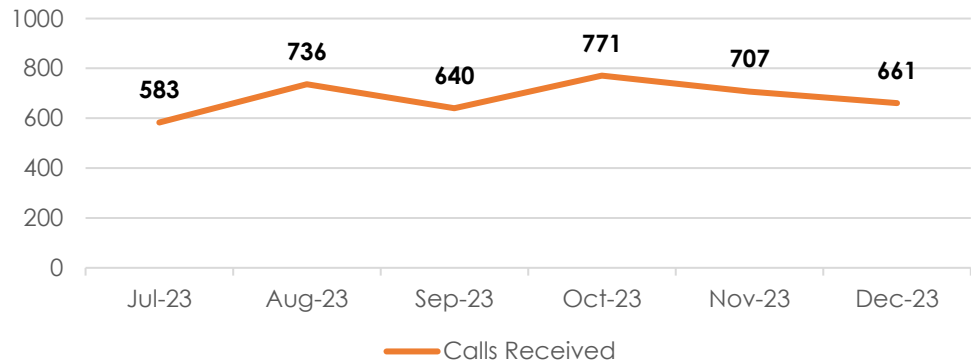
### Analysis:

December 2023 Calls Received: 661

Trend to compare volume per month

No notable changes in call volume trend.

### Provider Services Calls Received



Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
583	736	640	771	707	661

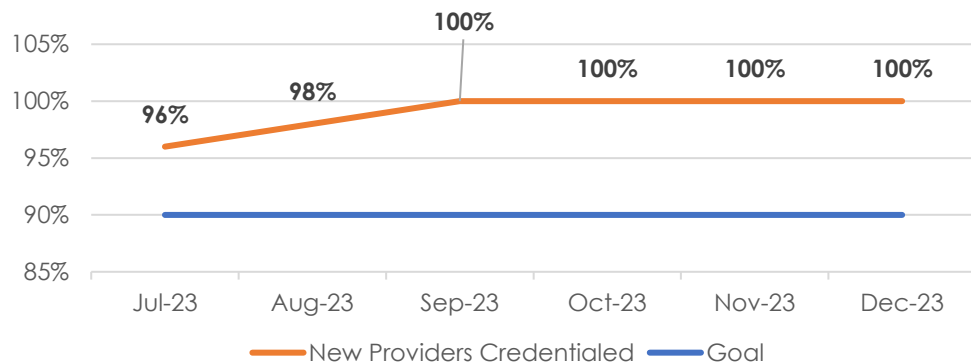
### Analysis:

Goal: 90%

Results: 100%

46 providers were approved for credentialing in December 2023, all within 90 days.

### Percentage of New Providers Credentialed Within 90 Days



Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
96%	98%	100%	100%	100%	100%

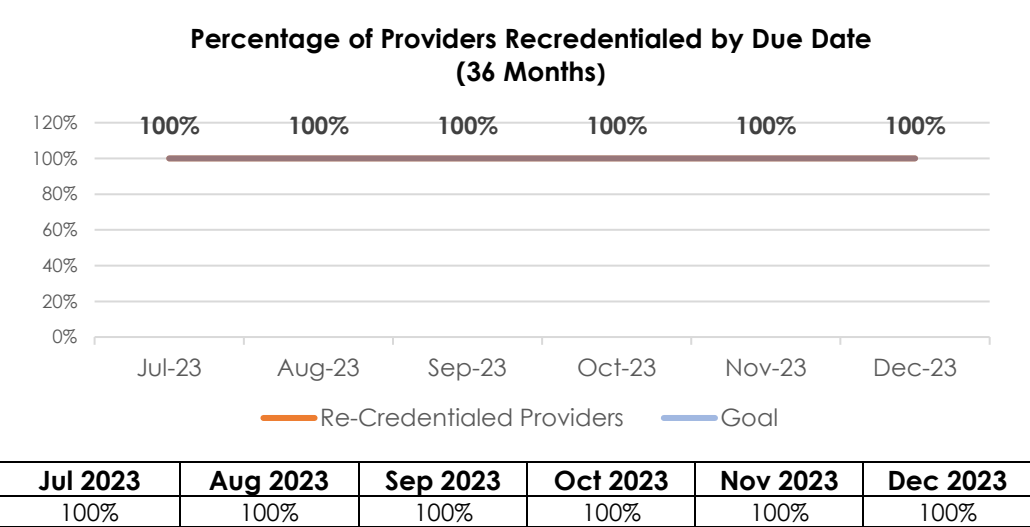
CENCAL HEALTH  
PROVIDER SERVICES STATISTICS

Analysis:

Goal: 100%

Results: 100%

35 Providers were due for re-credentialing in December 2023. All were re-credentialled or termed before their due date.



## **Compliance Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Karen S. Kim, JD, MPH, Chief Compliance and Fraud Prevention Officer

**Contributors:** Puja Shah, Esq., Director of Audits, Monitoring, & Oversight  
Yadira Casarrubias, Compliance Specialist

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### **Executive Summary**

The purpose of this memo is to provide the CenCal Health Board of Directors with an overview of current compliance activities for the organization. The memo highlights certain compliance activities and includes the Department of Health Care Services (DHCS) Medical Audits, DHCS APLs, audits and monitoring, delegation oversight, and other Compliance Division updates.

### **Compliance Program Update**

The Compliance Division is actively implementing the use of PolicyTech, a policy and procedure software application, that will allow for a central policy library to search for, view, edit, update, approve, and publish organizational policies and procedures. Policies and procedures are currently being added to PolicyTech for approval by business leaders. Compliance is providing user training for the software application and full plan access is anticipated by the end of January. CenCal Health employees will no longer search for organizational policies and procedures on CenCal Health Central, the organization's intranet site. Instead, they can securely sign into PolicyTech to view organizational policies and procedures.

CenCal Health Board members and employees completed the annual Compliance Training in November and December of 2023. Compliance training topics included Fraud, Waste, and Abuse; HIPAA; and Code of Conduct. New compliance training materials were implemented in 2023.

### **Audits, Monitoring, & Oversight (AMO)**

The Audits, Monitoring, & Oversight Department (AMO) is responsible for performing risk assessment and internal audits of CenCal Health business units and processes, facilitating external audits with our regulators, assisting business owners with audit remediation efforts, and conducting delegation oversight of our delegated providers. AMO is currently recruiting to fill a budgeted Compliance Auditor position and a Compliance Strategist position.

#### External Audit – 2024 DHCS Medical Audit

With the closure of the 2023 DHCS Medical Audit, where DHCS had zero findings for CenCal Health, AMO continues to work with the business to prepare for the next annual DHCS Medical Audit, which will occur in Q42024.

#### Internal Audit

AMO is collaborating with CenCal Health business units to develop an internal reporting, monitoring, auditing, and remediation cadence resembling our oversight of delegates as well as the Department of Health Care Services' (DHCS) oversight of CenCal Health. AMO has closed the recredentialing corrective action plan (CAP) and is monitoring two remediation plans (RPs). AMO is in the process of identifying and prioritizing risks in accordance with the 2024 risk assessment plan.

#### Delegation Oversight

AMO updated and received approval from the Delegation Oversight Committee (DOC) of all CenCal Health's delegation program documents as well as policies and procedures for 2024 DHCS Contract implementation. Staff is currently working with delegates to execute updated, DHCS-approved delegation agreements. In December 2023, AMO requested a revised CAP (RCAP) from Ventura Transit Systems, Inc. (CenCal Health's transportation broker) to address remaining deficiencies. In early December, AMO conducted the annual audits of Sansum Clinic (for credentialing) and Carenet (which provides CenCal Health's nurse advice line). In mid-February, AMO will conduct an audit of ChildNet. The DOC will next convene for Q12024 on January 22, 2024.

#### **Department of Health Care Services: All Plan Letters**

For the month of December, there was five (5) released, and four (4) revised DHCS APLs.

#### Released APLs:

1. APL 23-031: Medi-Cal Managed Care Plan Implementation of Primary Care Provider Assignment for the Age 26-49 Adult Expansion Transition
  - Released: 12/20/2023
2. APL 23-032: Enhanced Care Management
  - Released: 12/22/2023
3. APL 23-033: 2024-2025 Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule
  - Released: 12/26/2023
4. APL 23-034: California Children's Services Whole Child Model Program
  - Released: 12/27/2023
  - Supersedes: APL 21-005
5. APL 23-035: Student Behavioral Health Incentive Program
  - Released: 12/28/2023



Revised APLs:

1. APL 23-012: Enforcement Actions: Administrative and Monetary Sanctions
  - Revised: 12/04/2023
2. 23-010: Responsibilities for Behavioral Health Treatment Coverage for Members Under the Age of 21
  - Revised 11/22/2023
  - Supersedes: APL 19-014
3. 23-023: ICF/DD - LTC Benefit Standardization and Transition of Members to Managed Care
  - Revised: 11/28/2023

**Recommendation**

This memo is intended to be informational only and no action by the Board of Directors is requested.

## Information Technology Report

**Date:** January 17<sup>th</sup>, 2024

**From:** Bill Cioffi, Chief Information Officer

**Contributors:** Jai Raisinghani, Deputy Chief Information Officer

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

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### **Executive Summary**

The following information is provided as an update to the board on ongoing operational and project-oriented priorities of the IT functions within the plan.

### **Operational Statistics**

#### *Claims*

During December 2023, the Health Plan received 261,076 claims in total. HIPAA Compliant 837I/837P was the source of 93% of total claims and CenCal Health's Provider Portal was used for 5% of claim submissions. In total 98% of total claims were received via electronic method (HIPAA 837I/ 837P/ Proprietary files). Auto-adjudications rates for the month was at 95%.

#### *Authorizations*

During December 2023, the Health Plan received 19,025 authorization requests in total. 81% of total authorizations were entered using CenCal Health's Provider Portal and 6% of total requests were part of data transmission from that Plan's Radiology Benefit Manager (RBM). 13% of total authorization requests were received via Fax.

#### *IT Help Desk*

The Service Desk received a total of 1,266 requests during the month of December via IT Service Desk system related to various systems and services. During the month, 1,265 total requests were addressed and closed.

Below are the average times measured during the month of December 2023 for the Help Desk Team:

Average Response Time: 5.48 Hours

Average Resolution Time: 8.16 Hours

## **New Leadership in IT Data Analytics**

### **Director of Data Analytics and Business Intelligence**

Mike Ascarate joined CenCal Health as the Director of Data Analytics and Business Intelligence. Mr. Ascarate brings over 30 years' experience in the healthcare industry, with a diverse background in leadership roles across health plans, providers, physician practices, and management consulting. Prior to joining CenCal Health, he served as the Executive Director of Revenue Cycle Data & Insights at Providence Health System, where he successfully led the development of analytics capabilities, data science, and data governance. Mike's extensive sixteen-year tenure at SCAN Health Plan was dedicated to Medicare Advantage and D-SNP.

### **Associate Director of Data Analytics**

Sophie Zeng joined CenCal Health as the Associate Director of Data Analytics. Ms. Zeng brings over 20 years' experience in the healthcare industry including roles at L.A. Care Health Plan, Central California Alliance for Health and Blue Shield Promise Health Plan. At Blue Shield, Ms. Zeng established and led a high-performing data and analytics department, earning the 2017 Employee Recognition Award for her revenue-generating initiatives and commitment to regulatory compliance. With extensive experience in Data Analytics and Business Intelligence, Ms. Zeng will support Data Analytics and contribute to the success of our organization.

### **Recommendation**

This report is informational and no action is requested at this time.

**Community Benefit Funding:** *Meals That Connect*

**Date:** January 17<sup>th</sup>, 2024

**From:** Citlaly Santos, Strategic Engagement Director

**Through:** Marina Owen, Chief Executive Officer  
Michael Harris, Government Affairs and Administrative Officer

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**Executive Summary**

Since 2016, CenCal Health has maintained a longstanding partnership with the San Luis Obispo County nonprofit organization Meals That Connect to address the Social Determinants of Health associated with nutrition and healthy aging for local seniors. Annually, the health plan's partnership with Meals That Connect supports nutritional security and social connections for approximately 10,000 clients a year across Santa Barbara and San Luis Obispo counties, including CenCal Health members. To date, CenCal Health has provided the organization with biannual subsidies totaling \$200,000 annually.

For 2024, Meals That Connect submitted a funding request of \$350,000. This increase in funding will support the organization's expansion into northern Santa Barbara County. This expansion projects a 35% growth in the number of meals served, increased cost of goods and services and enhancing staffing resources. CenCal Health is recommending funding of **\$300,000** for FY 2024 for Meals that Connect, an increase of \$100,000 to support expansion plans, in alignment with established practices for community benefit funding.

**Background**

According to the nonprofit organization [Feeding America](#), 1 in 14 seniors in the U.S. faced food insecurity in 2021. Meals That Connect strives to support this vulnerable population by providing free lunches via its senior nutrition program to residents aged 60 and older in San Luis Obispo County and, since July 2023, expanded to support the senior nutrition program of northern Santa Barbara County. The meals are served at 15 congregate settings across the two counties and dispatched for home delivery to homebound seniors in San Luis Obispo County. Frozen meals are supplied for weekends and holidays.

The expansion of Meals That Connect services in 2024, including its presence in northern Santa Barbara County, is vital to sustaining the needs of a growing Central Coast senior population. According to the [Area Agency on Aging for Santa Barbara and San Luis Obispo Counties](#), by 2030, 29% of the San Luis Obispo County population will be over 60 years old, and 27% of the Santa Barbara County population will be over age 60. This represents a 61% increase from 2010. As a result, service organizations like Meals That

Connect must prepare not only for the current needs of seniors but also for future needs.

Over half of the program's clients are women, and half live alone. In addition, 85% of clients are homebound, 38% live at or below the poverty level, and 28% are CenCal Health members.

## **Services**

According to a 2023 report produced by the [U.S. Surgeon General's office](#), widespread loneliness in the U.S. poses health risks. Meals That Connect runs eight in-person dining sites in San Luis Obispo County. There, over 500 seniors receive freshly prepared lunches and experience much-needed interaction with their peers, leading to friendships with fellow seniors and giving clients a sense of solidarity and belonging.

Approximately 85% of the clients served are homebound. The delivery service is vital from a nutritional perspective for close to 2,100 San Luis Obispo County clients who cannot leave their homes due to medical reasons. In addition, the delivery drivers are often the only daily social contact homebound clients have with another person. Accordingly, the service also achieves the goal of social interaction and wellness checking.

In July 2023, Meals That Connect initiated a partnership with Santa Barbara County's senior nutrition program administered by the Area Agency on Aging (AAA), a program previously offered by CommUnify. Meals That Connect prepares the food and delivers it in bulk to Santa Maria, where AAA receives and distributes it to seven congregate dine-in sites across Santa Barbara County that expand from Guadalupe to Carpinteria. The meals support an average of 221 seniors daily. Please note that Meals That Connect supports Santa Barbara County's program with meals for dine-in sites only, not homebound clients. Meals for Santa Barbara County homebound clients are administered through a different AAA vendor at this time.

## **Funding Use**

Funding in 2024 was requested to support the following:

- Meals - It is anticipated that up to \$203,000 would be used for meals in 2024, which would support a significant increase in lunches served across the two counties by 35% compared to 2023, boosting production from 197,000 meals to 270,000. Of those meals, CenCal Health's grant would directly cover the cost of 22,550.
- Staffing - It is anticipated that up to \$82,000 would support the salary/wages for two staff members, including a nutrition services director and volunteer coordinator. Funding will increase administrative capacity and ensure Meals That Connect has a dedicated resource to enhance its medically tailored menus beyond the heart-healthy meals currently prepared.
- Facility Expansion & Infrastructure Improvements - It is anticipated that up to \$65,000 would be used to make infrastructure improvements and expand the kitchen to

accommodate the growth in services. This includes securing a refrigerated container, increasing food storage by 20,000 pounds, upgrading outdated kitchen equipment, and maximizing food storage space at its kitchen facility.

### **Recommendation**

Staff recommends that the Board of Directors approve the \$300,000 in Community Benefit Funding to Meals That Connect, of the 350,000 requested. This Community Benefit proposal is accounted for in the proposed budget for the 2024 calendar year and, therefore, is within the projected expenditures.

**Community Benefit Funding Proposal:** *Corazon Latino*

**Date:** January 17<sup>th</sup>, 2024

**From:** Citlaly Santos, Strategic Engagement Director

**Through:** Marina Owen, Chief Executive Officer  
Michael Harris, Government Affairs & Administrative Officer

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**Executive Summary**

Established in 2023, Corazon Latino is an inaugural local nonprofit organization comprised of community health workers (also known as *promotores*) and volunteers who serve Latinx Central Coast residents by providing peer health education and resources. The organization's objective is to offer various services in northern Santa Barbara County and San Luis Obispo County to reduce health disparities among vulnerable, underserved communities, including Mixteco-speaking residents. Services include hosting support groups, in-person outreach, training, workshops, and more.

For 2024, Corazon Latino has submitted a funding request of \$158,372. This is the organization's first funding request to CenCal Health. The community benefit funding would extensively support its startup costs and staff development as a new nonprofit in support of CenCal Health members. Funding will also contribute to monthly support groups focused on health and wellness topics for Spanish and Mixteco-speaking communities, distributing wellness/resource information across various digital communications channels and community outreach. CenCal Health is recommending funding of **\$100,000** for FY 2024 for Corazon Latino in alignment with established practices for community benefit funding.

**Background**

To accomplish CenCal Health's Strategic Plan priority of expanding our service role and reach, CenCal Health must develop partnerships with organizations that are responsive to the local needs of our diverse communities and can share information with those who require it most. Our affiliations with community health worker organizations that are aligned with CenCal Health's priorities, like Corazon Latino, are essential to this achievement. Through its trusted *promotores*, the organization will advance emotional wellness, share resources, encourage civic engagement, and empower residents. Corazon Latino aims to do that by partnering with local social service agencies, such as CenCal Health and is exploring future partnerships with Community Health Centers of the Central Coast (CHC), Transitions-Mental Health Association (TMHA), and BeWellLine.

According to the [California Department of Health Care Services \(DHCS\)](#), community health worker services are an integral part of Enhanced Care Management and Community Supports offered by Medi-Cal Managed Care Plans, like CenCal Health, as part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. Similarly,

the [Centers for Medicaid and Medicare Services](#) affirms that community health workers help organizations achieve health equity through quality improvement, reducing provider burden, and strengthening relationships and trust within communities where they provide care.

With approximately 41% of CenCal Health's membership identifying as Spanish-speaking (our second and only other threshold language), the new expansion of full-scope Medi-Cal services to all community members, regardless of immigration status, and the future launch of a dual special needs plan to serve Medicare members, it is essential that CenCal Health strategically engages with organizations like Corazon Latino.

In addition to the funding request, Corazon Latino aims to become a CenCal Health contracted provider, thus securing future financing sustainability through Medi-Cal reimbursable pathways in the future. While provider contracting efforts remain in process, the funding is essential to ensure the organization is supported in 2024.

### **Services**

Corazon Latino will host approximately eight to ten monthly support groups across northern Santa Barbara County and San Luis Obispo County to serve roughly 1,200 to 3,600 Spanish and Mixteco-speaking community members annually. The sessions will occur in Paso Robles, San Luis Obispo, Oceano, Nipomo, Guadalupe, Santa Maria, and other rural communities, such as Santa Margarita, Shandon, and San Miguel.

Each support group session will include subject-matter experts who will share education and resources focused on health and wellness topics ranging from physical, social, emotional, and mental. For instance, the support groups are an opportunity to educate members about Medi-Cal/CenCal Health member services through the participation of CenCal Health staff and county social services, who can inform participants about the application process and services available. All community members interested in receiving support will be welcome to join the groups and learn through "hands-on" activities in safe and inclusive environments that are culturally appropriate.

In addition, Corazon Latino will conduct targeted health education and service outreach through digital/social media platforms, community events, resource fairs, focus groups, and town halls.

### **Funding Use**

Funding in 2024 will be used to support the following:

- Staffing - It was requested that \$107,352 will be used to support the salary/wages of approximately five staff members, including the executive director, *promotores* project coordinator, *promotores* administrator, and two *promotores* support staff.



· Training & other administrative costs - It was requested that \$51,020 will be used to support training and administrative costs, including extensive training for its staff to become certified community health workers.

**Recommendation**

Staff recommends that the Board of Directors approve the \$100,000 community benefit funding proposal for Corazon Latino, which is within budget for 2024 calendar year and, therefore, is within projected expenditures.

## **CalAIM Community Steering Committee Update**

**Date:** January 17<sup>th</sup>, 2024

**From:** Van Do-Reynoso, MPH, PhD,  
Chief Customer Experience Officer & Chief Health Equity Officer

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

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The final CalAIM Community Steering Committee quarterly meeting in 2023 involved a comprehensive review of CalAIM achievements and upcoming milestones. A significant highlight was a presentation on the justice-involved landscape analysis. The Steering Committee also planned strategic areas of focus for 2024, encompassing key initiatives such as CalAIM services for children and youth, trainings for prospective and current Enhanced Care Management (ECM) providers, continued collaboration to serve justice-involved members, and the enhancing community capacity for data exchange.

### **Background**

The CalAIM Community Steering Committee (CSC) was established in April 2023 to engage senior leadership from across the Medi-Cal and safety net provider spectrum in San Luis Obispo and Santa Barbara County. The CSC met in each county to provide a forum to introduce, understand, and educate about major Medi-Cal reforms and strategic direction. The CSC meetings provide the opportunity to collaboratively plan and coordinate Medi-Cal programs and responses. The areas of emphasis for 2023 included prioritization of Community Supports expansion, implementation of Enhanced Care Management, and awareness of health equity and disparities in program planning and response efforts.

### **Update on CalAIM Community Steering Committee**

During 2023, the CSC met on a quarterly basis in Santa Barbara and in San Luis Obispo, with a joint meeting in Buellton. CenCal Health CalAIM activities and accomplishments resulting from feedback and engagement of this advisory steering committee include:

- Active engagement of leadership from justice-involved and health/human services county departments, hospitals, FQHCs, homeless services providers, community-based organizations/providers, and children/education services providers.
- Planning for implementation of four new Community Supports in Jan 2024 (Short-Term Post-Hospitalization Housing, Personal Care & Homemaker Services, Day Habilitation Services; Respite Services).
- Expansion of ECM/CS provider network via outreach and trainings.
- Significant growth in cumulative ECM enrollment & cumulative CS recipients since 2022.

- Active collaboration in planning and coordinating expansion of Medi-Cal services to justice-involved members, including completion of a landscape analysis shared at the December CSC meeting.

### **Next Steps**

The CalAIM Community Steering Committee will continue to meet on a quarterly basis in their respective county in 2024 on the following dates:

San Luis Obispo County 1:30pm – 3:30pm	Santa Barbara County 1:30pm – 3:30pm
Wednesday, February 7 <sup>th</sup>	Thursday, February 8 <sup>th</sup>
Wednesday, May 15 <sup>th</sup>	Thursday, May 16 <sup>th</sup>
Wednesday, August 21 <sup>st</sup>	Thursday, August 22 <sup>nd</sup>
Wednesday, November 6 <sup>th</sup>	Thursday, November 7 <sup>th</sup>

The areas of focus for 2024 include enhancing collaboration to serve children and youth and Justice-Involved members, continuing to expand ECM network and trainings, and building capacity for community-wide data sharing.

### **Recommendation**

The information is informational, and no action is requested at this time.

## **CalAIM Program Implementation Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Jennifer Fraser, PMP, EPMO Program Manager, Lead, CalAIM Program  
Jordan Turetsky, Chief Operating Officer, Chair, CalAIM Steering Committee

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

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### **Executive Summary**

This report provides information regarding CenCal Health's efforts to achieve the goals of California Advancing and Innovating Medi-Cal (CalAIM) as defined by the Department of Healthcare Services (DHCS). To achieve these goals over the next several years, CalAIM initiatives are managed collectively with oversight through an internal Steering Committee comprised of Executive and Senior Leaders. The purpose of this memo is to provide information and highlights on CalAIM implementation activities.

### **CalAIM Program Update**

The internal CalAIM Steering Committee meets regularly to set the strategy for and guide the work required to implement CalAIM. This includes regular inputs on current and evolving regulatory guidance as well as updates on local and community advocacy through the efforts of the Community Steering Committees (CSCs) in both counties. Initial results of the Justice Involved landscape analysis were presented at the joint CSC held on December 11<sup>th</sup> allowing committee members and community partners the opportunity to identify key takeaways for meeting the needs of those served through the justice system in preparation for the expansion of the Enhanced Care Management benefit to the Individuals Transitioning from Incarceration Population of Focus (POF) effective January 1, 2024, as well as identify county-specific opportunities for supporting the pre-release services scheduled to begin no sooner than October 1, 2024. Next steps for supporting the launch of pre-release services are developing process flows with agency leaders from Social Services and Behavioral Health to understand the current structure in place for assessing changes needed to meet the new DHCS Justice Involved requirements.

### **CalAIM Initiatives Update**

Below is a list of updates for in flight CalAIM initiatives:

- **Enhanced Care Management (ECM)** – Staff continue to identify new providers for all active POFs as well as continue to support the eighteen (18) providers contracted to provide ECM services. Over 3,100 members have been assigned to these providers for outreach, and 1,128 members are enrolled and receiving ECM services. All ECM POFs are now effective with the recent implementation of the Individuals Transitioning from Incarceration POF and the Birth Equity POF on January 1<sup>st</sup> with 316 members and 38 members identified respectively for assignment to an ECM provider. In December,

CenCal Health and the Santa Barbara/Santa Maria Continuum of Care (COC) established bi-directional data sharing of plan members receiving services through the Homeless Management Information System (HMIS). Preliminary analysis indicated that over 500 matched members were already enrolled in ECM with more than 800 matched members actively assigned to ECM providers for outreach thereby supporting improved care coordination efforts for members experiencing homelessness.

- **Community Supports** – Staff continue to support the Community Supports (CS) services that are currently live by expanding the provider network as well as increasing utilization by educating the provider network and the community on the availability and eligibility requirements to increase the uptake for these supportive services. Short Term Post-Hospitalization Housing, Personal Care and Homemaker Services, Day Habilitation Services, and Respite Services went live January 1, 2024, bringing CenCal Health's total CS offerings to ten (10) of the fourteen (14) services available. In preparation for Board approval, efforts continue for the planning and development of the policies and procedures for the services anticipated to be offered in July 2024.
- **NCQA Accreditation & Population Health Management (PHM)** - Workgroups for six (6) Plan Standards and one (1) Health Equity Standard continue to address the work needed to meet the requirement that all managed care plans need to be NCQA accredited by 2026. Staff continues file reviews in preparation for the mock audit process which will occur in Q1 2024 to assess the plan's readiness for the actual survey with NCQA in late 2024. Quarterly reporting to DHCS of PHM Program Key Performance Indicators (KPIs) has been implemented with the next reporting due February 15, 2024.
- **Incentives** – DHCS has established a variety of funding streams to support plans and providers in achieving the goals of CalAIM, i.e., Incentive Payment Program (IPP), Providing Access and Transforming Health (PATH) Incentives, Student Behavioral Health Incentive Program (SBHIP), and Homeless Housing Incentive Program (HHIP). CenCal Health staff is currently participating in and/or implementing these different incentive programs to include timely submissions to DHCS as applicable. Submissions to earn additional program funding for both HHIP and SBHIP have been submitted to DHCS. Preparation for the next IPP submission due in March 2024 is underway.
- **Transition to Statewide Managed LTSS & D-SNP** – DHCS is requiring beneficiaries to enroll in a Medi-Cal managed care plan and D-SNP operated by the same organization to allow for greater integration and coordination of their care. In partnership with Health Management Associates (HMA), the annual bodies of work needed to build the health plan's operational readiness for long term program sustainability have been identified with some tactics actively underway. Please see the *Medicare Dual Special Needs Program Report* for more information.
- **Community Health Worker (CHW) / Doula Benefits** – Staff has completed implementing internal system updates to provide these preventive services to our membership and support CenCal Health's Population Health Management strategy. Efforts towards expanding CHW services continue with the development of an electronic system for accepting and processing member recommendations for authorizing services under either benefit expected to be completed by the end of January.

### **Recommendation**

Staff recommends acceptance of this informational report describing current CalAIM implementation activities, and no action is requested at this time.

### **Enclosure(s)**

1. CalAIM Reference
  - a) Table 1: CalAIM Goals
  - b) Table 2: CenCal Health Objectives
  - c) Table 3: ECM Populations of Focus (POFs)
  - d) Table 4: Implementation of Community Support (CS) Services
  - e) Table 5: ECM and Community Supports Model of Care (MOC) Submission Status
  - f) Table 6: Incentive Programs

## CalAIM Reference

**Table 1 – CalAIM Goals**

CalAIM has three (3) primary goals as defined by DHCS in the table below:

DHCS CalAIM Goals	
<b>1</b>	Identify and manage comprehensive needs through whole person care approaches and social drivers of health
<b>2</b>	Improve quality outcomes, reduce health disparities, and transform the delivery system through value-based initiatives, modernization, and payment reform
<b>3</b>	Make Medi-Cal a more consistent and seamless system for enrollees to navigate by reducing complexity and increasing flexibility

**Table 2 – CenCal Health Objectives**

CenCal Health's strategic objectives are noted in the table below:

CCH Objective	Objective Description
<b>Adapt Operations to Meet Customer Needs</b>	Anticipate and respond to the existing and emerging needs of our members, providers, community, and regulatory partners
<b>Enhance Organizational Readiness</b>	Enable organizational advancement by pursuing targeted improvements in operational excellence, compliance strength, technology readiness and financial position
<b>Prepare for Strategic Advancement</b>	Execute a collaborative planning process that positions CenCal Health to strategically focus in the coming years on efforts that advance our mission and emerging vision

**Table 3 – ECM Populations of Focus (POFs)**

DHCS is implementing the ECM benefit over four (4) phases with each phase targeted for specific Populations of Focus as noted in the table below.

Phase	Populations of Focus (POFs)	Effective Dates
<b>1</b>	<ul style="list-style-type: none"> <li>Adults and their Families Experiencing Homelessness</li> <li>Adults At Risk for Avoidable Hospital or ED Utilization</li> <li>Adults with Serious Mental Health and/or SUD Needs</li> </ul>	7/1/2022 Live
<b>2</b>	<ul style="list-style-type: none"> <li>Adults Living in the Community and At Risk for Long Term Care (LTC) Institutionalization</li> </ul>	1/1/2023 Live



	<ul style="list-style-type: none"> <li>Adult Nursing Facility Residents Transitioning to the Community</li> </ul>	
3	<ul style="list-style-type: none"> <li><u>Children &amp; Youth Populations of Focus:</u> <ul style="list-style-type: none"> <li>Homeless Families or Unaccompanied Children/Youth Experiencing Homelessness</li> <li>Children and Youth At Risk for Avoidable Hospital or ED Utilization</li> <li>Children and Youth with Serious Mental Health and/or SUD Needs</li> <li>Children and Youth Enrolled in California Children's Services (CCS) or CCS Whole Child Model (WCM) with Additional Needs Beyond the CCS Condition</li> <li>Children and Youth Involved in Child Welfare</li> </ul> </li> </ul>	7/1/2023 Live
4	<ul style="list-style-type: none"> <li>Birth Equity</li> <li>Individuals Transitioning from Incarceration</li> </ul>	1/1/2024 Live

**Table 4 – Implementation of Community Supports (CS) Services**

CenCal Health's implementation of the pre-approved Community Supports services is noted in the table below.

Community Supports	Effective Date
<ul style="list-style-type: none"> <li><b>Medically Tailored Meals (MTM)</b></li> </ul>	7/1/2022 Live
<ul style="list-style-type: none"> <li><b>Recuperative Care (RC)</b></li> </ul>	10/1/2022 Live
<ul style="list-style-type: none"> <li><b>Housing Transition Navigation Services</b></li> <li><b>Housing Deposits</b></li> <li><b>Housing Tenancy &amp; Sustaining Services</b></li> <li><b>Sobering Centers</b></li> </ul>	1/1/2023 Live
<ul style="list-style-type: none"> <li><b>No Community Supports Offerings</b></li> </ul>	7/1/2023
<ul style="list-style-type: none"> <li><b>Short Term Post-Hospitalization Housing</b></li> <li><b>Personal Care and Homemaker Services</b></li> <li><b>Day Habilitation Services</b></li> <li><b>Respite Services</b></li> </ul>	1/1/2024 Live

<ul style="list-style-type: none"> <li>• <b>Community Transition Services/Nursing Facility Transition to a Home</b></li> <li>• <b>Nursing Facility Transition/Diversion</b></li> <li>• <b>Environmental Accessibility Adaptations (Home Modifications)</b></li> <li>• <b>Asthma Remediation</b></li> </ul>	Proposed for 7/1/2024
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**Table 5 – ECM and Community Supports Model of Care (MOC) Submission Status**

The Model of Care (MOC) contains documentation to be submitted to DHCS to determine the plan's readiness to meet the regulatory requirements for ECM and Community Supports. The timeframes and status for submissions are noted in the table below.

Phase	ECM	Community Supports	MOC Parts	Deadline	Status
<b>1</b> <b>7/1/22</b>	POFs 1, 2, 3	<u>Initial Offerings</u> <ul style="list-style-type: none"><li>• Medically Tailored Meals</li><li>• Recuperative Care</li></ul>	Parts 1 & 2	2/15/22	<b>Approved</b>
			Part 3	4/15/22	<b>Approved</b>
<b>2</b> <b>1/1/23</b>	POFs 5, 6	<u>Subsequent Offerings</u> <ul style="list-style-type: none"><li>• Housing Transition Services</li><li>• Housing Deposits</li><li>• Housing Tenancy &amp; Sustaining Services</li><li>• Sobering Centers</li></ul>	Parts 1 & 2	7/1/22	<b>Approved</b>
			Part 3	9/1/22	<b>Approved</b>
<b>3</b> <b>7/1/23</b>	POF 7, 8, 9, 10	<u>Subsequent Offerings</u> <ul style="list-style-type: none"><li>• None</li></ul>	Parts 1 & 2	2/15/23	<b>Approved</b>
			Part 3	4/15/23	<b>Approved</b>
<b>4</b> <b>1/1/24</b>	<u>CS Subsequent Offerings</u> <ul style="list-style-type: none"><li>• Short Term Post-Hospitalization Housing</li><li>• Personal Care and Homemaker Services</li><li>• Day Habilitation Services</li><li>• Respite Services</li></ul>		Parts 1, 2, 3	7/1/23	<b>Approved</b>
	• ECM POF 10 (Birth Equity)		Addendum IV	10/2/23	<b>Approved</b>
	• ECM POF 4 (Individuals Transitioning from Incarceration)		Addendum III	10/15/23	<i>Pending Approval</i>

**Table 6 – Incentive Programs**

The timeframes and status of submissions to DHCS for each Incentive Program are noted in the table below.



Incentive Program	Submission	Deadline	Status
<b>Incentive Payment Program (IPP)</b> <b>Program Years 1, 2 &amp; 3</b>	Submission 1	3/1/22	<b>Approved</b>
	Submission 2A	9/1/22	<b>Approved</b>
	Submission 2B	3/15/23	<b>Approved</b>
	Submission 3	9/1/2023	<b>Approved</b>
	Submission 4	3/2024	<i>In Progress</i>
	Submission 5	9/2024	Not Started
<b>Homelessness &amp; Housing Incentive Program (HHIP)</b> <b>Program Years 1 &amp; 2</b>	LHP* Submission	6/2022	<b>Approved</b>
	Investment Plan	9/2022	<b>Approved</b>
	PY 2 1st Submission	3/10/23	<b>Approved</b>
	PY 2 2 <sup>nd</sup> Submission	12/2023	<i>Submitted</i>
<b>School Based Behavioral Health Incentive Program</b> <b>Program Years 1, 2 &amp; 3</b>	Assessment Submission	12/2022	<b>Approved</b>
	Submission 1	6/2023	<i>Submitted</i>
	Submission 2	12/2023	<i>Submitted</i>
	Submission 3	6/2024	Not Started
	Submission 4	12/2024	Not Started

\*Local Homelessness Plan (LHP)

## **Population Health Program Report**

**Date:** January 17<sup>th</sup>, 2024

**From:** Lauren Geeb, MBA, Director, Quality

**Through:** Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer  
Carlos Hernandez, Quality & Population Health Officer

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### **Executive Summary**

This report highlights recent developments in relation to CenCal Health's Population Health Management (PHM) Program and next steps to assure access to a more equitable, coordinated, and person-centered approach to population health.

CenCal Health's PHM Strategy was recently submitted to the Department of Health Care Services (DHCS) by its December 2023 deadline. This comprehensive strategy incorporated emerging regulatory requirements to engage with local health departments as part of a DHCS-reimagined Population Needs Assessment (PNA) process. CenCal Health's Board-approved 2023 Population Needs Assessment (PNA) is the mechanism used to inform CenCal Health's Board-approved 2023 PHM Strategy, since the PNA identifies the priority needs of local communities and members, and health disparities.

CenCal Health Quality Department staff established a collaboration with Santa Barbara and San Luis Obispo public health departments to meaningfully participate in their Community Health Assessments and/or Community Health Improvement Plans and develop a shared goal that aligns with DHCS' Bold Goals to advance health equity. The goals that were mutually established focus on:

- Pediatric preventive care (Santa Barbara)
- Adolescent depression screening (San Luis Obispo)

Further, CenCal Health is committed to stronger engagement with its local health departments and community stakeholders as part of its overall Strategic Plan. This supports efforts to foster a deeper understanding of the health and social needs of members and the communities in which they live. CenCal Health will annually review and update its PHM Strategy, which will be informed by the PNA process.

### **Background**

CenCal Health's PHM Program, administered in coordination with community stakeholders, was created to guarantee that all members have access to inclusive, equitable health services across the continuum of care based on their needs and preferences, participation, and engagement. Two key components to CenCal Health's overall PHM Program are its PHM Strategy and the PNA.

CenCal Health's comprehensive PHM Strategy, informed by CenCal Health's PNA, is reviewed and updated annually to ensure goals are being met and comply with regulatory requirements. The strategy accomplishes the following:

- Defines how program services are delivered or offered
- Provides a framework to assess and meet membership needs
- Demonstrates how CenCal Health is meaningfully responding to member and community needs
- Provides structure for establishing activities to meet PHM goals, and
- Determines targeted populations and sets goals for:
  - Keeping members healthy
  - Managing members with emerging risks
  - Ensuring patient safety across settings
  - Managing members with multiple chronic illnesses

To deepen CenCal Health's understanding of its members and strengthen its relationship with the communities served, CenCal Health established a collaboration with local health departments in Santa Barbara and San Luis Obispo. CenCal Health's Quality Department staff have been engaged via multistakeholder workgroups to participate with their Community Health Assessments / Community Health Improvement Plans. Through this effort, shared goals and objectives were co-developed in alignment with DHCS' Bold Goals initiative to achieve significant improvements in clinical and health equity outcomes by 2025 for pediatric preventive care, behavioral health, and maternity outcomes (birth equity). The shared goals were specifically defined to improve:

- Pediatric preventive care (Santa Barbara)
- Adolescent depression screening (San Luis Obispo)

CenCal Health will participate meaningfully by ensuring staff engagement and providing data. This collaboration will enhance CenCal Health's ability to identify the needs within member communities so that together, we can more effectively improve members' lives with a coordinated approach to population health management. In December 2023, CenCal Health submitted its PHM Strategy to DHCS inclusive of these shared goals.

### **Next Steps**

CenCal Health staff will implement activities outlined in PHM Strategy.

### **Recommendation**

This report is provided for informational purposes and for your Board's acceptance.

**DHCS Contract Amendments:** 2009 A57 and A58, and 2024

**Date:** January 17<sup>th</sup>, 2024

**From:** Michael Harris, Government Affairs and Administrative Officer

**Contributors:** Kashina Bishop, Chief Financial Officer

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

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**Executive Summary**

Over the past month, two (2) contract amendments from the Department of Health Care Services (DHCS) were reviewed extensively by internal subject matter experts and, as deemed non-substantive and per CenCal Health policy, executed by the Chief Executive Officer (CEO). These necessary contract amendments are a result of program or policy changes, issued through All Plan Letters already in effect, and are made by DHCS to ensure the health plan's contract are up to date. Also, during the month of December 2023, CenCal Health received, as expected, and executed the 2024 DHCS Contract following authorization granted the CEO in October 2023 by the Board of Directors. This memorandum ensures that the Board of Directors are made aware of routine contract amendments, executed per policy, and provided a status update on the execution of the 2024 DHCS contract.

**Background**

As a part of its normal process, DHCS routinely updates health plan contract terms and conditions. This is a result of the state implementing new programs and policies or various rules or regulations, promulgated by the federal government or the state, being implemented. As a result of these updates, programmatic or rule changes, DHCS must update the health plans' contracts.

During the times in which DHCS requires a signature and the terms are non-substantive or already enacted through various rules or regulations, the CEO instructs internal subject matter experts, legal staff, and the chief financial officer, to review any and all proposed amendments as described in CenCal Health policy. These reviews, coordinated by the Government Affairs and Administrative Officer, ensure that the proposed amendments are in line with staffs' understandings of previous guidance, program changes or known policy changes. Staff ensure that nothing in the proposed amendments are unknown or will pose a financial burden to the health plan that it was otherwise not anticipating. Since your last meeting, staff have received two contract amendments: A57 and A58.

#### *Amendment A57*

DHCS has provided CenCal Health with various retroactive rate capitation reconciliations for CY 2022 Rates [January 2022 through June 2022; and July through December 2022. These rates were reviewed by the CFO and her staff and were consistent with previous DHCS conversations and guidance and did not result in a fiscal impact. The CFO approved of the DHCS provided rates. Given a large amount of financial rate adjustments and updates, CenCal Health staff are fully anticipating further retroactive rate adjustments in the future.

#### *Amendment A58*

Amendment A58 sought to strengthen reporting obligations for those plans which have large, subcontracted networks. The amendment requires various agreements to be submitted to DHCS for their information and it stresses that health plans must ensure continuity of care; an approach that CenCal Health has long supported. The amendment ensures that health plans understand the requirement of providing information and referrals for Doula coverage and, because CenCal Health provides the medical coordination for California's Whole Child Model Program, it requires health plans to gather various medical information to assist counties in redetermining the eligibility of our health plan's children enrolled in California Children's Services. CenCal Health staff were fully anticipating contractual language that was received.

#### *2024 Contract*

As your Board is aware, CenCal Health staff have gone through extensive year-long preparation with DHCS in anticipation of executing the 2024 DHCS Contract. Hundreds of deliverables were provided to DHCS to assure DHCS that CenCal Health was ready and capable of continuing its services to medical recipients and to ensure that CenCal Health could meet new obligations as required in the 2024 contract, as reported in the Compliance Reports. In your October 2023 Board meeting, the Board of Directors authorized the CEO to execute the 2024 contract. By way of an update, the 2024 Contract was received and executed by Ms. Owen on December 7<sup>th</sup>, 2023, and provided to DHCS within requested timeframes. The execution of the 2024 contract is a major milestone in CenCal Health's history, is reflective of your staffs' extraordinary efforts and a reflection of the trust DHCS has in CenCal Health's abilities to meet the new requirements contained in the 2024 contract.

#### **Recommendation**

This report is informational for your Board's acceptance and no further action is required. Accepting this report does not result in a financial impact CenCal Health.



## **CENCAL HEALTH BOARD OF DIRECTOR APPOINTMENTS FOR 2024**

**Date:** January 17<sup>th</sup>, 2024

**From:** René Bravo, MD, Chair  
CenCal Health Nominating Committee

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

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CenCal Health's Nominating Committee, comprised of René Bravo, MD, Chair, Supervisor Joan Hartmann, Dan Herlinger, and Supervisor Ortiz-Legg, convened on Monday, November 6<sup>th</sup>, 2023, to consider and make recommendations on CenCal Health Board of Director appointments for 2024.

### **Appointment of Board Officers**

CenCal Health's Nominating Committee recommends the following appointments of Board Officers for CY 2024:

Chair: Mark Lisa -San Luis Obispo  
Vice Chair: Kieran Shah -Santa Barbara  
Treasurer: Kashina Bishop  
Clerk: Paula Bottiani  
Assistant Clerk: Nicole Wilson

### **Appointment of Members to the Finance Committee:**

CenCal Health's Nominating Committee recommends the following board appointments to the Finance Committee for CY 2024:

Sue Andersen -Santa Barbara (Chair)  
Mark Lisa -San Luis Obispo  
Dan Herlinger -Santa Barbara  
Kieran Shah -Santa Barbara

### **Appointment of Members to the Compliance Oversight Committee:**

CenCal Health's Nominating Committee recommends the following board appointments to the Compliance Oversight Committee for CY 2024:

Dan Herlinger -Santa Barbara (Chair)  
Nicholas Drews -San Luis Obispo  
Toni Navarro -Santa Barbara

### **Appointment of Members to the Nominating Committee:**

CenCal Health's Nominating Committee recommends the following board appointments to the ad hoc Nominating Committee for CY 2024:

René Bravo, MD -San Luis Obispo (Chair)

Supervisor Joan Hartmann -Santa Barbara  
Dan Herlinger -Santa Barbara  
Supervisor Dawn Ortiz-Legg -San Luis Obispo

**Appointment of Members to the CEO Evaluation and Compensation Committee**

CenCal Health's Nominating Committee recommends the following board appointments to the ad hoc CEO Evaluation and Compensation Committee for CY 2024:

Mark Lisa -San Luis Obispo (Chair)  
Dan Herlinger -Santa Barbara  
René Bravo, MD -San Luis Obispo  
Sue Andersen -Santa Barbara

**Appointment of Members to the Board Development Committee**

CenCal Health's Nominating Committee recommends the following board appointments to the ad hoc Board Development Committee for CY 2024:

Dan Herlinger -Santa Barbara (Chair)  
René Bravo, MD -San Luis Obispo  
Nicholas Drews -San Luis Obispo

**Appointment of Board Liaisons to Advisory Boards and Delegated Committees**

CenCal Health's Nominating Committee recommends the following board liaisons to Advisory Boards and Delegated Committees for CY 2024:

Community Advisory Board:	Sarah Macdonald -SB (Vice Chair)
Provider Advisory Board:	Kieran Shah -Santa Barbara
Quality Improvement Committee:	Ed Bentley, MD -Santa Barbara
Family Advisory Committee	René Bravo, MD -San Luis Obispo

**Appointment of Board Liaisons to Steering Committees**

CenCal Health's Nominating Committee recommends the following board liaisons to Steering Committees for CY 2024:

Santa Barbara County CalAIM Community Steering Committee:  
Supervisor Joan Hartmann -Santa Barbara

San Luis Obispo County CalAIM Community Steering Committee:  
Supervisor Dawn Ortiz-Legg -San Luis Obispo

**Recommendation**

CenCal Health's Nominating Committee recommends the CenCal Health Board of Directors consider and accept this 2024 Board of Director list of appointments.

## CenCal Health 2024 Board of Directors Meeting Schedule

**Date:** January 17<sup>th</sup>, 2024

**From:** Marina Owen, Chief Executive Officer  
Paula Bottiani, Sr. Executive Assistant of Administration, Clerk of the Board

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The following schedule represents the CenCal Health Board of Director's meeting schedule from January 2024 through January 2025

CenCal Health will plan to hold six (6) regular meetings of the Board of Directors and one (1) special meeting, which is the annual strategic retreat on Friday, July 19<sup>th</sup>.

For your convenience, the first meeting of the *next calendar year* is also included and will take place on January 15<sup>th</sup>, 2025 in Santa Maria.

### **Board of Directors Meeting Schedule**

<b>Date</b>	<b>Location</b>
January 17 <sup>th</sup> , 2024	Santa Maria
March 20 <sup>th</sup> , 2024	San Luis Obispo
April 17 <sup>th</sup> , 2024	Santa Maria
June 12 <sup>st</sup> , 2024	Santa Maria
July 19 <sup>th</sup> , 2024 [ <i>Special Meeting</i> ]	Retreat, Santa Ynez
September 18 <sup>th</sup> , 2024	Santa Maria
October 16 <sup>th</sup> , 2024	Santa Barbara
January 15 <sup>th</sup> , 2025	Santa Maria

All Regular Board Meetings will begin at **6:00pm** with dinner being served at **5:30pm** prior to each meeting.

This year, an April 2024 Regular Meeting will be held as opposed to a May 2024 Regular Meeting to support the timing of the CY 2023 Independent Financial Audit, now on a calendar year schedule. In addition, the June 2024 Regular Meeting is being held the second Wednesday of the month to support the observation of the Juneteenth holiday the following week.

### **Recommendation**

Staff recommends the Board of Directors approve the CenCal Health 2024 Board of Directors Meeting Schedule through January 2025.

## **Board of Directors Committee Schedule**

For your convenience and planning purposes, following is 2024 standing and ad hoc subcommittee schedule for the Board of Directors. Compliance, Advisory and Steering committees, including those with Board Liaisons, will be provided separate meeting information and invitations.

### **Finance Committee**

<b>Board Committee Date</b>	<b>Location</b>
January 17 <sup>th</sup> , 2024, at 4:00pm	Santa Maria
April 17 <sup>th</sup> , 2024, at 4:00pm	Santa Maria

All Finance Committees can convene at **4:00pm** prior to Regular Board of Director Meetings for one hour.

### **Board Development Committee**

<b>Board Committee Date</b>	<b>Location</b>
March 20 <sup>th</sup> , 2024, at 4:00pm	San Luis Obispo
June 12 <sup>th</sup> , 2024, at 4:00pm	Santa Maria

All Board Development Committees can convene at **4:00pm** prior to Regular Board of Director Meetings for one hour.

### **Nominating Committee**

<b>Board Committee Date</b>	<b>Location</b>
November 4 <sup>th</sup> , 2024, at 5:30pm	Virtual Meeting

Nominating Committee can convene at **5:30pm** in a virtual format, as an ad hoc meeting, to review and approve the 2025 Slate of CenCal Health Board Officers and Committee Appointments.

Note: Standing and ad hoc meetings may convene additionally on an *ad hoc* and as *needed* basis should new Board Members be identified and/or to support County Board of Supervisor nominations including appointments to the CenCal Health Board of Directors or to address business or board needs if/as they emerge.

## Quality Improvement Health Equity Committee (QIHEC) Report

**Date:** January 17<sup>th</sup>, 2024

**From:** Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer, Quality Improvement & Health Equity Committee (QIHEC) Chairperson

**Contributors:** Carlos Hernandez, Quality & Population Health Officer  
Van Do-Reynoso, PhD, Chief Customer Experience Officer & Chief Health Equity Officer

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### Executive Summary

This is CenCal Health's QIHEC report to your Board, including information about the committee's proceedings for its 4<sup>th</sup> quarterly meeting of 2023, completed on December 14<sup>th</sup>, 2023. This report summarizes key topics reviewed by the QIHEC as your Board's appointed entity accountable to oversee the effectiveness of CenCal Health's Quality Improvement & Health Equity Transformation Program (QIHETP). The QIHEC's recent proceedings included the following actions:

- Approval of August 24, 2023, QIHEC minutes.
- Approval or acceptance of reports from the Pediatric Clinical Advisory Committee, Pharmacy & Therapeutics Committee, Customer Experience Committee, Utilization Management Committee, and Credentialing Committee.
- Approval of:
  - Follow-up items including a CCS/TCRC performance analysis age group stratification, an analysis of possible causes of low inpatient average length of stay (ALOS), and tonsillectomy utilization; and confirmation of the closed or open status of additional follow-up requests.
  - 2023 Risk Scoring & Stratification Analysis of Racial, Ethnic, and other Potential Algorithmic Biases.
  - QIHETP Work Plan Update, with focus on Well Child Visit Performance Improvement Project – 15 Months of Age.
  - Quality Dashboard of key performance indicator results.
  - Key Performance Metrics, which demonstrate cross-functional QIHETP integration of Utilization Management, Access and Availability, and Member Grievance operations.
- Approval of fourteen QIHETP & Related Program Policies (Attachment 1: provided for your Board's consideration and recommended approval).

The QIHEC's approval of the action items listed above included consideration by contracted network physicians and other representatives that are required members of the QIHEC.

## **Background**

Your Board, as CenCal Health's governing body, is required to participate in CenCal Health's Quality Improvement System as follows:

1. *Appointment of an accountable entity within CenCal Health to oversee the effectiveness of the Quality Improvement and Health Equity Transformation Program (QIHETP).*

This responsibility was completed with your Board's March 2023 approval of CenCal Health's QIHETP Program Description. Your approval affirmed your Board's appointment of the QIHEC as its accountable entity to oversee quality improvement and health equity activities. The QIHEC, chaired by the Chief Medical Officer in collaboration with the Chief Health Equity Officer, is accountable for overseeing the QIHETP's effectiveness and organization-wide quality improvement.

2. *Annual approval of the overall QIHETP, annual Work Plan, and Work Plan Evaluation.*

This responsibility was completed with your Board's March 2023 approval of CenCal Health's QIHETP Program Description, Quality Program Work Plan Evaluation of performance for the prior year, and the current year's QIHETP Work Plan. These documents detail CenCal Health's achievements and goals for continued improvement during the coming year. They define the structure of CenCal Health's QIHETP and responsibilities of entities and individuals within CenCal Health that support improvement in quality of care, patient experience, and safety. They also demonstrate CenCal Health's investment of resources to ensure continuous improvement. The QIHEC oversees quarterly updates to ensure the effectiveness of the current QIHETP Work Plan.

3. *Review of written progress reports from the QIHEC describing actions taken, progress in meeting QIHETP objectives, improvements made, and directing necessary modifications to QIHETP policies and procedures to ensure compliance with quality improvement and health equity standards.*

*This memorandum represents your Board's report on the quality committee's recent proceedings for its 4<sup>th</sup> quarterly meeting of 2023, and includes QIHETP and related policies for your consideration, direction, and approval. This report fulfills your Board's responsibility to review written progress reports from the QIHEC.*

After each quarterly meeting of the QIHEC, staff present your Board with approved minutes of the QIHEC's proceedings to assure the full scope of QIHEC activities is available for your Board's awareness. Additionally, each quarterly report will include policies reviewed and approved by the QIHEC, for your Board's further consideration, direction, and approval.

In total, this report includes the summary of recent QIHEC proceedings detailed above, and the following three attachments:

1. QIHETP & related program policies reviewed and approved by the QIHEC.
2. The meeting agenda for the recent QIHEC meeting.
3. The meeting minutes of the former QIHEC, which were approved at the recent meeting of the QIHEC.

The policies reviewed by the QIHEC provide details about CenCal Health's QIHETP program structure and related processes to ensure the effectiveness of the QIHETP. The QIHEC's engagement in this policy review enabled valuable feedback and direction from the QIHEC to meaningfully direct the effective administration of CenCal Health's QIHETP.

CenCal Health staff and DHCS have confirmed that the policies reviewed by the QIHEC comply with all DHCS quality improvement and health equity standards. The QIHEC's approval of the attached policies serves as the QIHEC's recommendation for your Board's approval, as the entity appointed by and accountable to your Board.

### **Next Steps**

The proceedings of future quarterly QIHEC meetings will be reported to your Board after each meeting of the QIHEC, to fulfill the progress reporting responsibilities described above. Subject to your Board's approval, staff will complete implementation of the attached QIHETP policies.

### **Recommendation**

Staff recommends your Board accept this progress report, and provide additional direction if warranted, based on the attached policies and other content that was evaluated and approved by the QIHEC.

Acceptance of this report includes approval of the QIHETP, and related policies provided for reference as Attachment 1.

### **Attachments**

- Attachment 1 – QIHETP & Related Policies (qty. 14)
- Attachment 2 - QIHEC Meeting Agenda, December 14, 2023
- Attachment 3 - QIHEC Approved Minutes, August 24, 2023





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# Quality Improvement & Health Equity Committee Report

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Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer

Van Do-Reynoso, MPH, PhD, Chief Customer Experience Officer, Chief Health Equity Officer

Carlos Hernandez, Quality & Population Health Officer

January 17, 2024



# MY 2022 Accomplishments

## Top 10% of Medicaid Plans

DHCS Performance Measures	Santa Barbara County	San Luis Obispo County
Breast Cancer Screening	✓	
Low Rate of Poorly Controlled Diabetes Blood Glucose (A1c)	✓	✓
Timeliness of Postpartum Care	✓	✓
Well Child Visits, Ages 15-30 Months	✓	
Immunizations for Adolescents	✓	
30-Day Follow-up After Emergency Department Visits for Substance Use	✓	✓

- 9 High Performance Levels surpassed
- No DHCS enforcement actions for substandard performance
  - 3 Minimum Performance Levels missed in SLO
  - 2 Minimum Performance Levels missed in SB

# NCQA Readiness

## 2024 Q4 NCQA Accreditation Surveys Anticipated

- Independent mock survey is in process
- Feedback has been positive, with valuable guidance provided to strategically strengthen operational readiness
- NCQA surveys will be reserved this month, for survey in Q4 2024
- The 2024 DHCS contract readiness preparations provided a solid foundation to build upon

# Board's QIHETP Role

## QIHETP governance to optimize effectiveness

- Approval of the overall QIHETP, the QIHETP annual plan, and appointment of the QIHEC as an accountable entity responsible for QIHETP oversight
- Receipt of written QIHEC progress reports that describe actions taken, progress in meeting QIHETP objectives, & improvements made
- Directing necessary modifications to **QIHETP policies & procedures** to ensure DHCS compliance with Quality Improvement & Health Equity standards

# December 2023 QIHEC P&P Approvals

- 14 QIHETP & related P&Ps were approved by the QIHEC – their approval serves as recommendation for approval by your Board
- Staff & DHCS confirmed that all policies are compliant with DHCS 2024 contract requirements
- Future P&Ps will be brought for your review in advance of DHCS submission, when feasible



# Policies & Procedures Approved by QIHEC

QIHETP & Related Policies and Procedures Approved by QIHEC	Effective Date
1. Translation of Written Materials	February 2017
2. Access to Linguistic and Interpreter Services	May 2018
3. Cultural and Language Access	June 2018
4. Alternative Format Selection Process	July 2022
5. Provider Directory Creation and Maintenance	January 2023
6. Ensuring EPSDT Screening, AAP Bright Futures Under 21	January 2023
7. Community Advisory Board	January 2024
8. Provider Credentialing and Recredentialing	January 2024
9. Vaccines for Children Program	January 2024
10. Identification, Referral, and Care Coordination for NSMHS, SMHS, SUD	January 2024
11. Early and Periodic Screening, Diagnostic and Treatment Services EPSDT	January 2024
12. Provider to Member Ratios	January 2024
13. External Quality Review Organization Requirements	January 2024
14. Credentialing Systems Control and Oversight	January 2024

# Policy Highlight

## Community Advisory Board

- Influences QIHETP evolution through member & family-oriented engagement
- Informs policy & decision-making in an advisory capacity
- Reflects CenCal Health's member population; Chair and Co-Chair are CAB members
- Ensures oversight by the CenCal Health Board of Directors via a Board member participation on the CAB
- Demonstrates member & family engagement in policy & decision-making in reports to QIHEC



# Key Next Steps

- Subject to Board's approval, staff will complete implementation of the approved policies
- QIHETP policies & those for NCQA accreditation, will be presented to your Board at least annually, on a quarterly schedule subsequent to the QIHEC meetings



# Recommendation

- The written QIHEC report to your Board & its attached policies are presented for your feedback, acceptance & approval





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## **Expansion of Community Supports Services**

**Date:** January 17<sup>th</sup>, 2024

**From:** Marina Owen, Chief Executive Officer  
Van Do-Reynoso, Chief Customer Experience Officer

**Contributors:** Chris Hill, Health Services Officer  
Blanca Zuniga, Medical Management Associate Director  
Jennifer Fraser, CalAIM Program Lead  
Jennifer Lu, Community Supports Project Manager

**Through:** CalAIM Community Steering Committee (Santa Barbara and SLO)

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### **Executive Summary**

CenCal Health recognizes the importance of engaging external partners in making recommendations to expand Community Supports services toward the achievement of optimal health for our members. As CenCal Health continues its journey in implementing the California Advancing and Innovative Medi-Cal (CalAIM) initiatives, staff formed and convened the CalAIM Community Steering Committee (CSC) within each county to engage external partners in making key recommendations. Members of the CSC represent county and education leaders, healthcare providers, and leaders from community-based organizations.

At the October 2023 convening, CSC members received a report on the remaining state-approved Community Supports Services and had the opportunity to support the plan's recommendation for new Community Supports for 2024. Based upon extensive deliberation, staff recommends expansion and addition of the following services for CenCal Health members effective July 1, 2024:

1. Community Transition Services/Nursing Facility Transition to a Home
2. Nursing Facility Transition/Diversion
3. Environmental Accessibility Adaptations (Home Modifications)
4. Asthma Remediation

Upon approval of these four (4) Community Supports by your Board, CenCal Health will be offering all fourteen (14) state approved Community Support Services and will have developed Models of Care as well as begun planning for the outreach and engagement of prospective providers, analyzing operational implications related to implementation of the aforementioned Community Supports services, and prioritizing staffing resources that are needed for the implementation of these new services.

### **Background**

Within the Medi-Cal environment, there has been a focus on broadening the role of the Managed Care Plan, instituting new and different non-medical benefits, and increasing accountability for quality and equity. Within the safety net environment, health

disparities, member complexities and demographic changes continue to grow and change. The implications of these changes for CenCal Health include the need to build new skillsets and capabilities, ensuring quality and health outcomes are priority, integrating and partnering with the community-based organizations and partners, and prioritizing community collaboration to meet the Plan's goals. One aspect of the Medi-Cal reform effort, through CalAIM, is to offer Community Supports services for CenCal members.

Community Support services are a range of services and resources designed to help Medi-Cal members live healthy and independent lives in their communities. These services are intended to address social determinants of health (SDOH), such as housing instability, food insecurity, and transportation challenges, which can have a significant impact on health outcomes. CenCal Health currently offers ten (10) out of fourteen (14) Community Supports. These include Recuperative Care, Medically Tailored Meals, Housing Deposits, Housing Transition Navigation Services, Housing Tenancy & Sustaining Services, Sobering Centers, Short-Term Post-Hospitalization Housing, Personal Care and Homemaker Services, Respite Services, and Day Habilitation Program. The Department of Healthcare Services (DHCS) intends to make Community Supports services benefits for Medi-Cal members once state-wide capacity for these services has been developed and expects health plans to offer state-approved Community Supports.

During the October convening of the CalAIM CSC for San Luis Obispo County and Santa Barbara County on October 3, 2023, and October 9, 2023, respectively, the CSC reviewed the remaining Community Supports Services to support the health plan's recommendation for additional Community Supports for 2024. The four (4) Community Supports services reviewed are as follows:

1. Community Transition Services/Nursing Facility Transition to a Home
2. Nursing Facility Transition/Diversion
3. Environmental Accessibility Adaptations (Home Modifications)
4. Asthma Remediation

In addition, a Community Survey was conducted with a broad reach of stakeholders, which validated the emphasis identified by the Steering Committee and further identified the need for services to support the community's long-term well-being in home-like settings in July 2024.

### **Recommendation**

Based on input from the community, staff recommends that your Board consider and approve implementation of the four (4) remaining Community Support services, including Community Transition Services/Nursing Facility Transition to a Home, Nursing Facility Transition/Diversion, Environmental Accessibility Adaptations (Home Modifications), and Asthma Remediation effective July 2024.



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# 2024 Transitional Care Services (TCS) Implementation 1/1/24

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Christopher Hill, RN, MBA  
Health Services Officer  
January 17, 2024



# What Is the CalAIM PHM Program?

The PHM Program is designed to ensure that all members have access to a comprehensive set of services based on their needs and preferences across the continuum of care, which leads to longer, healthier, and happier lives, improved outcomes, and health equity.

Specifically, the PHM Program intends to:

- Build trust with and meaningfully engage members;
- Gather, share, and assess timely and accurate data to identify efficient and effective opportunities for intervention through processes such as data-driven risk stratification, predictive analytics, identification of gaps in care, and standardized assessment processes;
- Address upstream drivers of health through integration with public health and social services;
- Support all members in staying healthy;
- Provide care management services for members at higher risk of poor outcomes;
- **Provide transitional care services (TCS) for “high risk” members transferring from one setting or level of care to another;**
- Reduce health disparities; and
- Identify and mitigates Social Drivers of Health (SDOH)



# What are Transitional Care Services

## Care Transitions Definition:

When a member **transfers from one setting or level of care to another**, including but not limited to, Discharges from hospitals, institutions, other acute care facilities, and skilled nursing facilities to home or community-based settings, Community Supports, post-acute care facilities, or long-term care settings.

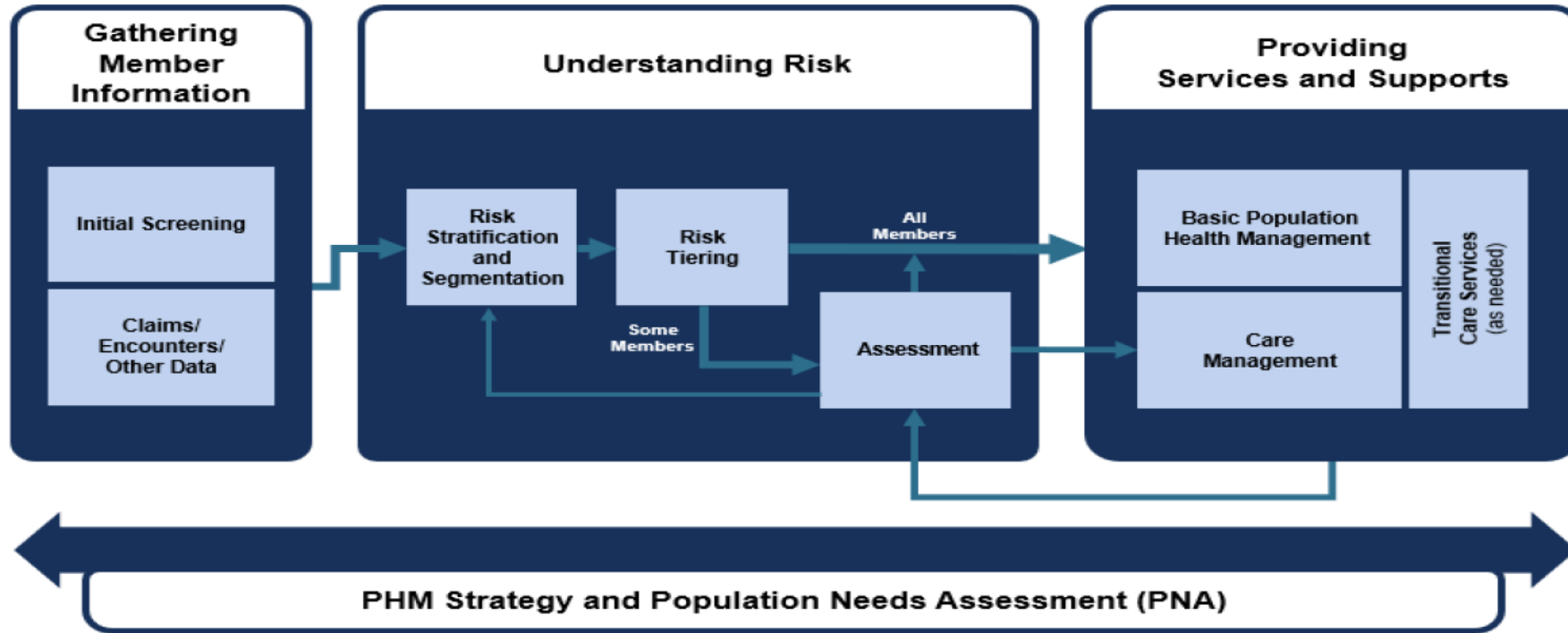
## Goals for Transitional Care

- ✓ Members can transition to the **least restrictive level of care that meets their needs and is aligned with their preferences** in a timely manner without interruptions in care.
- ✓ Members receive the **needed support and coordination to have a safe and secure transition** with the least burden on the Member as possible.
- ✓ Members continue to have the **needed support and connections to services that make them successful in their new environment.**

# Population Health Requirements

## II. PHM Program

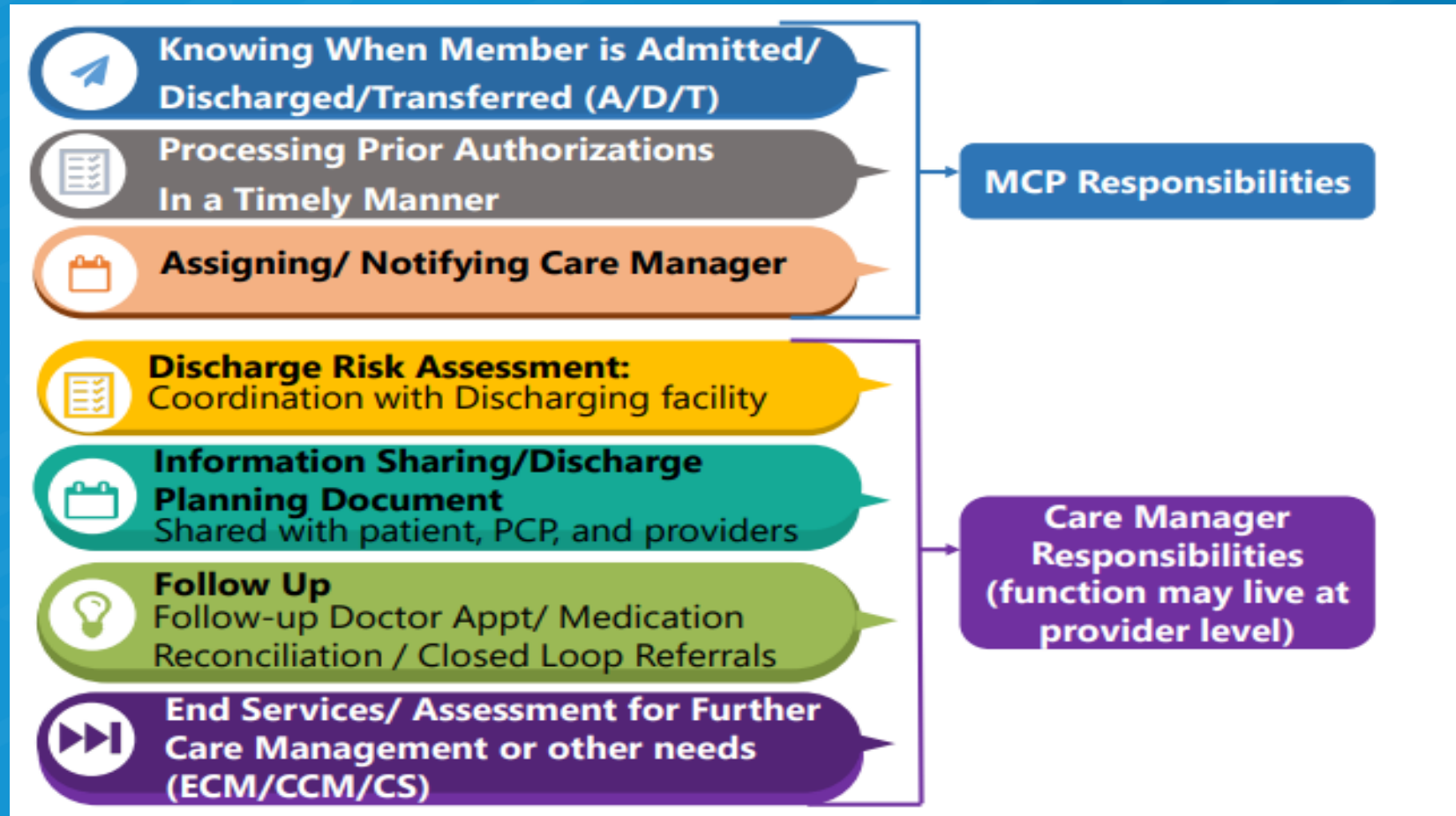
### A. PHM Framework



# Data to be used to inform Risk Stratification and Segmentation(RSS) (High, Medium and Low) include:

- Screenings and assessments; Managed care and fee-for-service (FFS) medical and dental claims and encounters;
- Social services reports (e.g., CalFresh; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); California Work Opportunity and Responsibility to Kids (CalWORKs); In-Home Services and Supports (IHSS));
- Electronic health records; Referrals and authorizations
- MCP behavioral health Screenings, Brief Interventions, and Referral to Treatment (SBIRT), medications for addiction treatment (MTOUD, also known as Medications for Opioid Use Disorder), and other substance use disorders (SUD), and other non-specialty mental health services information;8
- County behavioral health Drug Medi-Cal (DMC), Drug Medi-Cal Organized Delivery System (DMC-ODS), and Specialty Mental Health System (SMHS) information available through the Short-Doyle/Medi-Cal and California Medicaid Management Information Systems (CA-MMIS) claims system;9
- Pharmacy claims and encounters;
- Disengaged member reports (e.g., assigned members who have not utilized any services);
- Laboratory test results; Admissions, discharge, and transfer (ADT) data;
- Race, ethnicity, and language information; Sexual orientation and gender identity (SOGI) information;
- Disability status;
- Justice-involved data;
- Housing reports (e.g., through the Homeless Data Integration System (HDIS), Homelessness Management Information System (HMIS), and/or Z-code claims or encounter data); and
- For members under 21, information on developmental and adverse childhood experiences (ACEs) screenings.

# Transitional Care Service (TCS) Requirements



# Current State

Approved staffing model has been completed and TCS department has been partially staffed as of 1/1/24.

High risk inpatient members identified and engaged  
Provider education continues.

Provider Bulletin Article included in January brochure.

Process workflow & IT updates completed to  
accommodate new requirements by 1/1/24.

TCS Phone Line Implemented.



# Next Steps

Ensure Electronic  
notification of Admits,  
Discharges, and Transfers  
(ADT) by 1/31/24

- If not available must receive daily reports (i.e., secure e-mail).

Ensure access to “Electronic  
Health Records”.

Continue ongoing meetings to  
refine TCS process between  
Hospital's, LTC's, SNF's and  
CenCal Health





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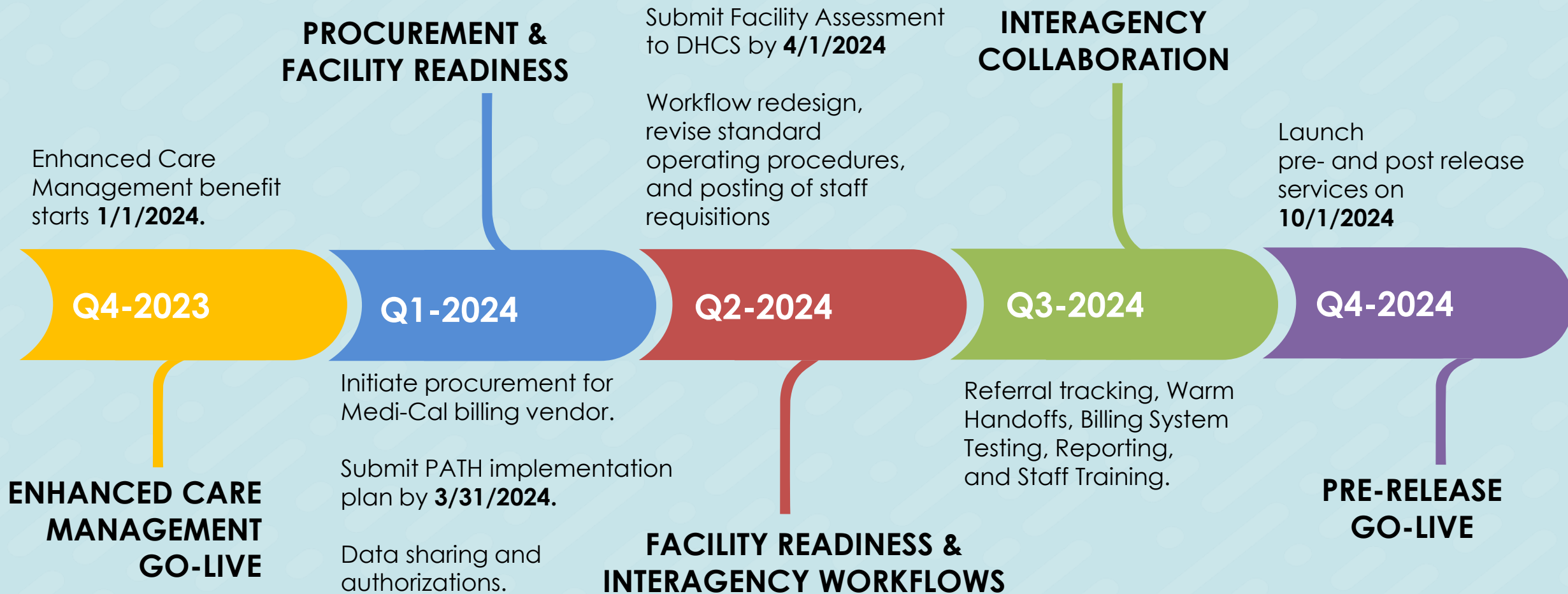
# Justice-Involved Initiative

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Chris Hill, RN, MBA  
Health Services Officer  
January 17, 2024



# Justice Involved Reentry Roadmap 2023-2024



Roadmap assumes a facility go-live of October 1, 2024



# Landscape Analysis: Scope of Work

Initial round of **interviews were held with agency leaders** in the Sheriff's Office, Probation, Social Services, Behavioral Health, Public Health, and Administration.

**Discussions focused on reentry supports and services**, highlighting the types of in-reach and embedded services in place today.

**High-level overviews** of screening and diagnosis procedures, and current handoffs between agency staff, embedded vendors (i.e., Wellpath), and community partners.

**Identified core technology and reporting systems**, and **data analytics** capabilities.



# Key Findings

- **Effective** interagency **collaboration** exists today supported by CalAIM governance committees.
- Community-based organizations are **engaged** in the jails and juvenile justice centers (in-reach).
- Mixture of software applications **used** by agencies, in different stages of the lifecycle.
- Limited data **sharing** or **integration** between agencies.
- Local hospitals and health centers **actively participate** in serving justice involved populations.



# Key Findings (cont'd)

- Incarcerated youths and adults experiencing mental illness and substance use **aligns** with statewide **benchmarks**.
- **Established** mental health plans (DMC-ODS) in the counties, **supported** by access to local psychiatric health facilities.
- PATH **implementation** dollars are being **allocated** to **support** the reentry initiative, and the details are pending **finalization**.
- **Recruiting** and **retaining** qualified staff is a significant risk to the reentry implementation.



# Priorities and Next Steps:

- **Procure and select** a qualified billing vendor for pre-release services, or manage internally within the agency.
- **Determine** the readiness and actual go-live date for each facility.
- **Hire and onboard** new staff to support pre- and post-release services (across all community partners)
- **Sharing** of sensitive data, and the required consents and authorizations throughout the pre- and post-release cycles. County Counsel to engage with legal opinion.



## **Calendar Year 2024 Operating and Capital Budgets**

**Date:** January 17<sup>th</sup>, 2024

**From:** Kashina Bishop, Chief Financial Officer/Treasurer

**Contributors:** Amy Sim and Jamie Louwerens

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

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### **Executive Summary**

Staff is presenting the Calendar Year 2024 Operating and Capital budgets for CenCal Health. The underlying assumptions and full Executive Summary are included in the attached document, which includes both a summary and additional detail.

CenCal Health's Board Finance Committee will also convene on January 17<sup>th</sup>, 2024, to review the 2024 Budget in detail.

### **Recommendation**

Staff recommends the Board approve the CY 2024 Operating and Capital budgets.



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Calendar Year 2024  
Operating and Capital Budgets

January 2024

# **Acknowledgments**

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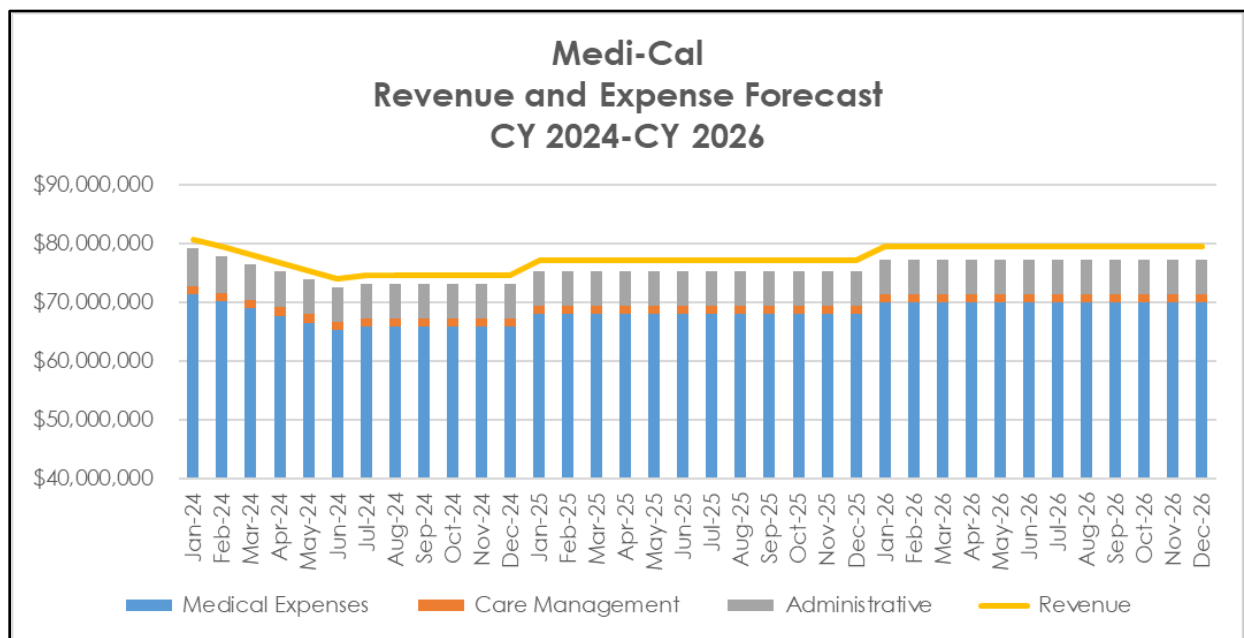
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# Executive Budget Summary

This document sets forth the calendar year (CY) 2024 Operating and Capital budgets for CenCal Health, and presents the key assumptions utilized in its development. CenCal Health will solely administer and operate its core health care program, Medi-Cal, during CY 2024 in both Santa Barbara and San Luis Obispo counties through a contract with the State of California Department of Health Care Services (DHCS).

The administrative and medical management budgets were developed with a keen focus on the needed resources to achieve the objectives within the Strategic Plan. These are aimed at building the necessary infrastructure for CenCal to advance the mission in an environment with increasing regulatory oversight and requirements associated with the Medi-Cal CY 2024 Contract.

The budget projections indicate CenCal will maintain and slightly grow reserves while making continued progress towards achieving the objectives outlined in the Strategic Plan. Additionally, the financial forecast is positive through 2026, excluding the necessary investment to implement the Medicare Dual Eligible Special Needs Plan (D-SNP) as of January 2026.

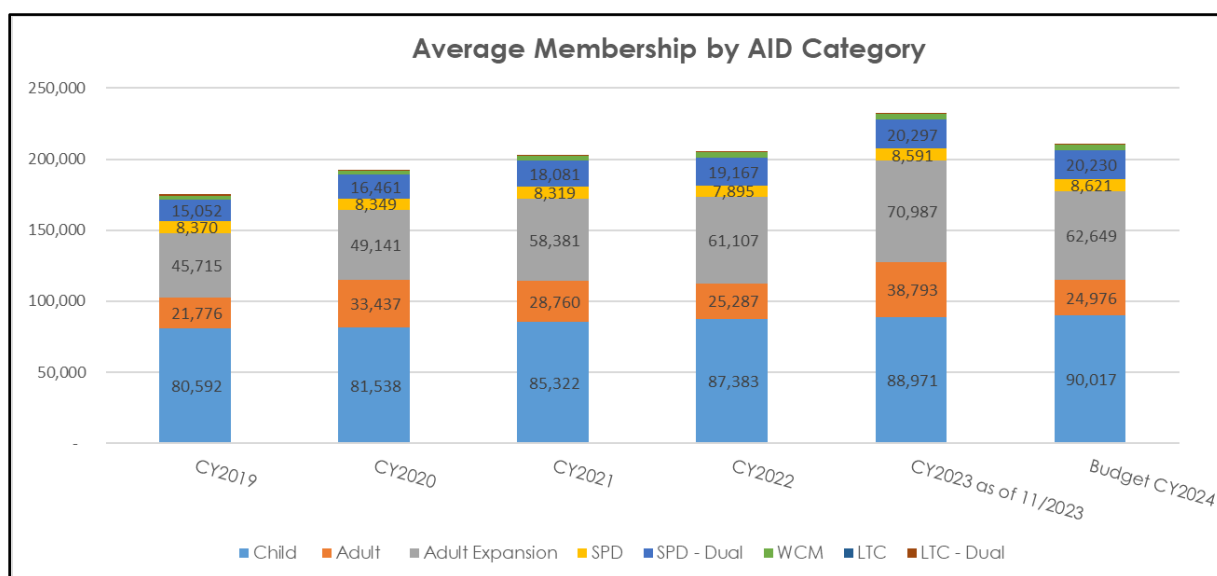


Management is monitoring the potential impact of California's Fiscal Outlook for 2024-2025 which indicated a \$68 Billion budget deficit. Updates will be provided in the coming months if Medi-Cal programs are impacted.

## Membership

Our membership with the Medi-Cal program is segregated into six major aid categories. The major aid categories are: (1) Seniors and Persons with Disabilities (SPD), (2) Long Term Care (LTC), (3) Child less than 21 years, (4) Adult 21+ years, (5) Medicaid Expansion Adult (MCE Adult), and (6) Whole Child Model (WCM).

The projected member months are shown below, including a comparison to member months for the past few calendar years. Overall, CenCal Health's covered lives are projected to average 211,215 resulting in 2,534,579 member months for 2024. The budget period forecast assumes Medi-Cal eligibility redetermination activity will continue through July 2024 due to the assumed expiration of the federal Public Health Emergency (PHE) declaration in April 2023.



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

## **Revenue**

### **Capitation Revenue**

Capitation payments are received from DHCS for qualifying residents in Santa Barbara and San Luis Obispo counties primarily on a monthly PMPM basis. To derive the Medi-Cal capitation revenue, the member months by aid category were multiplied by the applicable draft CY 2024 capitation rate associated with the aid category. There are differences in the capitation rate dependent on whether a member has dual coverage (covered by both Medicare and Medi-Cal in which Medicare is the primary payer).

DHCS calculated the CY 2024 base capitation rates by trending forward the CY 2021 medical expenses and adjusting them for various program changes, and then adding on a component for administrative expenses and a risk margin. Revenue for the CalAIM Enhanced Care Management (ECM) program is included as part of the base capitation rate.

Assembly Bill (AB) 118 allowed DHCS to develop primary care, obstetric and non-specialty mental health services targeted provider rate increases for provider in Medi-Cal effective for dates of service on or after January 1, 2024. These rate increases will apply to eligible providers in the fee-For-Service delivery system, as well as eligible network provider contracted with Medi-Cal managed care plans. DHCS increased rates, as applicable, for targeted services to no less than 87.5% of the Medicare rate, inclusive of eliminating AB 97 provider payment reductions and incorporating applicable Proposition 56 physician services supplemental payments into the base rate. DHCS calculated an equivalent rate increase for services that do not have a rate established by Medicare. These targeted rate increases are reflected in our base capitation rates from DHCS for CY 2024.

### **MCO Tax**

Assembly Bill (AB) 119 (Chapter 13, Statutes of 2023) authorized a Managed Care Organization (MCO) Provider Tax effective April 1, 2023, through December 31, 2026. MCO tax revenues will be used to support the Medi-Cal program including, but not limited to, new targeted provider rate increases and other investments that advance access, quality, and equity for Medi-Cal members and promote provider participating in the Medi-Cal program. MCO Tax was not included in budgeted revenue or expenses as it is considered a pass-through.

### **Supplemental Revenue**

DHCS pays Health Plans a supplemental revenue rate for maternity delivery services based on the volume of services performed rather than on a per member per month capitation rate. The budget assumes the same volume of services per 1,000 members

will be utilized in CY 2024 as in prior years. Starting in January 2018, Health Plans were no longer at risk for all eligible American Indian Health Services (AIHS) and are paid via a separate payment arrangement that is not part of the base capitation rate. CenCal Health manages these services on an Administrative Services only contract with DHCS and are reimbursed via a supplemental payment. The budget was developed using historical utilization and current contracted rates.

### ***Proposition 56 Revenue***

For CY 2024 DHCS provides plans with a PMPM rate to pay Proposition 56 add-on payments for qualifying Family Planning, Developmental Screening and Trauma Screening services to qualifying providers.

The Proposition 56 Physician Services program add-on was eliminated in CY 2024 as it was included in the Targeted Rate Increase (TRI) to the base capitation rate for specific services.

### ***Revenue Reserves***

DHCS has two-side risk corridors with Health Plans for the Proposition 56 program and Enhanced Care Management (ECM) program. CenCal Health budgets for the expected amount of revenue to be returned to DHCS for the calendar year based on historical trend.

### ***Directed Payments/IGT/HQAF***

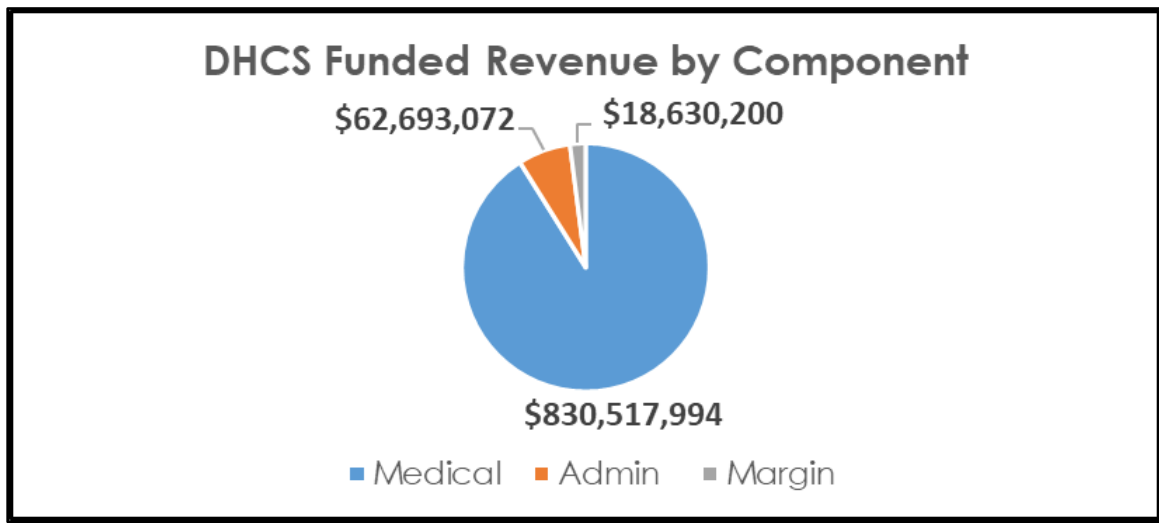
Incentive Revenue, MCO Tax Revenue and Directed Payment Revenues are not included this budget as they are treated as budget neutral pass-through payments.

### ***Non-Operating Revenue***

\$1,481,112 of interest income and \$4,000,000 of investment income is anticipated to be earned during the budget period.

CenCal Health performs certain administrative functions for the Public Health Department of Santa Barbara County. Administrative fees are projected at \$25,000. CenCal Health also earns an administrative fee for processing the Voluntary Rate Range IGT and anticipates earning ~\$2,000,000 during the budget period.

CY2024 Budget			
Base Capitation Revenue	\$	862,786,794	94.6%
ECM Revenue	\$	14,367,331	1.6%
Supplemental Revenue	\$	42,400,015	4.6%
Prop 56 Revenue	\$	7,282,573	0.8%
Reserve- Minimum MLR/Risk Corridor	\$	(14,995,447)	-1.6%
		<b>\$ 911,841,265</b>	



## **Total Cost of Healthcare**

The medical expense budget for CY 2024 is \$822,135,483.

### **Capitation & Incentive Expense**

Capitation & Incentive expenses reflects current capitated agreements and updates for contracts currently in the final stages of negotiation and execution.

Primary Care Provider Capitation costs represent expenditures paid on a PMPM basis to primary care providers (PCPs) in return for the PCP providing basic preventive health care medical services and case management functions to their respective assigned CenCal Health members.

The capitation rates paid to SBHI and SLOHI PCPs vary depending on a member's Medi-Cal aid category, sex, and age. Approximately 85 percent of our total Medi-Cal members are projected to be assigned to a PCP for any given month. The remaining members not assigned to a capitated PCP are primarily those residing in long term care facilities, members who obtained eligibility retroactively for a specific month, or who are dual-eligibles (also known as Medi-Medi's).

PCP capitation is paid monthly to PCPs either at 60 or 80 percent of the full capitation rate, dependent on a choice selected by the PCP. The remaining 20 or 40 percent is withheld and is applied towards the PCP incentive pools. Incentives are earned by PCPs through the PCP Incentive Program which provides financial incentives to providers who meet minimum quality and utilization parameters. The total incentive dollars to be paid out fluctuate with any change in the number of members assigned to PCPs and the amount consists of both the withhold and a contribution from CenCal Health into the incentive pools. In addition, CenCal contributes an additional 50% of gross capitation to the incentive pools.

Institutional Capitation is paid for Inpatient, Outpatient and Emergency Room services for a single contracted provider and varies depending on a member's Medi-Cal aid category, sex, and age.

Additionally, Cen Cal Health contracts with a transportation vendor and some Physician Specialty providers on a capitated basis.

All Capitation and PCP incentive payments combined are budgeted at \$142.7million and at \$56.31 PMPM.

Please note that CalAIM Incentive expense is not included in the budget (nor is the revenue) as it is expected to be budget neutral.



## **FFS Claims Expense**

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

The major assumptions impacting projected medical expenses are:

1. Trend factors consistent with RDT (2-4%) and projections based on the category of AID and category of service
2. Major contracting changes projected to increase fee-for-service costs from the base period.
3. An assumed increase of 4% for Long-Term Care (LTC) / Skilled Nursing Facility (SNF) expenses associated with annual increases based on State established facility rates.
4. Estimates for Targeted Rate Increases (TRI) are reflected in the PCP, FQHC, Physician Specialty, Mental Health, and Other Medical Expense categories of service.
5. Community Supports (CS) expenses were not explicitly assumed in the budget (except for recuperative care and housing deposits).

## **Directed Payments & Pass-Throughs**

Directed Payments and Pass-throughs are incorporated into the budget if they are not budget neutral. Proposition 56 add-ons for the current budget period are estimated based on historical cost and utilization. For CY 2024 budget year only add-ons for the Proposition 56 Family Planning, Developmental Screening and Trauma Screening programs are budgeted. Proposition 56 Physician Services add-on has been incorporated into the base rate as part of the Targeted Rate Increase (TRI)

The following programs are in effect but, not budgeted as revenue or medical expenses as they are budget neutral:

### MCO Tax

Assembly Bill (AB) 119 (Chapter 13, Statutes of 2023) authorized a Managed Care Organization (MCO) Provider Tax effective April 1, 2023, through December 31, 2026. MCO tax revenues will be used to support the Medi-Cal program including, but not limited to, new targeted provider rate increases and other investments that advance access, quality, and equity for Medi-Cal members and promote provider participating in the Medi-Cal program. MCO Tax was not included in budgeted revenue or expenses as it is considered a pass-through.

#### Rate Range Intergovernmental Transfers (IGT)

Qualifying entities (e.g., those which have local taxing authority) may enter into a contractual arrangement with DHCS to draw down federal matching funds known as an Intergovernmental Transfer (IGT). These IGT dollars must be utilized for pay for medical care services provided to Medi-Cal beneficiaries. The IGT funds, inclusive of the federal match, are incorporated into the health plan's capitation rates. Upon receipt of the IGT dollars from DHCS, the health plan makes a payment to the IGT entity towards the cost of care of services provided to health plan members (i.e., Medi-Cal beneficiaries).

#### HQAF Directed Payments

DHCS along with the California Hospital Association (CHA) devised an IGT funding mechanism for California hospitals. Hospitals pay a fee which DHCS uses to obtain federal matching funds. These IGT dollars are incorporated into health plan capitation rates and the IGT dollars, once received by the health plan, are paid out to several hospitals based on a schedule generated by the CHA. HQAF is budget-neutral and therefore not reflected in the budget.

#### Hospital Directed Payments

DHCS created a hospital quality pool whose mechanism flows through the Medi-Cal managed care health plans similar to HQAF Directed Payments.

### ***Other Health Care Related Expense***

CenCal Health has reinsurance (stop-loss) through a commercial vendor for high-cost hospital admissions and high-cost drugs incurred by members. The reinsurance premium in effect during the first half of 2024 is \$1.48 PMPM. The budget assumes reinsurance recoveries based on most recent 18 months of reported trends resulting in a net cost of reinsurance coverage at \$1.25 PMPM and at \$3.1 million.

The Health Plan also receives medical cost recoveries from Medicare and other third-party payers through the work performed by primarily by an outside vendor, estimated at \$0.24 PMPM and at \$600,000. This primarily occurs when we identify members who have other health insurance coverage or share of cost.

**Note:** Care Management expenses are outlined in the General and administrative budget.

CY 2024 MEDICAL EXPENSE BUDGET					
	CY 2023 Annualized PMPM	CY 2024 Budget PMPM	CY2024 Budget Dollars	Variance PMPM	
Capitation- Inpatient	\$ 18.82	\$ 18.86	\$ 47,811,325	\$ 0.04	
Capitation- Outpatient Facility	7.90	7.91	20,053,417	0.01	
Capitation- Emergency Room	9.90	10.08	25,536,538	0.18	
Capitation- Physician Primary Care	4.37	4.37	11,085,637	0.00	
Capitation- FQHC	5.49	5.43	13,759,951	(0.06)	
Capitation- Transportation	2.26	2.41	6,108,684	0.15	
Capitation- Physician Specialty	1.33	1.37	3,472,078	0.04	
Sub-total	\$ 50.07	\$ 50.43	\$ 127,827,631	\$ 0.36	
<b><u>Fee For Service</u></b>					
FFS- Inpatient Hospital	\$ 59.72	\$ 64.83	\$ 164,328,201	\$ 5.11	
FFS- Outpatient Facility	20.42	22.42	56,825,787	2.00	
FFS- Emergency Room	4.20	4.53	11,482,907	0.33	
FFS- Long-Term Care	57.73	65.97	167,208,560	8.24	
FFS- Physician Primary Care	6.24	7.61	19,295,029	1.37	
FFS- Physician Specialty	38.30	38.91	98,608,330	0.61	
FFS- FQHC	4.27	9.96	25,256,535	5.70	
FFS- Other Medical Professional	6.75	6.73	17,061,699	(0.02)	
FFS- Mental Health (Outpatient)	9.76	12.69	32,175,623	2.93	
FFS- BHT Services	7.32	7.92	20,078,208	0.60	
FFS- Laboratory & Radiology	3.83	3.65	9,257,037	(0.17)	
FFS- Transportation	0.96	0.96	2,432,169	(0.00)	
FFS- CBAS	0.69	0.73	1,857,090	0.04	
FFS- Hospice	2.40	2.60	6,594,415	0.20	
FFS- Community Supports	0.58	0.57	1,450,094	(0.01)	
FFS- ECM (Community-Based)	1.11	1.09	2,771,389	(0.02)	
FFS- HCBS Other	2.12	2.24	5,681,978	0.12	
FFS- All Other Health Care Services	5.03	5.33	13,499,633	0.30	
Sub-total	\$ 231.43	\$ 258.77	\$ 655,864,683	\$ 27.33	
Incentives- QCIP	\$ 5.66	\$ 5.88	\$ 14,906,106	\$ 0.22	
Reinsurance/Recoveries	\$ 1.27	\$ 1.01	\$ 2,568,372	\$ (0.26)	
Prop 56 Add-Ons	\$ 9.93	\$ 1.53	\$ 3,883,305	\$ (8.40)	
Care Management	\$ 4.14	\$ 6.74	\$ 17,085,385	2.60	
<b>Total Medical Expenses</b>	<b>\$ 302.50</b>	<b>\$ 324.37</b>	<b>\$ 822,135,483</b>	<b>\$ 21.86</b>	
<b>MLR</b>	<b>88.1%</b>	<b>90.2%</b>			

CY 2024 MEDICAL EXPENSE BUDGET PMPM COST BY AID CATEGORY									
	Child	Adult	Adult Expansion	SPD	SPD Dual	LTC	LTC Dual	WCM	
Capitation Expense	\$ 23.06	\$ 94.01	\$ 67.08	\$ 135.12	\$ 30.34	\$ 96.95	\$ 61.00	\$ 50.53	
<b>Fee For Service</b>									
FFS- Inpatient Hospital	\$ 9.49	\$ 86.91	\$ 81.45	\$ 203.93	\$ 20.96	\$ 48.32	\$ 11.54	\$ 848.71	
FFS- Outpatient Facility	4.61	25.76	31.64	80.79	14.58	6.74	14.46	174.21	
FFS- Emergency Room	2.41	5.82	7.29	11.67	0.43	5.91	0.09	7.21	
FFS- Long-Term Care	-	2.71	22.58	218.62	202.23	7,991.72	8,552.07	28.36	
FFS- Physician Primary Care	7.91	13.19	5.50	6.45	3.88	33.74	6.85	20.62	
FFS- Physician Specialty	9.71	48.05	59.70	124.24	41.58	56.23	21.22	119.20	
FFS- FQHC	7.13	20.74	10.61	14.92	3.55	28.23	9.89	18.06	
FFS- Other Medical Professional	4.70	7.50	7.42	15.65	7.86	7.63	3.97	12.62	
FFS- Mental Health (Outpatient)	9.62	14.11	17.47	25.80	3.23	12.74	4.53	19.21	
FFS- BHT Services	10.27	-	0.04	59.03	-	-	-	59.71	
FFS- Laboratory & Radiology	1.32	7.85	5.93	6.78	0.57	20.50	0.13	3.54	
FFS- Transportation	0.32	0.70	1.38	4.28	0.34	9.01	1.25	6.08	
FFS- CBAS	-	0.06	1.08	3.02	2.95	-	-	-	
FFS- Hospice	-	1.16	1.35	10.86	7.30	272.22	245.46	2.82	
FFS- Community Supports	0.00	0.28	1.10	2.27	1.18	-	-	0.29	
FFS- ECM (Community-Based)	0.04	1.07	1.41	4.83	3.48	0.99	0.30	0.08	
FFS- HCBS Other	0.03	1.19	1.53	7.52	0.89	3.47	1.11	65.76	
FFS- All Other Health Care Services	0.61	1.89	3.27	22.14	13.43	2.00	178.91	56.92	
Sub-total	\$ 68.19	\$ 238.99	\$ 260.75	\$ 822.78	\$ 328.46	\$ 8,499.45	\$ 9,051.79	\$ 1,443.40	
Incentives- QCIP	\$ 5.88	\$ 5.88	\$ 5.88	\$ 5.88	\$ 5.88	\$ 5.88	\$ 5.88	\$ 5.88	
Reinsurance/Recoveries	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	
Prop 56 Add-Ons	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	\$ 1.53	
UMQACC	\$ 6.74	\$ 6.74	\$ 6.74	\$ 6.74	\$ 6.74	\$ 6.74	\$ 6.74	\$ 6.74	
<b>Total PMPM Medical Expenses</b>	<b>\$ 100.53</b>	<b>\$ 342.29</b>	<b>\$ 337.11</b>	<b>\$ 967.19</b>	<b>\$ 368.08</b>	<b>\$ 8,605.68</b>	<b>\$ 9,122.07</b>	<b>\$ 1,509.10</b>	

## Administrative Expenses

### Budget Development Methodology

The general and administrative budget for CY 2024 is \$65,927,496. This is 7.2% of estimated revenue and ~\$1.2 million more than the amount allocated in the capitation rates for administrative expenses which is a total of \$64,693,072, including estimated funding available through the IGT.

The administrative budget starts with the base of actual expenditures incurred for the current fiscal year, with additions and deletions as appropriate. This includes a review of the continued appropriateness of all previous and current expense items.

Each department Director is required to submit departmental budgets which reflect the resources they believe are necessary to adequately fulfill their responsibilities to support CenCal Health's strategic plan.

The administrative budget is comprised of two components: (i) Administrative and (ii) Medical & Care Management. The administrative component represents expenditures towards the general overhead costs associated with operating CenCal Health, while the medical and care management component represents expenditures which have been evaluated and meet the criteria defined by government code to be classified as a medical expense. The criteria are as follows:

1. Improve health outcomes including increasing the likelihood of desired outcomes compared to a baseline and reduce health disparities among specified populations.
2. Prevent hospital readmissions through a comprehensive program for hospital discharge.
3. Improve patient safety, reduce medical errors, and lower infection and mortality rates.
4. Implement, promote, and increase wellness and health activities; or
5. Enhance the use of health care data to improve quality, transparency, and outcomes and support meaningful use of health information technology consistent with 45 CFR §158.151.

CY 2024 GENERAL AND ADMINISTRATIVE EXPENSES					
	CY 2023 Projected Actual	CY 2023 Budget	CY 2024 Budget	Change Budget to Budget	Percent Change
Salaries & benefits	\$ 52,678,934	\$ 52,143,000	\$56,288,000	\$ 4,145,000	8%
Contract Services	7,075,277	11,356,000	11,922,000	566,000	5%
Travel Expenses	120,288	543,000	493,000	(50,000)	-9%
Rent & occupancy	875,079	923,000	1,143,000	220,000	24%
Office supplies & equipment	2,050,261	1,807,000	3,139,000	1,332,000	74%
Insurance	1,603,758	2,051,000	2,051,000	-	0%
Depreciation expense	1,595,873	1,715,000	1,931,000	216,000	13%
Equip/Software maintenance	33,578	99,000	128,000	29,000	29%
Communications	451,491	708,000	266,000	(442,000)	-62%
Publications	12,341	91,000	121,000	30,000	33%
Software licensing fees	3,528,447	3,144,000	4,246,000	1,102,000	35%
Professional association dues	341,591	316,000	332,000	16,000	5%
Marketing	61,183	74,000	110,000	36,000	49%
Member/Provider materials	138,676	120,000	25,000	(95,000)	-79%
Provider relations/recruitment	8,862	64,000	93,000	29,000	45%
Credentialing fees	36,085	27,000	28,000	1,000	4%
QI/Clinical Interventions	5,504	220,000	109,000	(111,000)	-50%
Director/Advisory board fees	25,800	37,000	50,000	13,000	35%
Business meeting costs	120,661	215,000	259,000	44,000	20%
Other expenses	60,316	194,000	279,000	85,000	44%
Care Management (Medical Expense)			(17,085,000)	(17,085,000)	
<b>Total General and Administrative % Admin to Revenue</b>	<u>\$ 70,824,006</u>	<u>\$ 75,847,000</u>	<u>\$65,928,000</u>	<u>\$ (9,919,000)</u>	<u>-13%</u>
			<b>7.2%</b>		
<b>Community Reinvestment Strategic Investment</b>	\$ 731,827	\$ 9,110,000	\$ 1,000,000 \$ 4,646,000	\$ 1,000,000 \$ (4,464,000)	-49%
<b>Total G&amp;A (including Projects) % to Revenue</b>	<u>\$ 71,555,833</u>	<u>\$ 84,957,000</u>	<u>\$71,574,000</u>	<u>\$ (13,383,000)</u>	<u>-16%</u>
			<b>7.8%</b>		

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

#### Salary Expense

Salary expense includes a 4% pool for compensation increases which includes merit and equity adjustments, effective March 2024, as well as 1% for promotions and equity adjustments. The vacancy rate is 9%.

The table below represents budgeted positions by department in comparison with the CY 2023 budget.

Position Summary				
Department	Dec-23 Filled	Budget CY 2023	Budget CY 2024	Change
Executive	2	2.0	16.0	14.0
Administrative Services	7	8.0	8.0	-
Communications & Marketing	7	9.0	7.0	(2.0)
Compliance	11	11.0	7.0	(4.0)
Legal	2	5.0	2.0	(3.0)
Human Resources	11	10.0	11.0	1.0
Operational Excellence	16	17.0	17.0	-
Performance Administration	2	2.0	-	(2.0)
Strategic Engagement	3	4.6	4.0	(0.6)
Customer Experience	1	3.0	-	(3.0)
Program Development	4	3.0	4.0	1.0
Audits & Monitoring	0	-	5.0	5.0
Quality	19.25	21.5	20.0	(1.5)
Accounting	16	17.0	10.0	(7.0)
Financial Analytics	0	-	6.0	6.0
Member Services	31.5	31.5	35.5	4.0
Health Services	8	9.0	8.0	(1.0)
Pharmacy	6	6.0	6.0	-
Medical Management	82.3	81.1	94.3	13.2
Provider Services	35.8	40.8	29.8	(11.0)
Provider Relations	0	-	12.0	12.0
IT	34	40.0	25.0	(15.0)
IT Analytics	0	-	9.0	9.0
Claims	45	45.0	45.0	-
Behavioral Health	22	26.0	25.0	(1.0)
	365.8	392.5	406.6	14.1
<b>Assumed Filled (9% vacancy for CY 2023 and CY 2024)</b>		<b>357</b>	<b>370</b>	<b>13</b>

During 2023, there were several re-organizations and reallocation of personnel across various departments. The net change to the number of positions is 14 mainly due to the Medical Management department, aimed at supporting numerous initiatives under the CalAIM program and are reclassified to a medical expense.

#### Benefits Expense

##### **CalPERS Defined Benefit Pension Plan**

CenCal Health contributes to the Miscellaneous 2% at 60 Risk Pool, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS).



The minimum employer contribution rate is 10.15% of qualifying wages for those hired before 1/1/2013. For those hired on or after 1/1/2013, the minimum rate is 7.87%. The health plan will also contribute an additional \$100,000 per month towards the employer contribution amount in order to mitigate the growth of or to actually begin to reduce the health plan's unfunded pension liability.

### **Paid Time Off**

Paid time off (PTO) encompasses vacation and sick leave. Employees earn PTO under a formula which considers both years of service and job position level. The budget assumes employees on average will take 19 days of PTO per year. The maximum accrual ceiling allowed is 320 hours, upon which time no further PTO is earned.

### **FICA/SSI/SUI**

Payroll taxes for FICA (Federal Insurance Contributions Act), Medicare, and SUI (State Unemployment Insurance) are budgeted at the most current Federal and State rates which may fluctuate from year to year.

### **Worker's Compensation Insurance**

The rates for worker's compensation insurance are based on the classification of the health plan's staff positions. Rates may increase or decrease based on staff utilizing worker's compensation benefits throughout the year.

### **Health, Dental and Vision Insurance**

The health plan offers employees and their dependents health, dental and vision insurance coverage through a nationally known commercial payer offering both HMO and PPO products. Employees are generally financially responsible for approximately 35% of insurance premiums with the health plan contributing the difference.

### **Life Insurance**

The health plan provides employee life insurance coverage through a nationally known commercial payer. The health plan provides 1.5 x salary of coverage at no cost to the employee.

### **Long Term Disability Insurance**

The health plan provides employees with long term disability insurance coverage through a nationally known commercial payer. The health plan provides a monthly benefit maximum up to \$20,000 of coverage at no cost to the employee.

### **Personnel Recruitment**

Personnel recruitment costs consists of normal recruitment costs, such as media advertisement and employment brokers and recruiters. It also includes other related costs such as reimbursing travel expenses to prospective candidates for onsite interviews. The budget accounts for the number of new positions anticipated to be hired as well as factoring for employee turnover.

**Staff Development**

The health plan encourages the professional development of staff to enhance the required skills of their position. The budget amount is for conference or training registration fees.

**Inservice Training**

Human Resources regularly accesses the health plan's training needs and will at times bring training in house to allow for increased participation.

**Educational Reimbursement**

The health plan offers employees a \$1,500 maximum annual educational assistance benefit which may be applied towards tuition, books, and fees for classes that enhances the employee's job performance and knowledge. Employees may also apply a portion of this benefit towards nutrition counseling, as part of the employee wellness program. The budget assumes 6% of employees will utilize this benefit.

**Carpool / Commuter Incentives**

The health plan incentivizes employees to utilize alternative transportation rather than driving a vehicle solo to/from home and office. The benefit is \$2.50 per day for a confirmed use of alternative transportation. The budget assumes 20% of employees will utilize this benefit.

**Employee Wellness Program**

The wellness program is focused on promoting the benefits of fitness and good nutrition with a goal of improving the health status of our employees. The program covers participation in fitness activities as well as certain nutritional educational opportunities. The benefit is a maximum of \$500 per employee per year. The budget assumes 22% of employees will utilize this benefit.

**Company Functions**

The health plan provides several company-wide functions to promote camaraderie among staff and to reward and acknowledge staff for their service and commitment to the health plan's mission statement. These functions consist of quarterly all-staff lunches/BBQs, and a seasonal holiday luncheon.

**WageWorks 125 Plan**

The health plan offers employees an Internal Revenue Service approved Section 125 plan whereby employees may contribute pre-tax dollars from their paychecks towards future qualifying medical-related and childcare expenses. The health plan utilizes a vendor to administer the plan. The cost to the health plan is \$3.90 per employee per month.

**Referral Bonuses**

The health plan provides referral bonuses in recognition that employee referral of job candidates is a proven cost-effective method of obtaining new employees. The benefit pays either \$500 or \$1,000 for a non-exempt and exempt position, respectively. The benefit is payable only upon a referral being hired.

### Employee Assistance

The health plan offers employees and their immediate family access to free counseling services, up to a maximum of five counseling visits per year. The health plan utilizes a third-party vendor as administrator. The cost to the health plan during 2024 is \$1.97 per employee per month.

### Anniversary Awards

The health plan acknowledges employees with plaques and gift cards in recognition for those who obtain milestone length of service with the organization.

### Contract Services Expense

Represents services that are contracted to an outside vendor.

CY 2024 TOP 10 CONTRACT SERVICES		
Vendor	Description	Amount (\$)
IT Consultants-Variou	Assist with various CCH projects	\$ 1,500,000
Legal-Variou	Outside legal counsel	1,000,000
Premier Healthcare, Inc.	Utilization management program	635,000
Magellan	supplemental rebate vendor	613,000
Ventura Transit System	Non-emergency medical transportation	570,000
New	EDW Redesign/Development	500,000
Health Management Systems, Inc.	HMS-Contingency Fee	474,000
New	Digital Transformation Migration	300,000
EDI Claims-ERA	Claims processing	257,000
Carenet	Utilization management program	220,000
	TOTAL	\$ 6,069,000

### Rent and Occupancy

Represents building repairs and maintenance, utilities, janitorial services, housekeeping, offsite storage, and landscaping.

### Office Supplies and Equipment

Represents items such as chairs, monitors, ergonomic equipment, copy machine and office equipment leases, and miscellaneous office supplies. It also includes postage and printing costs that are primarily associated with bi-monthly medical claim adjudication payment cycles, new member packet mailings, and member and provider newsletter mailings.

### Insurance

Represents the cost associated with professional liability insurance, cyber insurance, auto insurance, earthquake insurance, etc.

#### Depreciation

Depreciation expense is computed on a straight-line method over the estimated useful life of an asset.

#### Equipment/ Software Maintenance

Represents costs associated with the health plan's health information system, its computer servers, and software programs utilized by the organization.

#### Communications

The budget amount reflects costs associated with MiFi cards, various telephone/cable fees, and a connection to the Health & Human Services Data Center.

#### Publications

Represents costs membership to various newspaper & media outlets, medical data books, and human resource tools.

#### Software Licensing Fees

Represents costs to license various software (e.g., Microsoft) used within the organization.

#### Professional Association Dues

Represents costs for membership to various organizations to maintain staff certifications/license fees and local community memberships.

#### Marketing

The budget includes costs to promote the health plan's mission and objectives. Costs include promotional items, banners, and advertising.

#### Member / Provider Materials

Represents costs for materials created including the member newsletter and the provider bulletin.

#### Provider Relations & Recruitment

The budget includes costs for the health plan to provide training sessions for providers with various workshops relating to current changes in healthcare.

#### Credentialing Fees

Represents costs for researching credentials of the health plan's provider network.

#### QI/Clinical Interventions

Quality improvement interventions are budgeted to include focus areas of well child visits, clinical priority measures to improve quality performance, adolescent wells care, and DHCS required areas. Interventions primary goals are to elevate the quality of care delivered to patients.

#### Director / Advisory Board Stipends

The budget includes costs for attendance to members of the health plan's committees including QIC, MAC, PAB, P&T, and board meetings.

### Meeting Expenses

Represents costs for organizational and department meetings and food/room rentals for board committees and the board of directors' meetings.

### Other Expenses

Include expenses for property/rental taxes, interest expense, employee cell phone reimbursement, courier fees, provider chart copying/provider relations, Knox/Keene license fees, and misc. operating expenses.

## **Community Reinvestment**

The purpose of the Community Reinvestment program is to support programs and initiatives administered by community partners to benefit our members and to demonstrate a commitment to the local community. The CY 2024 Medi-Cal contract may require additional amounts related to CY 24 net income; details will follow in the coming months when DHCS releases additional information through an all-plan letter.

## **Strategic Investments**

The Strategic Investment budget captures expenditures associated with start-up costs related to launching a Medicare Dual Special Needs Plan (D-SNP) on January 1, 2026.

Item	2024 Forecast
Medicare D-SNP Planning & Implementation Vendor	\$2,000,000
D-SNP Staffing [Medicare Officer and Others]	\$2,344,000
D-SNP Actuary Feasibility Study	\$35,000
D-SNP Travel / Medicare Conferences/Other	\$17,000
Digital Transformation Skills Gap	\$250,000
	<b>\$4,646,000</b>

## CY 2024 Operating Budget

CenCal Health CY 2024 OPERATING BUDGET		
		2024
Program Revenue		\$ 911,841,265
Total Cost of Health Care		822,135,483
	MLR %	90.2%
Gross Margin		<u>\$ 89,705,783</u>
General & Administrative Expenses		\$ 65,927,496
	Admin %	7.2%
Community Reinvestment		\$ 1,000,000
Strategic Investments		\$ 4,645,790
Non-Operating Revenue		\$ 7,481,112
Net Gain		<u>\$ 25,613,609</u>

## Capital Budget

Capital assets (office furniture and equipment, computer equipment, software, leasehold, building and land improvements, buildings and facilities and intangible assets) whose acquisition costs exceed the amounts below are accounted for in the capital budget.

Capital assets acquired during the budget period will be recorded at acquisition cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Office furniture and equipment-\$10,000	5 years
Computer equipment-\$10,000	3 years
PC Software -\$50,000	3 years
Leasehold improvements-\$10,000	5 years or lease term, if less
Building and land improvements-\$10,000	30 years
Buildings and facilities-\$100,000	30 years
Intangible assets-\$100,000	15 years

CenCal Health CY 2024 CAPITAL BUDGET		
<u>Asset Category</u>	<u>Description</u>	<u>Amount</u>
Building and land improvements	Roof replacement	\$ 350,000
Buildings and facilities	Elevator upgrade	125,000
Buildings and facilities	Parking lot poles/lights (4050 Calle Real)	52,000
Buildings and facilities	Bike Locker replacement (4050 Calle Real)	19,000
Buildings and facilities	Trellis replacement (4050 Calle Real)	52,000
PC Software	Software Implementation	700,000
PC Software	Software Implementation	130,000
PC Software	Firewall Upgrade	100,000
PC Software	Provider Data Repository	1,000,000
Computer Equipment	Additional server	60,000
<b>TOTAL</b>		<b>\$ 2,588,000</b>

## Contract Renewals

The Board Guidance and Administrative Decision-Making policy requires Board approval for all vendor contracts more than \$250,000. The following contracts will renew in CY 2024.

VENDOR	DESCRIPTION	CONTRACT START DATE	CONTRACT EXPIRATION DATE	ANNUAL BUDGET	RENEWAL STRATEGY
MCG	UTILIZATION MANAGEMENT	6/1/2023	6/1/2024	\$ 1,072,828	ANNUAL
PREMIER HEALTHCARE, INC.	UTILIZATION MANAGEMENT	11/15/2023	11/15/2024	\$ 635,000	ANNUAL
MAGELLAN	MEDICAL PHARMACY SERVICES	5/1/2023	4/30/2024	\$ 612,792	ANNUAL
VENTURA TRANSIT SYSTEM	NON-EMERGENCY MEDIAL TRANSPORTATION	1/1/2024	12/31/2024	\$ 570,000	ANNUAL



## Glossary of Terms

AIH – American Indian Health  
BHT – Behavioral Health Therapy  
CCS – California Children Services  
CSS – Community Support Services  
DHCS – California Department of HealthCare Services  
DMHC – California Department of Managed Health Care  
ECM – Enhanced Care Management  
EOP – Explanation of Payment  
FFS – Fee for Service  
FQHC – Federally Qualified Health Clinic  
G&A – General and Administrative  
GEMT – Ground Emergency Medical Transportation  
HQAf – Hospital Quality Assurance Fee  
IGT – Intergovernmental Transfer  
LTC – Long Term Care  
MCO – Managed Care Organization  
MLR – Medical Loss Ratio; medical costs divided by program revenue stated as a percentage value.  
NEMT – Non-Emergency Medical Transportation  
NMT – Non-Medical Transportation  
PBM – Pharmacy Benefit Manager  
PCP – Primary Care Provider  
PHE – Public Health Emergency  
PMPM – Per Member Per Month  
PMPY – Per Unique Member Per Year  
P4P – Pay for Performance  
QI – Quality Initiative  
SBHI – Santa Barbara County's Medi-Cal Program  
SLOHI – San Luis Obispo County's Medi-Cal Program  
SPD – Seniors and Persons with Disabilities  
SNF – Skilled Nursing Facility  
Utilization/1,000 – A statistics measuring utilization of services per 1,000 members per year.  
WCM – Whole Child Model  
TBD – To Be Determined

**Medicare Dual Special Needs Plan Report: Model of Care and Care Coordination**

**Date:** January 17<sup>th</sup>, 2024

**From:** Jordan Turetsky MPH, Chief Operating Officer  
Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer  
Health Management Associates

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

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**Executive Summary**

The Department of Health Care Services (DHCS) CalAIM waiver aims to transform Medi-Cal to create a more coordinated, person-centered, and equitable health care system. Key to this transformation is the ability of Medi-Cal members who are also eligible for Medicare to have the option to be served by one health plan, rather than having services managed through a bifurcated system. Accordingly, and beginning in 2026, CenCal Health must offer a Medicare Advantage Dual Special Needs Plan (D-SNP) to all CenCal Health members who are dually eligible for Medi-Cal and Medicare.

Through previous reports and presentations, staff have shared the analysis and preparation in which CenCal Health has engaged to prepare for this future requirement. CenCal Health is committed to bringing key decision points and informational items related to D-SNP to the Board of Directors (Board) through the Board Engagement calendar shared at the October 2023 Board meeting. The purpose of this Medicare D-SNP Report is to provide the Board information on two critical components of a D-SNP: the Model of Care and Care Coordination (Medical Management).

**Background**

CenCal Health developed a 2023-2026 Strategic Plan, adopted in September 2022, that includes expanding our role and reach to support improved integration, align with the DHCS CalAIM goals and objectives, and develop a D-SNP by 2026. Development of a D-SNP is a key organizational strategic objective with the aim of promoting alignment between Medi-Cal and Medicare to support members in achieving improved health outcomes.

County Organized Health Plans like CenCal Health have always served all members in our respective service areas, including providing Medi-Cal services for the dually eligible – those members eligible for both Medi-Cal and Medicare. Duals are among the most complex members and the most adversely impacted by the fragmentation in our health care system. At a time in their lives when they most need coordinated and integrated care, duals often face material barriers due to unnecessary silos and system fragmentation. To address this fragmentation, DHCS has set the policy that all Medi-Cal plans shall offer a D-SNP to serve duals in their service area starting in 2026.

Through a multi-year engagement with Health Management Associates (HMA), the implementation consultant selected by staff through a competitive Request for Proposal process and whose engagement was subsequently approved by the Board, CenCal Health has launched our D-SNP implementation work. CenCal Health developed a detailed D-SNP Implementation Timeline, including key milestones, and has made assumptions for enrollment, medical management, provider reimbursement, risk adjustment, and STARS outcomes. The launch of the internal D-SNP Steering Committee in August 2023 served to formally kick-off the two-year activities which need to be advanced to successfully launch a D-SNP in 2026.

### **CenCal Health Board of Directors Engagement**

Staff recognize the importance of advanced planning in keeping the Board apprised of relevant D-SNP activities, as well as codifying the timeline for key decision points which the Board will need to consider. Accordingly, a D-SNP Board Engagement Schedule was drafted and adopted by the Board in October, 2023. The January 2024 informational items for the Board's consideration include Care Coordination (medical management of a D-SNP) and the Model of Care.

### **D-SNP Model of Care**

D-SNP plans must prepare and submit a Model of Care (MOC) which is reviewed by the National Committee for Quality Assurance (NCQA) and serves to detail the basic framework under which the D-SNP health plan will meet the needs of all D-SNP enrollees. At its most basic, the MOC includes the foundation for promoting quality, care management, and care coordination processes in support of ensuring excellence in the management of member health and outcomes. More specifically, the MOC includes four distinct sections which NCQA reviews and scores. Approval requires a score of 70% or greater, and plans may have their MOC approved for one, two, or three years before resubmission and review is required. In this way, the MOC is intended to evolve as the health plan's management of D-SNP members evolves.

The four MOC components which NCQA reviews and scores each contain *Elements*, which is the term used to describe the different components within each MOC section. In the 2023 Model of Care Matrix Document<sup>1</sup>, there are 16 *Elements* spread across each of the four MOC sections, as summarized in Table 1:

*Table 1: Model of Care Sections and Elements*

<b>Section</b>	<b>Elements</b>
Description of the Population	A. Description of the Overall SNP Population B. Sub-Population: Most Vulnerable Enrollees
Care Coordination	A. D-SNP Staff Structure B. Health Risk Assessment Tool (HRAT)

<sup>1</sup> Attachment A: Model of Care Matrix Document: Initial and Renewal Submission.  
<https://www.cms.gov/medicare/enrollment-renewal/special-needs-plans/model-care>

	C. Face-to-Face Encounter D. Individualized Care Plan (ICP) E. Interdisciplinary Care Team (ICT) F. Care Transition Protocols
Provider Network	A. Specialized Expertise B. Use of Clinical Practice Guidelines and Care Transition Protocols C. MOC Training for the Provider Network
Quality Measurement and Performance Management	A. MOC Quality Performance Improvement Plan B. Measurable Goals & Health Outcomes for the MOC C. Measuring Patient Experience of Care (D-SNP Enrollee Satisfaction) D. Ongoing Performance Improvement Evaluation of the MOC E. Dissemination of D-SNP Quality Performance related to the MOC

The MOC reflects the D-SNP framework to provide care coordination for acute and chronic medical and behavioral health conditions, providing a more efficient pathway toward improved member participation and outcomes. Given the vulnerability of dual-eligible members, the components of the MOC and in particular, care coordination, are crucial to supporting improved health outcomes.

### **MOC Spotlight: Health Risk Assessment**

One notable highlight of the Care Coordination component of the MOC is the Health Risk Assessment (HRA). The MOC framework related to management of member care begins with an HRA (*Table 2, Care Coordination, Element B*) that methodically identifies members at risk for adverse outcomes with improved detection of actionable areas for intervention. The HRA itself provides more actionable information beyond the standard new patient history and physical, and is designed to uncover problems (medical and social) and detect barriers to care or health and well-being.

The HRA is the first step designed to risk stratify all D-SNP members, after which an Interdisciplinary Care Team (ICT) is assembled. The ICT creates an Individualized Care Plan (ICP) which describes the care coordination needs of each discrete member. In essence, the HRA serves as a full evaluation including all of the requirements for health maintenance, improvement, disease prevention and early detection, from which a comprehensive care plan can be developed.

While there are four distinct components of the MOC, all of which are intended to describe framework by which a health plan will operate a D-SNP, one of the most robust and unique is care coordination. The following section describes in further detail the scope of care coordination for D-SNP members.

## **Care Coordination in a D-SNP**

Care coordination, generally, involves the health plan and relevant providers collaborating to assess, plan, and monitor a member's care towards achievement of that member's specific health care goals. Effective care coordination programs in Medi-Cal and Medicare include broad population health strategies as well as member-specific interventions designed to optimize and coordinate health care services, with the ultimate goals being enhanced quality of care and improved patient outcomes. Crucial to an effective and sustainable D-SNP is a robust care coordination program designed to ensure optimal coordination and usage of benefits between Medi-Cal and Medicare.

What is unique about a D-SNP is the requirement to ensure care coordination for *all* D-SNP members, with the level of services determined based on the member's risk stratification (as determined through the HRA). As described above, a health plan's care coordination program is an articulated component of the MOC, and generally includes the following:

1. **Comprehensive Assessments:** including the HRA to understand the member's health status, medical history, and social determinants of health.
2. **Individualized Care Plan:** developing individualized care plans that consider the specific health conditions, preferences, and goals of the dual eligible member. *ICPs are developed for every D-SNP member.*
3. **Coordination of Services:** coordinating and integrating health care services to ensure seamless communication among providers and community resources.
4. **Chronic Disease Management:** implementing strategies to effectively manage chronic conditions, including monitoring and support to improve health outcomes.
5. **Medication Management:** ensuring proper management of medications, including adherence and coordination with pharmacies to prevent adverse drug interactions. All drugs are managed by the health plan, with no carve out to DHCS.
6. **Preventive Care:** promoting preventive measures and screenings to detect health issues early and prevent complications.
7. **Behavioral Health Support:** addressing mental health needs by providing access to behavioral health services and support.
8. **Transitional Care:** assisting members during transitions between different healthcare settings, such as hospital to home, to prevent gaps in care.
9. **Social Support Services:** connecting members with community resources and social services to address social determinants of health, such as housing, transportation, and nutrition.
10. **Member Education:** providing education to empower members to make informed decisions about their health and navigate the health care system effectively.

The ICT is responsible for all aspects of care coordination, and must include the member, primary care provider, specialists actively involved in care, a health plan Medical Director and case manager, as well as representatives from behavioral health,

social work, and pharmacy. An ICT must be convened for all members, and may include additional representatives based on the member needs identified through the initial HRA. The ICT meets a minimum of once per year, and develops the ICP which is then monitored and managed through the health plan's care coordination program.

As CenCal Health prepares to offer a D-SNP in 2026, staff recognize the importance of care coordination and medical management to D-SNP members. Accordingly and in order to deploy a robust care coordination program inclusive of ICTs and ongoing management of ICPs, CenCal Health must further develop and expand multidisciplinary care management resources to ensure sufficient coverage for all enrolled D-SNP members. This expansion will look like additional staffing, the creation of new roles and functions, and revised processes specific to D-SNP members, and will be led by Dr. Emily Fonda, Chief Medical Officer, and Chris Hill, Health Services Officer.

### **Next Steps**

Staff are prioritizing development of the CenCal Health Model of Care and related D-SNP Care Coordination program in 2024 for submission to CMS and NCQA in February 2025. The Board can expect ongoing updates pursuant to the Board Engagement timeline adopted in October 2023, including the status of MOC development and submission.

### **Recommendation**

This report is informational only and no action is requested of the Board at this time.



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# Dual Special Needs Plan Model of Care & Care Coordination

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Jordan Turetsky, MPH, Chief Operating Officer  
Emily Fonda, MD, MMM, CHCQM Chief Medical Officer  
Michael Engelhard, Health Management Associates

January 17, 2024

# PRESENTATION OBJECTIVES

**1**

Provide background on D-SNP development and Board engagement.

**2**

Overview the D-SNP Model of Care and its importance to D-SNP member management.

**3**

Orient to Care Coordination in a D-SNP and the value to members.



# D-SNP OVERVIEW



# BOARD ENGAGEMENT



**Decision points** related to development of a D-SNP; D-SNP resourcing; contracting with selected vendors; application submission to CMS and bid submission.



**Informational items** related to model of care and medical management; quality and STARS; financial management and risk adjustment; marketing and sales; network and provider engagement; compliance activities; and behavioral health.

# D-SNP Model of Care

- The MOC is a comprehensive document which describes the framework for management of a D-SNP.
- There are 4 sections and 16 elements, with each element containing multiple components.
- Submission of the MOC is required with the application to CMS.
- NCQA reviews the MOC and issues approval for up to three years.
- Score of 70% or more by NCQA is required for MOC approval.

## ATTACHMENT A Model of Care Matrix Document: Initial and Renewal Submission

Table 1: Special Needs Plan (SNP) Contract Information

SNP Contract Information		Applicant's Information Field
Contract Name (as provided in HPMS)		Enter Contract Name here
Contract Number		Enter Contract Number here (Also list other contracts where this MOC is applicable)

### Care Management Plan Outlining the Model of Care

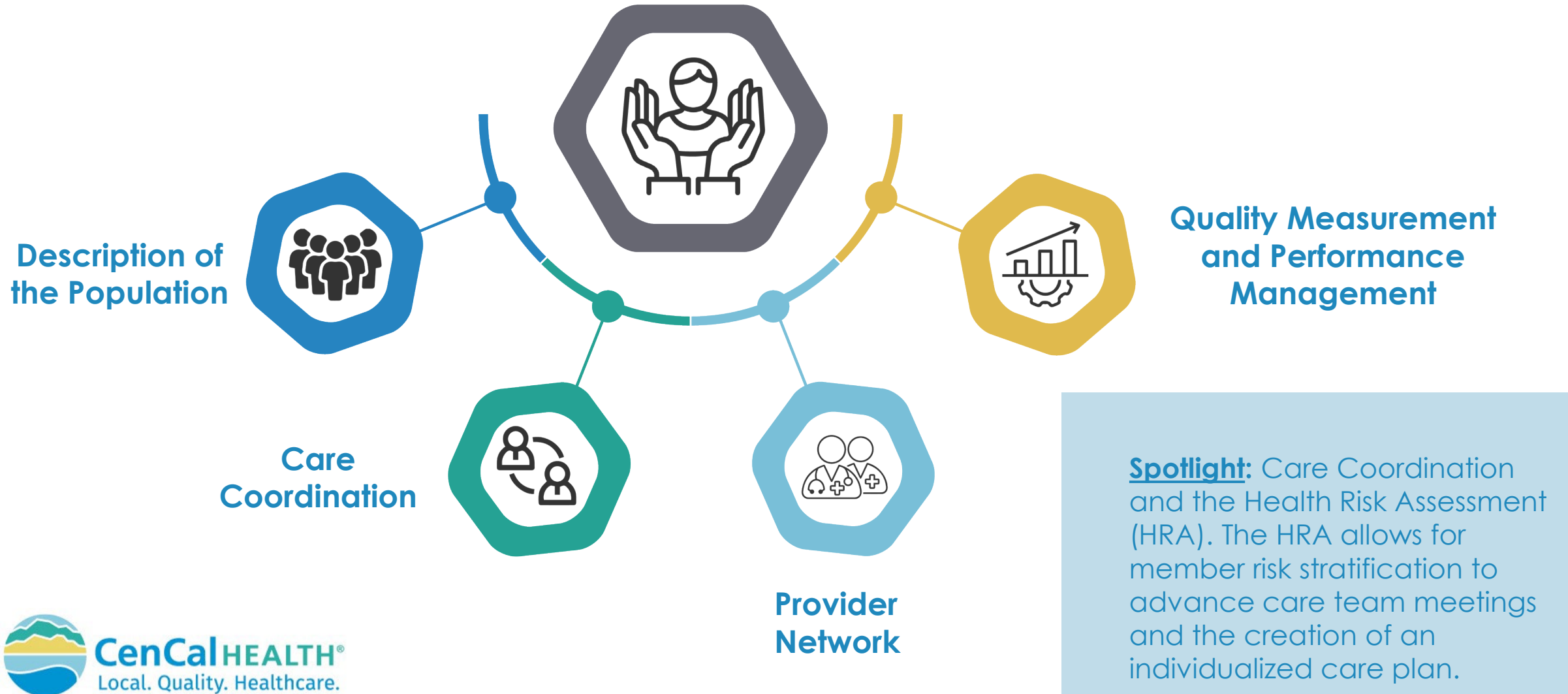
In the following tables, list the page number and section of the corresponding description in your Care Management Plan for each Model of Care (MOC) element. Once you have completed this document, upload it into HPMS along with your MOC.

#### 1. Description of the SNP Population

The identification and comprehensive description of the SNP-specific population is an integral component of the MOC because all of the other elements depend on the firm foundation of a comprehensive population description. The organization must provide information about its local target population in the service areas covered under the contract. Information about national population statistics is insufficient. The organization must provide an overview that fully addresses the full continuum of care of current and potential SNP enrollees, including end-of-life needs and considerations, if relevant to the target population served by the SNP.

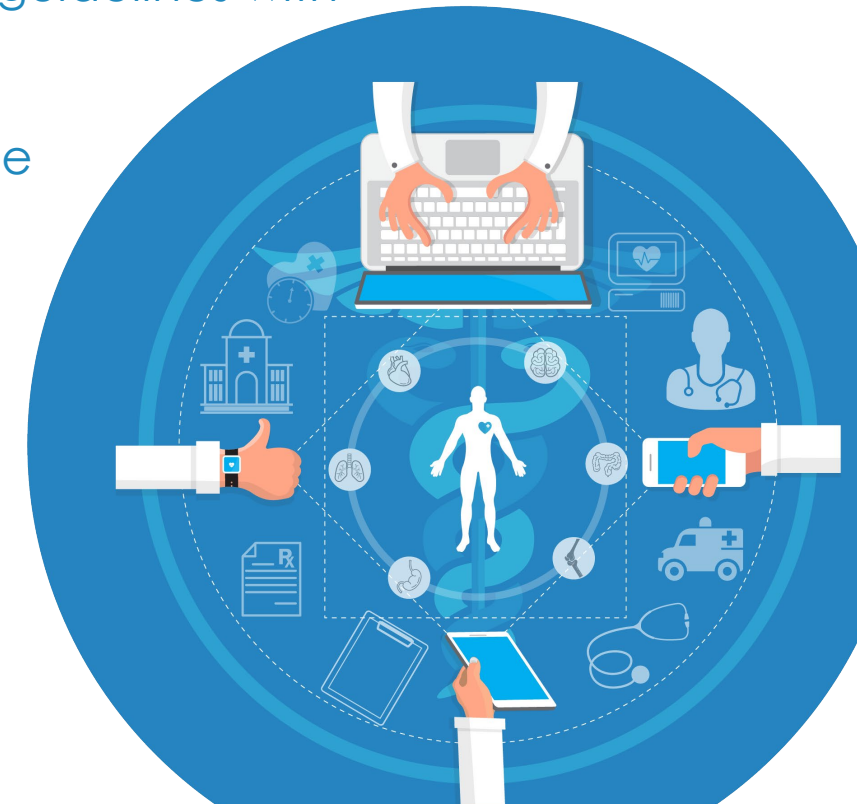
Model of Care Elements	Corresponding Page #/Section in Care Management Plan
<b>Element A: Description of the Overall SNP Population</b> The description of the SNP population must include, but not be limited to, the following: <ul style="list-style-type: none"><li>■ Clear documentation of how the health plan staff determines or will determine, verify, and track eligibility of SNP enrollees.</li><li>■ Detailed profile of the medical, social, cognitive, and environmental aspects, the living conditions, and the co-morbidities associated with the SNP population in the plan's geographic service area.</li><li>■ Identification and description of the health conditions impacting SNP enrollees, including specific information about other characteristics that affect health, such as population demographics (e.g., average age, gender, ethnicity) and potential health disparities associated with specific groups (e.g., language barriers, deficits in health literacy, poor socioeconomic status, cultural beliefs/barriers, caregiver considerations, other).</li><li>■ Definition of unique characteristics for the SNP population served:<ul style="list-style-type: none"><li>■ C-SNP: What are the unique chronic care needs for C-SNP enrollees? Include limitations and barriers that pose potential challenges for these C-SNP enrollees.</li></ul></li></ul>	Enter corresponding page number and section here

# Model of Care Components



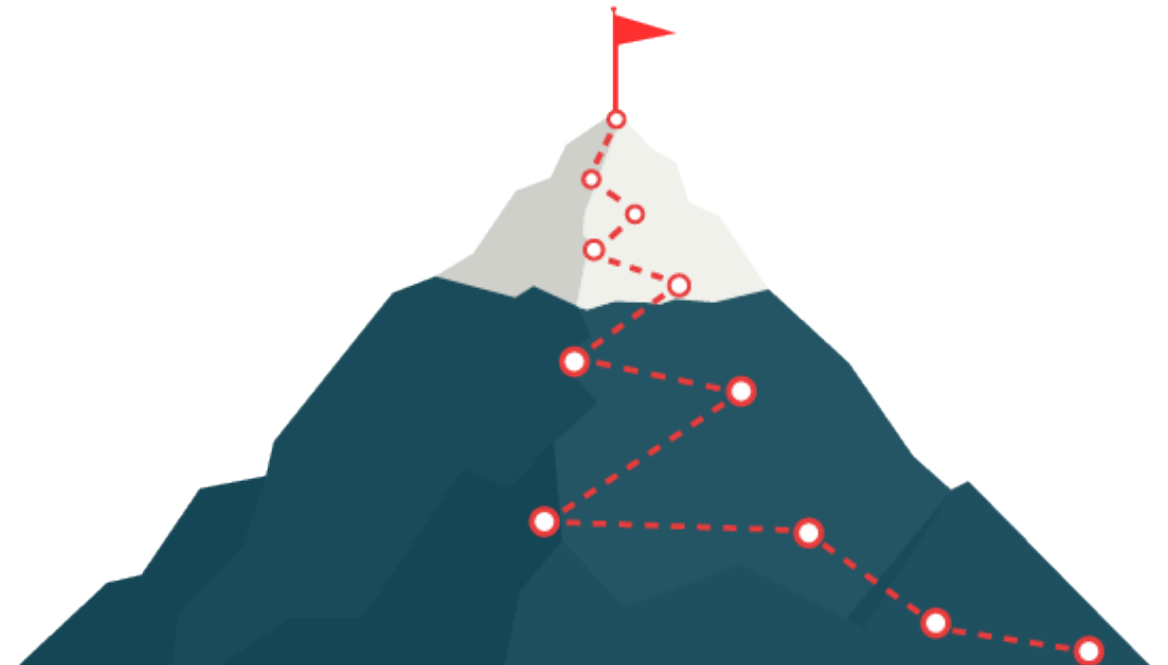
# Care Coordination

- A customized Interdisciplinary Care Team (ICT) is convened yearly for each D-SNP member and includes a Medication Review Tool to develop an Individualized Care Plan (ICP).
- ICPs outline specific health goals, actionable strategies, all HRA-identified issues and care coordination tailored to close gaps in care using evidence-based guidelines with personalized recommendations for each member.
- Annual ICPs are forwarded to invitees. New key events that change the ICP trigger more frequent ICTs with updated ICPs.
- Comprehensive care coordination with documented implementation is required for each D-SNP member, necessitating added staff, revised functions, and new processes.



# Next Steps

1. CenCal Health will develop the MOC for submission in February 2025 with the CMS Medicare application.
2. Development of the D-SNP care coordination model will begin in 2024, led by Health Services.
3. Updates will be provided to the Board through ongoing reporting and continued presentations.





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**Pharmacy Report:** *Medi-Cal Rx 2<sup>nd</sup> Anniversary Update & Pharmaceutical Marketplace Trends*

**Date:** January 17<sup>th</sup>, 2024

**From:** Jeff Januska, Pharm.D., Director of Pharmacy &  
Stephanie Lem, Pharm.D., Associate Director of Pharmacy

**Through:** Chris Hill, RN, MBA, Health Services Officer

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**Executive Summary**

January 2024 marks the start of the 3<sup>rd</sup> year since the Medi-Cal Rx program began. The transition of the program moving the retail pharmacy benefit from the health plans to that of the State was marked with significant challenges and now 2-years into the transition leadership felt it timely to provide a program status update.

Additionally, the rapidly evolving dynamics around gene and cell therapy development and focus within the pharmaceutical industry is beginning to challenge health care policy, funding and coverage similar to what the market experienced in 2014 with the entrance of oral hepatitis C treatments also warranting an industry update and awareness.

**Medi-Cal Rx**

Within the 1<sup>st</sup> month of the Medi-Cal Rx carve-out in 2021 all of the benefit design edits were suspended due to the catastrophic negative impact on members and providers. After many months of strategizing the benefits edits were slowly and methodically reintroduced over a 2-year period. The benefit edits reinstitution is now almost complete as the program begins its 3<sup>rd</sup> year of operation. CenCal Health's Pharmacy team played an integral in assisting providers and members in accessing and understanding the program's requirements and minimizing disruption of care.

**Pharmaceutical Marketplace Trends**

On August 30, 2017, the US market had its first CAR-T gene therapy approved for the treatment of refractory or relapsed acute lymphoblastic lymphoma (ALL). Since that market event the pharmaceutical industry has experienced a focus and prioritization on future gene therapy development. As of December 2023, there 34 FDA approved gene therapies in the US and over 5,000 gene therapy trials listed with the National Institutes of Health (NIH). Of note a few of the new to market gene therapies in late 2022 and 2023 included Hemgenix® (November 22, 2022) for the treatment of "Hemophilia B" with a 1-time infusion price of \$3.5M, Roctavian® (June 29, 2023) for the treatment of "Hemophilia A" with a 1-time infusion price of \$2.9M and Elevidys® (June 22, 2023) for the treatment of "Duchenne Muscular Dystrophy" (DMD) with a 1-time infusion price of \$3.2M.



While the targeted populations for these gene and cellular therapies are often rare unlike that of Hepatitis C which effects 1-2% of the population, the price points at which these therapies are coming to market are anticipated to once again cause a market disruption similar to the that of the 2014/15 Hepatitis C treatments which lead to National & regional policy changes, funding and underwriting model implosion and even the rationing of care.

**Recommendation**

The Medi-Cal Rx 2<sup>nd</sup> anniversary update and pharmaceutical marketplace trend report is informational only and no action is requested.