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**CenCal Health
Board of Directors
Meeting Packet**

**Wednesday,
March 20, 2024
6:00 pm**

Courtyard by Marriott San Luis Obispo
1605 Calle Joaquin
San Luis Obispo
Morro Bay & Estero Bay Meeting Rooms



**Notice of Regular Meeting
CenCal Health Board of Directors**

March 20, 2024

6:00 pm

The Courtyard by Marriott San Luis
Obispo
1605 Calle Joaquin
San Luis Obispo, CA
Morro Bay/Estero Bay 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 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 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 January 17, 2024, Board of Directors Meeting (pg 1)
 - 2.2 Approve Minutes of February 7, 2024, Board Compliance and Oversight Committee Meeting (pg 12)
 - 2.3 Accept Administrative Reports
 - 2.3.1 Quality Report (pg18)
 - 2.3.2 Health Services Report (pg 20)
 - 2.3.3 Government and Administrative Report (pg 22)
 - 2.3.4 Customer Experience Report (pg 29)
 - 2.3.5 Operations Report (pg 36)
 - 2.3.6 Compliance Report (pg 39)
 - 2.3.7 Information Technology Report (pg 41)
 - 2.4 Accept Program Reports
 - 2.4.1 Community Benefit Funding: A.T. Still University (ATSU) (pg 42)

3. **Regular Agenda**
 1. Report from the Chief Executive Officer
Consider Accepting 2023 Progress Update, 2024 Operating Plan

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|---|-------------|
| and 2023-2024 Strategic Plan Measurable Outcomes (Ms. Owen) (pg 44) | Action |
| 2. Consider Approving the Compliance Oversight Committee Report and Annual Compliance Plan (Ms. Kim) (pg 50) | Action |
| 3. Consider Accepting the Quality Improvement and Health Equity Committee (QIHEC) Report (Mr. Hernandez and Ms. Geeb) (pg 96) | Action |
| 4. Present CenCal Health 2023 Employee Engagement Survey Results (Mr. Morris) (pg 105) | Information |
| 5. Present Medi-Cal Expansion Update (Dr. Do-Reynoso) (pg 117) | Information |
| 6. Discuss Government Affairs and Advocacy Priorities (Mr. Harris, Ms. Mossburg, and Mr. Feliciano) (pg 122) | Information |
| 7. Report from the Chief Financial Officer and Treasurer (Ms. Bishop) (pg 127) | Action |
| 8.1 Consider Accepting the Financial Report and Financial Statements | |
| 8. Consider Development of a Medi-Cal Capacity, Access, and Workforce Development Program (Ms. Turetsky and Ms. Jacobson) (pg 146) | Action |
| 9. Report on Dual Special Needs Program (DSNP) Development and Present on Model of Care and Care Management for Dual Eligible Members (Ms. Turetsky, Dr. Fonda, and Mr. Engelhard) (pg 154) | Information |
| 10. Preview 2023 Community Report (Ms. Santos and Ms. Worley Marselian) | Information |
| 11. 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)

12. Closed Session

- PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION §54957

Note: The meeting room is accessible to the disabled. Additional information can be found at the CenCal Health website: www.cencalhealth.org



DRAFT

MINUTES CenCal Health BOARD OF DIRECTORS REGULAR MEETING January 17, 2024

The regular meeting of the Board of Directors of CenCal Health was called to order by Dr. René Bravo, Chair, on January 17, 2024 at 6:02 PM at The Historic Santa Maria Inn, 801 South Broadway, Santa Maria, CA.

MEMBERS PRESENT: 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: Antonette "Toni" Navarro and Kieran Shah

STAFF PRESENT: Bao Xiong, Bill Cioffi, Blanca Zuniga, Carlos Hernandez, Chris Hill, Chris Morris, Citaly Santos, Emily Fonda, MD, Eric Buben, Hon Chan, Jai Raisinghani, Jeffrey Januska, Jordan Turetsky, Kaleb Madrid, Karen Kim, Kashina Bishop, Lauren Geeb, Luis Somoza, Marina Owen, Michael Harris, Nicole Wilson, Nicolette Worley Marselian, Stephanie Lem, Stuart Warren, Van Do-Reynoso, and Paula M. Bottiani (Clerk)

GUESTS PRESENT: Michael Engelhard (Health Management Associates)

1. Public Comment: There was no public comment.
2. **Consent Agenda** (*Action to accept reports*) (*Dr. Bravo*)
 - 2.1 Approve Minutes of October 18th, 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
 - 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 Sept. 27, 2023

ACTION: On motion of Director Hammami the Board of Directors Unanimously Accepted the Consent Agenda Reports without objection.

3. Regular Agenda

1. Consider Approving 2024 Board of Directors Appointments for Officers, Boards, and Committees, as recommended by Nominating Committee

Dr. Bravo reported: The Nominating Committee met on November 6, 2023, and developed the slate of Officers, Boards, and Committees for presentation and approval by the board. He read the names of recommended appointees.

ACTION: On motion of Supervisor Hartmann and seconded by Director Hammami, the Board of Directors Approved the 2024 Board of Directors Appointments for Officers, Boards, and Committees as recommended by the Nominating Committee, without objection.

Dr. Bravo passed the gavel to **Mr. Lisa**, the new Board Chair. Board members introduced themselves at the request of Mr. Lisa.

Mr. Lisa commended **Mr. Drews** for becoming a fellow of the American College of Healthcare Executives.

2. Consider Approving 2024 Board of Directors Schedule of Meetings

ACTION: On motion of Dr. Bravo and seconded by Dr. Bentley, the Board of Directors Approved the 2024 Board of Directors Schedule of Meetings, without objection.

3. Report of the Chief Executive Officer

Ms. Owen reported:

- Governor's Budget
 - FY 2024-2025 State Budget released on January 10th 2024 maintains focus on important Medi-Cal Managed Care priorities, including CalAIM, undocumented expansion, and MCO Tax:
 - Overall, \$291.5B budget proposal includes \$208.7B in General Fund spending while addressing \$37.9B budget shortfall

- Maintains investments in homelessness, housing, and healthcare.
- To address shortfall, the Governor is proposing: *withdrawing \$13B from the state's Budget Stabilization Accounts, coupled with \$8.5 in spending reductions, \$5.7B in borrowing, \$5.1B in delays, \$3.4B in fund shifts, and \$2.1B in deferrals to close the gap.*
- Staff will continue to monitor the state budget and deficit
- Operating Plan 2023 Progress
 - Staff have achieved approximately 90% of our goal.
- Operating Plan 2024
 - In the process of developing the 2024 plan.
 - Will present to the board for adoption at the March Board Meeting.
- Undocumented Expansion effective January 2024
 - Staff projected fewer than 2000 new members.
 - Received upwards of 16K new members on January 1st.
 - Commended Member Services Director, **Eric Buben**, and the Member Services call center staff for fielding a historic volume of member calls.
- Operational Dashboard
 - Began the year from a strong position.
 - DHCS completed their annual survey and indicated no findings.
 - Compliance oversight performance is now meeting target.
 - Fiscal oversight performance is now meeting target.
 - Monitoring a few areas related to developing provider network.
- Community Supports
 - Seeking board approval of expansion of our Community Supports in alignment with the CalAIM initiative.
 - Began with two and recommend expanding to all fourteen, as this would support members with the social determinants of health.
- Annual Board Survey
 - Will go out to the board after the board meeting, for completion.
 - Looking for feedback on board priorities, materials requests, etc.
 - Requesting input on enhancing the board meeting experience through upgraded technology.
- Board Binders
 - Ms. Bottiani will distribute updated binders to all board members at the March Board of Directors meeting.

Ms. Owen introduced two new members of the CenCal Health Leadership Team, **Luis Somoza**, Director of Provider Services and **Bao Xiong**, Director of Program Development. She also introduced **Kaleb Madrid**, Administrative Services Director, who is joining the meeting for the first time this evening.

4. Consider Accepting the Quality Improvement and Health Equity Committee (QIHEC) Report

Mr. Hernandez gave a detailed PowerPoint presentation with the following highlights:

- **2022 Accomplishments:**
 - Top 10% of Medicaid Plans
 - 9 High Performance Levels surpassed.
 - No DHCS enforcement actions for substandard performance
 - 2 Minimum Performance Levels missed in SLO.

- 3 Minimum Performance Levels missed in SB.
- **December 2023 QIHEC P&P Approvals**
 - 14 QIHETP & related P&Ps were approved by the QIHEC
 - Staff & DHCS confirmed that all policies are compliant with DHCS 2024 contract requirements
 - The QIHEC's approval serves as recommendation for approval by your Board
 - Future P&Ps will be brought for your review in advance of DHCS submission, when feasible
- **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 after each QIHEC meeting
 - Each written QIHEC report to your Board is also posted to CenCal Health's publicly facing web site
- **Recommendation:**
 - The written QIHEC report to your Board & its attached policies are presented for your feedback, acceptance & approval.

ACTION: On motion of Mr. Drews and seconded by Dr. Bravo, the Board of Directors Approved the QIHEC Report, without objection.

Discussion:

Mr. Lisa asked if NCQA is the senior accrediting body for our plan or are there others.

Mr. Hernandez explained that NCQA is the foremost accrediting body for Medi-Cal Managed Care Plans. DHCS requires NCQA accreditation for Managed Care Plans for both health equity and health plan operations.

Mr. Herlinger asked for the date of our NCQA survey.

Mr. Hernandez said the first survey will most likely take place mid-October. Accreditation must be obtained before January 2026.

Mr. Lisa asked if the consultants we are using now for NCQA accreditation will be on going.

Mr. Hernandez explained that the engagement is temporary in order to be confident that we will surpass the thresholds required for accreditation.

Director Hammami asked what the threshold languages are for translation of written materials.

Mr. Hernandez replied English and Spanish are the threshold languages.

Mr. Buben explained that we engage the services of several vendors to translate all others at the member's request.

Ms. Andersen asked if the fourteen policies presented for approval were new.

Mr. Hernandez said that some are new and some are updated to comply with the new 2024 DHCS contract requirements.

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

Ms. Owen introduced a member impact video, *Homeless to Homed*, to kick-off the Community Supports presentation which was then aired for meeting attendees. The video highlights the impact that the Community Supports have on our members.

Mr. Drews commended staff for a well-done video on the member impact and stated that he thought everyone should view it. He asked what the distribution of the video will be beyond this first viewing at the meeting.

Ms. Owen stated this is one of many Community Supports videos that will be widely distributed throughout the community, through our annual community report. It will also be shared with the communications director at DHCS.

Mr. Lisa commented that it was a very impactful video.

Mr. Hill gave a detailed PowerPoint presentation of four new Community Supports with the following highlights:

- **Proposed New Community Supports in July 2024**
 - Community Transition/Nursing Facility Transition to Home helps individuals to live in the community and avoid further institutionalization by providing non-recurring set-up expenses for individuals where the person is directly responsible for his or her own living expenses.
 - Nursing Facility Transition/Diversion to Assisted Living Facilities assists individuals to live in the community and/or avoid institutionalization when possible. The goal of the service is to both facilitate nursing facility transition back into a home-like community setting and/or prevent skilled nursing admissions for Members with an imminent need for nursing facility level of care.
 - Environmental Accessibility Adaptations (Home Modifications) are physical adaptations to a home that are necessary to ensure the health, welfare, and safety of the member and enable members to function with greater independence in the home, without which the individual would require institutionalization.
 - Asthma Remediation physical modifications to a home environment to improve the health, welfare, and safety of our members. Examples include providing De-humidifiers, Pillow and Mattress covers, HEPA filtered vacuums etc.
- **Recommendation:**
 - CenCal Health's Board of Directors consider approving the expansion of the four (4) remaining Community Supports services effective July 2024 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

Discussion:

Ms. Andersen stated that these services are so needed.

Mr. Drews asked if CenCal was required to do all four of these benefits.

Mr. Hill explained that these are not currently considered benefits but will likely become benefits in the future and DHCS will look favorably on us if we implement all of them.

Ms. Owen added that at fourteen, CenCal Health would join counties, including

Ventura, who have implemented all fourteen community supports.

Ms. Andersen asked if staff would provide metrics to the board to track progress.

Ms. Owen said the next dashboard to be shared with the board will include community supports data and performance.

Ms. Andersen asked where Asthma referrals come from.

Mr. Hill stated these come primarily from physicians.

Mr. Lisa asked about our capacity for implementation and a projected timeline.

Mr. Hill explained that we are looking to implement July 1st. We have already developed a model of care. Policies are in the final stages prior to submission to DHCS. Next steps will be to engage providers and hire approximately four new staff members.

Mr. Drews asked if we would be losing traction with the prior ten if we brought on these four new supports.

Mr. Hill stated that we would not lose any momentum on the previously implemented community supports.

ACTION: On motion of Ms. Macdonald and seconded by Supervisor Hartmann, the Board of Directors Approved 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, without objection.

Ms. Zuniga gave a detailed PowerPoint presentation of the Justice-Involved Enhanced Care Management Initiative with the following highlights:

Addressing the Needs of the Justice-Involved Population:

- Justice-Involved individuals are those who have been incarcerated or released from incarceration within the last twelve months.
- People who are currently, or have previously been, incarcerated experience disproportionately higher rates of physical and behavioral health diagnoses and higher risk for violence, suicide, and overdose.
- Incarcerated individuals in California jails with an active mental health case increased by 63% over the last decade.
- 66% of Californians in jails or prisons have moderate or high need for substance use disorder treatment.
- Overdose is the leading cause of death for people recently released from incarceration, and people in California jails or prisons have a drug overdose death rate more than three times that of incarcerated people nationwide.

CalAIM Justice Involved Implementation:

- Phase 1 (1/1/24): Managed care plans are responsible to deploy a network of Enhanced Care Management (ECM) Providers and County Agencies to collaborate and to connect formerly incarcerated Medi-Cal eligible members to community-based services.
- Phase 2 (4/1/24 – 3/31/26): To provide intensive coordination with embedded and/or in-reach service providers linked to Medi-Cal provider networks to include extensive data sharing and coordination to ensure continuity of care for inmates returning to the community.

Justice-Involved Landscape Analysis:

- 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.

Discussion:

Director Hammami asked if some services are eligible prior to release from incarceration. **Ms. Zuniga** responded, "yes".

Director Hammami asked if there will be processes put into place to simplify the billing process to a multitude of vendors?

Ms. Zuniga stated that correctional facilities will have a billing vendor in place to be sure the billing is correct for fee-for-service billing to State Medi-Cal and other billings to Medi-Cal Managed Care Plans.

Ms. Owen added that the State has identified some preferred providers to provide technical assistance for billing. For those providers who will bill CenCal for services, we can simplify processes for providers.

Mr. Drews added that CenCal Health has the opportunity to be a leader in implementation.

Dr. Bravo stated that with programs such as this where a great deal of money is being allotted, there is also the potential for a great deal of fraud and abuse. This is a different population that we have not dealt with in the past and we need to be cautious and prudent in our use and protection of the resources we are shepherding. He shared that the use of public funds comes with a great deal of responsibility and we need to be mindful every step of the way. We need enhanced oversight of the vendors we contract with. He believes we can provide a needed service in an appropriate manner.

Ms. Owen agreed and added this will require oversight and a great deal of coordination between the plan and contracted entities. Mr. Scott Coffin is our consultant working with justice partners on coordination.

6. Report from Chief Financial Officer/Treasurer

6.1 Consider Accepting the 2024 CenCal Health Budget

Ms. Bishop gave a detailed PowerPoint presentation of the CY 2024 Operating and Capital Budgets with the following highlights:

- **Budget Highlights:**
 - Net Gain = \$25.6 M
 - Medical Loss Ratio = 90.2%
 - Administrative Ratio = 7.2%
- **A review of the major assumptions in developing the CY 2024 Operating and Capital budgets**
 - 2024-2026 Financial Forecast
 - 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.

- Membership
 - During the Public Health Emergency membership increased by ~36%.
 - It is still too early to understand what the membership decline will be at the end of the redetermination period.
 - Membership estimated to decrease approximately 8%.
- Revenue Summary: CY 2024 Budget

▪ Base Capitation Revenue	\$ 862,786,794
▪ ECM Revenue	\$ 14,367,331
▪ Supplemental Revenue	\$ 42,400,015
▪ Prop 56 Revenue	\$ 7,282,573
▪ Reserve-Minimum MLR/Risk Corridor	\$ (14,995,447)
▪ Total	\$911,841,265

 - Excludes:
 - Directed Payments
 - MCO tax
 - CalAIM Incentives
 - Potential CY 23 rate update
- Medical Expenses
 - Assumptions:
 - Flexible budget
 - Categories updated to be consistent with Rate Development Template (RDT)
 - Base experience – January – September 2023
 - Trend factors consistent with RDT (2-4%)
 - Incorporated known provider contract changes
 - Targeted Rate Increases (TRI) – break even
 - 4% increase for Long Term Care/Skilled Nursing Facilities associated with annual increases based on State established facility rates
 - Enhanced Care Management assumes 95% Medical Loss Ratio (MLR)
 - Included population acuity adjustment
- Administrative Expenses
 - 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.
- 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.

CY 2024 Contract Renewals: New Board Guidance and Administrative Decision-Making Policy requires Board approval for all vendor contracts in excess of \$250,000.

VENDOR	DESCRIPTION	CONTRACT START DATE	CONTRACT EXPIRATION DATE	ANNUAL BUDGET	RENEWAL STRATEGY
Milliman Care Guidelines Premier Healthcare, Inc. (Care to Care)	Utilization Management	6/1/2023	6/1/2024	\$ 1,072,828	ANNUAL
Magellan	Utilization Management	11/15/2023	11/15/24	\$ 635,000	ANNUAL
	Medical Pharmacy Services	5/1/2023	4/30/2024	\$ 612,792	ANNUAL
Ventura Transit System	Non-emergency medical transportation	1/1/2024	12/31/2024	\$ 570,000	ANNUAL

Discussion:

Ms. Andersen asked if any additional FTEs will be added.

Ms. Bishop said there was a net change of 14 from 2023 to 2024 budgets. These were added to support the CalAIM initiatives.

Ms. Owen added that we will optimize staffing resources and identify any State-required initiatives requiring additional investment.

ACTION: On motion of Mr. Herlinger and seconded by Director Hammami, the Board of Directors Accepted the Report of the Chief Financial Officer/Treasurer and Approved the CY 2024 CenCal Health Operating and Capital Budgets, without objection.

7. Report on Dual Special Needs Program (DSNP) Development and Present on Model of Care and Care Management for Dual Eligible Members

Ms. Owen, with the Chair’s agreement, noted that in the interest of time, the Report on Dual Special Needs Program (DSNP) Report and Pharmacy on Industry Trends for Medi-Cal Members will be deferred to the March Board of Directors Meeting, or thereafter. She welcomed Ms. Lem to present the report on Medi-Cal RX to close out the evening.

8. Report on Medi-Cal RX and Present on Pharmacy on Industry Trends for Medi-Cal Members

Ms. Lem gave a detailed PowerPoint presentation of Medi-Cal RX with the following highlights:

Background:

- Medi-Cal Rx is the administration of Medi-Cal pharmacy benefits through the Fee-for-Service (FFS) delivery system. This includes outpatient drugs, Pharmacy Reimbursable Physician-Administered Drugs (PADS), specific medical supplies, and enteral nutrition products.
 - Medi-Cal Rx Go-Live Transition Policy in effect January 1, 2022
 - Medi-Cal Rx Suspension of all Prior Authorizations February/March 2022
 - Reinstatement of Claim Edits 3Q2022
 - Phase-Out of Transition Policy for Adults >21 y.o. 2023
- January 2024 marks the start of the 3rd 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.

- Within the 1st month of the Medi-Cal Rx carve-out in 2021 all the benefit design edits were suspended due to the 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 reinstatement is now almost complete as the program begins its 3rd year of operation.
- CenCal Health's Pharmacy team played an integral role in assisting providers and members in accessing and understanding the program's requirements and minimizing disruption of care.

CenCal Health Pharmacy Services:

- Retail Pharmacy - Plan interface with DHCS's Pharmacy Benefit Manager (PBM) & network education/support
- Customer Service – Clinical Liaison interface, call center support
- Medical Benefit Pharmacy (Physician-Administered Drugs, PADs)– utilization management, growing at >25%/year (This was always the responsibility of CenCal Health)
- Quality Responsibilities – Retrospective Drug Utilization Review (DUR) and various activities using RX data.

CenCal Health Drug Utilization Review (DUR) Program

- **Managed Care Plan Responsibilities:**
 - Operate a retrospective DUR program that complies with the requirements described in § 1927 (g) of the Social Security Act (the Act) and submit an annual report on the operation of its DUR program activities
 - Educate our provided network of State DUR Board Educational Programs
 - Operate a Plan DUR Board – CenCal Health's Pharmacy & Therapeutics Committee acts as CenCal Health's DUR Board
 - Participate in DHCS' Global Medi-Cal DUR Board
 - **Ms. Lem** announced that In October 2023, CenCal Health's Clinical Pharmacist, Adam Horn, PharmD. was selected to serve on the Global DUR Board.
- **Retrospective DUR Program Highlights:**
 - Asthma Controller vs. Rescue Inhaler DUR Outreach
 - Hypertension Medication DUR Outreach
 - Opioid Concomitant Use DUR Outreach
 - Hypertension Results after Member and Provider Outreach:
 - 21% increase in medication adherence
 - 200% increase in BP monitor utilization

Discussion:

Ms. Owen acknowledged the pharmacy team providing valued service to our members and providers.

Ms. Andersen asked if the state is looking at the higher costs.

Ms. Lem stated that the State has doubled the costs, but it has also doubled its rebates.

Mr. Drews asked how many pharmacists we have on staff.

Ms. Lem stated that we have three.

Dr. Bravo commended staff for organizing the 40th Anniversary event for community providers and stated that it was a wonderful event. He noted that it was a classic example of how you represent yourself, what you stand for, and how you project that into the community.

Ms. Owen thanked Dr. Bravo for this acknowledgement.

9. 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 two-thirds of the Directors present or, if fewer than nine Directors are present, unanimous vote).

Mr. Lisa called for any additional items requiring immediate action.

Ms. Owen responded that staff did not identify further action necessary.

As there was no further business to come before the Board, Mr. Lisa adjourned the meeting at 8:05 pm.

Respectfully submitted,

Paula M. Michal

Paula Marie Bottiani, Clerk of the Board



DRAFT

MINUTES CenCal Health BOARD OF DIRECTORS COMPLIANCE AND OVERSIGHT COMMITTEE MEETING February 7, 2024

The regular meeting of the Board of Directors Compliance and Oversight Committee Meeting called to order by Daniel Herlinger, Chair, on February 7, 2024 at 12:05 PM via video conference.

MEMBERS PRESENT: Antonette "Toni" Navarro, Daniel Herlinger, Karen Kim, Marina Owen, and Nicholas

STAFF PRESENT: Paula Bottiani (Recorder)

GUESTS: None

1. Approve Virtual Convening of Compliance Oversight Committee
Pursuant to Government Code section 54953 (f) "AB 2449 Option"

ACTION: On motion of Ms. Navarro, Seconded by Mr. Drews, the Board Compliance and Oversight Committee Unanimously Approved the Virtual Convening of the Compliance and Oversight Committee by Roll Call Vote.

Roll Call:

Antonette Navarro-Yay
Daniel Herlinger-Yay
Daniel Herlinger-Yay

2. Public Comment-There was no public comment.
3. Review Committee Charter
Ms. Kim reviewed the committee charter. There were no questions or comments.
4. Consider Approving Compliance Plan, Annual Work Plan

Ms. Kim gave a detailed presentation of the Compliance Plan and Annual Work Plan with the following highlights:

- **The 2024 Compliance Plan** was updated from the 2023 plan with minor edits of titles, etc. Nothing of substance.
- **The Compliance Program** is based on the seven fundamental elements of an effective

compliance program as outlined by the U.S Department of Health and Human Services' Office of Inspector General (OIG), and the Centers for Medicare and Medicaid Services (CMS):

- Designating a Chief Compliance Officer, Compliance Committee, and high-level oversight;
- Implementing written policies, procedures, and Code of Conduct;
- Educating employees and conducting effective training;
- Developing effective lines of communication;
- Conducting monitoring and auditing;
- Enforcing well publicized disciplinary standards; and
- Responding promptly to detected offenses and compliance issues.
- **The Board of Directors** exercises oversight over the implementation and effectiveness of CenCal Health's Compliance Program by:
 - Delegating compliance responsibilities to the Board Compliance and Oversight Committee;
 - Approving the Code of Conduct and the Compliance Plan;
 - Understanding the Compliance Program structure through training and education;
 - Remaining informed of compliance enforcement activity from external agencies, notice letters and/or other formal actions.
- **Internal Auditing and Monitoring (AM):**
 - CenCal Health conducts internal auditing and monitoring (AM) as a proactive approach to continually identify and mitigate compliance risks.
 - Whereas the Director of Audits and Monitoring is responsible for implementing and maintaining the AM program, the Chief Compliance Officer, and the Compliance Committee oversee AM activities at CenCal Health.
- **2024 Contract Operational Readiness (OR) Tactic:**
 - Successfully submitted and received approval for all 2024 Contract OR requirements.
 - Established the Board Compliance and Oversight Committee.
 - Appointed a Fraud Prevention Officer.
- **Develop and Implement an Annual Risk Assessment**
 - 2023 focused on reducing DHCS medical audit findings.
 - Achieved zero findings for the 2023 DHCS medical audit.
 - Established an Audits, Monitoring & Oversight (AMO) Department
 - Corporate Integrity (CIA) Compliance
- **2023 Work Plan Accomplishments**
 - **Policies and Procedures**
 - Updated CPL-04 Policy on Policies
 - Established a check-in, check-out process
 - Enforced use of template and formatting requirements
 - Trainings for policy development and review process
 - Monthly exclusions checks for all staff and vendors
 - Updated compliance trainings
 - Developed and implemented Board compliance trainings.
- **2024 Operating Plan Tactics**
 - **Material Modification of Knox-Keene license tactic**

- Submit application for material modification and receive DMHC approval
- **Enhance AMO Capabilities through New Software tactic**
 - Execute AMO software contract with selected vendor
 - Prepare for software implementation based on AMO business requirements
- **Enhance Policy and Procedure Management tactic**
 - Review all published P&Ps
 - Establish an annual policy review process, 2024 Contract requirement
 - Develop a roadmap for enhanced use of PolicyTech Software
- **Payment Integrity Vendor RFP and Implementation**
 - Support selection and implementation of payment integrity vendor
- **2024 Compliance Work Plan Items**
 - **Conduct 2024 Risk Assessment**
 - Anti-Kickback Statute compliance
 - Claims and encounter data submission compliance
 - AMO software- centralized and standardized auditing, monitoring, and oversight
 - Member information
 - **Further Develop Audits, Monitoring, & Oversight (AMO) Department**
 - Recruit and hire compliance auditor and AMO strategist
 - **Corporate Integrity Agreement (CIA) Compliance**
 - Annual and supplemental reports
 - Management certification process
 - **Dashboard of Compliance Department metrics**
 - Regulatory submissions and requirements
 - FWA requirements
 - HIPAA requirements
 - **HIPAA Privacy Program**
 - Roadmap for BAA compliance
 - BAA tracking log
 - Identify all vendors that require a BAA and ensure compliance
 - Establish a BAA renewal process

Ms. Kim directed committee members to the 2024 Work Plan Timeline contained within the material packet. This timeline is broken down into quarters that include individual tasks to accomplish each quarter.

Discussion:

Mr. Drews asked how we make sure we are following the Compliance Plan.

Ms. Kim explained that we oversee the annual workplan; primarily the seven areas of focus, to be sure we are meeting all standards as outlined in the plan.

Mr. Herlinger stated that the board needs to receive a monthly report.

Ms. Owen stated that Ms. Kim provides this monthly report within the board packet.

Mr. Herlinger asked if the full board had completed the Compliance training.

Ms. Kim said, "yes, all have completed the training".

Mr. Herlinger asked for an explanation of Compliance Week.

Ms. Kim explained that it takes place the first week of November and the staff are

engaged in a variety of activities (using games and puzzles) that focus on compliance, governance, risk management, and ethics. Nominal gift cards are given out as prizes as an incentive to participate.

Mr. Herlinger asked how we separate Legal from Compliance.

Ms. Kim explained that generally Legal takes a "protective posture", where Compliance takes a "prospective posture" to avoid future incidents.

Ms. Owen added that Legal is a separate function within Administration.

Mr. Herlinger asked if Legal reports to the Board.

Ms. Owen stated yes and added that Legal will represent the Board in closed sessions with Mr. Chan having open communication to the Board.

Mr. Herlinger asked what Mr. Chan's duties are?

Ms. Owen said his primary area of responsibility is Provider and Vendor Contract development and oversight, in addition to providing legal advice and guidance.

Mr. Drews asked if all staff completed compliance trainings.

Ms. Kim said, "yes".

Mr. Herlinger asked how the workplan will be reported to the Board for approval.

Ms. Owen stated that we will prepare a PowerPoint presentation including recommendations from the committee. This will be part of the Regular Board agenda.

Mr. Drews asked if we are on target for Q1 of the 2024 Work Plan.

Ms. Kim said yes, we are on target in Q1. An Update is given following each quarter. The D-SNP (Medicare program) tactics will be added to the Plan.

Ms. Owen stated that CMS (Centers for Medicare & Medicaid Services) has offered California plans application assistance in 2024. A CMS representative will be attending our Board Retreat in July.

ACTION: On motion of Mr. Drews, Seconded by Mrs. Owen, the Board Compliance and Oversight Committee Unanimously Approved the Recommendation to bring to the 2024 Compliance Plan and Annual Work Plan and Timeline to the Full Board for Approval, by Roll Call Vote.

5. Discuss Risk Assessment and Risk Tolerance

Ms. Kim shared the Risk Assessment and Risk Tolerance document.

Background: The Audits, Monitoring, & Oversight (AMO) Department has conducted the 2024 CenCal Health compliance risk assessment, focused on the following areas:

Anti-Kickback Statute (AKS) Compliance: Anti-Kickback Statute Compliance CenCal Health is prohibited from knowingly and willingly paying remuneration to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs. Safe harbors provide exceptions to the rule.

Claims and Encounter Data Submission Compliance: CenCal Health must submit complete, accurate, reasonable, and timely (CART) encounter data for items and services furnished to Medicaid program beneficiaries to DHCS, which relies upon acquiring CART claims and encounter data from network providers, subcontractors, downstream subcontractors, and out-of-network providers.

Centralized and Standardized Auditing, Monitoring, and Oversight: CenCal Health must develop and maintain effective systems for routine monitoring and auditing, and the

identification of compliance risks including but not limited to (a) dedicated staff for routine internal monitoring and auditing of compliance risks; (b) methods and tools for assessing whether CenCal Health's activities comply with state and federal law and the Medi-Cal contract, which includes having methods and tools to evaluate and trend an activity over time to assess noncompliance; (c) routine and periodic reporting of internal monitoring and auditing activities and results to compliance and oversight committee of the board; and (d) unannounced audits of subcontractors and downstream subcontractors to assess the compliance with requirements set forth in the Medi-Cal contract as relevant to delegated functions.

Member Information: Member Information, as defined by DHCS in the Medi-Cal Contract between DHCS and CenCal Health as well as in APL 21-004, must be provided to all new members, and potential members upon request, "in a format that is easily understood and in a font size no smaller than 12-point," which entails ensuring it is provided "at a sixth grade reading level and approved by DHCS before distribution," "in a threshold language or alternative format of their choice," and with a nondiscrimination notice and language taglines. With so many business units involved in developing member information and given that there are so many specific and stringent requirements, the lack of centralization and standardization of member material development presents a risk.

Discussion:

Ms. Owen highlighted the tactic of using AMO software. It has capabilities to standardize and monitor to ensure accountability.

Mr. Herlinger asked if other plans use this software.

Ms. Owen stated that some plans do. We wish to implement this year due to the CIA and develop a "Best in Class" compliance program.

Mr. Herlinger asked how much the program costs.

Ms. Kim stated we expect it be cost approximately \$100K.

Ms. Owen added that this has already been budgeted.

Mr. Herlinger asked what further guidance is needed from the committee.

Ms. Kim recommended getting input from staff and bring the risk assessment back to this committee at a later meeting for further discussion.

6. Discuss Provider Overpayments

Ms. Kim gave a brief presentation of Provider Overpayments with the following highlights:

- Policy and Procedure development for providers with substantial overpayments
- One Behavioral Health provider with a substantial overpayment amount due, now has a re-payment plan in place.
- Policies and procedures should be drafted to address provider overpayment issues.

Discussion:

Mr. Herlinger asked if there is a role for Legal in this.

Ms. Kim said yes; however, it would require amending all the provider contracts and we have far too many for our current capacity to amend. Creating a policy that covers the

entire network of providers is the preferred solution.

Ms. Kim stated that once the policy is drafted, staff will bring it to the committee for review and the final version will be incorporated into the Provider Manual.

7. Corporate Integrity Agreement (CIA) Updates

Ms. Kim gave a brief presentation of the Corporate Integrity Agreement (CIA) Updates with the following highlights:

Recent Submissions

- Implementation Report submitted on 11/17/23
- Supplemental Report submitted on 1/11/24

Upcoming Activities

- Independent Review Organization (IRO) kick off in February 2024
- MLR Element Review by IRO March 2024
- Management Certification in June 2024
- Annual Report due August 2024

Discussion:

Ms. Kim stated the OIG selects a MLR numerator to be audited by the IRO.

Mr. Herlinger asked if the selections by the OIG are all financial in nature.

Ms. Kim said, "yes". Also, stated that under the CIA management provides a certification of compliance which is included as part of the CIA annual report due in August of 2024.

Ms. Owen added that this ensures that management engages in Compliance.

Mr. Herlinger requested to see examples of attestations.

Ms. Kim reported that all leaders attest to the same statement that is applicable to their department and previewed that statement.

Ms. Kim added that the Board will need to adopt a resolution that it has overseen the compliance committee. She will supply the verbiage at the next committee meeting.

As there was no further business to come before the committee, Mr. Herlinger adjourned the meeting at 1:35 pm.

Respectfully submitted,

Paula M. Bottiani

Paula Marie Bottiani, Clerk of the Board

Quality Report

Date: March 20, 2024

From: Lauren Geeb, MBA, Director, Quality

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

Executive Summary

This report provides an overview of recent developments in CenCal Health quality program operations, implications of significance, and next steps to assure continuous improvement and regulatory compliance.

In January, CenCal Health's virtual in-person component of an ongoing annual National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS) Compliance Audit was successfully completed.

This significant milestone required an NCQA-licensed auditing organization (Health Services Advisory Group) to conduct a rigorous evaluation of CenCal Health's operational capacity to reliably report on industry-standard quality of care indicators. Quality of care indicators cover the following domains of care:

- Behavioral Health
- Children Health
- Chronic Disease Management
- Reproductive Health
- Cancer Prevention
- Long-Term Care

The assessment encompassed CenCal Health's claims, provider, member, and clinical data sources, and information technology and quality management operations to maintain those data. The one-day audit session went smoothly, concluding ahead of schedule with limited follow-up items due to the high quality of materials prepared and supplied prior to the session.

CenCal Health Quality Department staff have since transitioned to medical record review to complete measurements that cannot otherwise be collected administratively (e.g., through claims data). This phase of the audit, while predominantly conducted remotely, represents the most labor-intensive step as it requires collection of services

completed for a sample of approximately 4,300 members across Santa Barbara and San Luis Obispo counties.

The audit formally concludes in June 2024 with reporting of certified results to the Department of Health Care Services (DHCS) and NCQA to demonstrate the excellence of CenCal Health's provider network and managed care operations.

Next Steps

Administrative results will be processed and calculated utilizing NCQA-certified HEDIS software. Following the completion of supplemental medical record review in May, the DHCS-selected HEDIS auditing firm will select a random sample of records to assess the accuracy of CenCal Health's interpretation of HEDIS measurement criteria. To assure organizational accountability, an update will be reported to your Board when appropriate to highlight progress toward CenCal Health's Quality Improvement and Health Equity Transformation Program goals and to celebrate related achievements.

Recommendation

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

Health Services Report

Date: March 20, 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, Associate Director, Utilization Management

Executive Summary

The information contained in this report provides the status of operations for the Utilization Management, Case Management, Pharmacy and Behavioral Health Departments. February 2024 saw further refinements of the new 2024 contract requirements, as work continues to prepare for implementation of new programs and accreditation requirements.

Medical Management

The prior authorization turnaround time was met with four (4) of the six (6) categories; however, the team did not achieve its monthly turnaround time for Preservice Urgent Referrals. Health Services continues to work with Provider Services on education of what constitutes an urgent referral to ensure the team receives appropriately urgent referrals. Ongoing close monitoring of the daily inventory and management of timelines will continue with focus review on meeting all Turnaround times. Medical Management continues NCQA readiness work for accreditation in 2026 and is actively participating in mock audits and working closely with the NCQA consultants in preparation for NCQA.

Enhanced Care Management

The ECM team is collaborating with ECM providers to refine processes and enhance workflow efficiency, ensuring a seamless experience for both providers and members. In April, CenCal Health will launch two new ECM referral mechanisms allowing providers to refer members via the Provider Portal, along with an automated data sharing file to streamline the referral process. In February, 403 new members were approved for outreach and engagement services. Approximately 60 authorization requests for ECM services enrollment were also received. All authorization requests were processed within the 5-day timeframe, maintaining a consistent 100% compliance rate.

Community Supports

Community Supports Leadership is participating in a statewide Housing-related CS Standardization Advisory Committee. The goal of the Advisory Committee is to develop

uniform tools and / or processes for Housing-Related Community Supports that can be adopted by all Managed Care Plans statewide or within a region for use with their CS providers and partners. CenCal Health went live with four (4) new community supports in January 2024, Short Term Post Hospitalization, Personal Care and Homemaker Services, Respite Services and Day Habilitation Services. Total number Authorization Requests for the new Community Support Services are as follows:

- Short Term Post Hospitalization: 27
- Personal Care and Home Maker Services: 13
- Day Habilitation: 9

Community Supports authorization requests were processed within a 5-day timeframe, maintaining a consistent 100% compliance rate in February. During the month of February 2024, the most frequently requested CS services included Housing Transition Navigation Services, Housing Tenancy and Sustaining Services, and Sobering Centers.

Behavioral Health

Prior authorization continues to maintain at 100% compliance for post-service and pre-service authorizations in February. Volume is trending down in Quarter 1. The dedicated team assisting the county has increased turnaround time to 91% in compliance with closing all referrals within 10 business days. The Navigator Team is at 88% compliance with turnaround times with care coordination referrals.

The Behavioral Health Department coordinated 19.5% of adults and 20.4% of youth screened to the county for mental health services this past month. The call center is meeting average speed to answer at a performance level of 91% of calls within 30 seconds, average wait time is 25 seconds, and first call resolution at 94%. The Department continues to work closely with both counties to support care coordination and weekly referral meetings to support member care. The MOU process between CenCal and county agencies is in process and led by Administrative Services.

Pharmacy

As we begun calendar year 2024, the physician administered drugs (PADs) authorization volume continued the upward trend experienced throughout 2023 and has experienced an 80% increase in January 2024 compared to January 2023. 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 at approximately 18%. With Medi-Cal expansion of undocumented members ages 26-45, call volume has increased almost 20% from January 2023. All authorization cases were processed within regulatory time standards.

Recommendation

This report is informational and no action by the Board of Directors is requested.

Government and Administration Report

Date: March 20, 2024

From: Michael Harris, Government Affairs & Administrative Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Kaleb Madrid, Administrative Services Director
Hon Chan, Senior Associate Counsel
Citlaly Santos, Strategic Engagement Director

Executive Summary

The primary election of 5 March 2024 is complete. Voter turnout was very low (in the mid to low 20th percentile). Many local and state elected positions were settled and congressional races established for November general election.

More in-depth state information will be presented to your Board on a separate agenda item with lobbyists from Mosaic Solutions and Advocacy (who represent CenCal Health's state association local health plans of California) and CenCal Health's Sacramento lobbyists Public Policy Advocates.

Congress has made progress toward funding federal agencies by passing a short-term continuing resolution (CR), which extends funding for four federal agencies through early March. This leaves the remaining eight bills to be completed by March 22. By doing so, Congress aims to ensure that federal agencies are funded through September 30, 2024, the end of the fiscal year.

In recent news, CenCal Health has been actively engaging with the community through sponsored event participation and participating in community resource events.

Background

Government Affairs

The healthcare package included in the "minibus" contains several provisions that are worth noting. Firstly, it eliminates the Medicaid Disproportionate Share Hospital (DSH) Program, which is a Medi-Cal supplemental payment program, until December 31, 2024. Additionally, it reauthorizes and funds several public health programs including community health centers. Please refer to the attached report from CenCal Health's legislative advocate in Washington, DC, Paul Beddoe, for further details about government affairs at the federal level.

Strategic Engagement

CenCal Health's Community Benefits program, which subsidizes local health-related programs and community services, continues to receive positive media attention. Multiple placements of this news item included the *Santa Barbara Independent*, and Local Health Plans of California's e-newsletter. Looking ahead, press releases regarding new Community Supports and our 2024 Community Report are planned for distribution in the following weeks.

The Strategic Engagement Department is actively coordinating CenCal Health's participation in multiple sponsored and outreach events in March, including an educational dinner lecture for local providers in Santa Barbara County regarding the effects if Long COVID lead by the Santa Barbara County Public Health Department. Please see the attached supplemental report for additional information on public relations and community outreach activities that occurred in February.

Administrative Services

The Administrative Services Department continues to progress in redeveloping the Contract Lifecycle Management software system. This effort, in partnership with the Provider Service Department, is underway with the goal to centralize all contract-related activities into one integrated system. While this project is an ongoing priority, we are on track and expect that the enhancements will significantly improve interdepartmental collaboration and overall efficiency across the organization.

The maintenance upgrades at our Santa Barbara facility are moving forward with considerable momentum. Key projects, such as the comprehensive roof overhaul, elevator system upgrades, and exterior painting, are all on schedule. We anticipate the completion of these critical tasks by the end of Q3 2024, further demonstrating our commitment to maintaining and improving our facilities for the long-term benefit of both our staff and the services we provide.

We will continue to prioritize these initiatives and look forward to sharing more detailed updates and milestones in the forthcoming report.

Recommendation

Staff recommends that your board accept this memorandum as informational no further action is requested.

Enclosures

- Washington, DC Report from Paul Beddoe, LLC
- SED Supplemental Report

Paul V. Beddoe Government Affairs, LLC

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

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

From: Paul V. Beddoe, Principal
Paul V. Beddoe Government Affairs, LLC

Date: March 20, 2024

Subject: Federal Report, March 2024

On February 29, Congress passed another short-term continuing resolution (CR) to extend funding for four federal agencies through March 8, leaving the remaining eight bills through March 22, in order for it to wrap up work on the twelve appropriations measures to fund the federal government through September 30, 2024, the end of the fiscal year.

On Sunday, March 3, the bipartisan leaders of the House and Senate Appropriations Committees released the text of the first of two bills to wrap up funding for FY 2024. This "minibus" includes six agencies. House Leadership plan to take votes on the bill on Wednesday March 6. Because the bill will likely need Democratic support to pass, due to opposition from the Freedom Caucus wing of the Republican party, Speaker Mike Johnson (R-LA) will bring the bill up under suspension of the rules, which means that the bill cannot be amended and would require a two-thirds majority to pass. The bill will also face some procedural challenges from individual senators, but the Leaders hope to complete its consideration Friday, to avoid a partial shutdown and move toward completing the FY 2024 appropriations process.

Leaders plan to release the second "minibus" in time for consideration before the CR expires March 22. This package would include funding for the U.S. Department of Health and Human Services. Of course, as with all matters in the 118th Congress, plans are subject to change.

Negotiations toward a major health package seem to have come to an end, for now, with the inclusion in the first minibus of what some call a "skinny package" of program extenders and reforms. The package includes elimination of the statutory Medicaid DSH cuts through December 31, 2024. It also reauthorizes and funds community health centers, the National Health Service Corps and other expiring public health programs through the end of the year, while setting up another funding cliff for a lame duck session of Congress.

Issues related to the Medicaid inmate exclusion and institutions for mental disease (IMD) exclusion were among the thorniest issues that were negotiated for the skinny health

package. Ultimately, the agreement would make permanent a Medicaid state plan amendment (SPA) option to provide short term substance use disorder (SUD) treatment stays in IMDs. Currently this flexibility is only available under a Section 1115 waiver. The SPA option may be of interest to California as it eyes the expiration of the current Drug Medi-Cal-Organized Delivery System (DMC-ODS) waiver at the end of 2026. The package would also require all state Medicaid programs to suspend, rather than terminate, Medicaid eligibility for incarcerated people, and require CMS to issue guidance to states on how to improve outcomes for the justice-involved population in Medicaid and CHIP.

Meanwhile, according to Medicaid staff at the White House Domestic Policy Council, the Center for Medicare and Medicaid Services (CMS) is on track to release its final Medicaid Managed Care rule in April.

Strategic Engagement Department (SED) Supplemental Report February Look-Back



Date: March 20, 2024

From: Citlaly Santos, Strategic Engagement Director

Through: Michael Harris, Government Affairs & Administrative Officer

PUBLIC RELATIONS

Follow-up to 40th Anniversary Celebration

In February, CenCal Health CEO Marina Owen met with State Senator Monique Limón at her local district office to present the senator with a 40th anniversary Partner Award under the Advocacy category. Senator Limón represents the 19th District, which covers Santa Barbara County and part of Ventura County. She was one of the partners honored during CenCal Health's anniversary celebration on December 6th. Due to Senator Limón being away on business travel, she was unable to attend the celebration. The February meeting allowed the presentation of the recognition to the senator in person.



Earned Media

CenCal Health's Department of Strategic Engagement continued to garner media attention from this earlier press release:

- Community Service Organizations Receive Over \$530,000 in Funding from Local Health Plan on Central Coast

The *Santa Barbara Independent* ran a feature story of the press release following an interview with our Ms. Owen. In addition, the Local Health Plans of California's e-newsletter highlighted the coverage rendered by the *Santa Barbara Independent*.

Central Coast Medical Association's e-newsletter, *The Pulse*, published news about Medi-Cal Expansion resources available through Provider Relations.

Pacific Coast Business Times recognized our Board Chair Mark Lisa, CEO of Tenet Health Central Coast, and Board member Sue Andersen, CEO and President of Marian Regional Medical Center/Arroyo Grande Community Hospital, in its annual special issue 50 Most Influential People in the Region.

Events sponsored by CenCal Health – the Black is Beautiful Gala, and the Walk & Roll for Inclusion – were featured in *Edhat* and in *Noozhawk*.

Earned Media (continued)

The following report provides details of the seven media mentions earned in February.

February 2024		
Date	Publication	Headline
2/29/2024	Local Health Plans of California e-news	CenCal Health Connects People and Service Groups...
2/28/2024	Santa Barbara Independent	CenCal Health Connects People and Service Groups..
2/24/2024	Paso Robles Daily News	We are in a homeless crisis and need to look at contributing factors
2/21/2024	Local Health Plans of California e-news	CenCal Health distributes over \$530,000 in funding
2/15/2024	CCMA's The Pulse e-newsletter	Age and Immigration Status no Longer Barriers to Medi-Cal Access
2/15/2024	Edhat	Black is Beautiful Gala and Fundraiser
2/9/2024	Pacific Coast Business Times	50 Most Influential People in the Region

Clippings Samples

CenCal Connects People and Service Groups with Half-a-Million in Funding

Community Organizations in Santa Barbara and San Luis Obispo Counties Able to Improve Services

By Margan Lovly
Feb 09, 2024 11:58am



1
2/28/2024
Santa Barbara Independent
CenCal Health Connects People and Service Groups...

Immigration Status no Longer Barriers to Medi-Cal Access in 2024

Age and Immigration Status no Longer Barriers to Medi-Cal Access in 2024. Spread the word! You can make a difference in expanding healthcare access in your community by sharing this news with your patients. Effective January 1, 2024, Medi-Cal expansion allows adults ages 26 through 49 to qualify for full-scope benefits, regardless of immigration status. All other eligibility rules, including income limits, still apply. For resources to share, contact CenCal Health Provider Relations at (805) 562-1676 or email psrorgroup@cencalhealth.org.

2
2/15/2024
The Pulse e-news
Age and Immigration Status no Longer Barriers to Medi-Cal Access...

SAVE the DATE



BLACK IS BEAUTIFUL
Gala and Fundraiser

FEBRUARY 21, 2024 • SANTA BARBARA, CA • HILTON SANTA BARBARA BEACHFRONT RESORT

Join us for the Black is Beautiful Gala & Fundraiser!
Come celebrate and support the beauty and strength of the Black community at our in-person gala event. Get ready for an unforgettable evening filled with music, art, awards, raffles, and dancing. Earlybird 30% discount offered for the first 100 General Admission and VIP tickets buyers.

3
2/15/2024
Noozhawk
Black is Beautiful Gala and Fundraiser (sponsorship news)

4
2/9/2024
Pacific Coast Business Times
50 Most Influential People in the Region

50 MOST INFLUENTIAL People in the Region



COVER SPONSOR: SYNERGY
ADVERTISING PARTNER: The Port of San Luis Obispo

Mark Lisa
CEO
Tenet Health Central Coast

His story: Mark Lisa is the CEO of Tenet Health Central Coast — an integrated healthcare system operating with the Sierra Vista Regional Medical Center and Twin Cities Community Hospital. Lisa has also served as the CEO for Sierra Vista Regional Medical Center since 2012. He is currently the vice board chair for CenCal Health — a nonprofit healthcare organization partnered with the State to administer medical benefits through local healthcare providers in Santa Barbara and San Luis Obispo. Prior to obtaining a bachelor's degree in Information Systems management from St. Martin's University and a Master's in Health Administration from Chapman University.

His influence: Lisa's primary influence in the region can be seen in the convergence and integration of Sierra Vista Regional Medical Center and Twin Cities Community Hospital and the designation of LGBTQ+ Health Equality Leader from the Human Rights Campaign for both the hospitals. Under Lisa's leadership, Tenet Health Central Coast has built collaborations with the University of California, San Francisco to leverage their healthcare expertise in patient care and California Polytechnic University San Luis Obispo to create a clinical immersion program with students interested in medicine or engineering.

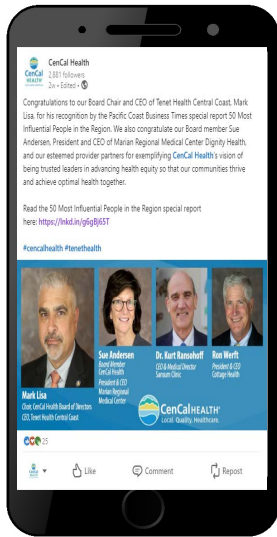
Sue Andersen
President & CEO
Marian Regional Medical Center

Her story: In July 2018, Sue Andersen became the President & CEO of Marian Regional Medical Center and Arroyo Grande Community Hospital. Previously, Andersen was Vice President of Finance and CFO for Dignity Health Central Coast. In addition to the Hospital Boards, Andersen currently serves as the Board Chair for REACH, a regional economic development organization, and she serves as a Board Member for CenCal Health, the Santa Maria Valley Chamber of Commerce, the Boys & Girls Club of Mid Central Coast, and Shower the People, a program that offers hot showers to those experiencing homelessness.

Her influence: Sue Andersen oversees Marian Regional Medical Center and Arroyo Grande Community Hospital through the COVID-19 pandemic. In the past year, Andersen worked to establish Marian Regional Medical Center as a Level II Trauma Center bringing extensive trauma services to Northern Santa Barbara County. Marian's new Outpatient Psychiatric Unit opened in Santa Maria and has helped more than 900 patients from our community in just over a year. Marian received an "A" grade in hospital safety from the Leapfrog Group and a "4 Star" rating from the Centers for Medicare & Medicaid Services.

SOCIAL MEDIA

February Samples



Congratulations to the 50 Most Influential People in the Region

CenCal Health took to social media to extend heartfelt congratulations to Mr. Lisa Ms. Andersen for their recognition in the *Pacific Coast Business Times* special report. CenCal Health also recognized and thanked our esteemed provider partners Dr. Kurt Ransohoff and Ron Werft for exemplifying CenCal Health's vision of being trusted leaders in advancing health equity so that our communities thrive and achieve optimal health together.

Linguistic diversity and access

On Mother Language Day, we joined to world in promoting the importance of linguistic diversity and providing assistance in different languages. Language access is a critical driver in advancing health equity. CenCal Health offers linguistic interpretation in over 230 languages over the phone, 22 languages for Video Remote Interpreting, and Face-to-Face interpreters for American Sign Language and Spanish (under special criteria).



COMMUNITY ENGAGEMENT

Community Outreach Spotlight



In February, CenCal Health Member Services representatives supported our members and communities at the Santa Maria – Lompoc NAACP's Black History Month Celebration (left) and CommUnify 2-1-1 Community Day Celebration (right). Both events were held in Santa Maria. At the NAACP's celebration, our engagement liaisons had the opportunity to connect with Congressman Salud Carbajal as they handed out helpful information related to CenCal Health member benefits and health education materials.

Customer Experience and Health Equity Report

Date: March 20, 2024

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

Through: Marina Owen, Chief Executive Officer

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

Executive Summary

This report highlights the Housing and Homelessness Incentive Program award of 91% of the anticipated incentive funds for San Luis Obispo (\$4.7M) and Santa Barbara (\$7.6M) County. The report also describes the continued efforts in the Customer Experience Division to support new Adult Expansion members in Member Services and through creation of new member materials and outreach.

Member Services

Elia Rodriguez has been promoted to Associate Director, Member Services. Ms. Rodriguez is a long-standing Member Services team member with 20+ years' experience, starting as an Eligibility Representative and most recently serving as the Member Services Call Center Manager since 2017. Additional updates are as follows:

Membership: CenCal Health's aggregate membership as of March 4, 2024 is 240,964, reflecting a small decrease of 242 in membership from February's final total of 241,206. Since the end of the public health emergency, CenCal Health has experienced a membership decrease of 1,300 to 1,400 per month, due to the process of returning complete and timely Renewal Packets to the local Department of Social Services. However, based on trends from the last several months, March's final total is expected to increase, since members are often reinstated during the 90-day cure-period. The substantial increase in membership experienced in January 2024 is a direct result of the addition of 15,776 Adult Medi-Cal Expansion members.

Call Center: Call volume continues to be elevated due to an increase in calls from new members enrolled during Medi-Cal Expansion, despite a slight drop in call volume from previous month. In February, the call center received a daily average of over 550 calls, with multiple days over 700 calls. This call volume is a 30% increase when compared to the same period in 2023. Volumes paired with an increase in length of time per call (7:19 minutes on average) made any attempts to meet goals for Average Speed to

Answer and Abandon rates unattainable. The abandon rate goal of 5% could not be met at 10.1%. The Average Speed to Answer goal is to answer 85% of calls within 30 seconds and this metric proved unattainable at 45% in February. Despite this, member grievance volume remained in control with usual volume and turnaround times met.

Grievance and Appeals: While recruitment for five (5) additional call center staff is in process to support the continued higher average call volume and continued higher Average Handle Time associated with the call types since renewals began in July 2023, the Call Center will continue to receive assistance from back-up Member Services and Behavioral Health staff to manage the increase in call volume. Three new position Grievance and Appeals positions have been filled and staff have re-designed the grievance and appeal intake process to include new documentation requirements and system integration. Automation is nearing completion with an implementation date for the new intake process set for April 1, 2024.

Program Development Department

Student Behavioral Health Incentive Program (SBHIP): CenCal Health continues to meet with the nine (9) partner Local Education Agencies (LEAs) to support achievement of their local Scope of Work. All partner LEAs are on target with implementing the following interventions:

1. Develop the infrastructure for Behavioral Health Wellness Programs to expand greater prevention and early intervention practices in school settings;
2. Build stronger partnerships between CenCal Health, LEAs, and county behavioral health plans to increase access to Medi-Cal covered services for students; and
3. Provide evidence-based parenting and family services for families of students (applies to LEAs in Santa Barbara County only).

Progress on the fourth intervention (*enhance behavioral health screenings and implement a closed-loop referral system*) varies amongst partner LEAs. Four partner LEAs are on track and have secured contracts with FindHelp, a closed-loop referral system. Implementation of the fourth intervention may be delayed for the remaining LEA partners due to concerns with sustainability of Findhelp, in particular the LEAs' limited financial resources and Findhelp's limited in-person support options in San Luis Obispo County. LEA partners in San Luis Obispo County are considering creating a home-grown closed-loop referral system that meets their unique needs instead of implementing FindHelp.

CenCal Health continues to collaborate with partner LEAs and community-based organizations (CBOs) to strengthen partnerships through a school-linked referral system. In February, CenCal Health hosted a meeting with over 20 CBOs from across Santa Barbara and San Luis Obispo counties and partner LEAs to discuss how to create a trusted network approach that would allow LEAs and CBOs to establish long-term relationships with the ultimate goal of creating a strong school-linked referral system that results in stronger behavioral health outcomes for students.

Housing and Homelessness Incentive Program (HHIP): CenCal Health received notification from DHCS regarding the third and final HHIP allocation on March 6, 2024. CenCal Health earned \$4,694,197 for San Luis Obispo County and \$7,626,687 for Santa Barbara County. The award for both counties is at 91% of the allowed incentive earning. CenCal Health is developing a funding strategy that will incorporate feedback from community partners and Continuum of Care participants on current housing and homelessness needs and priorities to guide the distribution of final program funding.

CenCal Health continues to manage the strategic investments that have been made to date and cultivate the partnerships that have been established. In addition, staff are coordinating information sessions between CenCal and HHIP partners to inform them of enhanced care management (ECM) and housing-related community supports (CS) services, including how to make referrals and become an ECM/CS provider. Many HHIP partners are well-positioned to become ECM/CS providers, as they are trusted housing services providers.

Health Equity: February efforts by the health equity program include:

- Ongoing support of National Committee for Quality Assurance (NCQA) Health Equity accreditation
- Convening the monthly Health Equity Steering Committee charged with leading efforts to integrate health equity into practice
- Developing a comprehensive Diversity, Equity, and Inclusion (DEI) training program aligned with Department of Health Care Services requirements and NCQA Health Equity accreditation
- Developing a linguistically and culturally appropriate outreach campaign to educate new members, who gained coverage through the Medi-Cal Adult Expansion, on how to access services
- Engaging with partners and industry experts to identify best practices to advance health equity, share resources as appropriate, and identify opportunities to collaborate.

Communications and Marketing

In February 2024, Communications & Marketing completed three (3) CalAIM Impact videos focusing on Sobering Centers, Recuperative Care, and Homeless Community Supports. Two (2) additional videos are focused on CalAIM success stories in San Luis Obispo County and are set to complete in March. The Communications team worked closely with the Strategic Engagement Department to complete the 2024 Community Report and continues Medi-Cal redetermination and retention efforts, including collaborating with both counties' social services offices. Lastly, the department completed 15 projects and 31 internet and intranet requests and began the D-SNP landscape evaluation of local offerings of plans' supplemental benefits.

Recommendation

The Customer Experience Division report is informational, and no action is requested.

Communications Jan/Feb 2024 Look Back



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

To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Marketing

Through: Van Do-Reynoso, MPH, PhD, Chief Customer Experience Officer

Date: March 20, 2024

More than
250,000
New Member
Materials Sent!

Influx of New Members Drives Thousands of Materials to Support Smooth Transition

January 1 brought an influx of nearly 16,000 new members who recently qualified for coverage under Medi-Cal Expansion.

CenCal Health was ready with the materials needed to welcome them to their new health plan and help accelerate their use of their new benefits.

The Communications & Marketing Department ensured the more than 250,000 member materials necessary were ready to meet a sudden demand.

As these materials are the first introduction a member has to CenCal Health, it is critical that instructions are clear and contain a sense of urgency for things like their initial health appointment, how to pick or change their PCP, and key highlights of how to access benefits quickly.

Finally! **Access you need, when you need it!**

CenCal Health now offers personal Member Accounts so that you can view and manage your Medi-Cal membership benefits securely anytime from the comfort and privacy of your home or while on the go.

- Update your address & phone number
- View important health appointments you should schedule
- View your PCP's information
- And more!

Create your free account today, open your mobile phone's camera & point it to this QR code, then click the link.

You can also visit www.cencalhealth.org and click on Member Login to learn more about the benefits of having an account and to sign up.

¡Finalmente! **El acceso que necesita, ¡Cuándo lo necesita!**

CenCal Health ahora ofrece cuentas de miembros personales para que pueda ver y administrar sus beneficios de membresía de Medi-Cal de forma segura en cualquier momento desde la comodidad y privacidad de su hogar o mientras viaja.

- Actualice su dirección y número de teléfono
- Vea las citas de salud importantes que debe programar
- Vea la información de su PCP
- ¡y más!

Cree su cuenta gratuita hoy, abra la cámara de su teléfono móvil, apóntelo a este código QR y luego haga clic en el enlace.

También puede visitar www.cencalhealth.org y hacer clic en "Inicio de sesión de miembro" para obtener más información sobre los beneficios de tener una cuenta y registrarse.

New members are encouraged to sign up for member portal access so they can pick or change a PCP, find out what check-ups they need, and even ask a question.

Local Impacts of CalAIM Spotlited in New Video Series

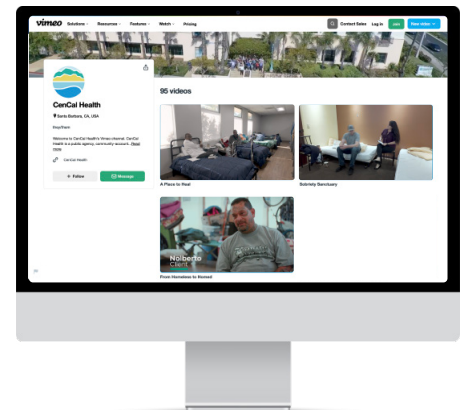


Communications team interviews at 5Cities Homeless Coalition.

The Communications team has produced the first three videos of a series that highlights local success stories of CalAIM. The CalAIM Impact videos feature personal stories of local residents who have benefitted from various CalAIM programs. The videos also highlight the dedicated work and commitment to the goals of CalAIM by many of our community partners, supported by CenCal Health.

The first completed videos spotlight CalAIM-supported programs implemented by Good Samaritan Shelter in Santa Maria, including Housing Supports, Sobering Centers, and Recuperative Care. The series shines a light on the complexities of serving our unhoused, justice-involved, and addiction-challenged members.

The next videos in the series focus on the CalAIM programs implemented by 5Cities Homeless Coalition in San Luis Obispo County addressing homeless members.



The CalAIM Impact video series features the personal stories of local clients whose lives have been changed by programs such as Housing Supports, Sobering Centers, and Recuperative Care.



View videos here
vimeo.com/cencalhealth

Communications Jan/Feb 2024 Look Back



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To: Board of Directors

From: Nicolette Worley Marselian, Director, Communications & Marketing

Through: Van Do-Reynoso, MPH, PhD, Chief Customer Experience Officer

Date: March 20, 2024

Member Newsletters Hot Off the Presses

If you've ever wondered what 90,000 printed newsletters look like, Communications got a peek behind the scenes at the massive operation required to publish this vital communication for our members.

A series of high-tech printing, insertion, sealing, and addressing equipment are needed, and the process requires three weeks and secure facilities. The Winter 2024 newsletter was sent to members in January.



A member newsletter travels through five machines before it is ready to mail.

Santa Barbara, San Luis Obispo Counties On Pace with Statewide Redetermination Renewal Rates

The most recent data on redetermination efforts released by the Department of Health Care Services continues to show that our service areas of Santa Barbara and San Luis Obispo counties are matching or outpacing statewide averages in packet returns and ex parte renewals.

December 2023 data show a statewide 93% packet return and ex parte renewal rate, compared with 94% for Santa Barbara and 93% for San Luis Obispo counties.

The CenCal Health retention team, headed by Communications and Marketing, continues its strong partnership with both counties' Departments of Social Services to alert members about returning their renewal packets on time to prevent disenrollments.



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



Putting our Employees' Best Faces Forward



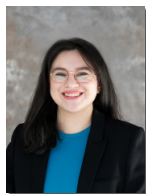
Sr. Program Development Specialist



Provider Services Representative



Financial Analyst



Communications Project Coordinator



Claims Configuration Quality Analyst Auditor

In this time of remote and hybrid work, the organization still needs "headshots" of staff, and Communications delivers.

These high-quality photos are used for a number of internal purposes, including Teams and Outlook, CenCal Central intranet accounts, presentations, and more. As a courtesy, these photos are also provided to individuals for their own use.

Headshot sessions are offered throughout the year.



Senior Associate Counsel



Clinical Improvement Specialist



Health Promotion Educator



Health Navigator



Health Promotion Educator

Communications Jan/Feb 2024 Look Back



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To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Marketing
Through: Van Do-Reynoso, MPH, PhD, Chief Customer Experience Officer
Date: March 20, 2024

Collateral Development

Communications worked on nearly 30 projects in January and 30 in February, creating several collateral materials focused on providers and the community. Communications also updated existing pieces to maintain accuracy in materials sent to members, providers, and the community. Samples are included below.

MATERIALS: Provider-focused

Quick Reference Guides

Communications supported Medical Management by updating four different Quick Reference Guides designed to educate providers on the following:

- Short-Term Post-Hospitalization
- Personal Homemaker Services
- Respite Services
- Recuperative Care



PCP Quick Guide Psychological Evaluation

Communications designed a fillable form for providers to use to refer members for a psychological evaluation.

Communications Jan/Feb 2024 Look Back



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Date: March 20, 2024

MATERIALS: Community-focused

Adult Mental Health Brochure

Communications updated the layout of the brochure to enhance understanding of the content.

These brochures are used at community tabling events, and are also distributed to providers through the Behavioral Health Department to educate adult members about mental health services available to all members.



MATERIALS: Member-focused

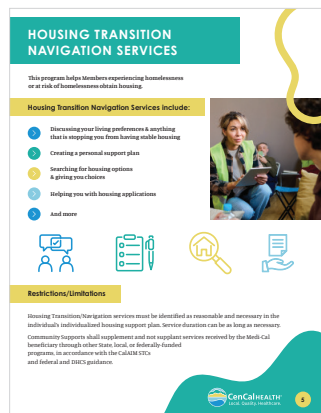


Community Supports Document

Communications created a 14-page PDF that captures the Community Supports services offered by CenCal Health.

The PDF explains how a member can receive Community Supports services and details what each service entails.

Members will be able to access this document on the Members page of the CenCal Health website.



Operations Report

Date: March 20, 2024

From: Jordan Turetsky, MPH, Chief Operating Officer

Through: Marina Owen, Chief Executive Officer

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

Executive Summary

This Operations Report provides an overview of February activities specific to the Claims, Provider Services, and Provider Relations teams, inclusive of department operational metrics. Additional information on recent events through the Pediatric Concurrent Care Collaborative's work are also highlighted, as is work underway to support providers in data sharing and information exchange.

Pediatric Concurrent Care Collaborative: Local Training

In August of 2022, CenCal Health joined a group of local leaders from VNA Health, Hospice of Santa Barbara, and Cottage Health to begin conversations to design a pediatric concurrent care program. Concurrent care refers to the provision of simultaneous end of life and palliative care services (*typically provided through Hospice organizations*), with ongoing treatment for the specified condition or suite of conditions. For pediatric patients with life-threatening or life-limiting diagnoses, the ability to access both supportive services *and* ongoing treatment services through a coordinated effort provides families with more options to consider.

In Santa Barbara County, access to such concurrent services is limited, and an opportunity to develop a coordinated program has been identified. The goal is not only to develop a program in Santa Barbara County, but to expand this effort to San Luis Obispo County in the future, as well.

CenCal Health has continued its participation in the *Santa Barbara Pediatric Concurrent Care Collaborative* and has supported submission of a grant request (which was subsequently awarded) from the Santa Barbara Pediatric Concurrent Care Collaborative to the James S. Bower Foundation to support a 12-month Pediatric Palliative Care Education and Mentoring Program.

Through funding from the Bower Foundation, the Santa Barbara Pediatric Concurrent Care Collaborative kicked off the training and mentoring program with a two-day intensive on-site hosted by VNA Health and CenCal Health.

The two-day training focused on:

- **Day 1 Intensive (onsite):** Basic tenets of pediatric palliative care, pain and symptom management, cultural and spiritual considerations, grief/loss/bereavement, preparation for imminent death, concurrent care, and advance care planning.
- **Day 2 Intensive (onsite):** Communication, multimodal pain and symptom management, diversity and equity, boundaries, family and sibling support, family panel presentation, and quality improvement initiatives.

Subsequent to the training, a series of 2024 activities are planned, both in-person and virtual, for those organizations who elect to participate. The Collaborative believes that establishing a strong knowledge foundation and fluency in pediatric concurrent care through expert-lead training is a crucial next step as we plan for implementation of a pediatric concurrent care program.

Data Sharing and Information Exchange: Stakeholder Engagement

CenCal Health is pleased to partner with our providers to support the expansion of data sharing throughout our local communities, recognizing that the ability to share and exchange data is critical for creating success in our local transformation of Medi-Cal. Through a competitive RFP process, CenCal Health has procured a health information exchange vendor who is able to support our data sharing efforts locally. Staff recognize that systems and infrastructure already exist to support data exchange locally, so discussions with our healthcare, behavioral health, and social service partners is an important next step.

To lead these discussions, CenCal Health has engaged Elizabeth Snyder and Darrin Eisenbarth, both of whom bring deep experience in our local efforts as well as expertise in health information exchange. Elizabeth and Darrin will engage in stakeholder meetings, technical implementation support, and will support development of individualized solutions to advance data sharing across the Central Coast. Additional information will be shared with the Board in the coming months.

Claims

The Claims Department monitors core service metrics across all operational and customer service functions. The included Claims Dashboard includes key operational metrics ranging from Claims Volume to Provider Call Center performance. For the February 2024 reporting period, all operational metrics were at or above goal and are within normal range, with no notable trends identified.

In late February, CenCal Health was notified of a cybersecurity incident impacting Change Healthcare. Change Healthcare is a claims clearinghouse utilized by many CenCal Health providers for claims submission. Providers and health plans across the country are impacted by the incident, as Change Healthcare's services remain impacted. On Friday, March 1, 2024, CenCal Health informed providers of the disruption



and provided alternative ways to submit claims. CenCal Health will continue to support providers with alternative methods for claims submission until Change Healthcare is back online.

Provider Services and Provider Relations

In response to provider and stakeholder needs, the CenCal Health Provider Relations Department is deploying a new staffing structure to ensure robust support for providers in San Luis Obispo and Santa Barbara Counties. Dona Lopez has been promoted to Provider Relations Manager for Santa Barbara, and recruitment is underway for a Provider Relations Manager for San Luis Obispo. Continued team refinements will include the establishment of Lead positions, and the addition of more Provider Relations Representatives to the team.

On February 7th, CenCal Health hosted a CalAIM Enhanced Care Management (ECM) and Community Supports (CS) Engagement session with keynote speaker Maggie Sanchez, Executive Director of Doctors without Walls. During this event, attendees were able to hear firsthand how Doctors Without Walls joined CenCal Health's ECM provider network in November 2022, and provided an opportunity for best-practice sharing.

The Provider Relations phone queue continues to show an increase in calls received month over month, with 888 calls received in February. To ensure that customer service call queue metrics were met, staff levels on the queue were increased and the average speed to answer goal was exceeded.

Recommendation

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

Compliance Report

Date: March 20, 2024

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

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

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 All Plan Letters (APLs), audits and monitoring, delegation oversight, and other Compliance Division updates.

Compliance Program Update

The Board Compliance and Oversight Committee met on February 7, 2024, where the Chief Compliance Officer presented the organization's Compliance Plan and Code of Conduct, as well as, the 2024 Compliance Work Plan, which includes tactics in alignment with the 2024 Operating Plan, for acceptance and recommendation to the CenCal Health Board of Directors.

The Compliance Division plans to resume in-person meetings with the DHCS Audits & Investigations Unit and California Department of Justice which were paused during the pandemic. These meetings provide CenCal Health with the opportunity to further collaborate with government regulators and enforcement agencies and discuss fraud, waste, and abuse issues or concerns.

The Compliance Division is responsible for two tactics to support the development of a Dual Special Needs Program (DSNP), which include the application to materially modify the Plan's Knox-Keene license to include a Medicare line of business and establishing D-SNP operational readiness requirements, which includes ensuring the Plan has both a policy library and requirements library reflecting the Plan's D-SNP regulatory requirements.

Department of Health Care Services: All Plan Letters

For the month of February 2024, DHCS released one (1) and revised one (1) APLs.

Released APL: APL 24-002: Medi-Cal Managed Care Plan Responsibilities for Indian Health Care Providers and American Indian Members

- Released: 02/08/2024, Supersedes: 09-009

Revised APL: APL 23-026: Federal Drug Utilization Review Requirements Designed to Reduce Opioid Related Fraud, Misuse and Abuse

- Revised: 02/20/2024, Supersedes: 19-012

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.

2023 DHCS Facility Site Review (FSR) and Medical Record Review (MRR) Audit/CAP

The DHCS Site Review Unit (SRU) conducted a required random full-scope Primary Care Provider FSR and MRR audit from December 12, 2023, to December 14, 2023, in San Luis Obispo and Santa Barbara Counties. On January 22, 2024, DHCS issued a corrective action plan (CAP) based on findings of the audit and CenCal Health is working with provider sites to respond to all documented issues. On February 22, 2024, CenCal Health timely provided a CAP response to DHCS, and is working with the remaining provider sites that have not yet resolved their deficiencies and need more time.

Encounter Data Validation (EDV) Study (Audit)

On an annual basis, CenCal Health's encounter data is evaluated by Health Services Advisory Group (HSAG) for completeness and accuracy through a review of randomly selected medical records for members enrolled in the past year (2022). On January 31, 2024, the Plan received a random selection of 411 files that are a part of the 2024 audit with HSAG. The Quality, Provider Services, and Claims teams are currently obtaining and reviewing records for our first unofficial submission to HSAG on March 11, 2024.

Internal Audit and Delegation Oversight

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. The team is monitoring two remediation plans (RPs) and leading efforts to implement risk assessment work and develop audit plans approved in the Q1 2024 Compliance Committee. The team is also currently working with the Provider Services Department to ensure delegates execute updated, DHCS-approved delegation agreements. AMO conducted the annual audit of ChildNet on February 15, 2024, and is currently evaluating the results. AMO will conduct the annual audit of CHLAMG on March 14, 2024, and UCLAMG during the week of April 8, 2024. The Delegation Oversight Committee (DOC) will next convene for Q2, 2024 on April 22, 2024.

Recommendation

This report is informational and no action by the Board of Directors is requested.

Information Technology Report

Date: March 20, 2024
To: Board of Directors
From: Bill Cioffi, Chief Information Officer
Jai Raisinghani, Deputy Chief Information Officer

Executive Summary

The following information is provided as an update to the board on ongoing operational and project-oriented priorities related to information technology.

Operational Statistics

Claims: During the month of February 2024, CenCal Health received 260,852 claims in total. HIPAA Compliant 837I/837P was the source of 93% of total claims and CenCal Health's Provider Portal was used for 6% 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 96%.

Authorizations: During the month of February 2024, the Health Plan received 23,597 authorization requests in total. 83% of total authorizations were entered using CenCal Health's Provider Portal, 6% of total requests were part of data transmission from that Plan's Radiology Benefit Manager (RBM) and 0.4% authorization were submitted for Non-Medical Transportation. 11% of total authorization requests were received via Fax.

IT Help Desk: The Service Desk received a total of 1,596 requests during the month of February via IT Service Desk system related to various systems and services supported by the IT department. During the month, 1,567 total requests were closed. Below are the average times measured during the month of February 2024 for the Help Desk Team: Average Response Time: 3.33 Hours and Average Resolution Time: 6.39 Hours.

Enhanced Provider Portal with New Document Management System

The IT Department has successfully integrated a new document management system (DMS) with various applications and CenCal Health's Provider Portal. This system enables healthcare providers to access, and review attached documents related to claims or prior authorization requests directly through the portal. Moreover, the application ensures that these documents are available for review in real-time for internal users, significantly improving efficiency in our processes.

Recommendation

This report is informational, and no action is requested of the Board of Directors.

Community Benefit Funding Request: ATSU BSN Program

Date: March 20, 2024

From: Citlaly Santos, Strategic Engagement Director

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

Executive Summary

A.T. Still University (ATSU) has submitted a funding request to CenCal Health for \$20,000. This is the organization's first funding request to CenCal Health. The endowment would support the University's *College for Healthy Communities* to engage consulting expertise to explore the development of a Bachelor of Science in Nursing (BSN) degree program, specifically at the Santa Maria campus, to expand workforce capacity.

Other provider partners committed to funding this effort include Marian Regional Medical Center, Community Health Centers of the Central Coast, and Cottage Health. An initial \$10,000 will fund consultant support to develop an academic business plan for a BSN degree program. If ATSU decides, after review and feedback from the Founding BSN Advisory Board, to create a BSN degree program, an additional \$10,000 will support application to the California Board of Registered Nursing (BRN) and advisory council.

Background

Established in 1892, ATSU of Health Sciences is a founding institution of osteopathic healthcare. Comprised of three campuses (Santa Maria, California; Mesa, Arizona; and Kirksville, Missouri), ATSU is a learning-centered university dedicated to preparing skilled medical professionals and focuses on whole-person care, scholarship, community health, interprofessional education, diversity, and serving underserved populations.

The BSN program will focus on recruiting students from the Central Coast to train with partner healthcare entities in the region, including Marian Regional Medical Center, Community Health Centers of the Central Coast, Cottage Health, Neighborhood Clinics, and Lompoc Valley Medical Center. It is anticipated that a minimum of 40 students will be admitted into the program annually.

Funding Use

Staff recommend approval of \$20,000 to ATSU, in an initial installment of \$10,000 for the hiring a consultant(s) to develop an academic business plan for a BSN degree program, and subsequent funding of \$10,000 to support application fees to the California Board of Registered Nursing (BRN) and the advisory council.

The measured outcomes will be:

- 1) the completed academic business plan.
- 2) the application for the California BRN.

The consultants hired by ATSU will bring together employer stakeholders from the Central Coast, including CenCal Health, who will also guide the development of the program, including the healthcare needs of the community, clinical training capacity, and nursing faculty capacity, and participation in the Founding BSN Advisory Council.

Budget

Funding will be used to support the following:

- Academic business plan for a Bachelor of Science in Nursing - \$10,000
- California Board of Registered Nursing submission - \$8,000
- Founding BSN Advisory Council meetings - \$2,000

Recommendation

Staff recommends the Board of Directors approve a community benefit funding request of \$20,000 to ATSU for the development of a BSN Program on the Central Coast. Funds requested are accounted for in the 2024 budget and within projected expenditures.

CEO Report: 2023 Progress, 2024 Operating Plan and 2023-2024 Strategic Plan Measurable Outcomes

Date: March 20, 2024

From: Marina Owen, Chief Executive Officer

Contributors: Chris Morris, MSOD, Chief Performance Officer
Andrew Hansen, MBA, Operational Excellence Director

Executive Summary

CenCal Health is committed to the achievement of the 2023-2025 Strategic Plan adopted by the Board of Directors in September 2022, which guides staff priorities, focus and actions. This memo shares progress on the 2023 Operating Plan, presents the 2024 Operating Plan and outlines measurable outcomes for CenCal Health's 2023-2025 Strategic Plan for consideration and adoption. In January 2023, CenCal Health's Board of Directors adopted the 2023 Operating Plan. At the end of 2023, CenCal Health had executed the Operating Plan with 95.5% performance against schedule and 93.8% against project health (scope, resources, schedule). In February 2024, staff finalized the 2024 Operating Plan. Similar to last year, staff will keep your Board apprised of progress, opportunities, barriers or challenges and successes through bi-annual reports.

2023 Operating Plan Accomplishments

In January of last year, CenCal Health's Board of Directors adopted the 2023 Operating Plan. Annual tactical planning produced 39 tactics meant to achieve progress against strategic priorities, objectives and working strategies. An additional 9 tactics were added over the course of the year, while 2 tactics were deferred, for a final 2023 *Operating Plan* composition of 46 tactics, distributed as follows:

- 37 tactics (80%) were strategic organizational tactics responsive to 2023 – 2025 Strategic Plan Priorities and Objectives in 2023.
- 9 tactics (20%) were required organizational tactics necessary to maintain operations and/or meet external requirements.
- 32 tactics (70%) were new in 2023 and 14 carried over from 2022

At the end of 2023, CenCal Health had executed the Operating Plan with 95.5% performance against schedule and 93.8% against project health (scope, resources, schedule). Highlights of accomplishments from tactics completed in 2023 include:

- Conduct 2024 DHCS Contract Operational Readiness – Robust 2024 DHCS Contract Operational Readiness efforts resulted in an early go-live approval from DHCS without additional on-site review. Operational Readiness efforts also

supported general organizational focus on compliance commitments as demonstrated by a clean 2023 DHCS Medical Audit with no findings.

- Launch a Member Portal – CenCal Health launched a Member Portal in April 2023 to enhance self-service and two-way communication with members. At the end of the year 9,781 adults had created a Member Portal account (7% of eligible adults).
- Implement Redetermination Retention Strategy – Through robust communication and engagement, including texting campaigns, members were supported in retaining coverage through Medi-Cal Redetermination. CenCal Health achieved a retention rate above 80%, exceeding the statewide average.
- Develop an Organizational Dashboard – A new Organizational Dashboard was adopted in May 2023, and produced on a quarterly basis thereafter, as a mechanism to create focus surrounding performance, measure what matters most and identify areas to improve health plan effectiveness over time.
- Implement Population Health Management Capabilities – In support of meeting Population Health Management requirements in 2023, new and evolved capabilities were developed including Risk Segmentation and Stratification, annual Health Risk Assessments, as well as dashboards to enable insights and interventions.
- Implement Housing and Homelessness Incentive Program – While finalized results are pending, draft data indicates that San Luis Obispo County achieved 91% of the metrics and Santa Barbara County 86%, with potential earnings of \$5.2M and \$8.4M respectively.
- Design Collaborative CalAIM Convening Groups – The design and establishment of Community Steering Committees further enabled and engaged community guidance on CalAIM initiatives. Four (4) Community Steering Committees convened in San Luis Obispo and Santa Barbara counties in 2023 as planned.

2024 Strategy Execution Planning

Annual tactical planning has produced the *2024 Operating Plan* 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. 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.

2023-2025 Strategic Plan Measurable Outcomes

CenCal Health is committed to the achievement of the 2023-2025 Strategic Plan adopted by the Board of Directors in September 2022, which guides staff priorities, focus and actions. Through the enclosed Strategic Outcome Measures framework, staff identified those measurable outcomes most relevant to CenCal Health's success and that clarify how success against each strategic objective is defined. In addition, staff identified progress against these measurable outcomes in 2023 and will track progress in 2024 and 2025 for the Board's awareness.

In 2023, **all measurable outcomes were accomplished** and CenCal Health looks forward to making considerable progress against objectives in the next two years. Similar to last year, staff will keep your Board apprised of progress, opportunities, barriers or challenges and successes through bi-annual reports.

Recommendation

Staff recommend acceptance and adoption of the 2023 Operating Plan progress update, the 2024 Operating Plan, and the 2023-2025 Strategic Outcome Measures framework.

Enclosures (3)

1. 2023 Operating Plan – Year End
2. 2024 Operating Plan
3. 2023-2025 Strategic Plan Outcome Measures

2023 Operating Plan – Year End

January 2024

				Organizational Tactics	Objectives	Priorities	
		Partner to Assess Healthcare Infrastructure and Workforce needs	Design Collaborative CalAIM Convening Groups <i>(complete)</i>	Enhance and Facilitate Provider Engagement and Education	Develop Doorway to Health Foundation Roadmap <i>(complete)</i>	Facilitate community collaboration to strengthen the health system	Cultivate Community Partnerships
		Enhance Insight Into Member Experience through CAHPS	Enhance Insight Into Healthcare Effectiveness through HEDIS <i>(complete)</i>	Conduct NCQA Accreditation Readiness	Enhance the Quality Improvement System to Meet QIHETP Requirements <i>(complete)</i>	Exceed quality standards and expectations	Advance Quality and Health Equity for All
		Ensure Equitable Provision of Preventive Services <i>(complete)</i>	Implement Population Health Management Capabilities <i>(complete)</i>	Enhance Collection of Population Health Data	Implement Transitional Care Services	Reduce health disparities in our populations	
	Obtain Knox-Keene Licensure for D-SNP	Develop and Execute a D-SNP Provider Network Strategy	Procure and Implement a PBM for D-SNP	Expand Medi-Cal to County Residents (ages 26-49)	Develop and Execute D-SNP Roadmap <i>(complete)</i>	Prepare to serve new members	Expand our Service Role and Reach
Implement Justice Involved Initiative	Implement Housing and Homelessness Incentive Program <i>(complete)</i>	Implement Student Behavioral Health Incentive Program	Expand Community Supports Responsive to Local Needs	Expand Enhanced Care Management Program	Implement and Expand CHW and Doula Benefits <i>(complete)</i>	Develop new Medi-Cal programs and benefits	
Develop and Execute a Compliance Risk Assessment Plan <i>(complete)</i>	Evolve the Auditing and Monitoring Program <i>(complete)</i>	Enhance Policy and Procedure Management	Develop and Enhance Process Improvement Capabilities <i>(complete)</i>	Develop an Organizational Dashboard <i>(complete)</i>	Evolve the Governance System for Tactics <i>(complete)</i>	Advance organizational readiness to support strategy	
				Create New Performance Management System <i>(complete)</i>	Develop and Deploy Talent Development Program	Foster employee growth and inclusion towards a diverse culture	Organize for Impact and Effectiveness
		Design Technology Strategy Responsive to Strategic Plan <i>(complete)</i>	Assess Data Exchange Framework <i>(complete)</i>	Develop Health Information Exchange Capabilities	Enhance Processes and Integration through New Health Mgmt. Software	Leverage and adapt technology and analytics to enable transformation	
				Enhance Financial Accounting and Reporting Capabilities through New Software	Develop Advanced Financial Analytics Capability	Ensure financial performance to support sustainability	

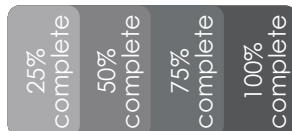
Mission
To improve the health and well-being of the communities we serve by providing access to high quality health services, along with education and outreach, for our membership

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



Implement HIPAA-Compliant National LTC Claim Billing	Implement Redetermination Retention Strategy <i>(complete)</i>	Expand Deployment of Contract Management Software <i>(deferred)</i>	Develop Future of Work Strategy
Launch a Member Portal <i>(complete)</i>	Assess and Implement FQHC Alternative Payment Model <i>(complete)</i>	Implement 2024 DHCS Contract Requirements	Conduct 2024 DHCS Contract Operational Readiness <i>(complete)</i>
	Evaluate Quality Based Provider Reimbursement Strategies <i>(deferred)</i>	Assess and Implement Targeted Rate Increases (MCO Tax)	Develop Comprehensive Payment Integrity Program

Maintain Operations and Meet Regulatory and Contractual Requirements

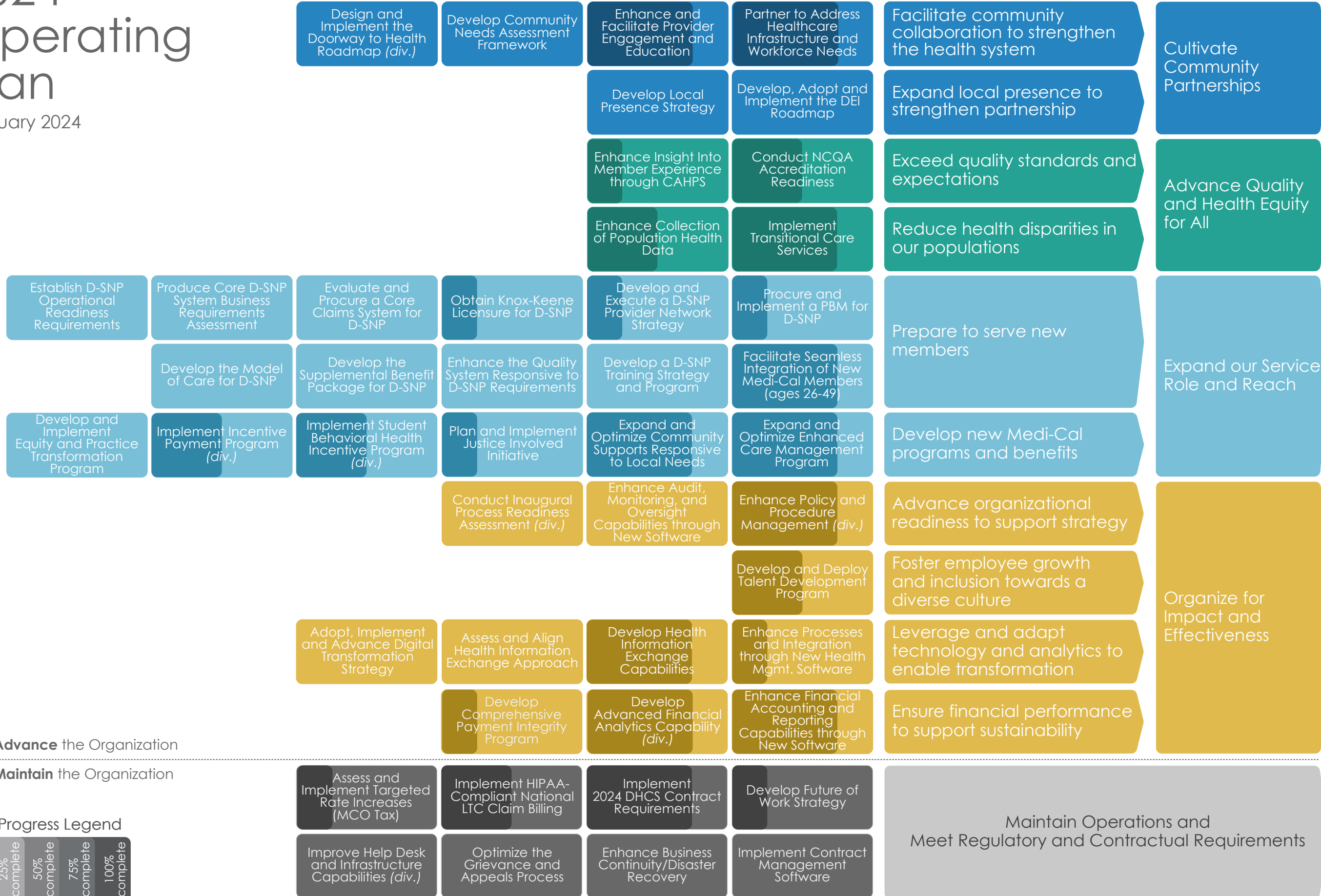
2024 Operating Plan

February 2024

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



2023 – 2025 Strategic Plan Framework

Status			Measurable Outcomes	Objectives	Priorities	Vision
CY23	CY24	CY25				
	○	○	95% of CalAIM CSC ¹ members evaluate the committee as effective	Facilitate community collaboration to strengthen the health system	Cultivate Community Partnerships	To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together
	○	○	Meaningful investments in 100% of workforce initiative areas			
●	●	○	Exceed provider satisfaction industry benchmark	² Expand local presence to strengthen partnerships		
●	○	○	Exceed member satisfaction industry benchmark			
●	○	○	Tier 1 DHCS Quality Measure Rating	Exceed quality standards and expectations	Advance Quality and Health Equity for All	
●	○	○	NCQA Health Plan and Health Equity accreditation by 01/01/26			
●	○	○	Exceed MPL on Performance Improvement Project measures	Reduce health disparities in our populations		
	○	○	CMS approval of Dual Special Needs Program to go-live by 01/01/26		Prepare to serve new members	
●			All 14 Community Supports implemented by 07/01/2024	Develop new Medi-Cal programs and benefits		
●	○		ECM for all 10 populations of focus implemented by 01/01/24			
●	○	○	95%+ of <i>Manage Compliance Commitments</i> Dashboard target	Advance organizational readiness to support strategy	Organize for Impact and Effectiveness	
●	●		Exceed DHCS readiness expectations and secure 2024 contract			
●	○	○	90%+ annual Operating Plan progress and good health			
●	○	○	Exceed industry benchmarks for employee job satisfaction	Foster employee growth and inclusion towards a diverse culture		
●	○	○	Exceed industry benchmarks for core engagement			
●	○	○	95%+ of <i>Provide Data and Technology Services</i> Dashboard target	Leverage and adapt technology and analytics to enable transformation		
●	○	○	90%+ Technology Roadmap progress and good health			
●	○	○	95%+ of <i>Manage Organizational Finances</i> Dashboard target	Ensure financial performance to support sustainability		
●	○	○	Unmodified annual financial audit opinion			

● Achieved
 ● Partially Achieved
 ● Not Achieved
 Key

¹CalAIM Community Steering Committee ² Evolved from Engage locally on health equity in 2024



Compliance Report

Compliance Oversight Committee Report
Annual Compliance Plan

Karen S. Kim, JD, MPH
Chief Compliance Officer

March 20, 2024



1

Role of the Board of Directors and Board Compliance and Oversight Committee

Responsible for overseeing the effectiveness of CenCal Health's compliance program and compliance with regulatory and contractual requirements.

The Compliance and Oversight Committee is a subcommittee of the CenCal Health Board of Directors.

2

Compliance Program items for Board of Director's Review and Consideration

- CenCal Health Board Compliance and Oversight Committee Report (February 2024)
- CenCal Health Compliance Plan – annual review and update
- CenCal Health Code of Conduct – annual review and update
- CenCal Health Annual Risk Assessment

3

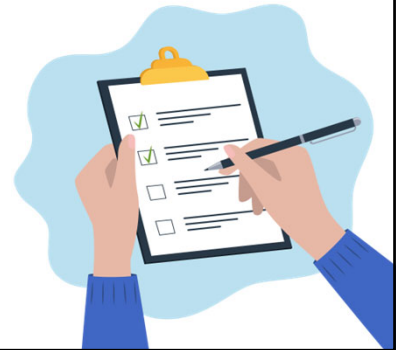
Next Steps: Annual Compliance Program Work Plan

- Enhance Auditing and Monitoring Capabilities through New Software Tactic
- DSNP Tactic: Material Modification of Knox Keene License
- DSNP Tactic: Establish DSNP Operational Readiness Requirements
- Establish annual policy and procedure review process
- 2024 Risk Assessment
- Develop a process to audit APL implementation
- HIPAA Privacy Program and BAA development
- Monitor CIA Compliance

4

Recommend approval of the following as accepted by the Board Compliance & Oversight Committee:

- Board Compliance and Oversight Committee Report
- Compliance Plan
- Code of Conduct
- Annual Risk Assessment



5



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6



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COMPLIANCE PLAN

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I. INTRODUCTION

CenCal Health is committed to conducting its business operations in compliance with regulatory and contractual obligations while also delivering high quality and accessible health care services. This document – the CenCal Health Compliance Plan, hereafter referenced to as “the Compliance Plan” – summarizes CenCal Health’s compliance strategy as it relates to adhering to all regulatory and contractual requirements, promoting the value and importance of legal and ethical behavior, and reducing the prospect of wrongdoing at CenCal Health and within the provider network. CenCal Health’s compliance activities include oversight and monitoring responsibilities of internal staff as well as external business partners and delegated entities.

The CenCal Health Compliance Program and Code of Conduct together form the core components of the Compliance Plan. The Compliance Program is based on the seven fundamental elements of an effective compliance program as outlined by the U.S Department of Health and Human Services’ Office of Inspector General (OIG), and the Centers for Medicare and Medicaid Services (CMS):

- Designating a Chief Compliance Officer, Compliance Committee, and high-level oversight;
- Implementing written policies, procedures, and Code of Conduct;
- Educating employees and conducting effective training;
- Developing effective lines of communication;
- Conducting monitoring and auditing;
- Enforcing well publicized disciplinary standards; and
- Responding promptly to detected offenses and compliance issues.

CenCal Health’s Compliance Program reinforces the organization’s mission, vision, and values. The Code of Conduct supports the organization’s commitment to integrity and ethical business conduct. The Compliance Program shall act independently of any other operational and program areas without fear of repercussions for uncovering deficiencies or noncompliance.

The policies and procedures associated with this Compliance Program are approved by the California Department of Health Care Services (DHCS) to ensure that Network Providers, Subcontractors, and Downstream Subcontractors fully comply with all applicable terms and conditions and all duties delegated to Subcontractors and Downstream Subcontractors. CenCal Health shall evaluate each prospective Network Provider, Subcontractor and Downstream Subcontractor’s ability to perform the contracted services or functions; shall oversee and remain responsible and accountable for any services or functions undertaken by a Network Provider, Subcontractor, or Downstream Subcontractor; and shall meet all applicable requirements set forth in State and federal law,

regulation, any APLs or DHCS guidance, and the Medi-Cal managed care contract.

CenCal Health's Compliance Plan is updated at least annually to address the continually evolving nature of health plan needs and operations. The Plan is reviewed and approved by the CenCal Health Board of Directors Compliance and Oversight Committee routinely and not less than biennially. CenCal Health is committed to complying with all applicable Federal and State requirements for the Compliance Plan. Changes to the Compliance Plan are in response to outcomes based on routine monitoring, emerging areas of business and legal risk, and changes in state or federal regulations. The Compliance Plan applies to all employees, temporary employees, interns, volunteers, and vendors that provide services to, or on behalf of CenCal Health. The Compliance Plan itself does not replace other CenCal Health policies and procedures. A copy of the Compliance Plan is available on the CenCal Health intranet, CenCal Central and available on CenCal Health's website: [<https://www.cencalhealth.org/>]

II. GOALS AND OBJECTIVES

The goals and objectives of the CenCal Health Compliance Plan revolve around its responsibility to administer the Medi-Cal program in Santa Barbara and San Luis Obispo Counties. This general responsibility encompasses numerous individual obligations governed by legal, regulatory, and contractual obligations. These obligations are specified in CenCal Health's contract with DHCS and include the following:

- Ensuring taxpayer dollars are spent appropriately;
- Ensuring the delivery of quality health care to its membership;
- Program Integrity (preventing fraud, waste and abuse);
- Proper payment of provider claims; and
- Effective oversight of delegate and vendor organizations performing obligations on behalf of CenCal Health.

In furtherance of our obligations above, the Compliance Plan seeks to accomplish the following:

- To promote and maintain compliance with all federal and state laws, rules, and regulations that may be applicable to all aspects of CenCal Health business and operations
- To promote and maintain a commitment to high ethical, legal, and quality of care standards
- To provide a tool to all employees that strengthens efforts to foster compliant behavior and prevent or reduce improper conduct; and
- To establish and maintain a culture of prevention, detection, and resolution of conduct that does not conform to CenCal Health standards and policies, applicable law, and health care program requirements.

III. THE COMPLIANCE PROGRAM

A. DESIGNATING A CHIEF COMPLIANCE OFFICER, COMPLIANCE COMMITTEE, AND HIGH-LEVEL OVERSIGHT

i. Board of Directors

The Board of Directors exercises oversight over the implementation and effectiveness of CenCal Health's Compliance Program by:

- Delegating compliance responsibilities to the Board Compliance and Oversight Committee;
- Approving the Code of Conduct and the Compliance Plan;
- Understanding the Compliance Program structure through training and education;
- Remaining informed of compliance enforcement activity from external agencies, notice letters and/or other formal actions.

ii. Board Compliance and Oversight Committee

CenCal Health's Board of Directors has delegated compliance responsibilities to the Board Compliance and Oversight Committee. The Compliance and Oversight Committee reviews and oversees CenCal Health's compliance with Federal and State health care program requirements, compliance program, and performance of the Chief Compliance Officer.

The Compliance and Oversight Committee presents and makes recommendations to the Board of Directors regarding CenCal Health's Compliance Program and related subject matter, including but not limited to oversight of regulatory findings and concerns of areas of non-compliance related to the CenCal Health's operations or its Subcontractors. The Compliance and Oversight Committee meets quarterly.

The Compliance and Oversight Committee Charter is included as Attachment A

iii. Compliance Committee

The Compliance Committee is made up of CenCal Health officers and employees. The Compliance Committee is responsible for the development and oversight of a comprehensive Compliance Program that includes approval of organizational policies and procedures. The Chief Compliance Officer serves as chairperson of the Compliance Committee. The Compliance Committee meets at least quarterly to enable oversight

activities such as implementation and monitoring of corrective actions and regularly records minutes of its meetings.

The Compliance Committee is responsible for assisting and advising the Chief Compliance Officer in implementing, monitoring, and coordinating compliance activities that are necessary and appropriate to carry out an effective Compliance Program. Furthermore, the Compliance Committee is responsible for reviewing policies and procedures, required trainings annually, and implementation and oversight of the risk assessment and internal review process. The Compliance Committee must maintain the confidentiality of compliance matters brought before it, consistent with applicable laws, regulations, and CenCal Health policies.

The Compliance Committee Charter is included as Attachment B. Delegation Oversight Committee (DOC) and Anti-Fraud Committee (AFC)

The Delegation Oversight Committee (DOC) and the Anti-Fraud Committee (AFC) report to the Compliance Committee. Both the DOC and the AFC refer matters as necessary, for consideration by the Compliance Committee.

The DOC Charter is included as Attachment C and the AFC Charter is included as Attachment D.

iv. Chief Compliance Officer

The Chief Compliance Officer is responsible for ensuring compliance with regulatory and contractual requirements and standards. The Chief Compliance Officer is responsible for the oversight, coordination, and implementation of the CenCal Health Compliance Plan. The Chief Compliance Officer is appointed by the Chief Executive Officer (CEO) and reports directly to the CEO and Board of Directors.

The Chief Compliance Officer is also responsible for developing and implementing policies, procedures designed to ensure compliance with the requirements and standards under the Medi-Cal managed care contract, and Federal health care program requirements. In addition, the Chief Compliance Officer monitors the day-to-day compliance activities engage in by CenCal Health and reports requirements. The Chief Compliance Officer has a direct line of communication to all Officers of the Board of Directors regarding compliance related issues by making at least quarterly reports, on an as needed basis, or as directed by the CEO.

Through the annual budget process, the Chief Compliance Officer proposes to the CEO appropriate funding for staff and compliance related activities, as needed and dependent upon budget considerations.

Generally, the Chief Compliance Officer holds a full-time senior management-level independent position at CenCal Health and reports directly to the CEO and receives training in compliance issues and/or procedures at least annually.

B. IMPLEMENTING WRITTEN POLICIES, PROCEDURES, AND CODE OF CONDUCT

- i. The effectiveness of the CenCal Health Compliance Program is dependent upon its integration into written policies, procedures, and the Code of Conduct. Policies and procedures document the organization's regulatory and contractual requirements and what processes are implemented to ensure compliance with those requirements.

CenCal Health's policies and procedures, shall (1) detail how elements of the compliance program are operationalized; (2) outline compliant action and articulate the importance of implementation and enforcement of the program and requirements; (3) articulate how CenCal Health will ensure all Network Providers, Subcontractors, and Downstream Subcontractors comply with all applicable terms and conditions of the Medi-Cal managed care contract; and (4) be reviewed at least annually and updates to the policies and procedures shall incorporate changes in applicable laws and regulations. To ensure understanding of the requirements, CenCal Health provides notice and training of the new and or revised policies and procedures.

CenCal Health maintains a policy library where all employees have access to active policies and procedures. The Compliance Department maintains a policy administrator who assists departments to develop, prepare, store, and retrieve CenCal Health policies.

Ensuring policies and procedures remain current is vital to the success of the Compliance Plan. The Compliance Committee is the body that ensures organizational policies and procedures remain current with the most up-to-date healthcare rules, regulations, contract amendments, and business risks. The Compliance Committee meets quarterly and ensures all policies are reviewed, revised as needed, and approved annually.

- ii. Code of Conduct

The CenCal Health Board of Directors has adopted the Code of Conduct (the Code) with respect to business conduct and practices governing CenCal Health's affairs. The Code promotes legal, ethical, and moral behavior meant to support integrity in all organizational actions. Employees are required to adhere to the Code at all times while conducting CenCal Health business. CenCal Health distributes a copy of the Code to the Board of Directors, employees, Network Providers, and Subcontractors upon appointment, hire, or contract, and annually thereafter.

All employees are required to certify within 90 days of hire and annually thereafter, their receipt, understanding, and commitment to comply with the Code. CenCal Health is required to discuss the Code with Network Providers, contractors, Subcontractors, and Downstream Subcontractors under their immediate supervision. Subcontractors and Downstream Subcontractors are required to confirm their knowledge and understanding of the Code during and after the contract negotiation process and should encourage dissemination of the Code to their employees, agents, and Subcontractors.

The Code of Conduct is included in Section IV of this Compliance Plan.

C. EDUCATING EMPLOYEES AND CONDUCTING EFFECTIVE TRAINING

- i. CenCal Health provides general and specialized trainings to staff, Board of Directors, Subcontractors, and Downstream Subcontractors that promote and verify their understanding of CenCal Health's Compliance Plan, CenCal Health policies and procedures, applicable terms and conditions of CenCal Health's Medi-Cal managed care contract, and Federal and State requirements.

The Chief Compliance Officer, working with Compliance Department staff, develops and continuously updates compliance related training modules, which at a minimum include the below topics. CenCal Health's Compliance Committee reviews and approves the training plan annually and updates as necessary.

- The Code of Conduct
- Healthcare Fraud, Waste and Abuse (FWA)
- HIPAA Privacy and Security
- Conflict of Interest
- Cyber Security
- Board specific compliance training

The Compliance Department will ensure all staff participate in new hire and annual trainings. Staff who fail to complete new-hire or annual trainings are referred to their supervisor or department director to assist with completion.

Staff who continuously fail to meet training requirements are referred to Human Resources for further action, as needed.

ii. Tracking of Training Completion

At CenCal Health, the Compliance Department collaborates with management to ensure employees complete all required trainings by the required due date (e.g., within 90 days of employment and annually thereafter).

The CenCal Health Board of Directors shall complete all required trainings within 30 days of appointment and annually thereafter.

The Compliance Department tracks, documents, and maintains training records, materials, sign-in sheets, and attestations. Training documentation is stored for at least ten (10) years, as required by California law.

D. DEVELOPING EFFECTIVE LINES OF COMMUNICATION

- i. CenCal Health strives to foster a work environment where all employees feel comfortable reporting any instances of non-compliance or suspected Fraud, Waste and Abuse (FWA). CenCal Health maintains effective lines of communication to ensure its employees, members, Network Providers, contractors, and Subcontractors and Downstream Subcontractors can report compliance concerns and suspected FWA upon discovery.

CenCal Health maintains a non-retaliation policy, which allows individuals to make good faith reports against any person or action without repercussion or fear of retaliation. Those who retaliate against an individual who makes a good faith effort to report a compliance issue will be subject to disciplinary action, up to and including termination. All compliance investigations will be conducted confidentially to the extent permissible by law and circumstances.

ii. Compliance Hotline

CenCal Health supports good faith anonymous reporting through a variety of reporting channels accessible to all employees, Members, Network Providers, vendors, and the public.

Any person may report a compliance or FWA matter through the following methods:

- **Compliance Hotline:** 1-866-775-3944 (anonymous option)

- **E-mail:** compliance@cencalhealth.org
- **Mail:** CenCal Health
Attn: Compliance Investigator
4050 Calle Real
Santa Barbara, CA 93110
- **The Compliance Alert Line:**
<https://cencalhealth.alertline.com/gcs/overview>
- **The CenCal Health website:**
<https://www.cencalhealth.org/providers/suspect-fraud/>

Upon receipt of a report of non-compliance or potential FWA, the Compliance Department will immediately open a case file of the report. Confirmed allegations of FWA are reported to appropriate regulatory or law enforcement.

E. MONITORING AND AUDITING PROGRAMS

i. Risk Assessments

At least annually, CenCal Health conducts risk assessments to evaluate risk associated with CenCal Health's participation in Federal health care programs, including but not limited to risks associated with the submission of claims for items and services furnished to Medicaid program beneficiaries and Anti-Kickback Statute risks. The risk assessment and internal review process is conducted at least annually and shall require CenCal Health to:

- Identify and prioritize risks,
- Develop work plans or audit plans (as appropriate) related to the identified risk areas,
- Implement the work plans and audit plans,
- Develop corrective action plans in response to the results of any internal audits performed, and
- Track the implementation of the work plans and any corrective action plans and assess the effectiveness of such plans.

Risk assessments include interviews with management and executive leadership to identify potential areas for risk identification, evaluation, and mitigation. Once risk areas are identified, the Annual Auditing and Monitoring Work Plan is developed to prioritize high-risk items for the coming year. The Compliance Committee is responsible for implementation and oversight of the risk assessment and internal review process.

ii. Internal Auditing and Monitoring

CenCal Health conducts internal auditing and monitoring (IAM) as a proactive approach to continually identify and mitigate compliance risks. Whereas the Director of Audits and Monitoring is responsible for implementing and maintaining the IAM program, the Chief Compliance Officer, and the Compliance Committee oversee IAM activities at CenCal Health.

CenCal Health develops and maintains effective systems for routine auditing and monitoring as well as identification of compliance risks, including but not limited to the following:

- Facilitating, supporting, and evaluating reported results of regular monitoring of functions by their respective business owners;
- Conducting and documenting routine internal auditing of functions to identify compliance risks;
- Developing methods and tools to assess activities for compliance – this includes evaluating a function and trending activity over a period of time in order to assess patterns and variations; and
- Routine and periodic reporting of IAM activity to the Compliance Committee and Board Compliance and Oversight Committee.

The Director of Audits and Monitoring (A&M) and the A&M Department develop an Annual Auditing and Monitoring Work Plan to establish the basis for independently assessing risks, controls, and compliance with established policies, procedures, and regulations within CenCal Health. The Chief Compliance Officer and the Compliance Committee evaluates, and the BOD approves, the final Annual A&M Work Plan.

The Annual A&M Work Plan may include recommendations for process improvement or a Corrective Action Plan (CAP) for severe findings or deficiencies. A&M Department staff provide the report to management representatives with direct responsibility for the function under review. The A&M Department conducts follow-up reviews to gauge the effectiveness and completion of CAPs.

iii. Delegation Oversight

CenCal Health maintains appropriate oversight of delegated functions to first tier, downstream, and related entities (FDRs). CenCal Health conducts routine oversight and monitoring of its delegates to ensure compliance with applicable regulatory rules, contractual obligations, policies and procedures, the Compliance Plan, and State and Federal laws as applicable. FDRs may also be referred to as a Subcontractor or Downstream Subcontractor .

Prior to delegating a function to a Subcontractor, CenCal Health performs a pre-delegation assessment and review. Upon completion of the pre-

delegation assessment, the potential delegate may be issued a Delegation Agreement. Delegation Agreements are reviewed at least annually and may be renewed at the recommendation of the A&M Department following the completion of either a pre-delegation assessment or an annual audit. A Subcontractor must receive a passing score in their individual audit area for CenCal Health to delegate that audit function .

Additionally, Subcontractors and Downstream Subcontractors are subject to unannounced audits to assess their compliance with requirements set forth in the Medi-Cal managed care contract related to delegated functions.

All CenCal Health Subcontractors are subject to the oversight and monitoring mechanisms of the Delegation Oversight Committee (DOC). Delegated functions may include quality management, quality improvement, network management, utilization management, credentialing, re-credentialing, claims payments, and member's rights and responsibilities. Other functions not listed above may be delegated to a potential Subcontractor following a pre-delegation assessment or review, and a recommendation by the A&M Department to the DOC. The DOC reviews data reported to CenCal Health by its Subcontractors.

The Director of A&M (or the Director's designee) chairs the DOC, which reports to the Compliance Committee. The DOC maintains a platform for communicating general audit findings and results, new audit standards, audit schedules, general performance updates, and the development of new agreements. As a committee that reports to the Compliance Committee, the DOC will refer matters as necessary, for consideration by the Compliance Committee. The DOC Charter is included as Attachment C.

iv. External Regulatory Audits

CenCal Health maintains a contract with DHCS. DHCS annually audits CenCal Health for compliance with contractual and regulatory requirements. During the audit, state auditors evaluate CenCal Health's compliance with contractual obligations, state laws, and other rules governing the Medi-Cal program. The A&M Department is responsible for coordinating the pre-audit requests, the annual onsite audit interviews, and post-audit follow-up with DHCS.

The Department of Managed Healthcare (DMHC) conducts its evaluation and audit of CenCal Health's financials at least bi-annually. The DMHC Financial Audit evaluates compliance with the Knox-Keene Act, measures fiscal health, and assesses administrative structure and capacity.

At least annually, an outside independent public accounting firm with valid certification audits CenCal Health's financials for solvency. This audit is coordinated through the Finance Department with support provided by the A&M Department, as necessary.

F. ENFORCING WELL PUBLICIZED DISCIPLINARY STANDARDS

Each employee can access the Compliance Plan, Employee Handbook, and CenCal Health policies and procedures through the CenCal Health intranet site, CenCal Central. It is the responsibility of each employee to read, understand, and abide by the Code. Furthermore, employees are required to report any situation and/or circumstance for which they have a good faith belief unethical or illegal conduct may have occurred.

CenCal Health's Employee Handbook includes information regarding disciplinary action and its purpose to correct the problem, prevent recurrence, and prepare the employee for satisfactory conduct and performance in the future. The Employee Handbook includes detailed information on when disciplinary action is appropriate. Disciplinary action may include counseling, verbal or written warnings, suspension, and/or termination.

G. RESPONDING PROMPTLY TO DETECTED OFFENSES AND COMPLIANCE ISSUES

The Chief Compliance Officer maintains a system to promptly respond to and conduct investigations of reported or detected instances of non-compliance or compliance issues. Upon receiving notice of a potential compliance issue, the Chief Compliance Officer or their designee creates a record of the report and promptly begins an investigation on the merits of the referral. The Chief Compliance Officer or their designee reviews relevant documents and data, policies and procedures, and interviews relevant parties as reasonably appropriate. All investigations and relevant documentation are tracked and stored internally to ensure timely and appropriate completion.

The report may be reported to the appropriate regulatory agencies or law enforcement depending on the nature of the referral or outcome of the investigation. Recommendations may be made internally depending on the nature and severity of the referral.

H. POLICY ON DOCUMENT RETENTION

CenCal Health and its Subcontractors will maintain all documentation as required by law, for a minimum of ten (10) years from the final date of the

Medi-Cal managed care contract, or from the date of completion of any audit, whichever is later.

I. SCREENINGS AGAINST EXCLUSIONS LISTS

CenCal Health does not hire, contract, or conduct business with any individual or entity who has been sanctioned or excluded from participating in Medicare or Medicaid programs. CenCal Health does not contract with or pay claims to Providers who have been sanctioned or excluded from participating in Medicare and Medicaid programs.

All prospective CenCal Health employees, Board members, network providers, and vendors are screened against the HHS/OIG List of Excluded Individuals/Entities (LEIE) (available at <http://www.oig.hhs.gov>) and state Medicaid program exclusion lists prior to engaging their services and, as part of the hiring or contracting process or medical staff credentialing process.

All current CenCal Health employees, Board members, network providers, and vendors are screened on a monthly basis and required to disclose immediately to the Compliance Officer if they become an Ineligible Person.

If CenCal has actual notice that a CenCal Health employee, Board member, Network Provider, or vendor has become an Ineligible Person, CenCal shall remove such individual or vendor from any position for which their compensation or the items or services furnished, ordered, or prescribed by are paid for in whole or part, directly or indirectly, by any Federal health care program(s) from which they have been excluded.

Unless and until reinstated, no payment will be made by CenCal Health to an excluded individual or entity for any item or service provided by the excluded individual or entity on or after the date of exclusion.

IV. CODE OF CONDUCT

A. PREAMBLE

The Board of Directors of CenCal Health has adopted the Code of Conduct (“Code”) with respect to business conduct and practices. Unless the context otherwise requires it, a reference to “employee or employees” made hereafter means a “director, officer, employee, staff, trainee, vendor, or contractor” of CenCal Health. The Code shall comply with all applicable requirements and standards under the Medi-Cal managed care contract and all applicable Federal and State requirements.

This Code governs the manner in which employees conduct business activities on behalf of CenCal Health. Employees must be familiar with this Code and adhere to it at all times. CenCal Health is also committed to creating a workplace that, at all times, is free from harassment and discrimination, where co-workers respect each other, and abide by this Code.

CenCal Health’s success is dependent upon our ability to deliver quality services and the ability of our employees to conduct themselves in accordance with high standards of business ethics and the law. Employees in doubt about any aspect of this Code should contact the Chief Compliance Officer.

B. PRINCIPLES COVERED UNDER THIS POLICY

Conduct

Anti-Discrimination/Anti-Harassment. Employees shall not unlawfully discriminate or engage in unlawful harassment against anyone on account of age, disability, marital status, national origin, race, religion, sexual orientation, or gender identity in hiring or other employment practices. Employees are responsible for supporting CenCal Health in its endeavor to protect others from such harassments and to assist affected employees in support and preventative action.

Honesty. Employees shall not make false or misleading statements to any members and/or persons doing business with CenCal Health or about products or services offered by CenCal Health. Intentional acts of dishonesty are subject to strict disciplinary action, up to and including termination.

Professionalism. Personal and professional behavior shall conform to the standards expected of persons in their positions and within their responsibilities to ensure there is no misrepresentation of facts.

Duty to Safeguard. Employees shall safeguard the identity, eligibility, individually identifiable health information, and other confidential information in accordance with CenCal Health policies and applicable legal requirements.

Proprietary Information. Employees shall safeguard confidential proprietary information, which includes, but is not limited to: contractor information, proprietary systems and software, research studies, and reports.

Ethics

Compliance with the Law. Employees shall not lie, cheat, steal, or violate any law in connection with their employment with CenCal Health. Employees shall not be suspended, terminated, debarred or otherwise ineligible to participate in any Federal or State health care program. Employees shall act ethically and have a responsibility ensuring compliance.

Compliance Program and Reporting. Employees are required to promptly report suspected violations of any Federal and/or State statute, regulation, or guideline, or of CenCal Health's own policies. Employees shall make reports to a supervisor, the Chief Compliance Officer and/or anonymously to the Compliance Hotline.

Regulatory Reporting. Employees shall notify the Chief Compliance Officer immediately upon the receipt of an inquiry, or other government request for information from an external body. Employees shall not take action with regulatory bodies that is false or misleading, and will deal with regulatory agencies in a direct, open, and honest manner.

Accurate Books and Records. Financial reports, accounting records, expense accounts, timesheets, and other documents must be prompt and accurately represent the facts or true nature of the transaction. Improper or fraudulent accounting documentation or financial reporting will violate this policy and may violate the law. Employees are to report inaccuracies promptly.

Preservation of Documentation and Records. Employees shall not destroy or alter information or documents in anticipation of, or in response to, a request for documents by any governmental agency or court with jurisdiction.

Protection of Company Property. Employees are responsible for protecting and taking reasonable steps to prevent the misuse, theft, or damage to CenCal Health assets. CenCal Health property may not be converted to personal use.

Conflicts of Interest

Avoiding Conflict. Employees are expected to avoid, and not engage in, situations or business practices that conflict with the interests of the company. If under any circumstance, Employees' interests conflict with those of CenCal Health's, in all such cases the Employee must seek advice from the Chief Compliance Officer and his or her supervisor or senior management.

Business Relationships. The offering, giving, soliciting, or accepting any form of bribe or other improper payment is expressly prohibited. CenCal Health business must be executed in a manner designed to further the interests of CenCal Health, rather than the interests of an individual.

Gifts. Employees shall not accept or solicit personal gratuities, gifts, favors, services, entertainment, or any other things of value from any person or organization unless specifically permitted by CenCal Health.

Meals. Employees may not accept cash or cash equivalents. Perishable or consumable gifts given to a department are not subject to any specific limitation. Business meetings at which a meal is served are not prohibited from being provided by CenCal Health to a partner, or by a partner to CenCal Health.

Use of Funds. CenCal Health and its employees shall not make gifts of public funds or assets or lend credit to private persons without adequate consideration unless such actions clearly serve a public purpose and are approved by the Legal Department.

C. VIOLATIONS OF THE CODE

Non-conformance with this Code will be construed as misconduct that could warrant disciplinary action, up to and including termination. Disciplinary action will be taken in accordance with CenCal Health Human Resources policies and Employee Handbook.

D. ACCOUNTABILITY

Employees are required to read, acknowledge, and sign this Code, annually. Employees understand and agree that signing the Code certifies that the Employee has received, read, agrees with, and will abide by, the Code and all CenCal Health policies.

V. ANTI-FRAUD PLAN

i. CenCal Health maintains a Fraud, Waste, and Abuse (FWA) Plan that demonstrates a commitment to prevent, detect, and correct incidents of potential or suspected FWA. CenCal Health maintains a hotline for anonymous reporting and a Special Investigations Unit (SIU) that investigates all reports of potential FWA. The SIU works with designated state and federal agencies, and law enforcement to report individuals or organizations who may be involved in FWA or unlawful activities.

ii. Fraud Prevention and Detection

CenCal Health utilizes a vendor that reviews claim information and notifies CenCal Health of potentially improper claims payment or suspicious trends. CenCal Health's system for processing provider claims has predetermined criteria built into the claims editor, where potential fraudulent claims are denied or pended for further review and follow-up. CenCal Health's internal departments including Recoveries, Finance, and Claims, continually analyze and review paid claims data and system reports to ensure the integrity and accuracy of provider payments.

iii. Ongoing Prevention Efforts

In addition to the above, CenCal Health's website includes sections dedicated specifically to FWA concerning Members or Providers. The website highlights the definition of FWA, what information reporters can provide, and how to report suspected FWA.

VI. ATTACHMENT A: COMPLIANCE AND OVERSIGHT COMMITTEE CHARTER

The CenCal Health Compliance and Oversight Committee is responsible for overseeing CenCal Health's compliance program and compliance with regulatory and contractual requirements. The Compliance and Oversight Committee is a subcommittee of the CenCal Health Board of Directors.

The Compliance and Oversight Committee shall be comprised of five (5) members, including three (3) Board of Directors members, the Chief Executive Officer, and the Chief Compliance Officer. Two (2) of the members shall be from Santa Barbara County and one (1) member shall be from San Luis Obispo County.

The Board of Directors shall designate one of the members of the Compliance and Oversight Committee as its chairperson. The Chair shall preside at all meetings of the Compliance and Oversight Committee. The Chief Compliance Officer shall serve as the committee coordinator. Both the Chief Executive Officer and Chief Compliance Officer will serve as voting members and be counted toward determining whether a quorum is present. Three (3) members shall constitute a quorum. The Compliance and Oversight Committee shall meet at least quarterly.

The Compliance and Oversight Committee's responsibilities and duties include the following:

- Monitor the effectiveness of CenCal Health's compliance program and recommend improvements as necessary or appropriate.
- Annually review the CenCal Health compliance plan.
- Review, not less than biennially, Network Provider trainings to ensure consistency and accuracy with current requirements and CenCal Health policies and procedures.
- Oversee areas of non-compliance that have detected through audit and monitoring activities that pose a significant risk to the organization.
- Oversee implementation and monitoring of corrective actions.
- Ensure proper communication of significant compliance issues to the Board of Directors.

Any recommendations by the Compliance and Oversight Committee shall be presented to the CenCal Health Board of Directors for approval.

VII. ATTACHMENT B: COMPLIANCE COMMITTEE CHARTER

This Compliance Committee is established to maintain CenCal Health's commitment to the highest levels of ethical standards and integrity. The Chief Compliance Officer, who acts as chair of the Compliance Committee, shall have a direct reporting relationship with the Board of Directors regarding compliance-related matters and updates.

The Compliance Committee is responsible for the development and oversight of a comprehensive Compliance Program that includes organizational policies and procedures. The Compliance Committee is also responsible for the development, monitoring, and revision of the Code of Conduct. The Code of Conduct governs the way employees conduct business activities on behalf of CenCal Health. The Compliance Committee shall meet quarterly.

Compliance Committee Responsibilities

- Oversee the development and implementation of the Compliance Program.
- Review and approve written policies and procedures that define organizational expectations, including the Code of Conduct.
- Establish organizational training and education processes and publishes expectations for all employees and governing body members.
- Establish communication lines for reporting concerns to the Chief Compliance Officer, including anonymous and confidential reporting.
- Establish a non-retaliation policy to encourage good faith participation and outlines disciplinary actions for violations of policy or the Code of Conduct.
- Establish a system for routine risk assessment and evaluation, internal audit, and regulatory reporting.
- Establish a system for immediate response to compliance related matters when escalated; development of corrective action plans; and reporting compliance matters to appropriate regulatory bodies, when necessary.

Compliance Committee Membership (Voting Members)

- Chief Compliance Officer (Chair)
- Chief Executive Officer
- Chief Customer Experience Officer / Chief Health Equity Officer
- Chief Financial Officer
- Chief Information Officer
- Chief Medical Officer
- Chief Operating Officer
- Chief Performance Officer
- Deputy Chief Information Officer / HIPAA Security Officer
- Government Affairs & Administrative Officer
- Health Services Officer
- Quality Officer
- Director of Compliance and Privacy Officer
- Director of Audits & Monitoring
- Director of Behavioral Health
- Director of Claims
- Director of Finance
- Director of Human Resources
- Director of Medical Management
- Director of Member Services
- Director of Pharmacy
- Director of Provider Services

Compliance Committee Staff (Non-Voting Members)

- Audit Manager
- Compliance Manager
- Compliance Coordinator
- Compliance Investigator
- Compliance Specialist
- Privacy Investigator
- Sr. Compliance Specialist
- Sr. Delegation Specialist

VIII. ATTACHMENT C: DELEGATION OVERSIGHT COMMITTEE CHARTER

The Delegation Oversight Committee (DOC) is responsible for developing, maintaining, and overseeing agreements as well as monitoring performance between CenCal Health and its delegates. CenCal Health, pursuant to its contract with the California Department of Health Care Services (DHCS), is accountable for all health plan functions and responsibilities that are delegated to subcontracted entities. Delegated functions may include, but are not limited to, network management, utilization management, credentialing, and re-credentialing. CenCal Health may delegate any or all of these functions to qualified entities as needed to ensure quality services reach our members in an efficient and timely manner within the confines of the law.

The DOC reviews and approves potential delegates, by performing pre-delegation audits and maintaining oversight by conducting annual surveys, overseeing performance metrics related to delegated functions to ensure compliance with CenCal Health and DHCS requirements as well as the relevant NCQA, URAC, or other applicable standards. If opportunities for improvement are identified through the oversight process, the DOC ensures stakeholders appropriately implement interventions of recommended corrective actions.

Delegation Oversight Committee Responsibilities

- Review all delegate performance.
- Review delegation arrangements to ensure CenCal Health meets objectives to provide access to the full scope of services, including but not limited to medically necessary physical and behavioral health services, and transportation.
- Maintain a reporting matrix that itemizes delegate reports, tracks reporting frequency, and ensures timeliness of report submissions.
- Review delegates' reports to ensure compliance with delegation agreements (DAs) and identify potential areas for improvement.
- Implement interventions or recommend corrective action as needed for identified compliance issues.
- Evaluate CenCal Health's compliance with applicable regulatory, accreditation, and contractual standards relevant to delegation.
- Oversee the delegates' performance of contractual obligations, their development and administration of relevant policies and procedures, their administrative capacity, performance improvement plans, and any instances of sub-delegation arrangements.
- Conduct annual surveys of each delegate; upon successful completion of each survey, the delegate's DA will be eligible for renewal and voted on by the DOC.

Delegation Oversight Committee Objectives

- Identify entities to which functions can be delegated to serve the member population and provider network most effectively, and assess the capacity of potential delegates to perform delegated functions while meeting CenCal Health and DHCS requirements, as well as relevant NCQA, URAC, or other applicable standards.

- Review pre-delegation audit results and recommends as performed by the department owner of potential delegation opportunities, prior to contract execution.
- Approval of all Das delineating responsibilities of delegate and CenCal Health.
- Review for approval monitoring activities as described in DA to ensure delegate is meeting expectations and performing delegated functions appropriately.
- Implement interventions and corrective actions through annual audit discipline.
- Recommend that DA be terminated if a delegate is unable or unwilling to meet expectations despite appropriate interventions or requests for corrective actions.
- Evaluate overall effectiveness of delegate performance within terms of the DA.

Delegation Oversight Committee Membership

Membership may be adjusted by the DOC Chair to ensure appropriate involvement by business owners and subject matter experts, based on agenda items and DOC priorities. Voting members will be those persons in the position of Director or above at CenCal Health. An Associate Director or delegated representative may also vote *in-absence* of the Department Director on any motion that is brought to vote before the DOC.

Director of Audits & Monitoring (Chair)

Chief Compliance Officer

Chief Medical Officer

Chief Operating Officer

Health Services Officer

Quality Officer

Deputy Chief Information Officer
& HIPAA Security Officer

Director of Compliance & Privacy Officer

Director of Accounting

Director of Behavioral Health

Director of Claims

Director of Medical Management

Director of Member Services

Director of Pharmacy

Director of Provider Services

Director, Quality Improvement

Voting Rules

A vote of up or down may be brought when a quorum of 51% is met. Any motion will require a majority of the voting members or their designees, present.

Meeting Frequency

The DOC shall meet quarterly. Ad hoc meetings may be scheduled as the need arises.

Committee Reporting Structure

The DOC shall report to the Compliance Committee quarterly.

IX. ATTACHMENT D: ANTI-FRAUD COMMITTEE CHARTER

CenCal Health (CenCal or Plan) has established the Anti-Fraud Committee in order to investigate and proactively detect fraud, waste, and abuse (FWA). An Anti-Fraud Committee shall facilitate the Plan's compliance with its DHCS contractual requirements and requirements under 42 CFR Section 438.608. The Anti-Fraud Committee shall report to the Plan's Compliance Committee on a quarterly basis.

Responsibilities of Committee

The Anti-Fraud Committee is responsible for addressing allegations of fraud, waste, and abuse reported to the Plan and performs the following:

- Investigates all reports of potential FWA.
- Reports potential or actual FWA to the appropriate regulatory or law enforcement agencies.
- Proactively detect, investigate, and remediate FWA through claims analytics.
- Proactively detect, investigate, and remediate FWA through identification or overutilization of services.
- Make recommendations to the Compliance Committee to determine strategic priorities for proactively detecting and remediating FWA.
- Collaborates with the Plan's Auditing and Monitoring Program to proactively detect and remediate FWA.
- Monitor providers who have been suspended or excluded from participating in a government sponsored program.

Membership

Membership of the Anti-Fraud Committee Consists of the following:

- Chief Compliance Officer (CCO) serves as Committee Chair
- Chief Financial Officer
- Chief Medical Officer
- Health Services Officer or designee
- Deputy Chief Information Officer or designee
- Claims Operations Director
- Compliance Director and Privacy Officer
- Behavioral Health Director
- Member Services Director
- Provider Services Director
- Quality Director
- Chief Operating Officer (Ad hoc, Non-Voting)
- Associate Director of Claims (Non-Voting)
- Compliance Investigator (Non-Voting)
- Compliance Manager (Non-Voting)

Meeting frequency

The Anti-Fraud Committee shall meet at least quarterly and ad hoc as needed.

X. DEFINITIONS

Abuse: practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.

Corrective Action Plan: a plan that includes specific activities to address deficiencies or noncompliance.

Covered Services: those health care services, set forth in Welfare and Institutions (W&I) Code sections 14000 et seq. and 14131 et seq., 22 CCR section 51301 et seq., 17 CCR section 6800 et seq., the Medi-Cal Provider Manual, the California Medicaid State Plan, the California Section 1115 Medicaid Demonstration Project, the Plan's contract with DHCS, and APLs that are made the responsibility of the Plan pursuant to the California Section 1915(b) Medicaid Waiver authorizing the Medi-Cal managed care program or other federally approved managed care authorities maintained by DHCS.

Department of Health Care Services (DHCS) or Department: the single state department responsible for the administration of the Medi-Cal Program, CCS, Genetically Handicapped Persons Program (GHPP), and other health-related programs, as provided by statute and/or regulation.

Department of Managed Health Care (DMHC): the California department responsible for administering the Knox-Keene Health Care Service Plan Act of 1975.

Downstream Subcontractor: an individual or an entity that has a Downstream Subcontractor Agreement with a Subcontractor or a Downstream Subcontractor. A Network Provider is not a Downstream Subcontractor solely because it enters into a Network Provider Agreement.

Downstream Subcontractor Agreement: a written agreement between a Subcontractor and a Downstream Subcontractor or between any Downstream Subcontractors. The Downstream Subcontractor Agreement must include a delegation of CenCal Health's and Subcontractor's duties and obligations under the Medi-Cal managed care contract.

Fraud: an intentional deception or misrepresentation made by persons with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person, and includes any act that constitutes Fraud under applicable federal or State law, including 42 CFR section 455.2 and W&I Code section 14043.1 (i).

Ineligible Person: an individual or entity who: (a) is currently excluded from participation in any Federal health care program or (b) has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a) (mandatory exclusion) but has not

yet been excluded from participation in any Federal health care program.

Medically Necessary or Medical Necessity: reasonable and necessary services to protect life, to prevent significant illness or significant disability, or alleviate severe pain through the diagnosis or treatment of disease, illness, or injury, as required under W&I Code section 14059.5(a) and 22 CCR section 51303(a). Medically Necessary services must include services necessary to achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity.

Member or Enrollee: a Potential Member who has enrolled with CenCal Health.

Network Provider: any Provider or entity that has a Network Provider Agreement with CenCal Health, CenCal Health's Subcontractor, or CenCal Health's Downstream Subcontractor, and receives Medi-Cal funding directly or indirectly to order, refer, or render Covered Services under the Medi-Cal managed care contract. A Network Provider is not a Subcontractor or Downstream Subcontractor by virtue of the Network Provider Agreement.

Network Provider Agreement: a written agreement between a Network Provider and CenCal Health, Subcontractor, or Downstream Subcontractor.

Potential Member: a Medi-Cal recipient who resides in CenCal Health's Service Area and is subject to mandatory enrollment, or who may voluntarily elect to enroll, but is not yet enrolled, in a Medi-Cal managed care health plan.

Provider: any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.

Service Area: the county or counties that CenCal Health is approved to operate in under the terms of the Medi-Cal managed care contract. A Service Area may be limited to designated zip codes (under the U.S. Postal Service) within a county.

Subcontractor: an individual or entity that has a Subcontractor Agreement with CenCal Health that relates directly or indirectly to the performance of CenCal Health's obligations under the Medi-Cal managed care contract. A Network Provider is not a Subcontractor solely because it enters into a Network Provider Agreement.

Subcontractor Agreement: a written agreement between CenCal Health and a Subcontractor. The Subcontractor Agreement must include a delegation of CenCal Health's duties and obligations under the Medi-Cal managed care contract.

Waste: the overutilization or inappropriate utilization of services and misuse of resources.



2024 Annual Compliance Program Assessment and Work Plan

Introduction

CenCal Health's (CenCal or Plan) Compliance Department is responsible for a variety of functions as governed by the Plan's contract with the Department of Health Care Services (DHCS), 42 CFR § 438.608, and HIPAA. The Compliance Department has several areas of responsibility it oversees in order for the Plan to meet its contractual obligations and Federal and State regulatory requirements.

Further details regarding staffing and structure may be found in the Compliance Departmental Assessment. For the purposes of the annual strategic plan, a high-level outline of the Compliance Department and areas of responsibility within the department is provided.

The following sections provide details regarding the activities that fall under the Compliance Department's areas of responsibility, current state including current established processes, gap analysis, priorities for calendar year 2022, priorities for future years, and progress on completing current priorities.

Compliance Program

According to 42 CFR§ 438.608 and the Plan's contract with DHCS, CenCal's Compliance Program, at a minimum, shall include the following:

1. Written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with all applicable requirements and standards under the contract, and all applicable Federal and State requirements.
2. The designation of a Compliance Officer who is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements of the contract and who reports directly to the Chief Executive Officer and the board of directors.
3. The establishment of a Regulatory Compliance Committee on the Board of Directors and at the senior management level charged with overseeing the organization's compliance program and its compliance with the requirements under the contract.
4. A system for training and education for the Compliance Officer, the organization's senior management, and the organization's employees for the Federal and State standards and requirements under the contract.
5. Effective lines of communication between the compliance officer and the organization's employees.
6. Enforcement of standards through well-publicized disciplinary guidelines.
7. Establishment and implementation of procedures and a system with dedicated staff for routine internal monitoring and auditing of compliance risks, prompt response to compliance issues as they are raised, investigation of potential compliance problems as identified in the course of self-evaluation and audits, correction of such problems promptly and thoroughly (or coordination of suspected criminal acts with law enforcement agencies) to reduce the potential for recurrence, and ongoing compliance with the requirements under the contract.

Annual Compliance Program Assessment and Work Plan for 2024

Compliance Officer and Compliance Committee

A. Background

CenCal Health's Chief Compliance Officer is responsible for developing, implementing, and ensuring compliance with regulatory requirements and reports directly to the Chief Executive Officer and CenCal Health Board of Directors. The Chief Compliance Officer prepares monthly compliance reports for the Board of Directors. Beginning in 2022, an annual compliance program assessment and work plan was established and is approved by the Compliance Committee, which is the organization's internal compliance committee. The annual compliance work plan is developed in alignment with the organization's operating plan.

The Compliance Committee includes executive leadership, members of the senior leadership team, and key stakeholders. The Compliance Committee meets quarterly and is chaired by the Chief Compliance Officer. The Compliance Committee has two subcommittees which includes the Anti-Fraud Committee and Delegation Oversight Committee. The Anti-Fraud Committee meets quarterly and is responsible for investigating and proactively detecting and preventing fraud, waste, and abuse (FWA). The Delegation Oversight Committee meets quarterly and is responsible for oversight of CenCal Health's delegates.

B. Work Completed in 2023

The CenCal Health Board Compliance and Oversight Committee is a subcommittee of the CenCal Health Board of Directors and is responsible for overseeing CenCal Health's compliance program and compliance with regulatory and contractual requirements. The Compliance and Oversight Committee was established in 2023, in accordance with requirements to the 2024 DHCS Medi-Cal contract and meets quarterly.

Previously the Chief Legal and Compliance Officer (CLCO) oversaw both the Compliance Department and Legal Department. To be compliant with the 2024 DHCS Medi-Cal contract requirements, the CLCO could no longer oversee both compliance and legal activities. According to the 2024 DHCS Medi-Cal contract, the compliance officer must be a full-time employee and must be independent, which means they must not serve in both a compliance and operational role, for example, when the compliance officer is the chief operating officer, finance officer or general counsel. As a result, the CLCO title was changed to Chief Compliance Officer and the legal function was separated from compliance responsibilities.

The 2024 DHCS Medi-Cal contract requires managed care plans to designate a fraud prevention officer who is responsible for developing, implementing, and ensuring compliance with the Plan's fraud prevention program and who reports directly to the chief executive officer and the board of directors. Since the same individual could serve as both the compliance officer and the fraud prevention officer, the Chief Compliance Officer took on this added responsibility.

In 2023, the Chief Compliance Officer was the executive sponsor for the 2024 Contract Operational Readiness tactic which was designed to ensure CenCal Health's compliance with the 2024 DHCS Medi-

Cal contract requirements, which was a pre-requisite for managed care plans to be awarded a Medi-Cal contract for 2024. CenCal Health successfully submitted and was approved for all 2024 Medi-Cal contract requirements and was awarded a Medi-Cal contract for 2024.

C. *Work Planned for 2024*

- For 2024, the Chief Compliance and Fraud Prevention Officer shall ensure new 2024 DHCS Medi-Cal contract requirements are implemented and promote a culture of compliance within the organization.
- Commence Board Compliance and Oversight Committee quarterly meetings.
- Material Modification of Knox-Keene license tactic, a pre-requisite for the Plan's D-SNP application to CMS (*a CenCal Health Operating Plan tactic*).
 - Submit application for material modification and receive DMHC approval.
- Ensure compliance with CenCal Health's Corporate Integrity Agreement (CIA) with the Office of the Inspector General (OIG).
 - Submission of annual report and any supplemental reports
 - Medical Loss Ratio (MLR) element review by Independent Review Organization (IRO)
 - Management certification process
- Further develop compliance department operational metrics.
- Develop roadmap for ensuring Business Associate Agreements (BAA) compliance.

Policies and Procedures and Code of Conduct

A. *Background*

CenCal Health policies and procedures have been historically published on the CenCal Central intranet site and drafts were stored in shared folders. CenCal Health staff and leadership could locate published policies and procedures on CenCal Central but this did not allow for keyword searches to determine which policies and procedures were applicable to the issue at hand. Prior to 2023, there was no central check-in or check-out process for policies and procedures which resulted in version control concerns. Additionally, the following was unclear: if policies published on the intranet had all requisite approvals including Compliance Committee approval, if policies being revised were updating the correct version, and if CenCal Central included the entire library of all approved organizational policies.

In 2022, PolicyTech was procured to serve as the organization's policy library. In addition, the Compliance Department established itself as the policy gatekeeper to ensure all organizational policies and procedures are properly reviewed and approved by all relevant stakeholders, leadership, internal committees, board of directors (as applicable), regulators, and the Compliance Committee. In addition, the Compliance Department updated the policy and procedure template. Lastly, the AOC was removed as an additional step in the policy and procedure approval process and replaced by the Compliance Committee. Full implementation of PolicyTech was deferred to the end of 2023 due to prioritization of the 2024 Contract Operational Readiness tactic.

B. Work Completed in 2023

During 2023, the following was accomplished.

- Updated CPL-04 Policy on Policies.
- Established a check-in and check-out process through the Compliance department as the policy gatekeeper.
- Developed a style guide to accompany the updated policy and procedure template.
- Enforced use of the template and formatting requirements during the 2024 Contract Operational Readiness project to ensure uniformity across all organizational policies and procedures.
- Conducted various trainings on the policy and procedure development, review, and approval process. Trainings included ensuring policies and procedures are reviewed by the appropriate CenCal Health committees and relevant stakeholders.
- Established monthly exclusions check for all staff and vendors.

C. Work Planned for 2024

At the beginning of 2024, CenCal Health policies and procedures were migrated to PolicyTech as a central repository to publish organizational policies and procedures and track based on status (e.g., drafting, pending approval, etc). Other work planned for 2024 includes the following.

- Continue to provide training on policy and procedure development, review, and approval process.
- Continue to enforce use of the policy and procedure template, in terms of formatting, style guide, and content development.
- Enhance Policy and Procedure Management tactic (*a CenCal Health Operating Plan tactic*)
 - Review all published policies and procedures.
 - Establish an annual review process for all organizational policies and procedures, in compliance with 2024 DHCS Medi-Cal contract requirements.
 - Develop a roadmap for enhanced use of PolicyTech.

Training and Education

A. Background

CenCal Health conducts compliance training, in coordination with the Human Resources department, for all new staff within 90 days of hire and for all staff on an annual basis. Training topics include the code of conduct; fraud, waste, and abuse; cybersecurity; HIPAA privacy and security; and conflicts of interest. As needed, the Compliance department will provide focused trainings at both the department and individual level.

CenCal Health celebrates Compliance Week on an annual basis to promote a culture of compliance, which includes fun educational activities, engagement, and prizes for participants. As part of Compliance

Week, CenCal Health chose and named a compliance mascot, Otto the Sea Otter, since sea otters are indigenous to the Central Coast of California.

B. Work Completed in 2023

During 2023, the Compliance department updated the compliance training materials to include up to date and comprehensive training modules through Navex, a leading compliance and risk software application platform. Navex also supports the organization's 24/7 anonymous compliance hotline and PolicyTech, the Plan's policy library. Previously, the compliance training was developed internally. The use of a third-party vendor specializing in compliance training ensures training materials are periodically updated with new or updated laws and regulations.

Additionally, Compliance training was developed and presented to the CenCal Health Board of Directors. Board compliance training will be conducted on an annual basis.

C. Work Planned for 2024

- Continue to support compliance staff professional development.

Effective Lines of communication

A. Background

CenCal Health has effective lines of communication between the Chief Compliance Officer and the organization's employees, members, providers, vendors, and community for reports of non-compliance. CenCal Health has various channels for reporting issues of non-compliance, including a 24/7 anonymous hotline, a dedicated email address, and online forms available on CenCal Health's website. CenCal Health's Chief Compliance Officer receives reports of potential non-compliance through the hotline, email, mail, and phone. Once a report is received the Chief Compliance Officer or delegate promptly initiates an investigation and responds to compliance issues as they are raised.

In addition, CenCal Health has a policy of non-retaliation for good faith reports of non-compliance. In 2022, CenCal Health began to utilize EthicsPoint to track reports of non-compliance, including FWA and HIPAA cases. The Compliance Committee receives quarterly updates of all cases reported.

B. Work Planned for 2024

- Participate in selecting a payment integrity vendor (*a CenCal Health Operating Plan tactic*).

Audits, Monitoring, and Oversight (AMO)

A. Background

Prior to 2023, CenCal Health did not have a dedicated audits, monitoring, and oversight department. The audits and monitoring activities for the Plan included preparation for the annual DHCS medical audit in response to the DHCS announcement letter and pre-audit requests and correction of non-compliance identified in audits to reduce the potential for recurrence. In addition, CenCal Health has a Delegation

Oversight Committee that is responsible for overseeing the Plan’s delegates. In 2022, the Chief Compliance Officer increased enforcement efforts of regulatory requirements by issuing internal corrective action plans (CAPs) to internal departments when there was known non-compliance.

B. Work Completed in 2023

During 2023, the following was accomplished.

- Established an Audits, Monitoring, and Oversight (AMO) Department within the Compliance Division.
- Appointed two key AMO leadership positions: an AMO Director and AMO Manager.
- Hired a Delegation Oversight Specialist.
- Began recruitment for auditor and senior strategist positions.
- Developed an annual risk assessment that focused on reducing DHCS medical audit findings.
- Achieved zero findings in the 2023 DHCS medical audit.

C. Work Planned for 2024

- Enhance AMO Capabilities through New Software tactic (*a CenCal Health Operating Plan tactic*).
 - Execute AMO software contract with selected vendor.
 - Prepare for software implementation based on AMO business requirements.
- 2024 Risk Assessment
- Continue to develop the AMO Department: recruit and hire for key positions and roles.

Routine Compliance Activities

Compliance Activity	Frequency
Develop Work Plan and ensure alignment with Operating Plan	Annual
Board Compliance and Oversight Committee charter review and update	Annual
Compliance Committee charter review and update	Annual
Anti-Fraud Committee charter review and update	Annual
Delegation Oversight Committee charter review and update	Annual
Compliance Plan review and update	Annual
Anti-Fraud Plan review and update	Annual
Delegation Plan review and update	Annual
Risk Assessment	Annual
DHCS Medical Audit	Annual
Auditing of Delegates	Annual
CIA Annual Report and Supplemental Report	Annual
CIA MLR Element Review by IRO	Annual
CIA Management Certification Process	Annual
Departmental Assessment	Annual
Compliance Week	Annual
Code of Conduct review and update	Annual
Code of Conduct attestation by employees	Annual At hire
Conflict of Interest (Board of Directors, Executives, Directors)	Annual At hire
Compliance Training for all staff	Annual At hire
Board Compliance Training	Annual On boarding

Board Compliance and Oversight Committee Meetings	Quarterly
Compliance Committee Meetings	Quarterly
Anti-Fraud Committee Meetings	Quarterly
Delegation Oversight Committee Meetings	Quarterly
Regulatory Reports	Quarterly Monthly Ad hoc
Board of Directors compliance reports	Monthly
CIA Reportable Events	Monthly
Exclusions check for all staff and vendors	Monthly At hire At contracting
APL Dissemination Process	Ad Hoc
Content development for member and provider newsletters	Ad Hoc
Staff Development: trainings and conferences for Compliance staff	Annual Ad Hoc

2024 Annual Work Plan Timeline

Quarter 1

- Prepare Knox-Keene material modification application
- Prepare for AMO software RFP
- Finalize annual P&P review schedule
- Configure PolicyTech
- Load published P&Ps into PolicyTech
- Commence annual P&P review process
- Develop roadmap for enhanced PolicyTech capabilities
- Present 2024 Risk Assessment at Compliance Committee for review and approval
- Further develop AMO Department
- CIA Supplemental Report
- CIA MLR Element Review by IRO
- Develop Compliance department dashboard
- Develop BAA compliance roadmap and tracking log

Quarter 2

- Submit Knox-Keene material modification application (May 2024)
- Commence AMO software RFP
- Conduct annual risk assessment
- Further develop AMO Department
- Payment Integrity Vendor RFP
- CIA MLR Element Review by IRO
- CIA Management Certification
- Develop Compliance department dashboard
- Identify third-party vendors the Plan shares data with

Quarter 3

- Revise Knox-Keene material modification submission, as needed
- Conclude AMO software RFP, begin negotiations
- Conduct annual risk assessment
- Further develop AMO Department
- Payment Integrity Vendor RFP
- CIA Annual Report
- Implement Compliance department dashboard
- Identify third-party vendors the Plan shares data with

Quarter 4

- Target approval for KKA license material modification (Nov 2024)
- Execute contract for new AMO software, begin implementation process
- Finalize annual risk assessment
- Further develop AMO Department
- Payment Integrity Vendor Implementation
- CIA Supplemental Report, as needed
- Implement Compliance department dashboard
- Develop a BAA renewal process

Date: February 7, 2024
From: Karen S. Kim, JD, MPH, Chief Compliance & Fraud Prevention Officer
Puja Shah, Esq., Director of Audits, Monitoring, & Oversight
To: CenCal Health Compliance Oversight Committee
Re: Q42023 Risk Assessment

I. Background.

The Audits, Monitoring, & Oversight (AMO) Department has conducted the 2024 CenCal Health compliance risk assessment, focused on the following areas: (A) Anti-Kickback Statute (AKS) Compliance; (B) Claims and Encounter Data Submission Compliance; (C) Centralized and Standardized Auditing, Monitoring, and Oversight; and (D) Member Information. The risk assessment analysis details are provided in the tables that follow.

II. Risk Assessment Areas of Focus.

A. Anti-Kickback Statute Compliance

CenCal Health is prohibited from knowingly and willingly paying remuneration to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs. Safe harbors provide exceptions to the rule.

1. Overall Inherent Risk: TBD
2. Risk Tolerance: TBD
3. Residual risk level: TBD
4. Risk Prioritization: medium

B. Claims and Encounter Data Submission Compliance

CenCal Health must submit complete, accurate, reasonable, and timely (CART) encounter data for items and services furnished to Medicaid program beneficiaries to DHCS, which relies upon acquiring CART claims and encounter data from network providers, subcontractors, downstream subcontractors, and out-of-network providers.

1. Overall Inherent Risk: TBD
2. Risk Tolerance: TBD
3. Residual risk level: TBD
4. Risk Prioritization: medium

C. Centralized and Standardized Auditing, Monitoring, and Oversight

CenCal Health must develop and maintain effective systems for routine monitoring and auditing, and the identification of compliance risks including but not limited to (a) dedicated staff for routine internal monitoring and auditing of compliance risks; (b) methods and tools for assessing whether CenCal Health's activities comply with state and federal law and the Medi-Cal contract, which includes having methods and tools to evaluate and trend an activity over time to assess noncompliance; (c) routine and periodic reporting of internal monitoring and auditing activities and results to compliance and oversight committee of the board; and (d) unannounced audits of subcontractors and downstream subcontractors to assess the compliance with requirements set forth in the Medi-Cal contract as relevant to delegated functions.

1. Overall Inherent Risk: TBD
2. Risk Tolerance: TBD
3. Residual risk level: TBD
4. Risk Prioritization: high

D. Member Information

Member Information, as defined by DHCS in the Medi-Cal Contract between DHCS and CenCal Health as well as in APL 21-004, must be provided to all new members, and potential members upon request, “in a format that is easily understood and in a font size no smaller than 12-point,” which entails ensuring it is provided “at a sixth grade reading level and approved by DHCS before distribution,” “in a threshold language or alternative format of their choice,” and with a nondiscrimination notice and language taglines. With so many business units involved in developing member information, and given that there are so many specific and stringent requirements, the lack of centralization and standardization of member material development presents a risk.

1. Overall Inherent Risk: TBD
2. Risk Tolerance: TBD
3. Residual risk level: TBD
4. Risk Prioritization: high

III. Glossary of Terms.

A guide to understanding how to read the tables that follow.

A. Overview

1. Inherent Risk: risk that exists prior to any mitigation response.
2. Description of Inherent Risk: nature of the risk, and can include associated requirements.
3. Category of Risk: broad type of risk; risks that fall within the same category in many instances may be mitigated by the same or similar mitigations.
4. Primary Source(s) of Risk: primary source of the risk within the org structure and mechanisms.
 - a. Policy: course of action adopted (or externally imposed) by the org.
 - b. Processes: sequence of steps the org has developed to carry out a policy or task.
 - c. Operation: how one or more of those process steps is executed, by whom, and when.
 - d. Potential Outcomes: identify what could happen if the risk was not mitigated.

B. Risk Assessment and Tolerance

1. Inherent Risk Scoring: assign a risk score for each inherent risk type for the following categories:
 - a. Likelihood: the level of possibility that the risk will occur.
 - b. Harm: the level of possibility that the risk could inflict harm on beneficiaries.
 - c. Dollars: the level of possibility that the risk could lead to financial impacts for the org.

- d. Overall: the average score of the scores for the other risk categories. This may account for weighted risks, as appropriate.
 2. Risk Tolerance: the level of risk an org will accept when trying to achieve a goal; consider whether risk tolerances allow for the appropriate design of internal controls that adequately support mitigation of each risk.
- C. Proposed Response and Mitigation Strategies
1. Existing Controls: activities in place that in some way mitigate inherent risks.
 2. Residual Risk Level: determine how successful the existing controls are (how much inherent risk remains despite the existing controls).
 3. Risk Prioritization: determine the risk's priority based on residual risk level.
 4. Mitigation Strategies: description of risk response by identifying potential risk mitigation strategies and/or actions to mitigate residual risks. These can fall into a broader category, such as the following:
 - a. Acceptance: no action is taken to respond to the risk based on the insignificance of the risk.
 - b. Avoidance: action needs to be taken to stop the operational process or the part of the operational process causing the risk.
 - c. Reduction: action needs to be taken to reduce the likelihood or magnitude of the risk.
 - d. Sharing: action is taken to transfer or share risks across the entity or with external parties.

Table A: Anti-Kickback Statute Compliance

Overview of Risk							
Risk #	Description of Inherent Risk				Category of Risk		
1	CenCal Health is prohibited from knowingly and willingly paying remuneration to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs. Safe harbors provide exceptions to the rule. <ul style="list-style-type: none"> • 42 U.S.C. § 1320a-7b(b): Anti-Kickback Statute • 42 C.F.R. § 1001.952: AKS Safe Harbors 				Illegal Payment to Providers		
Potential Outcomes					Primary Source(s) of Risk		
<ul style="list-style-type: none"> • Potential financial penalties and sanctions • Potential criminal and civil prosecution • Noncompliance with the Corporate Integrity Agreement (CIA) between CenCal Health and the OIG • Reputational harm 					Policy	Processes	Operations
					X	X	X
Risk Assessment and Tolerance							
Inherent Risk Scoring					Risk Tolerance		
Likelihood	Harm	Dollars	Overall				
Low	High	TBD	TBD	TBD			
Proposed Response and Mitigation Strategies							
Existing Controls					Residual Risk Level	Risk Prioritization	
As a County Organized Health System (COHS), CenCal Health is the sole provider of Medi-Cal for Santa Barbara and San Luis Obispo Counties; it also only provides a Medi-Cal product. Without competitors and by automatically getting assigned all of those Counties' Medicaid-eligible members, the remuneration concerns covered by the Anti-Kickback Statute (AKS) are not applicable to CenCal Health.					TBD	Medium	
Mitigation Strategies					Responsible Entity	Estimated Go-Live Date	
<u>ACCEPTANCE:</u> In accordance with the CIA, CenCal Health is conducting a risk assessment of AKS risks. As explained above, this matter has a low likelihood of occurrence given the COHS model.					Compliance	TBD	

Table B: Claims and Encounter Data Submission Compliance

Overview of Risk						
Risk #	Description of Inherent Risk				Category of Risk	
2	CenCal Health must submit complete, accurate, reasonable, and timely (CART) encounter data for items and services furnished to Medicaid program beneficiaries to DHCS, which relies upon acquiring CART claims and encounter data from network providers, subcontractors, downstream subcontractors, and out-of-network providers. <ul style="list-style-type: none"> 42 CFR §§ 438.242 and 438.818 				Financial Compliance Risk	
Potential Outcomes				Primary Source(s) of Risk		
<ul style="list-style-type: none"> Potential financial penalties and sanctions Noncompliance with the CIA Potential adverse audit finding 				Policy	Processes	Operations
				X	X	X
Risk Assessment and Tolerance						
Inherent Risk Scoring				Risk Tolerance		
Likelihood	Harm	Dollars	Overall	TBD		
Medium	Medium	TBD	TBD	TBD		
Proposed Response and Mitigation Strategies						
Existing Controls				Residual Risk Level	Risk Prioritization	
CenCal Health's IT and Claims Departments collaborate to ensure CART encounter data submissions, as well as the remediation and reconciliation process with DHCS each month. Claims and encounter data audits occur reactively and in preparation for audits.				TBD	Medium	
Mitigation Strategies				Responsible Entity	Estimated Go-Live Date	
<u>REDUCTION</u> : Publish a policy that memorializes the joint IT and Claims Departments' collaborative efforts to ensure CART claims and encounter data submissions. Implement QA processes to safeguard against inadequate or erroneous data submissions. Establish monitoring processes, including using the Quality Measures for Encounter Data (QMED) report to evaluate performance and identify areas of improvement.				Claims and IT	TBD	
<u>SHARING</u> : Require entities to submit CART claims and/or encounters, establishing protocol to evaluate submissions, provide feedback, and enforce consequences of noncompliance.						

Table C: Centralized and Standardized Auditing, Monitoring, and Oversight

Overview of Risk						
Risk #	Description of Inherent Risk				Category of Risk	
3	<p>CenCal Health must develop and maintain effective systems for routine monitoring and auditing, and the identification of compliance risks including but not limited to (1) dedicated staff for routine internal monitoring and auditing of compliance risks; (2) methods and tools for assessing whether CenCal Health's activities comply with state and federal law and the Medi-Cal contract, which includes having methods and tools to evaluate and trend an activity over time to assess noncompliance; (3) routine and periodic reporting of internal monitoring and auditing activities and results to compliance and oversight committee of the board; and (4) unannounced audits of subcontractors and downstream subcontractors to assess the compliance with requirements set forth in the Medi-Cal contract as relevant to delegated functions.</p> <ul style="list-style-type: none"> Medi-Cal Contract between DHCS and CenCal Health, Exhibit A, Attachment III, Section 1.3.1.K 				Operational Compliance Risk	
Potential Outcomes					Primary Source(s) of Risk	
<ul style="list-style-type: none"> Potential financial penalties and sanctions Potential adverse audit finding 					Policy	Processes
						Operations
						X
Risk Assessment and Tolerance						
Inherent Risk Scoring					Risk Tolerance	
Likelihood	Harm	Dollars	Overall			
Medium	Medium	TBD	TBD	TBD		
Proposed Response and Mitigation Strategies						
Existing Controls					Residual Risk Level	Risk Prioritization
<p>CenCal Health's Compliance Division conducts internal monitoring and auditing of compliance risks reactively and in anticipation of external audits, the results of which are communicated to the Compliance Committee. The Compliance Division leads a cross-functional team in the oversight of delegates (subcontractors) through the pre-delegation audit, annual delegate audit, and continuous monitoring and reporting from the delegate through stakeholder departments, up to the Delegation Oversight Committee and Compliance Committee. All auditing, monitoring, and oversight (AMO) activities are conducted using basic tools without automation, and as such, the tools can be cumbersome and time-consuming to utilize.</p>					TBD	High
Mitigation Strategies					Responsible Entity	Estimated Go-Live Date
<p>REDUCTION: Obtain a tool with automation that would (a) facilitate efficient and effective universe selections, file aggregation from the universe selections, and file review for all audits and from all relevant stakeholders; (b) incorporate relevant state, federal, and contractual requirements as well as accreditation and industry standards; (c) enable efficient internal monitoring and reporting activities, which would be displayed in meaningful dashboards for both AMO scrutiny as well as executive and leadership review; and (d) catalog results of remediations and corrective actions taken to mitigate identified risks to the org.</p>					Audits, Monitoring, & Oversight	TBD
<p>SHARING: Require all relevant stakeholders (internal and external) to adopt and utilize the AMO tool for monitoring and reporting purposes to ensure accuracy, effectiveness, and overall value of reported data.</p>					Compliance and Leadership	TBD

Table D: Member Information

Overview of Risk							
Risk #	Description of Inherent Risk				Category of Risk		
4	<p>Member Information, as defined by DHCS in the Medi-Cal Contract between DHCS and CenCal Health as well as in APL 21-004, must be provided to all new members, and potential members upon request, "in a format that is easily understood and in a font size no smaller than 12-point," which entails ensuring it is provided "at a sixth grade reading level and approved by DHCS before distribution," "in a threshold language or alternative format of their choice," and with a nondiscrimination notice and language taglines. With so many business units involved in developing member information, and given that there are so many specific and stringent requirements, the lack of centralization and standardization of member material development presents a risk.</p> <ul style="list-style-type: none"> Medi-Cal Contract between DHCS and CenCal Health, Exhibit A, Attachment III, Section 5.1.3 				Operational Compliance Risk		
Potential Outcomes					Primary Source(s) of Risk		
<ul style="list-style-type: none"> Potential grievances and appeals Potential financial penalties and sanctions Potential adverse audit finding 					Policy	Processes	Operations
						X	X
Risk Assessment and Tolerance							
Inherent Risk Scoring					Risk Tolerance		
Likelihood	Harm	Dollars	Overall				
High	High	TBD	TBD	TBD			
Proposed Response and Mitigation Strategies							
Existing Controls					Residual Risk Level	Risk Prioritization	
CenCal Health has processes in place to ensure sixth-grade readability and appropriate alternative format selection. The Member Services (MS) Department ensures nondiscrimination notice and taglines are attached to all Member Information. The Quality Department provides sixth-grade readability review. The Manager of Grievance & Appeals/Quality Improvement provides quality assurance of grievances and appeals prior to dissemination. The MS and Health Services Departments send out most of these member materials, so both are well attuned to the requirements and monitor for timeliness and content.					TBD	High	
Mitigation Strategies					Responsible Entity	Estimated Go-Live Date	
<p><u>REDUCTION</u>: Ensures a uniform and consistent process that meets all Member Information requirements (which includes the most up-to-date version of the DHCS-approved nondiscrimination notice and taglines, is processed through the sixth-grade readability test, and is adequately, timely, substantively, and appropriately communicating the Member Information to the member). Utilizes tools and applications to standardize the Member Information documentation. Ensures adequate quality review occurs for Member Information. Regularly monitors and reports on process compliance.</p>					Cross-Functional	TBD	



Quality Improvement & Health Equity Committee (QIHEC) Report

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
Lauren Geeb, MBA, Director, Quality

March 20, 2024



1

Some Achievements



Rating Among Top 10% of Medicaid Plans

- DHCS Certificate of Achievement Award
- No Financial Sanctions

Population Health Management Program

- New Member Portal
- Expansion of Enhanced Care Management and Community Supports
- Population Health Strategy

Zero Findings for 2023 DHCS Medical Audit

2024 Additional Priorities

- 1) Exceed Quality Standards and Expectations
- 2) Diversity, Equity, Inclusion, and Belonging Training Program
- 3) Wellness and Prevention Campaigns



Quality Improvement & Health Equity Transformation Program (QIHETP)

2

Key Updates

Program Evaluation

- QIHEC affirmed no structural changes to the Quality Program are necessary

Program Description

- National Committee for Quality Assurance Accreditation Alignment

Program Work Plan

- Exceed Quality of Care Standards
- DEIB Training Program
- Wellness and Prevention Campaigns



QIHEC: Quality Improvement and Health Equity Committee
DEIB: Diversity, Equity, Inclusion, and Belonging

3

Quarterly P&P Approval Request

In February, 4 QIHETP P&Ps were evaluated & approved by the QIHEC

Staff confirmed all 4 P&Ps are compliant with DHCS 2024 requirements

DHCS confirmed 3 P&Ps meet requirements; the *Member Incentives* DHCS review is pending

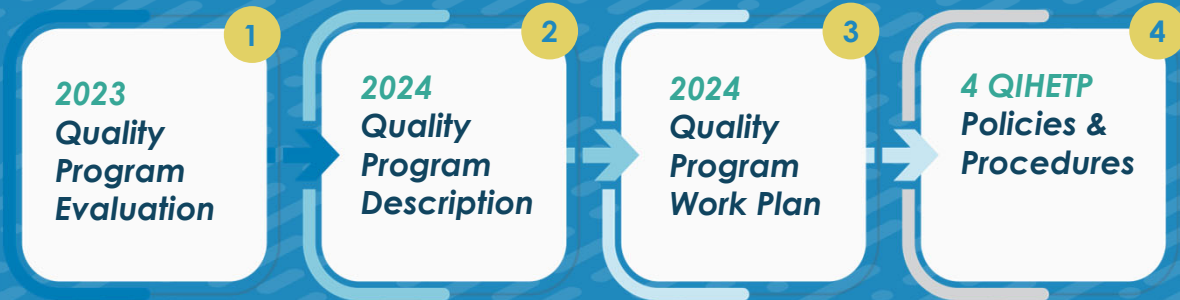
- 1) Engagement of Local Entities to Develop Interventions and Strategies to Address Performance Deficiencies
- 2) Comprehensive Wellness & Prevention Programs for All Members
- 3) Health Education System, including Delivery of Services, Administration and Oversight
- 4) *Member Incentives*



QIHEC approval serves as the committee's recommendation for approval by your Board.

4

Discussion and Requested Approval:



Approval recommended by your Board's Quality Improvement and Health Equity Committee.

5



6

Quality Improvement Health Equity Committee (QIHEC) Report

Date: March 20, 2024

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

Through: Marina Owen, Chief Executive Officer

Contributors: Lauren Geeb, MBA, Director, Quality
Carlos Hernandez, Quality & Population Health Officer
Van Do-Reynoso, PhD, Chief Customer Experience Officer & Chief Health Equity Officer

To simplify presentation of materials, staff will present highlights of this year's changes and findings of significance from CenCal Health's Quality Improvement & Health Equity Transformation Program (QIHETP). Each quality document is separately hyperlinked for your reference to supplement your Board's meeting materials.

Executive Summary

This is CenCal Health's Quality and Health Equity Transformation Program (QIHETP) report to your Board, including information about the committee's proceedings for its 1st quarterly meeting of 2024, completed on February 29th, 2024. This report summarizes key topics reviewed by the QIHEC as your Board's appointed entity accountable to oversee the effectiveness of CenCal Health's QIHETP.

The QIHEC's recent proceedings included:

1. Approval of the December 14, 2023, QIHEC minutes.
2. Approval or acceptance of reports from the Pediatric Clinical Advisory Committee, Customer Experience Committee, Utilization Management Committee, Credentialing Committee.
3. An informational report on CenCal Health Diversity, Equity, Inclusion & Belonging (DEIB) requirements, and the outlook for staff and provider training. The DEIB training must encompass sensitivity, diversity, cultural competency, and cultural humility, including training for all CenCal Health staff, subcontractors, and providers.
4. Approval of:
 - o CenCal Health's updated set of industry-standard QIHETP documents, including the following: *(hyperlinked for your convenience)*
 - The 2023 Quality Program Evaluation:
 - This quantitative and qualitative analysis affirmed the finding that the QIHETP is fully supported by an effective committee structure,

adequate resources, and practitioner participation and leadership involvement. Notable achievements include six quality of care results that surpassed the National Committee for Quality Assurance (NCQA) 90th percentile benchmarks for Medicaid plans.

Reference 1: [2023 Quality Program-Evaluation \(cencalhealth.org\)](https://cencalhealth.org/2023-Quality-Program-Evaluation)

- 2024 QIHETP Description:
 - The QIHETP was not structurally changed, but its documentation was strategically enhanced to best demonstrate the robust program's compliance with NCQA accreditation standards. Of note, the role of CenCal Health's Medical Director for Behavioral Health was more prominently described.
- 2024 QIHETP Work Plan:
 - Key priorities were added for 2024 to emphasize the longstanding emphasis on quality of care achievement, to attain the Medicaid 90th Percentile benchmarks and always surpass minimum performance thresholds. Additionally, includes new tactical priorities to implement systematic and automated member-centered Health & Wellness Campaigns; and a Diversity, Equity, Inclusion & Belonging Training Program.

Reference 2: [2024 QIHETP Description \(cencalhealth.org\)](https://cencalhealth.org/2024-QIHETP-Description)

- A follow-up analysis of low inpatient average length of stay (ALOS) and related 30-day readmissions, and confirmation of the status of additional follow-up requests.
- Key Performance Metrics that demonstrate cross-functional QIHETP integration of Utilization Management, Access and Availability, and Member Grievance operations.
- Approval of four QIHETP & related program policies.

Reference 3: [2024 QIHETP Work Plan \(cencalhealth.org\)](https://cencalhealth.org/2024-QIHETP-Work-Plan)

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

Notable Achievements and Opportunities for Improvement

Achievements

- Reported quality performance data, with no restrictions, to NCQA and DHCS. Based on the minimum performance thresholds for 15 quality measures across both Santa Barbara and San Luis Obispo counties for Measurement Year 2022, CenCal Health's provider network achieved exceptional performance (rating among the top 10% of Medicaid plans nationally) for 6 aspects of care:
 - Breast cancer screening, a low rate of diabetes blood glucose poor control, pediatric preventive health exams (15 months – 30 months),

adolescent immunizations, postpartum care timeliness, and timely follow-up after emergency department visit for substance use.

- Received a 2023 DHCS Quality Award, marking a significant recognition of CenCal Health's providers' critical role in advancing health equity in the Central Coast. The Certificate of Achievement was earned for the notable advancements made in various quality and health equity strategies, which support DHCS' Bold Goals for disparity reduction by 2025.
- No DHCS sanctions imposed due to quality-of-care achievements for prioritized performance measures for Measurement Year 2022. While this DHCS notice only provides confirmation that all minimum quality standards were fulfilled, it does provide public reassurance from DHCS that CenCal Health has appropriate mechanisms in place to ensure members have sufficient access to a comprehensive set of services across the continuum of care.
- Achieved zero findings following the 2023 DHCS Medical and State Supported Services Audits.

Opportunities for Improvement

- Addressing quality of care that failed to meet benchmarks. Staff continued to prioritize efforts to address improving rates for the following measures that failed to surpass DHCS required minimum performance levels for measurement year 2022 including timely Follow-Up After Emergency Department Visit for Mental Illness/Substance Use and Controlling High Blood Pressure. Additionally, staff will focus on improving aspects of care to achieve the Medicaid 90th percentile while reducing disparities with a priority on pediatric preventive care, behavioral health, and chronic disease.

Additional achievements and opportunities for improvement are included in further detail in attachments.

Background

CenCal Health is committed to the delivery of equitable, quality health care services and patient safety. The purpose of CenCal Health's QIHETP is to evaluate health plan quality of care objectively and systematically, and continually act upon identified opportunities for improvement related to member experience, and the quality and safety of services provided by CenCal Health's provider network.

CenCal Health's QIHETP must be approved annually by your Board. DHCS requires that CenCal Health implement and maintain a QIHEC appointed by and accountable to your Board. Your Board's annual approval of the QIHETP Description affirms your Board's appointment of the QIHEC to oversee the effectiveness of the QIHETP.

The QIHEC's annual review ensures that CenCal Health's QIHETP evolves and is implemented with meaningful contracted network practitioner involvement. The QIHEC's recent review and approval was based upon their understanding that their action was undertaken as your Board's accountable entity to oversee CenCal Health's QIHETP.

Role of the Board

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

1. *Annual approval of the overall QIHETP, annual QIHETP Work Plan, and Quality Program Evaluation.*

This responsibility will be completed with your Board's approval of CenCal Health's 2023 Quality Program Evaluation, the 2024 QIHETP Description, and the 2024 QIHETP Work Plan. *(each hyperlinked above)* 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 assure continuous improvement and achieve population health excellence.

2. *Appointment of an accountable entity within CenCal Health to oversee the effectiveness of the QIHETP.*

This responsibility will be affirmed by your Board's approval of CenCal Health's 2024 QIHETP Description. 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 evolution.

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 report represents your Board's report on the quality committee's recent proceedings for its 1st quarterly meeting of 2024, including QIHETP 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 governance. Additionally, each quarterly report includes policies reviewed and approved by the QIHEC, for your Board's further consideration, direction, and approval.

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

- QIHETP & related program policies reviewed and approved by 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. CenCal Health staff confirmed that the policies reviewed by the QIHEC comply with all DHCS quality improvement and health equity standards. The QIHEC's engagement in policy review enables valuable feedback and direction from the QIHEC to meaningfully direct the effective administration of CenCal Health's QIHETP.
- The meeting agenda for the recent QIHEC meeting.
- The meeting minutes of the prior meeting of the QIHEC, which were approved at the recent meeting of the QIHEC.
- The complete set of QIHETP documents (2023 Quality Program Evaluation, the 2024 QIHETP Description, and the 2024 QIHETP Work Plan).
(each hyperlinked above)

The QIHEC's approval of the attached policies and the linked QIHETP documents serves as its recommendation for your Board's approval, as your Board's accountable entity to oversee the effectiveness of the QIHETP.

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 approved documents and policies.

The QIHETP documents described herein serve as a roadmap for CenCal Health staff to maintain, enhance, and execute CenCal Health's QIHETP. Each document is a "living" document, and as such, refinements will be made throughout 2024 to assure CenCal Health's QIHETP reflects evolving priorities. CenCal Health's QIHETP will be presented to your Board annually, to inform your Board's governance of the QIHETP and reaffirm your appointment of the QIHEC to oversee the QIHETP.

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 policies provided as Attachment 1.
- Acceptance of this report also includes approval of the following documents.
 - 2023 Quality Program Evaluation
 - 2024 QIHETP Description
 - 2024 QIHETP Work Plan

Attachments:

Attachment 1 – QIHETP & Related Policies (qty. 4)

Attachment 2 - QIHEC Meeting Agenda, February 29, 2024

Attachment 3 - QIHEC Approved Minutes, December 14, 2023

References:

Reference 1: [2023 Quality Program-Evaluation \(cencalhealth.org\)](https://cencalhealth.org/2023-Quality-Program-Evaluation)

Reference 2: [2024 QIHETP Description \(cencalhealth.org\)](https://cencalhealth.org/2024-QIHETP-Description)

Reference 3: [2024 QIHETP Work Plan \(cencalhealth.org\)](https://cencalhealth.org/2024-QIHETP-Work-Plan)



Employee Engagement Update

2023 Survey and 2024 Action Planning

Chris Morris, MSOD, Chief Performance Officer
March 20, 2024

1

Objective

Orient to the CenCal Health 2023 Employee Engagement survey results, including strengths, opportunities and improvement areas, and action planning underway



2

Strategic Plan Commitment

Working Strategies

- Develop a strategic HR function and capabilities
- Enhance employee training and development
- Develop comprehensive DEI-B program

Objective

Foster employee growth and inclusion towards a diverse culture

Priority

Organize for Impact and Effectiveness

Vision

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



3

2023 Employee Engagement Survey Overview

- **November 14 – December 01, 2023**, utilizing the Lattice Engagement software
- 213 employees participated for a **satisfactory response rate of 65%**.
- **Individual survey responses are not visible**, which retains anonymity.
- **79 questions across multiple themes** for a broad assessment of engagement.
- Most questions used a **five-point scale**: strongly disagree – strongly agree.
- CenCal Health's overall **2023 employee engagement survey score was 75**.
- Question benchmarks provide a **healthcare industry comparison** of these results.



4

2023 Employee Engagement Survey Results

Overall, **3 points above** the Lattice 2023 benchmark

9 themes are above the Lattice 2023 benchmark

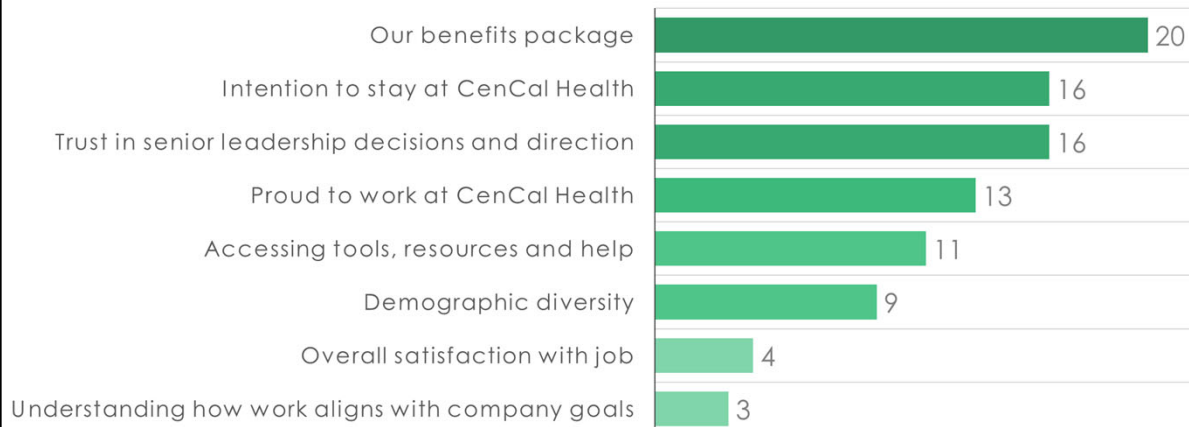
4 themes are below the Lattice 2023 benchmark



Themes	Topics	CenCal v. Benchmark
Senior Leadership	Belief in leadership direction, trust in leadership decisions, leaders modelling values and commitment to DEIB	13
Pride	Proud of this company / team / contributions, talking about CenCal Health as a great place to work	7
Diversity, Equity, Inclusion, Belonging	Feeling like I belong, demographic diversity, people from different backgrounds have equal input and opportunity	7
People Programs and Operations	Fair performance evaluations, understanding my compensation, benefits support my personal needs	7
Team	Desire to be on this team, right people on this team, team communicates effectively	4
Job satisfaction	Satisfaction with coworkers, job, supervision received	4
Role	Understand my role, enough autonomy, sufficient technology / tools / resources, aligned with strengths	4
Alignment	Understand how I contribute to company goals, able to prioritize work according to my goals	3
Core Engagement	Connected to others, fulfilled and motivated by the work, invested in mission / vision / values, desire to stay	3
Management	Desire to work with my manager, manager communication / feedback / decision-making / support	-2
Growth and Development	See myself growing here, career development conversations, time and opportunity to grow and develop	-2
Psychological safety	Comfortable approaching department leader, asking team for help, sharing constructive feedback, taking risks	-2
Well-being	Ability to disconnect, flexibility, time and energy outside of work, manageable workload and stress, good morale	-6
Grand Total		3

5

2023 Employee Engagement Survey Key Strengths

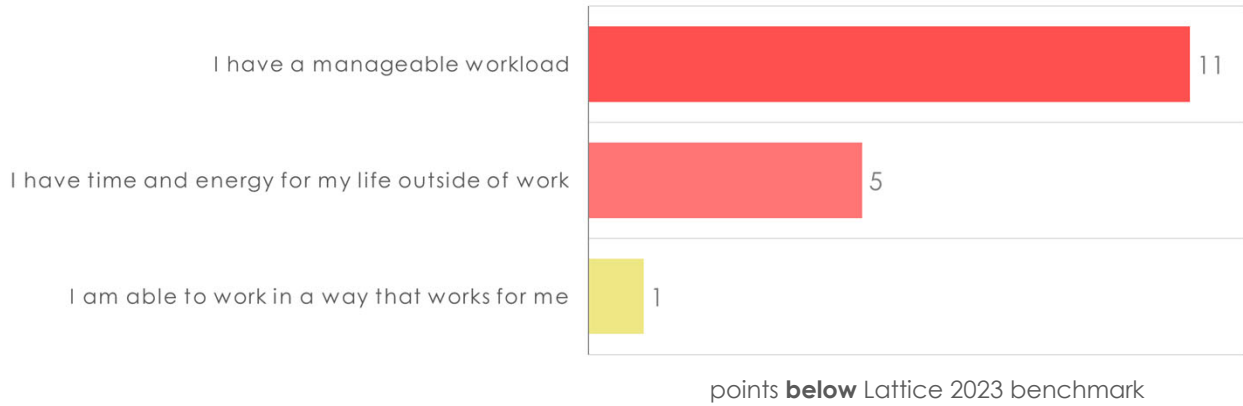


points **above** Lattice 2023 benchmark



6

2023 Employee Engagement Survey Key Opportunity

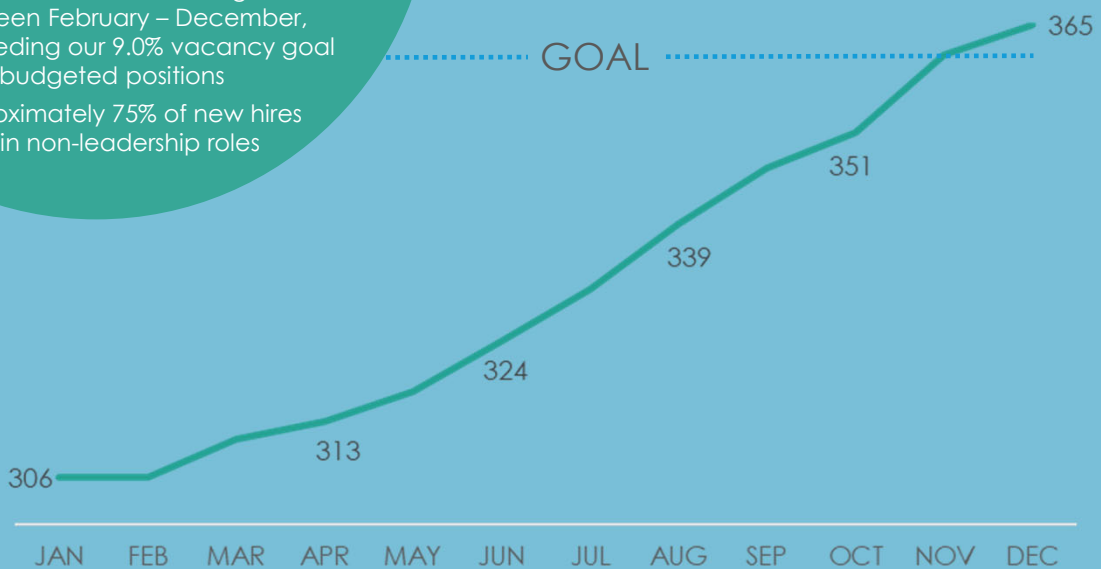


7

2023 Recruitment Update

- The CenCal Health team grew 19.3% between February – December, exceeding our 9.0% vacancy goal filling budgeted positions
- Approximately 75% of new hires were in non-leadership roles

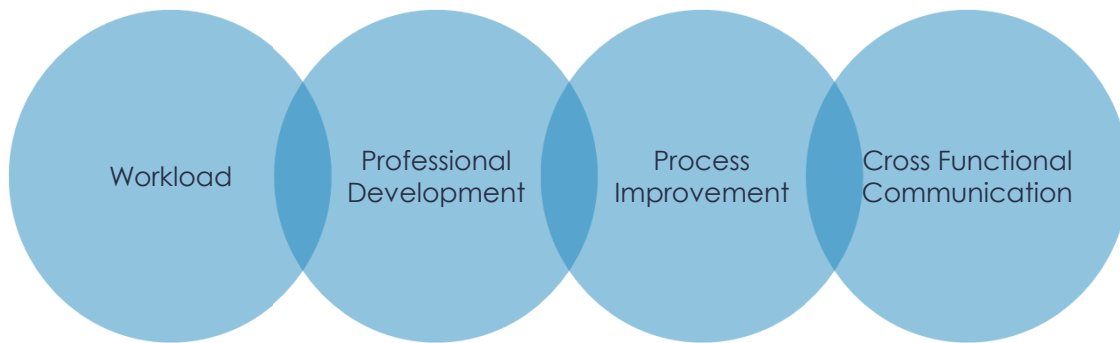
Full-Time Equivalent Employees



8

2023 Employee Engagement Survey Recommendations

Bottom themes were identified, and individual questions were assessed, resulting in **4 recommended improvement areas for 2024:**



9

Action Planning and Next Steps

- Incorporate departmental employee engagement survey result into **2023 Department Assessment** process.
- Departments performing below threshold develop **departmental employee engagement action plans** to address department-specific improvement opportunities.
- March 2024 Town Hall series to **co-develop improvement ideas** responsive to each employee engagement survey focus area
- Develop and adopt a **2024 Employee Engagement Roadmap**



10



Performance Report

Date: March 20, 2024

From: Chris Morris, MSOD, Chief Performance Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Andrew Hansen, MBA, Operational Excellence Director

Executive Summary

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

Human Resources

Talent Acquisition and Retention Update

Total employee vacancy sits at 7.7%, exceeding staff's target of 9.0%. Highlights surrounding key senior leadership team recruitments include:

- Elia Rodriguez, advanced from Member Services Call Center Manager to Associate Director of Member Services.
- Recruitment for the People Operations Director position is underway.

All cause employee turnover remains healthy at a 12-month rolling average of 11.1%, below the prior 3-year average (11.5%) and more than 20-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 needs of our team members.

Employee Experience

Leadership conducted an Employee Engagement Survey between November 14 – December 01, 2023. All employees with greater than three months of tenure were invited to participate, and 65% completed the survey. Survey responses are strictly anonymous to support employee confidentiality, and the survey software utilized prohibits the identification of individual employee responses.

Results

CenCal Health's overall 2023 employee engagement survey score was 75. This means 75% of the time team members agreed with the question, 16.8% of the time were neutral, and 8.6% of the time disagreed with the question. CenCal Health last administered an employee engagement survey in 2017. Key comparable results between 2017 and 2023 are provided in the below table. Overall, CenCal Health's 2023 employee engagement survey results demonstrate significant improvement.

	2017	2023	Δ
Overall Engagement	71%	86%	15%
Overall Satisfaction	70%	86%	17%
Willingness to Recommend CenCal Health to a Friend	83%	85%	2%
Desire to be working at CenCal Health a year from now	72%	88%	16%

Healthcare specific industry benchmarks are available for most survey questions. Assessing the difference between CenCal Health's 2023 Employee Engagement Survey results in each theme against these relevant benchmarks, CenCal Health performed 3 points above benchmark overall, with nine (9) themes performing above benchmark and four (4) performing below benchmark.

Themes	CenCal v. Benchmark
Senior Leadership	13
Pride	7
Diversity, Equity, Inclusion, Belonging	7
People Programs and Operations	7
Team	4
Job satisfaction	4
Role	4
Alignment	3
Core Engagement	3
Management	-2
Growth and Development	-2
Psychological safety	-2
Well-being	-6
Total	3

Subgroup Analysis

Statistical testing was done to identify meaningful subgroup differences, with results as follows. Differences in departmental results were also evaluated.

- Age – No statistically significant variation across age groups was identified.
- Gender – No statistically significant variation across genders was identified.
- Race/Ethnicity – Individual's identifying as *Two or More Races* had a statistically significant higher global score on the employee engagement survey.

- Tenure – No statistically significant variation across tenure groups was identified.

Key Strengths

To identify areas of significant strength, survey themes with a score of 85%+ or sitting 5+ points above benchmark were identified, as follows:

- Senior Leadership: All questions are 7+ points above benchmark with *I believe in the direction that our senior leadership is taking us and I trust the decisions of the senior leadership in this company* scoring 16 points above benchmark.
- Pride: All questions are above benchmark with *I'm proud to tell others that I'm part of this company* scoring 13 points above benchmark.
- DEIB: All questions are 4+ points above benchmark with *This company is demographically diverse* scoring 9 points above benchmark.
- People Program and Operations: Three of four questions are above benchmark with *Our benefits packages support my personal needs and plans* scoring 20 points above.
- Alignment: All questions are above benchmark, and this theme has the highest absolute value, with 91% of respondents rating company alignment positively.
- Core Engagement: While connection and fulfillment fell below benchmark, the remaining questions are well above benchmark with *I'd like to be working at this company a year from now* scoring 16 points above benchmark.
- Job Satisfaction: Benchmarks are not yet available for most job satisfaction questions, however *All in all, I'm very satisfied with my job* scored 4 points above benchmark.
- Role: This theme is 4 points above benchmark with *I have the tools and the resources to do my job and I know where to look when I need help or resources* significantly exceeding benchmark at 7 and 11 points, respectively.

Key Opportunities

To identify priority areas for focus and improvement in 2024, the five (5) survey themes scoring slightly below or below benchmark were identified, as follows:

- Management – This theme was slightly below benchmark by 2 points with no significant difference between questions.
- Growth and Development – CenCal Health is performing above benchmark for all but one question, *I have the opportunity and time in my schedule to grow and develop in my role*, which is 15 points below benchmark.
- Psychological Safety – This theme was slightly below benchmark by 2 points, largely due one question, *I feel safe taking risks and making mistakes on this team*, scoring 6 points below benchmark.
- Well-Being – This theme was below benchmark by 6 points and is performing 11 points below benchmark on *I have a manageable workload*. See *Focus Areas*.
- Communication – While this theme does not have an industry benchmark, only 42% indicated *There is adequate communication between departments*, the lowest scoring question. See *Action Planning*.

Focus Areas

The above *Key Opportunities* identify four (4) improvement recommendations for focus in 2024: *professional development, process improvement, workload, and cross-functional communication*. The first two opportunities are aligned with ongoing and planned efforts. Additionally, given the significant improvement in staff vacancy – from 22% in Q123 to approaching 7% in Q423 – workload perceptions may improve in 2024 as additional team members are onboarded and trained. Following recruitment efforts, staff vacancy improved 67.0% in throughout the year from a peak high of 22.4% in February 2023 to a low of 7.4% in December 2023.

Action Planning

Department Directors were provided with employee engagement survey results. Directors were asked to incorporate survey insights into the Strengths, Weaknesses, Opportunities and Threats (SWOT) exercise in their annual Department Assessments and identify responsive action. In addition to this, some Departments will develop a 2024 Employee Engagement Action Plan to address department-specific improvement opportunities if they fell significantly below the organizational average. This will be done in consultation with Human Resources/People Operations to provide guidance, support and focus on the most salient and actionable improvement areas.

Finally, in March 2024, the CEO and CPO engaged all staff through an employee engagement focused Town Hall to share survey results and identify improvement ideas responsive to each employee engagement survey focus area. These employee-generated ideas will be combined with leadership-generated plans to produce a 2024 Employee Engagement Roadmap, which will be shared with your Board for awareness in Q224 and progress shared thereafter.

Operational Excellence Update

Organizational Dashboard

The Executive View Dashboard indicates strong organizational performance in Q423 with all nine (9) Level 1 processes meeting or exceeding 95% of target. Notable performance highlights are as follows:

- Engage and Support Members. This Level 1 core process contains three subprocesses, known as Level 2 processes, shown on the right-hand side of the Executive View exhibit. Performance within the *Help Members Navigate* level 2 process met target in Q423 at 97.3%. However, performance is projected to decrease in Q123 due to increased call volume associated with Medi-Cal Expansion and service to new members in January 2024.
- Support and Develop the Provider Network. This Level 1 core process contains three subprocesses, shown on the right-hand side of the Executive View exhibit. Within the *Develop the Provider Network* level 2 process, performance remains impacted by timely access metrics not meeting performance thresholds.

Provider Relations continues to proactively engage providers further on the DHCS-placed timely access calls, to encourage appointment availability and provider awareness.

- Support and Develop Employees. This Level 1 core process is now reflective of key results recently published in the 2023 Employee Engagement Survey. Organizational survey results for rating of *Job Satisfaction* and *Core Engagement* exceeded target, which are set at industry benchmark, by 4.8% and 3.6% respectively. Results for rating of *Growth and Development* exceeded threshold but missed target by 3.0%. An additional noteworthy highlight of this level 1 process performance is the achievement of staff vacancy Q423 results meeting target for the first time in 2023 at 9.0%. Staff vacancy improved 67.0% over the year from a peak high of 22.4% in February to a low of 7.4% in December 2023.
- Manage Organizational Finances. This Level 1 core process performance improved 2.0% from Q323 to Q423, primarily driven by Tangible Net Equity (TNE) performance. TNE met the desired level set by the Board of Directors in December 2023 for the first time. Improvement in TNE is directly correlated to positive net income. The positive net income is attributed to a CY23 increase to PMPM revenue from DHCS combined with medical and administrative expenses which are below budget expectations.

2024 Operating Plan Update

The 2024 Operating Plan is comprised of forty-six (46) projects or tactics, twenty-one (21) are new in 2024 and twenty-five (25) are carrying over from 2023. Status of new tactics will be reported as they begin to launch. Progress is as follows for active tactics: 9 (36%) are between 0-25% complete, 5 (20%) are between 25-50% complete, 6 (24%) are between 50-75% complete, and 5 (20%) are between 75-100%. Additionally, 96% (n=24) of active tactics are in good health, and one (1) is at-risk of becoming off-track with planned mitigations as follow:

- 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. One of the targeted interventions aims to increase behavioral health screenings and referrals by using a closed-loop referral system. Implementation of a closed-loop referral system may be delayed for four (4) Local Educational Agencies.

Next Steps

Share 2024 Employee Engagement Roadmap in Q224.

Recommendation

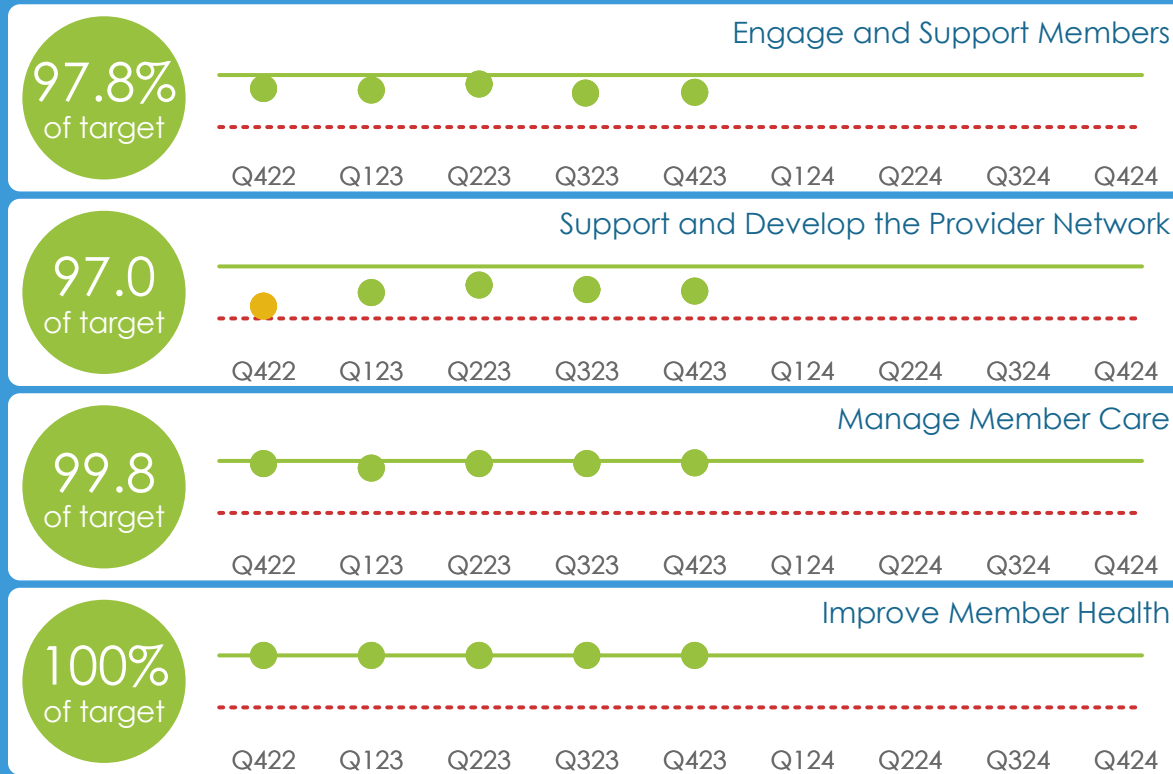
This material is informational with no action being requested at this time.

Enclosure Q423 Executive View Dashboard

Purpose: To provide oversight of health plan performance across all organizational processes, to enable timely and targeted intervention and celebration.

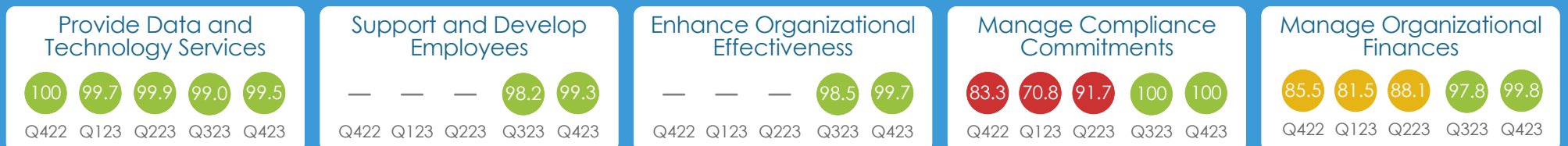
Context and Limitations: Target and Threshold values are informed by contractual requirements and best practices, where available. This dashboard is structured by core processes (which deliver values directly to members, providers and the community) and managerial and support processes (which guide and support the organization). Results are produced using composites, meaning the performance of subprocesses is combined for aggregate performance scores. All metrics are normalized to a 100 point scale, so Target performance is always 100%.

Core Processes



Subprocess	Q422	Q123	Q223	Q323	Q423
Help Members Engage	100	99.6	99.8	95.1	97.1
Help Members Navigate	97.5	97.3	98.3	97.2	97.3
Improve Member Experience	99.1	99.1	99.1	99.1	99.1
Support the Provider Network	87.9	94.3	97.3	99.4	98.9
Develop the Provider Network	96.7	93.8	98.1	94.7	92.3
Pay Providers	99.9	100	99.4	99.4	99.7
Manage Member Benefits	—	—	—	—	—
Manage Utilization	99.6	98.1	99.3	99.3	99.6
Coordinate Member Care	99.7	99.7	100	100	100
Improve Effectiveness of Care Delivery	100	100	100	100	100
Manage Population Health	—	—	—	—	—
Manage Plan Accreditation	—	—	—	—	—

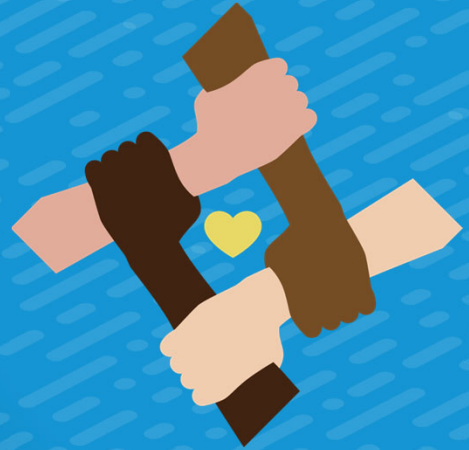
Support and Managerial Processes



----- performance threshold
 ----- performance target
 ● ≥ to 95% of target and > threshold
 ● < 95% of target and ≥ threshold
 ● < threshold
 Legend



Medi-Cal Expansion



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

1

Medi-Cal Expansion

Full-scope Medi-Cal now covers county residents of all ages regardless of immigration status (effective January 1, 2024).

California is 1st state in the nation to offer full-scope Medicaid to **all residents who qualify.**

Those on **restricted Medi-Cal due to immigration status were automatically re-examined** to determine who would now qualify.

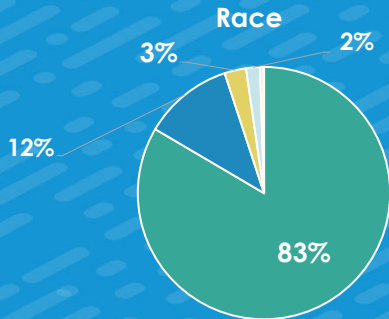
New Adult Expansion enrollments effective January 1, 2024:

Santa Barbara County: 13,437
San Luis Obispo County: 2,337

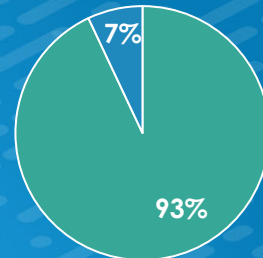


2

Demographics of new AE Population



Language Spoken



■ Hispanic ■ Not Provided ■ White ■ Other
■ A/PI ■ Black ■ AA/Al ■ Hawaiian

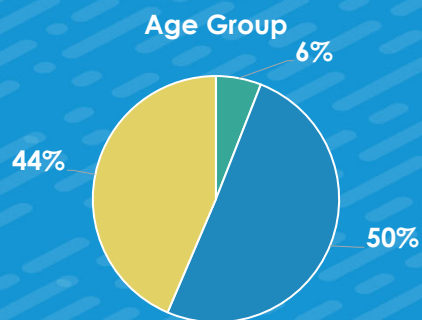
■ Spanish ■ English



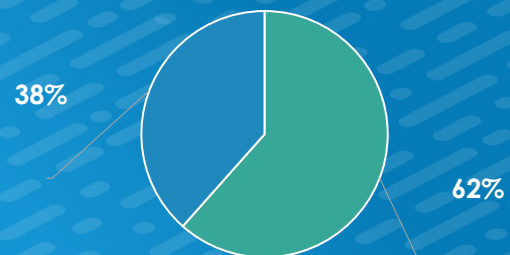
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3

Demographics of new AE Population



Gender



■ 26-29 ■ 30-39 ■ 40-49

■ F ■ M



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Medi-Cal Expansion: Continuity & Choice

CONTINUITY W/PCP

Approx. 2,600 new members were assigned to PCPs they were already seeing.

MAINTAINING CHOICE

New members could select or change their PCP at any time. Those who didn't were auto-assigned.

NEXT STEPS

Partnerships to provide focused outreach to access services.

Any member may change their PCP at any time.



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5



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6

Medi-Cal Adult Expansion Update

Date: March 20, 2024

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

Through: Marina Owen, Chief Executive Officer

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

Executive Summary

On January 1, 2024, all income-eligible California residents ages 26 to 49 became eligible for full-scope Medi-Cal, regardless of immigration status. This was the last age group to be included in Medi-Cal, as earlier expansion efforts focused on children, young adults, and seniors aged 50 and over. CenCal Health's membership grew by 15,774 members, who were quick to reach out to understand their new health insurance coverage or to select their primary care provider.

Background

Medi-Cal Expansion efforts began in 2016 with full-scope coverage extended to income eligible children under 19, and continued in 2020, 2022, and 2024 to extend coverage to the remaining income eligible adult populations. California is the first state to offer full-scope Medicaid to all residents who qualify. Those on restricted Medi-Cal due to immigration status were automatically re-examined to determine eligibility and enrolled in a local Medi-Cal health plan.

Medi-Cal Adult Expansion Update

The Adult Expansion enrollments on January 1, 2024 resulted in 2,337 new members in San Luis Obispo County and 13,437 members in Santa Barbara County, for a total of 15,774 new members added to CenCal Health. Demographics are as follows: 83% self-identified as Hispanic, with 70% of the Santa Barbara County members and 57% of the San Luis Obispo County members residing in northern parts of their respective county. With regards to age, 55% of the newly enrolled are in their 30's and 44% in their 40's. In addition, 62% are female with the remaining 38% identified as males

All new members had immediate access to services and were able to see any network Primary Care Provider (PCP) for the first 30 days. To facilitate continuity of care, approximately 2,600 new members were assigned to PCPs who they were already

seeing. To maintain choice, new members could select or change their PCP at any time. Those who did not select PCPs were auto assigned to one.

The addition of 15,774 new members continues to result in elevated call volume. Beginning the last week of December 2023 through current day, Member Services Call Center are receiving an average daily of 641 inbound calls seeking information on new coverage and available services, which is above 2023 averages.

Next Steps

CenCal Health is collaborating with community partners to provide outreach to newly enrolled members. In addition to printed materials, we are producing short and focused videos with our partners about CenCal Health and how to navigate the local health care system to access their new full-scope benefits.

Recommendation

The material is informational and no action is requested at this time.



California's Legislative Landscape & Health Plan Pressures

Mosaic Solutions & Advocacy
Kathy Mossburg, partner

Public Policy Advocates
Armand Feliciano, Partner & General Counsel



1

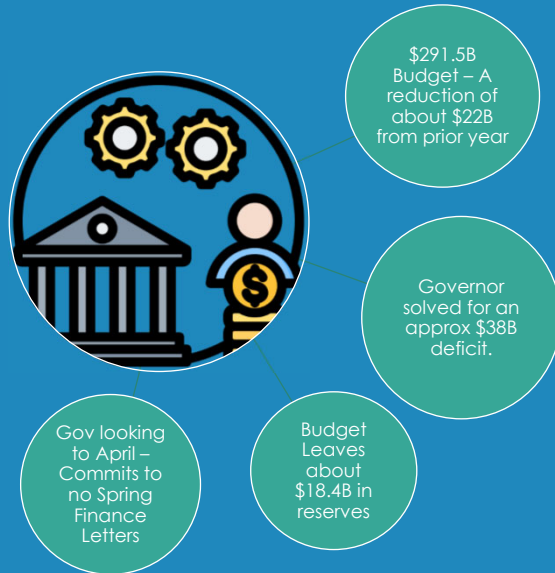
A “Health Governor” and DHCS

- The Governor's High Expectations
- Expansion of Health Care Enrollment
- Expansion of Health Care Benefits: CalAIM
- Mental Health & Homelessness: Proposition 1
- Funding of Medi-Cal With MCO Tax
- The State Budget Deficit – Going The Wrong Way



2

California Fiscal Outlook



Governor's 2024-25 Proposed Budget

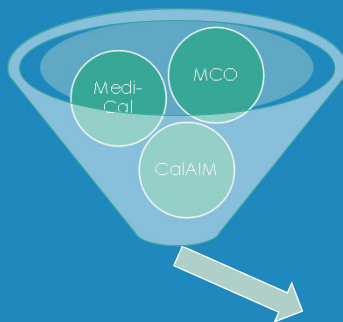
- No significant tax or policy measures to increase revenues
- Governor and LAO had a difference of about \$15B in revenue to start
- Uses delays, fund shifts, reserves, and reductions.

First three = future decision points

MCO Tax, Health Care Minimum Wage Cleanup (SB 525), Current Year Fund Shifts

3

Legislation – MCO & Medi-Cal

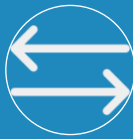


- Tax effective April 1, 2023, through December 31, 2026.
- Revenues from the MCO tax will be used to support the Medi-Cal program including targeted provider rate increases and other.
- Governor asking CMS to increase the tax to \$20.9B in total funding to the state, (increase of \$1.5B)

4

California Political Landscape

Legislature



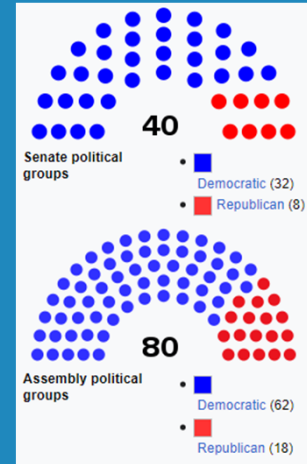
New Speaker – Assembly Member R. Rivas
New Pro Tem – Senator M. McGuire



November 2022 -
Senate – 10 new members (25%)
Assembly – 24 new members (30%)



Changes in leadership continue to drive many changes in chairs, combined with new(ish) membership and potential changes in staff.



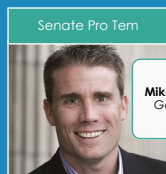
5

Key Legislative Leadership Changes



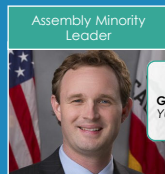
Assembly Speaker

Robert Rivas
Hollister



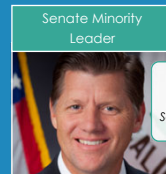
Senate Pro Tem

Mike McGuire
Geyserville



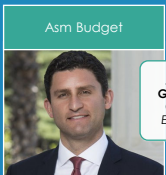
Assembly Minority Leader

James Gallagher
Yuba City



Senate Minority Leader

Brian Jones
San Diego



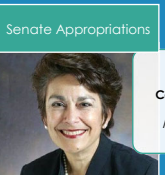
Asm Budget

Jesse Gabriel,
Chair
Encino



Sen Budget & Fiscal Review

Scott Wiener,
Chair
San Francisco



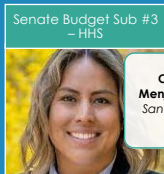
Senate Appropriations

Anna Caballero,
Chair
Merced



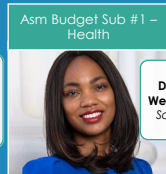
Assembly Appropriations

Buffy Wicks,
Chair
Oakland



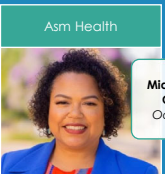
Senate Budget Sub #3 - HHS

Caroline Menjivar,
Chair
San Fernando Valley



Asm Budget Sub #1 - Health

Dr. Akliah Weber,
Chair
San Diego



Asm Health

Mia Bonta,
Chair
Oakland



Senate Health

Richard Roth,
Chair
Stockton

6

Legislation

Total Bills Introduced: 2,124
(S=619, A=1505)

Total 2-Years Bills in Play: 404

Health Related Bills: ~50%

Overall Themes



Retail Theft



AI



Fentanyl

Health Themes



CalAIM



MCO Tax



HC Min Wage



Health Mandates

7

(Some) Health Related Legislation in 2024:

AB 2200 (Kalra)

Guaranteed Health Care For All

AB 2043 (Boerner)

Medi-Cal – Non Medical and Non Emergency Transportation

AB 3215 (Soria)

Medi-Cal – Mental Health Services for Children

AB 2699 (Carrillo)

Provider Directories (also a 2 year bill AB 236 (Holden))

SB 999 (Cortese)

Health Coverage – Mental Health and Substance use disorder

AB 2446 (Ortega)

Medi-Cal – Diapers

8

Questions and Discussion

9



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10



Finance Report

As of February 29, 2024

Kashina Bishop, CPA
Chief Financial Officer/Treasurer
March 20, 2024

1

Financial Position
for the period covering January 1
through February 29, 2024.



Discussion Topic

Finance – Areas of Focus
IGT Reinvestment Fund
Membership
Medical Expense Trends
February 2024 Financial Statements



2

Areas of Focus

1. Transition to new accounting software/full update to chart of accounts.
2. Financial Audit
3. Implementation and assessment of the Targeted Rate Increases to providers.
4. Revising D-SNP financial forecast for Knox Keene licensing.
5. DHCS Submissions (5)



3

IGT Reinvestment Fund

Intergovernmental Transfer – this is a transfer of funds from a public agency to the Medicaid Single State Agency (SSA) that the SSA may use to draw down federal funding.

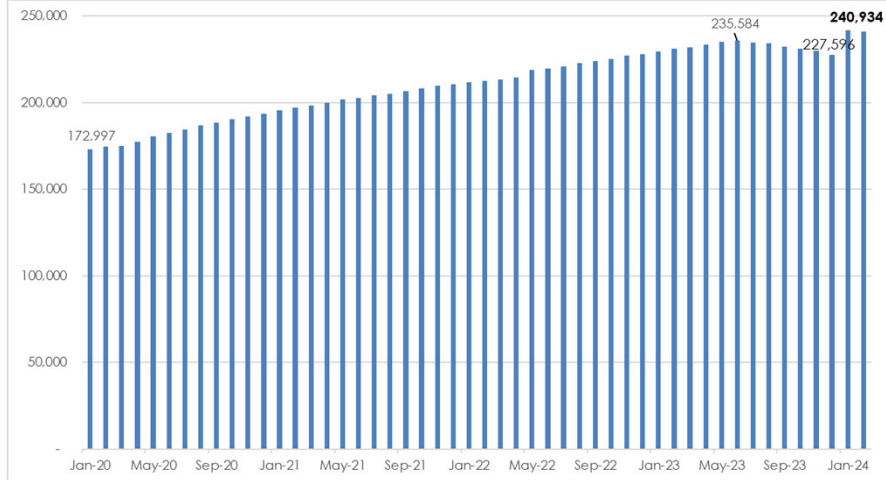
Reinvestment Fund – The UCLA IGT agreement from 2018-2021 allocated 15% of the funding to be reinvested into the service area.

Total available funding = Approximately \$6.0 million



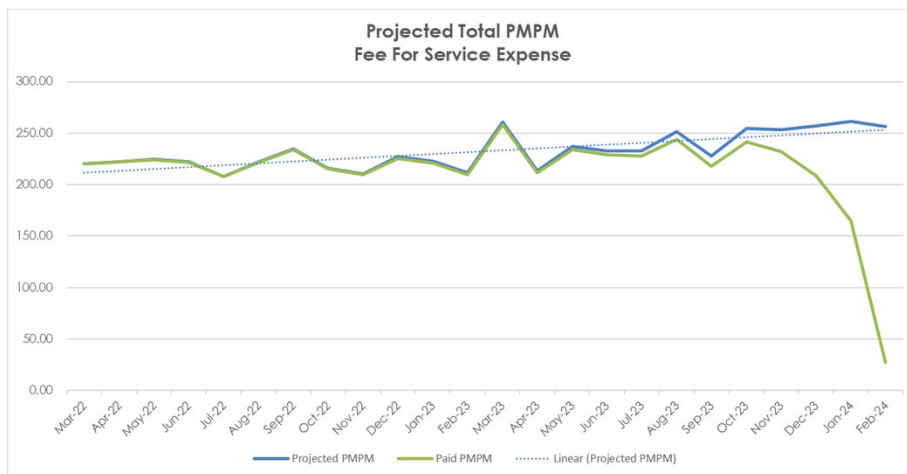
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Membership Trends



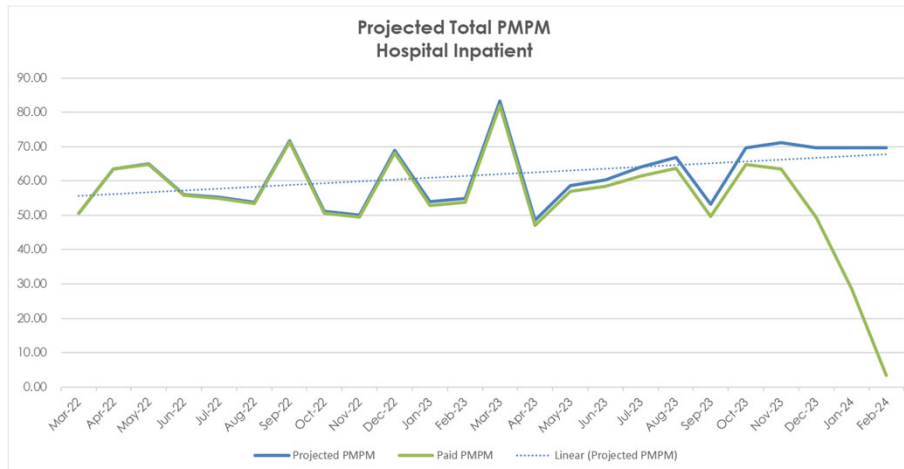
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Medical Expense Trends



6

Medical Expense Trends



7

Financial Statements as of February 29, 2024

Presented in Millions	Jan	Feb	YTD thru Feb	YTD Budget
Net Revenue	\$90.8	\$86.8	\$177.6	\$173.2
Medical Costs	\$80.1	\$78.6	\$158.7	\$159.3
Medical Loss Ratio (MLR)	88%	91%	89%	90%
Administrative/Strategic Costs	\$5.0	\$4.9	\$9.9	\$11.8
Non-Operating Income (Expense)	\$.7	\$.2	\$.9	\$.9
Operating Gain (Loss)	\$6.4	\$3.5	\$9.9	\$3.1
Cash + Investments			\$380.4	
Receivables			\$638.2	
Medical Expense Liability (IBNP)			\$123.7	
Tangible Net Equity			\$298.9	
Pct. of Board TNE Target			99.7%	
Pct. of Required			932%	

8

Questions?

Staff recommends the Board of Directors approve the unaudited financial statements as of February 29, 2024.



Financial Report for the two (2) Month Period Ending February 29, 2024

Date: March 20, 2024

From: Kashina Bishop, Chief Financial Officer/Treasurer

Contributors: Amy Sim, Accounting Director

Executive Summary

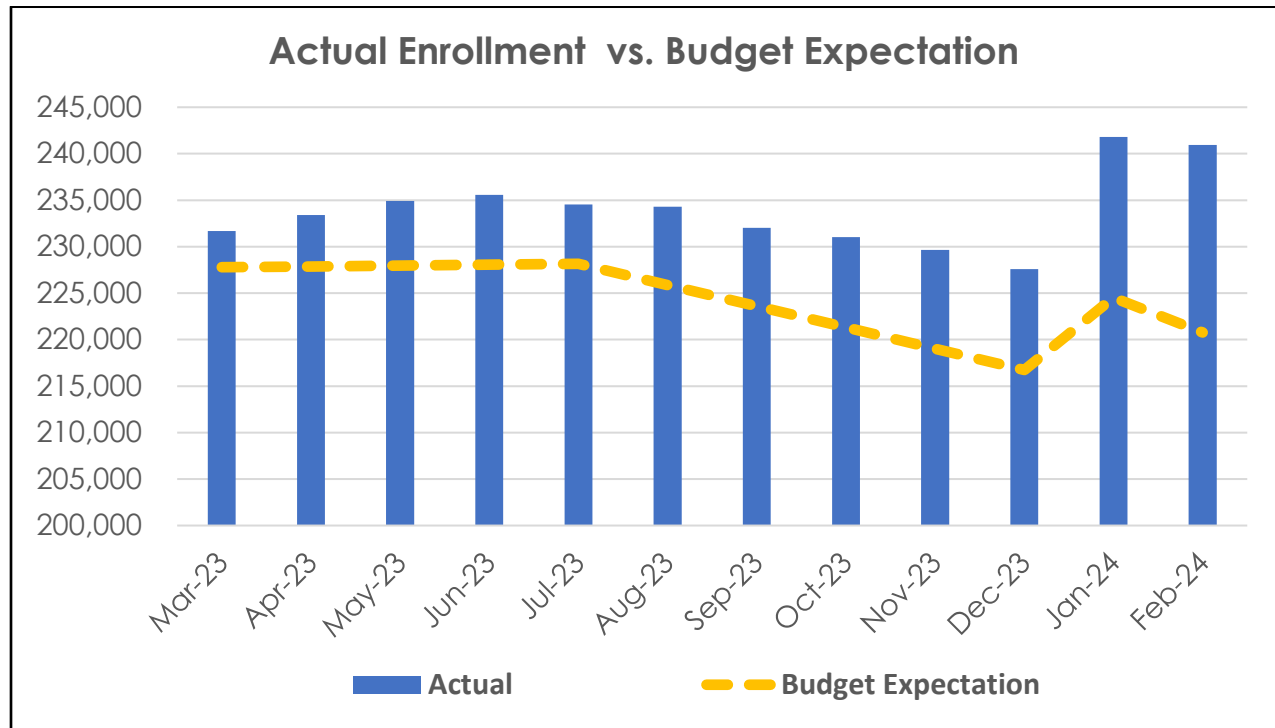
This memo summarizes the health plan's financial performance calendar year-to-date (CYTD) through February 29, 2024, and provides insight on how the health plan is operating against budget forecast expectations. Beginning in January 2024, the budget and income statement have been updated to align to CenCal's submissions to the State. This included combining the reporting of Santa Barbara and San Luis Obispo into a single region. This will allow staff to identify cost variances more effectively and implement strategies to reduce risk or maximize revenue.

The external financial audit for the period of July 1 – December 31, 2023 is well underway and the results will be presented to the Board at the April 2024 meeting. This additional audit will enable the organization to transition from a fiscal year end June 30 to December 31st.

Financial Highlights (CYTD: Jan-Feb)

- **Net Operating Gain** of \$9.9 million, a \$6.8 million favorable budget variance.
- **Net Revenue** is at \$177.6 million; over budget by \$4.3 million and 2.5%.
- **Medical Expenses** are at \$158.7 million; under budget by \$579,000 and .4%.
- **Administrative Expenses** are at \$9.7 million; under budget by \$1.3 million and 12.2%. Strategic Investments are under budget by \$517,000 and 66.7%.
- **Tangible Net Equity (TNE)** is at \$298.9 million; representing 932% of the minimum regulatory requirement and 99.7% of the minimum Board of Directors desired TNE target.
- **Total Cash and Short-Term Investments** are at \$380.4 million. Cash and Short-Term Investments available for operating the health plan is at \$337.3 million, representing 132 Days Cash on Hand.
- **Member Enrollment** is at 240,934 for the month of Feb 2024.

Enrollment Trend YTD



The health plan's enrollment count as of February 2024 is at 240,934 compared to a budget forecast of 220,773. January 1st –February 29th total member months are at 482,729 compared to budget expectations of 445,304; over budget 8.4%. The increase in enrollment is due to the expansion of Medi-Cal eligibility to age 26-49, regardless of immigration status. CenCal received over 16,000 new members as of January 2024.

Capitation Revenue

Revenue Type	YTD Actual Dollars	FYTD Budget	YTD Variance	% Variance
Base Capitation Revenue	\$168,554,825	\$165,168,881	\$3,385,944	2.0%
Supplemental Revenue	\$8,350,779	\$8,069,850	\$280,929	3.5%
Budgeted Revenue Items	\$176,905,604	\$173,238,731	\$3,666,874	2.1%
Prior Year Revenue Adjustments	\$681,719		\$681,719	
TOTAL CAPITATION REVENUE	\$177,587,323	\$173,238,731	\$4,348,593	2.5%

Base Capitation Revenue is over budget with a variance of 2.0% primarily due to changes in the estimate due back to the State for relevant risk corridors. Supplemental

Revenue [Maternity Deliveries, and visits to American Indian Health Clinics] is over budget by 3.5% mainly due to maternity submissions.

Overall, actual budgeted revenue is exceeding budget expectations by 2.5%.

Interest Income

Calendar YTD Interest Income is exceeding budget expectations primarily due to current market interest rates being earned are greater than budget assumption.

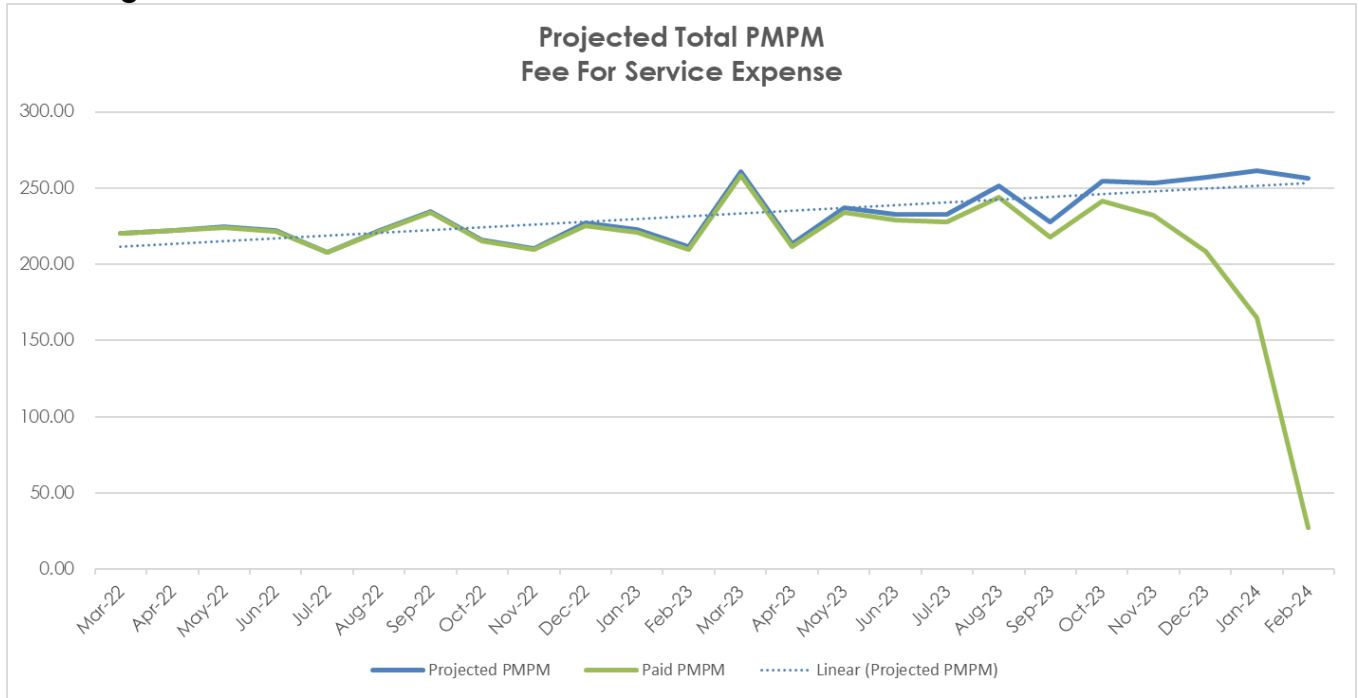
Medical Expenses

Medical Expense Type	YTD Actual Dollars	FYTD Budget	YTD Variance	% Variance
Medical Costs + Incentives	\$162,948,722	\$158,859,893	\$4,088,829	2.6%
Reinsurance – net	\$53,832	\$456,655	(\$402,823)	(88.2%)
Budgeted Medical Items	\$163,002,554	\$159,316,548	\$3,686,006	2.3%
Prior Year Expense Adjustments:	(\$4,264,696)	-	(\$4,264,696)	
TOTAL MEDICAL COSTS	\$158,737,858	\$159,316,548	(\$578,690)	(.4%)

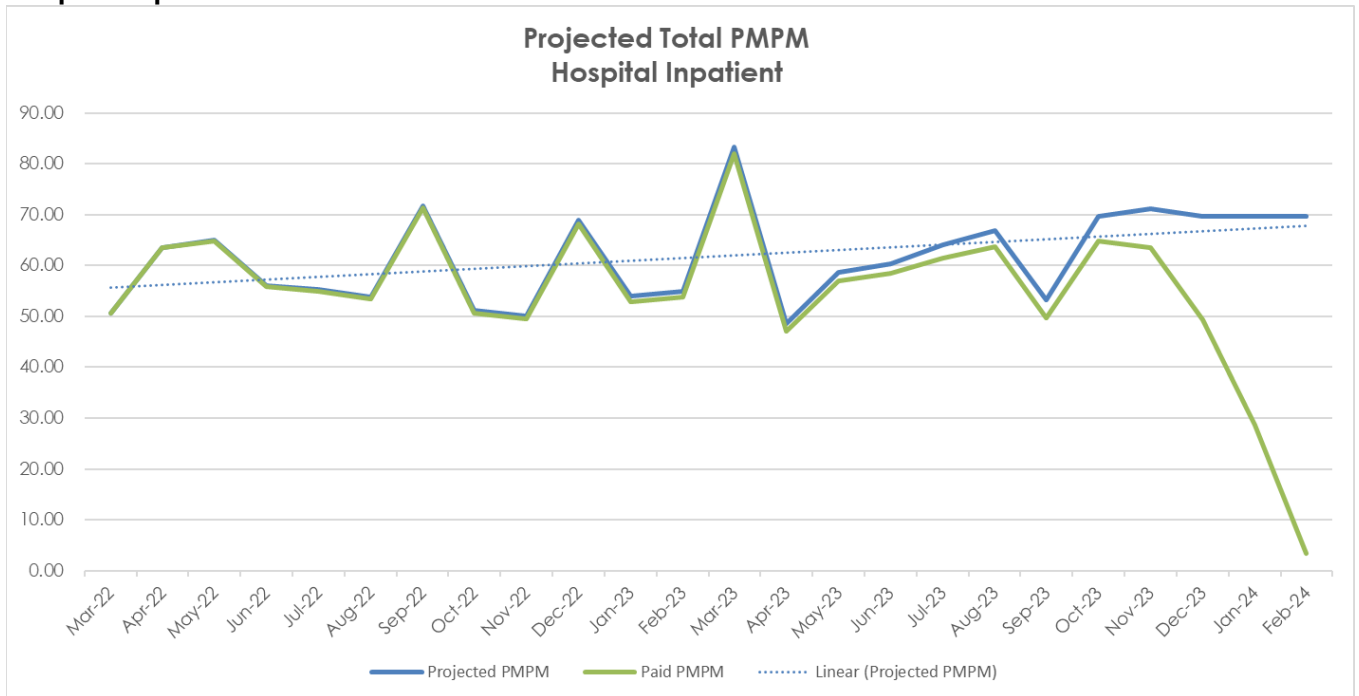
Medical Costs & Incentives are trending in line with the budget with a variance of 2.6%. Fee for service medical expense is calculated through a predictive model which examines the timing of claims receipt and claims payments, referred to as "Incurred But Not Paid" and reported as a liability on the balance sheet. This is considered a significant estimate and actual experience may vary as claims are received.

The high-level trends, on a per member per month (PMPM) basis, based on the current IBNP estimate is as follows:

All Categories of Service



Hospital Inpatient



Administrative Expenses

Administrative Expenses are at \$9.7 million and under budget by \$1.3 million and 12.2% primarily driven by:

- Staffing Vacancies: 26 budgeted positions are currently vacant representing a 6.4% vacancy rate. The Administrative budget incorporated a 9% assumed vacancy rate.
- Salaries and Fringes are under budget due to the timing of planned merit increases which will occur in April.
- Contract Services are under budget due to the timing of services needed.
- Rent and Occupancy is lower than budget expectations mainly due to janitorial costs and other occupancy costs. Utilities also vary from month to month.
- Travel Costs are under budget due to the timing of actual conferences and seminars.
- Office Supplies & Equipment are under budget primarily due to timing of postage and printing costs for additional State requirements of member materials, computer needs for staff and software subscriptions.
- Member, provider, and community expenses are over budget due to sponsorships occurring in the beginning of the year.
- Other Expenses are under budget due to the timing of board fees, subscriptions, and meeting expenses occurring periodically.

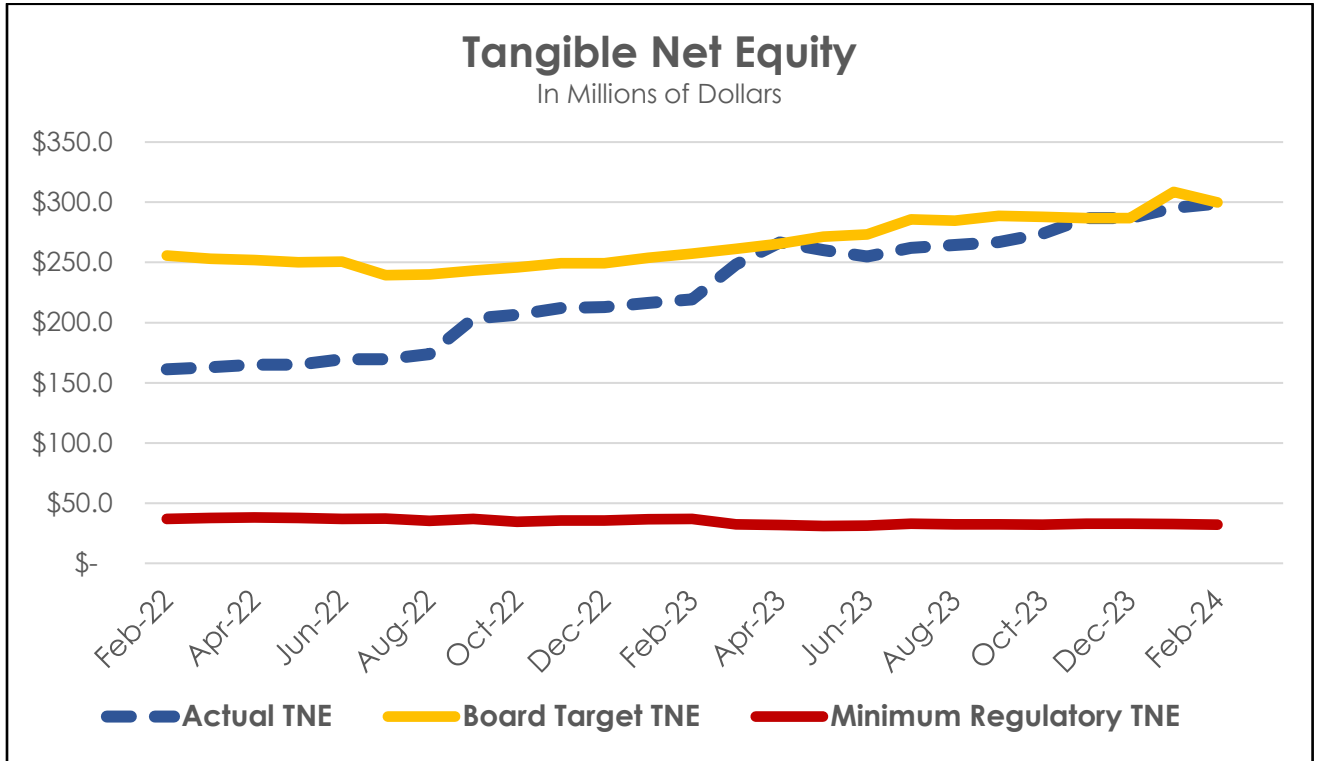
Strategic Investments

Calendar year-to-date Strategic Investments, which include expenditures associated with start-up costs for launching a Medicare Dual Special Needs Program (D-SNP) and investments in technology infrastructure solutions, as of February 29, 2024, YTD actual is at \$257,648 compared to the budget forecast of \$774,317. The budget variance is primary due timing with the project kick off occurring later than had been anticipated during the budget process.

Tangible Net Equity (TNE)

As of February 2024, actual TNE is at \$298.9 million. This level represents 932% of the Regulatory Minimum TNE level (\$32.1 million) and 99.7% of the Board of Director's minimum TNE target currently at \$299.8 million.

The following chart provides a visual representation of the health plan's TNE trend over the past two (2) years.



Treasury Activities for the Month of February 2024

Total Cash Received is at \$159.5 million.
 Total Cash Disbursements is at \$75.7 million.
 Accrued and Earned Interest Income is at \$108,728.

CenCal Health

Finance Statements and Other Information

For the two (2) month period ending February 29, 2024

Primary Financial Statements:	Page
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Current Month Income Statement	4
Supplemental Financial Information:	
YTD Administrative Expenses by Category	5
Tangible Net Equity (TNE)	6
Notes to the Financial Statements	7
January 2024 Income Statement	8

CenCal Health

Balance Sheet As of February 29, 2024

Assets

Cash and cash equivalents	\$	380,392,118
Accounts receivable:		
DHCS capitation and other		635,765,575
Reinsurance and other recoveries		1,950,785
Interest and other		434,012
Total accounts receivable		638,150,372
Prepaid expenses		2,673,614
Capital assets-net		27,545,165
Certificate of deposit - DMHC assigned		300,000
Deposits and other assets		11,605,094
Total Assets	\$	1,060,666,363

Liabilities and Net Assets

Medical claims payable and incentives	\$	123,730,537
Accounts payable, accrued salaries and expense		13,004,440
Accrued DHCS revenue recoups-MLRs		31,579,976
Accrued DHCS directed payments		409,331,277
Accrued MCO Tax		163,929,530
Unfunded pension liability - CalPERS		8,729,343
Other accrued liabilities		11,435,660
Net Assets - Tangible Net Equity		298,925,600
Total Liabilities and Net Assets	\$	1,060,666,363

CenCal Health

Income Statement

For the two (2) month period ending February 29, 2024

	Actual \$	Budget \$	Variance \$	%
Operating Revenues:				
Capitation	\$ 254,822,968	\$ 173,238,731	\$ 81,584,238	47.1%
Directed Payments/Pass-throughs	(36,253,263)	-	(36,253,263)	0.0%
MCO Tax Expense	(40,982,383)	-	(40,982,383)	0.0%
Total Net Income	\$ 177,587,323	\$ 173,238,731	\$ 4,348,593	2.5%
Medical Expenses:				
Provider capitation	\$ 25,599,122	\$ 27,160,532	\$ (1,561,410)	-5.7%
FFS-Inpatient Hospital	33,646,212	32,822,208	824,004	2.5%
FFS-Outpatient Facility	11,505,846	11,379,170	126,676	1.1%
FFS-Emergency Room	2,512,937	2,293,764	219,173	9.6%
FFS-Long Term Care	28,148,636	28,492,480	(343,844)	-1.2%
FFS-Physician Primary Care	3,963,205	3,889,186	74,019	1.9%
FFS-Physician Specialty	18,316,819	19,943,556	(1,626,737)	-8.2%
FFS-FQHC/AIHC	4,364,658	5,411,824	(1,047,166)	-19.3%
FFS-Other Medical Professional	4,230,752	3,300,060	930,692	28.2%
FFS-Mental Health (Outpatient)	4,992,403	6,163,936	(1,171,533)	-19.0%
FFS-BHT Services	3,860,459	3,229,378	631,081	19.5%
FFS-Laboratory & Radiology	2,008,152	2,030,634	(22,482)	-1.1%
FFS-Transportation	1,197,168	456,130	741,038	162.5%
FFS-CBAS	341,270	341,856	(586)	-0.2%
FFS-Hospice	1,129,586	1,200,988	(71,402)	-5.9%
FFS-Community Supports	654,255	270,738	383,517	141.7%
FFS-ECM (Community-Based)	815,812	528,400	287,412	54.4%
FFS-HCBS Other	984,767	1,011,256	(26,489)	-2.6%
FFS All Other Health Care Services	2,486,054	2,357,768	128,286	5.4%
Incentives	2,725,634	2,836,265	(110,631)	-3.9%
Prop 56 Add-Ons	6,934,643	738,008	6,196,635	839.6%
Other Health Care Related Expense	(1,680,529)	3,458,411	(5,138,940)	-148.6%
Total Cost of Healthcare	\$ 158,737,858	\$ 159,316,548	\$ (578,690)	-0.4%
Operating Expenses:				
Administrative expenses	\$ 9,663,465	\$ 11,005,038	\$ (1,341,573)	-12.2%
Strategic investments	257,648	774,317	(516,669)	-66.7%
Total Operating Expense	\$ 9,921,113	\$ 11,779,355	\$ (1,858,242)	-15.8%
Interest income	1,429,807	246,852	1,182,955	479.2%
Realized gain (loss)	-	666,666	(666,666)	0.0%
Non-Operating expense	4,045	-	4,045	0.0%
Unrealized gain (loss)	(502,893)	-	(502,893)	0.0%
Operating Gain (Loss)	\$ 9,859,310	\$ 3,056,346	\$ 6,802,964	222.6%
MLR	89.4%			
ACR	5.4%			

CenCal Health

Income Statement

For the month of February 2024

	<u>Actual \$</u>
Operating Revenues:	
Capitation	\$ 125,694,808
Directed Payments/Pass-throughs	(18,431,116)
MCO Tax Revenue	(20,491,191)
	<u>\$ 86,772,501</u>
Medical Expenses:	
PCP capitation	\$ 12,905,503
FFS-Inpatient Hospital	16,366,878
FFS-Outpatient Facility	5,875,558
FFS-Emergency Room	1,319,485
FFS-Long Term Care	13,615,559
FFS-Physician Primary Care	1,848,411
FFS-Physician Specialty	8,999,759
FFS-FQHC/AIHC	2,444,922
FFS-Other Medical Professional	2,184,672
FFS-Mental Health (Outpatient)	2,486,500
FFS-BHT Services	1,833,152
FFS-Laboratory & Radiology	973,607
FFS-Transportation	595,651
FFS-CBAS	186,842
FFS-Hospice	569,786
FFS-Community Supports	363,066
FFS-ECM (Community-Based)	415,266
FFS-HCBS Other	504,564
FFS All Other Health Care Services	1,290,154
Incentives	1,493,164
Prop 56 Add-Ons	4,687,914
Other Health Care Related Expense	(2,353,647)
	<u>\$ 78,606,768</u>
Operating Expenses:	
Administrative expenses	\$ 4,666,516
Strategic investments	214,362
	<u>\$ 4,880,877</u>
Interest income	210,886
Non-Operating Income (expense)	135
Operating Gain (Loss)	\$ 3,495,877

CenCal Health

Administrative Expenses by Category

For the two (2) month period ending February 29, 2024

	Actual \$	Budget \$	Variance \$	%
Salaries & wages	\$ 6,285,881	\$ 6,394,770	\$ (108,889)	-1.7%
Fringe benefits	2,715,876	2,996,532	(280,656)	-9.4%
Contract services	944,267	1,979,427	(1,035,160)	-52.3%
Travel expenses	13,891	82,913	(69,022)	-83.2%
Rent & occupancy	112,957	194,040	(81,083)	-41.8%
Supplies & equipment	1,189,950	1,336,988	(147,038)	-11.0%
Insurance	305,907	341,840	(35,933)	-10.5%
Depreciation expense	292,373	322,000	(29,627)	-9.2%
Member/Provider/Community Expenses	231,635	222,780	8,855	4.0%
Licenses/Dues/Subscriptions	56,096	90,580	(34,484)	-38.1%
All Other expenses	40,725	44,924	(4,199)	-9.3%
Admin to Medical Reclass	(2,526,094)	(3,001,756)	475,662	0.0%
Total Administrative Expenses	\$ 9,663,465	\$ 11,005,038	\$ (1,341,573)	-12.2%

CenCal Health

Tangible Net Equity (TNE)

As of February 29, 2024

Actual TNE (from the Balance Sheet)	\$ 298,925,600
Tangible Net Equity - DMHC minimum regulatory	32,062,831
TNE - excess (deficiency)	\$ 266,862,769
Pct. Actual TNE of the Regulatory Minimum	932%

Tangible Net Equity calculation is based upon:
Title 10, CCR, Section 1300.76

CenCal Health

Notes to the Financials Statements

As of February 29, 2024

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

REVENUE RECOGNITION Under contracts with the State of California, Medi-Cal is based on the estimated number of eligible enrollees per month, times the contracted monthly capitation rate. Revenue is recorded in the month in which eligible enrollees are entitled to health care services. Revenue projections for Medi-Cal are based on draft capitation rates issued by the DHCS effective as of January 1, 2024, as well as prior year any retroactive rate adjustments issued by the DHCS.

GASB 68 requires the health plan to record the magnitude of the unfunded pension liability. Accrued CalPERS Pension Liability is reserved on the balance sheet in the amount of \$8,729,342 based on current estimates.

CenCal Health

Income Statement

For the one (1) month period ending January 31, 2024

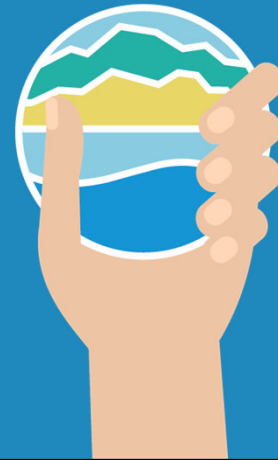
	Actual \$	Budget \$	Variance \$	%
Operating Revenues:				
Capitation	\$ 129,128,160	\$ 86,619,365	\$ 42,508,795	49.1%
Directed Payments/Pass-throughs	(17,822,147)	-	(17,822,147)	0.0%
MCO Tax Expense	(20,491,191)	-	(20,491,191)	0.0%
Total Net Income	\$ 90,814,822	\$ 86,619,365	\$ 4,195,457	4.8%
Medical Expenses:				
Provider capitation	\$ 12,693,619	\$ 13,580,266	\$ (886,647)	-6.5%
FFS-Inpatient Hospital	17,279,334	16,411,104	868,230	5.3%
FFS-Outpatient Facility	5,630,288	5,689,585	(59,297)	-1.0%
FFS-Emergency Room	1,193,452	1,146,882	46,570	4.1%
FFS-Long Term Care	14,533,077	14,246,240	286,837	2.0%
FFS-Physician Primary Care	2,114,794	1,944,593	170,201	8.8%
FFS-Physician Specialty	9,317,061	9,971,778	(654,717)	-6.6%
FFS-FQHC/AIHC	1,919,735	2,705,912	(786,177)	-29.1%
FFS-Other Medical Professional	2,046,079	1,650,030	396,049	24.0%
FFS-Mental Health (Outpatient)	2,505,902	3,081,968	(576,066)	-18.7%
FFS-BHT Services	2,027,307	1,614,689	412,618	25.6%
FFS-Laboratory & Radiology	1,034,545	1,015,317	19,228	1.9%
FFS-Transportation	601,517	228,065	373,452	163.7%
FFS-CBAS	154,428	170,928	(16,500)	-9.7%
FFS-Hospice	559,800	600,494	(40,694)	-6.8%
FFS-Community Supports	291,188	135,369	155,819	115.1%
FFS-ECM (Community-Based)	400,546	264,200	136,346	51.6%
FFS-HCBS Other	480,203	505,628	(25,425)	-5.0%
FFS All Other Health Care Services	1,195,900	1,178,884	17,016	1.4%
Incentives	1,232,471	1,418,133	(185,662)	-13.1%
Prop 56 Add-Ons	2,246,729	369,004	1,877,725	508.9%
Other Health Care Related Expense	673,118	1,744,218	(1,071,100)	-61.4%
Total Cost of Healthcare	\$ 80,131,090	\$ 79,673,287	\$ 457,804	0.6%
Operating Expenses:				
Administrative expenses	\$ 4,996,949	\$ 5,489,855	\$ (492,906)	-9.0%
Strategic investments	43,286	387,158	(343,872)	-88.8%
Total Operating Expense	\$ 5,040,236	\$ 5,877,013	\$ (836,778)	-14.2%
Interest income	716,027	123,426	592,601	480.1%
Realized gain (loss)	-	333,333	(333,333)	0.0%
Non-Operating expense	3,910	-	3,910	0.0%
Operating Gain (Loss)	\$ 6,363,433	\$ 1,525,824	\$ 4,837,609	317.0%

MLR
ACR

88.2%
5.5%



Medi-Cal Capacity, Access, & Workforce Development Program



Marina Owen, Chief Executive Officer
Jordan Turetsky, Chief Operating Officer
Suzanne Jacobson, Provider Reimbursement Consultant

March 20, 2024

1

Presentation Objectives

1

Overview the service area healthcare focus areas and priority need of Access to Care, as identified by local community assessment reports and workgroups.

2

Provide background on the Intergovernmental Transfer (IGT) process.

3

Highlight potential options for community investment in Access to Care, utilizing CenCal Health IGT retention dollars.

2

Community Assessments and Focus Areas

The Community Assessment Reports in Santa Barbara and San Luis Obispo (SLO) counties listed *Access to Care* as the primary key priority area.

The SLO Workforce Partnership has highlighted three strategic priorities:

- Recruitment and Retention of Staff
- Healthcare Career Pathway Development
- Fund Development and Advocacy

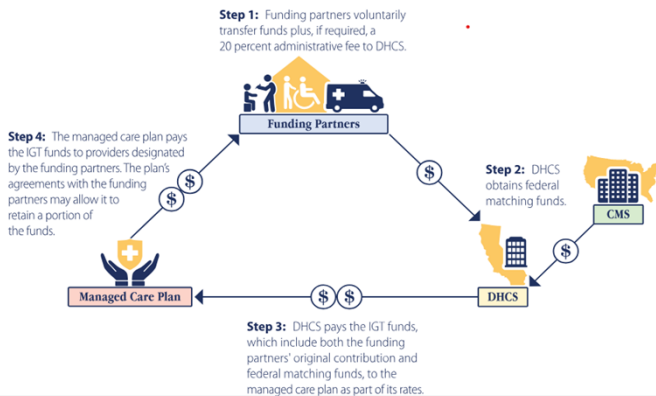
This aligns with the following CenCal Health Community-based Strategic Priorities:

Objective	Priority
Facilitate community collaboration to strengthen the health system	Cultivate Community Partnerships
Reduce health disparities in our populations	Advance Quality and Health Equity for All

3

Intergovernmental Transfer (IGT) Process

The IGT Process Provides Increased Funding to Pay for Medi-Cal Costs



The IGT process involves a partnership between CenCal Health and other governmental entities who provide their own local public funds as the necessary match for the increased federal funding for the provision of covered services.

CenCal Health retains a small portion of these IGT funds for program administration and local reinvestment into the Medi-Cal program

(Retention funds can be spent within the service area at CenCal Health's discretion).



4

Next Steps

- Continue to gather local information and input to inform a framework for IGT investments in access to care.
- Engage a sub-committee of the CenCal Health Board to advise staff in framework development.



5

Potential Approaches for Discussion

The following options may be considered:

1

Individual grants to providers, or to community-based organizations;

2

Support for educational institutions to build healthcare workforce pathways; or

3

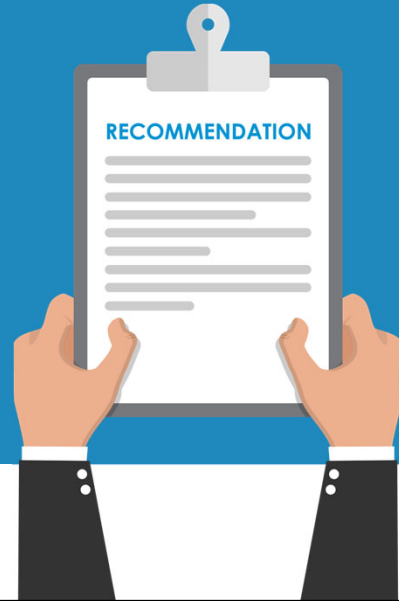
Investment in other activities to support, bolster and improve access to care.



6

Recommendation

Staff recommend the Board direct staff to develop a Medi-Cal Capacity, Access and Workforce Development Program and bring that program framework for the Board's consideration and adoption in July 2024.



7



8



Medi-Cal Capacity, Access, and Workforce Development Program

Date: March 20, 2024

From: Jordan Turetsky, MPH, Chief Operating Officer
Suzanne Jacobson, CPA, Provider Reimbursement Consultant

Through: Marina Owen, Chief Executive Officer

Executive Summary

CenCal Health recognizes the evolving healthcare landscape across the Central Coast and identified a strategic objective to collaborate with community partners to strengthen the health system. Through partnerships with provider stakeholders to bolster access to care, CenCal Health has an opportunity to invest in strategic and community-oriented investments. Recent Community Assessment Reports identified the need to expand access to care through investment in the healthcare workforce and by supporting healthcare career pathways aimed at targeting an education through career trajectory. CenCal has the opportunity to support these and other locally identified initiatives by reinvesting Medi-Cal funds back into our service area through development a robust and structured Medi-Cal Capacity, Access, and Workforce Development program.

Community Assessment Reports

Santa Barbara and San Luis Obispo (SLO) counties have recently released the results of their updated Community Health Assessment Reports. These reports are commonly prepared by Counties and Hospitals with the most recent reports demonstrating a high degree of collaboration and integration with the work of other large and community-based agencies. In addition, the use of new technologies for focused stakeholder interviews and questionnaires have expanded the data elements collected and provided additional information on the needs of certain populations and vulnerable individuals. These reports have identified the following top Priority Areas:

San Luis Obispo	Santa Barbara
Access to Care	Access to Care
Social Determinants of Health	Social Needs
Maternal, Child & Adolescent Health	Maternal Health
Chronic Disease & Health Behaviors	Chronic Conditions
Social and Emotional Wellness	Behavioral Health/Resiliency
Injuries	
Environment	
Infectious Disease	

In San Luis Obispo, the SLO Health Counts Steering Committee (Steering Committee), guided by the SLO Health Counts Council (Council) of which CenCal Health's CEO is a member, is a community-wide initiative that works to equitably improve health for those who live, work, and play in San Luis Obispo County. CenCal Health leaders also participate on both the Steering Committee and Workgroups, contributing to the collaborative's work to utilize information from the Community Health Assessment to create a Community Health Improvement Plan. One core theme of the Community Health Improvement Plan is addressing workforce shortages in the healthcare sector.

To focus on this crucial topic, San Luis Obispo County has convened the SLO Healthcare Workforce Partnership. This workgroup is comprised of government and local education agency officials, Healthcare providers, and other community agencies. CenCal Health's COO participates on the SLO Healthcare Workforce Partnership, which is in the process of developing a Strategic Plan utilizing three key priorities for improvements to the local healthcare workforce. This aligns with key priority areas from the Community Health Assessment reports from both San Luis Obispo and Santa Barbara counties:

1. Recruitment and Retention of Staff
2. Healthcare Career Pathway Development
3. Fund Development and Advocacy

CenCal Health's objectives are aligned with two Strategic Priorities focused on this community-based work:

Priority	Objective
Cultivate Community Partnerships	Facilitate community collaboration to strengthen the health system
Advance Quality and Health Equity for All	Reduce health disparities in our populations

CenCal Health has an opportunity to utilize Community Reinvestment funding, through the intergovernmental transfer process, to support Medi-Cal Capacity, Access, and Workforce Development.

Community Reinvestment Funding

As a Medi-Cal Managed Care Plan, CenCal Health receives its funding from the Department of Health Care Services (DHCS) based on per-member capitation rates. A process known as an intergovernmental transfer (IGT) allows DHCS to increase the rates paid to managed care plans like CenCal Health, using federal matching funds. The IGT process involves a partnership between CenCal Health and other governmental entities who act as funding partners and provide their own local public funds as the necessary match for the increased federal funding for the provision of covered services.

CenCal Health has retained a percentage annually from the participating governmental entities based on the amounts received through the IGT process for its health care initiatives, which totals approximately \$6M. CenCal Health has up to approximately \$6M in IGT retention funds to allocate based on local Medi-Cal priorities. While the funding partners operate in both Santa Barbara and San Luis Obispo counties, DHCS has confirmed that CenCal has discretion to allocate the retained funds between the counties for programs that best serve its members as a service area. Accordingly, CenCal Health may utilize its retained IGT funds for local reinvestment to support the Medi-Cal Program based on those focus areas identified by San Luis Obispo and Santa Barbara Counties.

Community Reinvestment Requirement

Commencing with the 2024 State Medi-Cal Managed Care contracts, health plans with positive net income will be required to allocate 5 to 7.5 percent of these profits (depending on the level) to local community infrastructure and activities to support Medi-Cal members. Medi-Cal plans will be required to annually submit a Community Reinvestment Plan and Report that details how the community will benefit from the activities and the outcomes of such investments.

At this time, community reinvestment requirements are being identified by DHCS. However, it is clear and important to note that the new community reinvestment requirement must be informed by the Community Health Assessment Reports and community collaboratives in the health plan's service area, and investments must be made proportionally to each county served to its membership. Even without the 2024 contract requirement of community reinvestment, the use of IGT retention funding to support local access to care priorities is well aligned with CenCal Health priorities.

Potential Approaches

CenCal Health recommends pursuing strategic investments in healthcare throughout our Service Area using IGT funds as an impactful way to address some of the critical areas of need already discussed. These strategic and community-oriented investments can take several forms as either individual grants to providers, or to community-based organizations and educational institutions to build healthcare workforce pathways or other activities to support, bolster and improve access to care for CenCal members.

The following chart summarizes options which may be considered to support the issuance of funds:

Grant Types/Formats			Grant Administration	
Direct to Providers		Community Investment	Internally through CenCal Health	Foundation Model Using Community Foundations to manage
Specific Provider Types	Specific Populations of Focus	Local Pipelines and Training Programs	Using existing and/or new staff to manage	
Can focus on CenCal Health network providers and their recruitment needs for specific provider types/specialties (pediatrics/behavioral health, etc.)	Can focus on specific types of members (children/pregnant women) or certain populations (homeless/justice involved/other)	Partner with schools and other agencies to create/expand pathways for healthcare career development	Could have more personalized approach and more control to set goals and outcome measures. May take more time and staff to set up internally, unless existing models or programs can be used.	Should be ready to start and have some standardized programs to stand up a grant fairly quickly.
Can address CenCal Health provider network adequacy needs.	Can address CenCal Health Equity and HPI initiatives.	Can address needs in an "upstream" manner to make long term community investments in future workforce.	Can be set up internally and transferred to the <i>Doorway to Health</i> , when reinstated	Alternative for managing prior to <i>Doorway to Health</i> reinstatement.
Can work with priorities in the service area's Community Assessment Plans	Can work with priorities in the service area's Community Assessment Plans	Can work with priorities in the service area's Community Assessment Plans	Grant Program will clearly be associated and branded with CenCal Health.	Allows for some "distance" between CenCal Health and grantees.

Next Steps

CenCal Health staff propose to continue to use the information gathered from community sources, reports, and collaboratives to with partners to develop a framework for IGT investments in access to care. Additional input could be acquired through the formation of an ad hoc CenCal Board subcommittee, if and as desired, that could advise staff as this proposal goes from a concept to detailed design.

Recommendation

Staff recommend that the Board direct staff at CenCal Health to develop a Medi-Cal Capacity, Access and Workforce Development Program and a framework for utilizing IGT funds to invest in strengthening the health system, including a focus on promoting healthcare workforce, and to bring that program framework for the Board's consideration and adoption in July 2024.



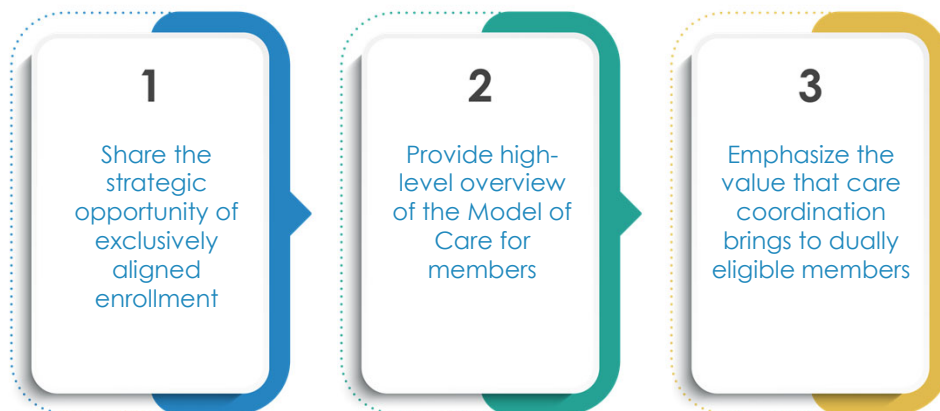
Dual Special Needs Plan Model of Care & Care Coordination

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

March 20, 2024

1

Presentation Objectives



2

D-SNP Model of Care

- The MOC is a comprehensive document which describes the **framework** for how care for dually eligible members will be managed.
- The MOC is a **required component** of CenCal Health's application to CMS.



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

Table 2: Special Needs Plan (SNP) Contract Information

SNP Contract Information		Applicant's Information Field
Contract Name (as provided in HPAS)		C-SNP Contract Name (SNP)
Contract Number		SNP Contract Number (SNP) AND all 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 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
<p>Element A: Description of the Overall SNP Population</p> <p>The description of the SNP population must include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • Clear documentation of how the health plan staff determines or will determine, verify, and track eligibility of SNP enrollees • Detailed profile of the medical, social, cognitive, and environmental aspects, the living conditions, and the socio-economic associated with the SNP population in the plan's geographic service area • Identification and development 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/biases, caregiver considerations, etc.)) • Definition of unique characteristics for the SNP population served: <ul style="list-style-type: none"> • 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. 	Enter corresponding page number and section here

5

Model of Care Components



6

Spotlight: Care Coordination

- An Interdisciplinary Care Team (ICT) is convened for each D-SNP member and includes a Medication Summary Tool to develop an Individualized Care Plan (ICP).
- ICPs outline specific health goals and actionable strategies to tailor care coordination toward closing gaps in care.
- This comprehensive care coordination will require added staff to support.



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Key Benefits of D-SNP Care Coordination

- Intense personalized, local care coordination not currently available with Medi-Cal/Medicare coverage
- Seamless provision of benefits with one membership card
- Medication Summary Tool
- Defragmentation of services with simultaneous Medicare and Medi-Cal authorization decisions
- Supplemental Benefits



8

Next Steps

1. Development of the D-SNP care coordination model and MOC by the end of Q3 2024.
2. Submission of the MOC in February 2025 with the CMS Medicare application.
3. Updates will be provided to the Board through ongoing reporting and continued presentations.



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Medicare Dual Special Needs Plan (DSNP) Report: Model of Care & Care Coordination

Date: March 20, 2024

From: Jordan Turetsky MPH, Chief Operating Officer
Emily Fonda MD, MMM, CHCQM, Chief Medical Officer

Contributor: Health Management Associates

Through: Marina Owen, Chief Executive Officer

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 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.

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), our implementation consultant, CenCal Health has launched D-SNP implementation. 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 March 2024 informational items for the Board's consideration include Care Coordination 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 Document¹, 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

Section	Elements
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) C. Face-to-Face Encounter D. Individualized Care Plan (ICP) E. Interdisciplinary Care Team (ICT)

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

	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, the program must 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 will 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.



Exhibits

- 1. Aggregate Monthly Enrollment by Program**
- 2. Aggregate Call Volume**
- 3. Member Grievances and Appeals**
- 4. Provider Services Statistics**
- 5. Claims Statistics**

CENCAL HEALTH - CALENDAR 2024
CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM

MEMBER ENROLLMENT BY MONTH: FEBRUARY 2024 – SBHI & SLOHI

Reporting period: February 2024 – Calendar 2024

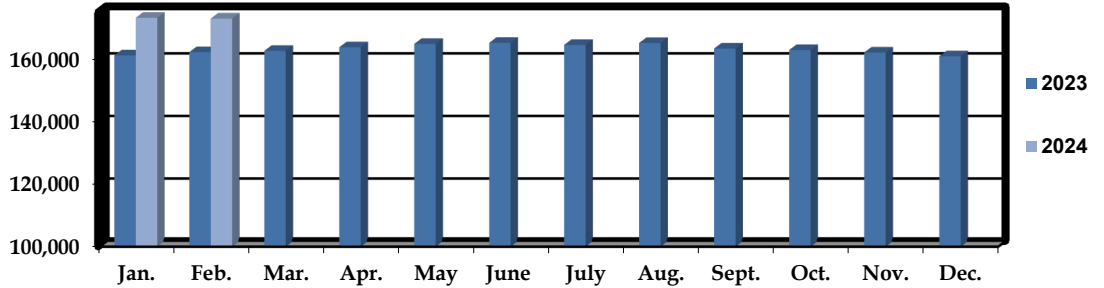
SBHI Monthly Enrollment 2024

February 2024 = **172,890**

Membership decreased by a net **254** members when compared to last month.

New members for February = **1,856**

SBHI Member Enrollment by Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023 Members	161,132	162,167	162,579	163,706	164,805	165,143	164,464	165,097	163,312	162,822	162,045	160,823
2024 Members	173,144	172,890										

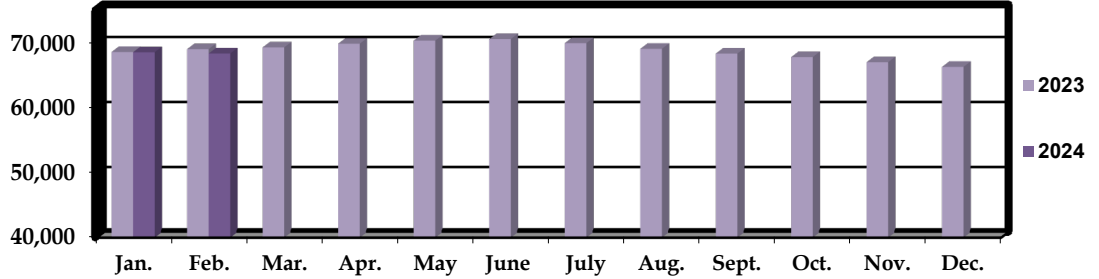
SLOHI Monthly Enrollment 2024

February 2024 = **68,316**

Membership decreased by a net **192** members when compared to last month.

New members for February = **1,097**

SLOHI Member Enrollment by Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023 Members	68,547	68,987	69,253	69,826	70,304	70,542	69,915	69,035	68,307	67,769	66,977	66,255
2024 Members	68,508	68,316										

CENCAL HEALTH

CALENDAR 2023 - 2024

MEMBER SERVICE TELEPHONE STATISTICS

AGGREGATE CALL VOLUME FOR HEALTH PLAN (CHART #1) AGGREGATE AVERAGE SPEED TO ANSWER (CHART#2)

Reporting period:

February 2024 - Calendar 2024 Chart #1

Monthly Call Volume

- In Control
- Not In Control

February's call volume PTMPY is well above 2023's Mean of 456.36, and within the control limits.

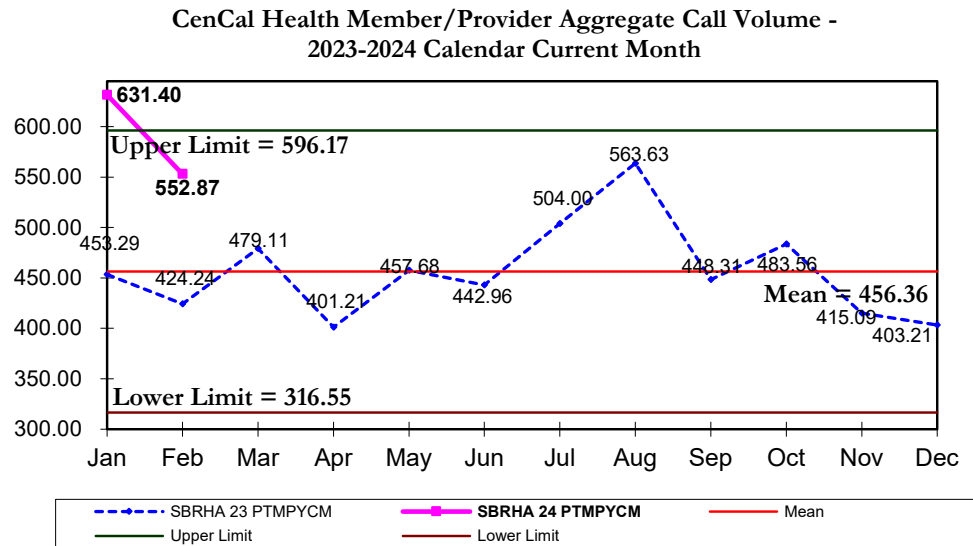
February 2024:

Member Queue = **9,358**
 Provider Queue = **1,508**
 Non ACD = **247**
 Aggregate Call Volume = **11,113**

Calls per 1,000/month (PTMPM) = **46.07**
 Calls per 1,000/year (PTMPY) = **552.87**

Analysis:

The call volume has returned within control limits; however, it remains significantly above 2023 daily averages at 556 calls/day up from 429/daily in 2023.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23 Members	229,679	231,154	231,832	233,532	235,109	235,685	234,379	234,132	231,619	230,591	229,022	227,078
Call Volume	8,676	8,172	9,256	7,808	8,967	8,700	9,844	10,997	8,653	9,292	7,922	7,630
PTMPYCM	453.29	424.24	479.11	401.21	457.68	442.96	504.00	563.63	448.31	483.56	415.09	403.21
24 Members	241,652	241,206										
Call Volume	12,715	11,113										
PTMPYCM	631.40	552.87										

February 2024 - Chart #2

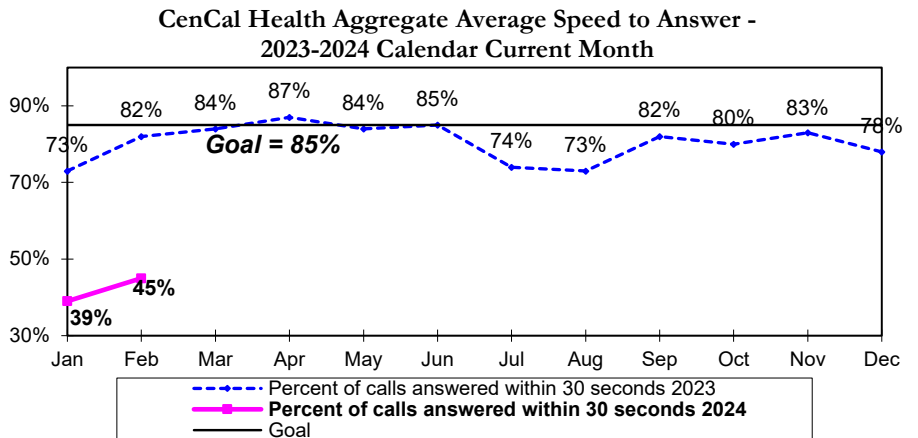
Monthly Average Speed to Answer

- Exceeding Goal
- Meets Goal
- Not Meeting Goal

Average Speed to Answer Goal = 85% of Calls Answered Within 30 Seconds

February's score = **45%** (significantly lower than goal)
 MS queue calls handled: **9,065**
 MS queue calls answered within 30 seconds: **4,439**
 *ASA excludes < 30 seconds short-abandoned (264); dequeued-voicemails (780)

The call center averaged **556 daily calls** in February 2024, significantly above the 2023 daily average of 429. This metric is unattainable at current staffing levels set for 2022 average call volume.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Answered in 30 seconds or less 2023	73%	82%	84%	87%	84%	85%	74%	73%	82%	80%	83%	78%
Answered in 30 seconds or less 2024	39%	45%										

February Analysis: The call center continues to grapple with overwhelming call volume following the Adult Expansion in January of 15,700+ new members. This significantly increased the volume of automated welcome calls which allows members to connect directly to the call center in bulk created a backlog of calls in the queue all month, creating multiple days with over 700 calls and resulting with 299 calls in queue for over 10 minutes. The call center, staff to handle approximately 420 daily calls at full-staffing, was stretched beyond capacity necessitating additional support during lunch breaks and PTO from non-queue staff. Despite the significant impact, the staff worked tirelessly to manage the increased volume to support our members.

CALENDAR 2023 - 2024

MEMBER SERVICE TELEPHONE STATISTICS

AGGREGATE MONTHLY ABANDON RATE (CHART #3)

AGGREGATE MONTHLY CALL CODING PERCENTAGE (CHART#4)

February 2024 - Chart #3

Monthly Aggregate Abandon Rate

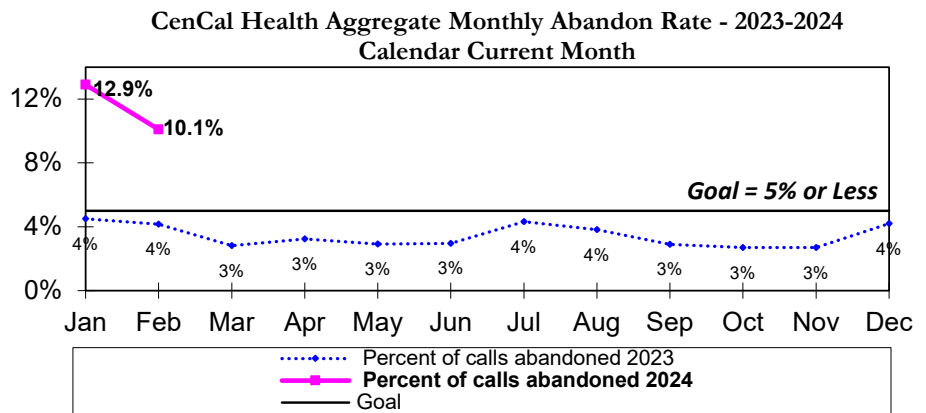
- Exceeding Goal
- Meets Goal
- Not Meeting Goal

CenCal Health Goal = 5% or less

MS Aggregate "queue" calls: **10,866**
 Abandoned Calls: **1,021**
 *Excludes calls dequeued/sent to voicemail (780)

Percent of calls abandoned in February 2024 = **10.1%**

Analysis: Due to the AE new member onboarding over January-February, some days over 200 calls an hour, the call center was not able to reach the abandonment rate goal.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
% of Abandoned Calls 2023	4.5%	4.2%	2.8%	3.2%	2.9%	3.0%	4.3%	3.8%	2.9%	2.7%	2.7%	4.2%
% of Abandoned Calls 2024	12.9%	10.1%										

February 2024 - Chart #4

Monthly Aggregate Calls Coded

- Exceeding Goal
- Meets Goal
- Not Meeting Goal

Goal for Percentage of Coded Calls = 95%

Queue Calls Handled: **9,065**
 Queue Calls Coded: **8,556**

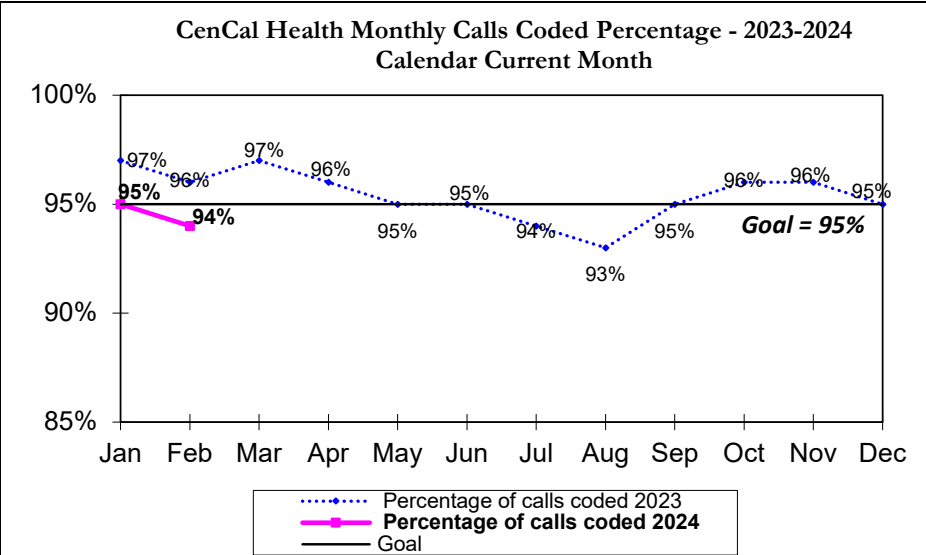
Percentage of calls coded in February 2024 = **94%**

Total Issues Coded: **11,691**
 *Calls may have more than one category.

Top 5 Call Categories:

Category	Calls	% of Total
Eligibility	3,912	33%
PCP Selection	2,065	18%
Benefits	960	8%
Member Request	886	8%
Miscellaneous	868	7%

*Miscellaneous = calls dropped/disconnect or N/A to a preset category.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Percentage of Calls Coded 2023	97%	96%	97%	96%	95%	95%	94%	93%	95%	96%	96%	95%
Percentage of Calls Coded 2024	95%	94%										

February Analysis: The call tracking system experienced intermittent technical issues, causing agents to be unable to access the system for extended periods on multiple days. This challenge significantly impacted the ability to meet the goal of tracking 95% of calls. Missed goal by 1% for issues out of the control of Member Services.

Member Calls Coded:

- Eligibility Calls – 56% Eligibility verification, 34% Referred to DSS/SSA, 6% Coordination of Benefits (OHC) Verification.
 - **134 (3%) Calls from members with questions about the DHCS Re-Determination process.**
- Benefits – 41% Dental, 10% Vision, & 10% Specialists (Mostly commonly asking for list of/contact information for OBGYNs).
- Member Requests – 51% Demographic update, 27% **HRA Survey/Mailing Response (239 HRA-related calls)**.
- Transferred Calls – 41% to the Medical Management Department, 17% Ventura Transit (Transportation) & 16% to the Behavioral Health Department.
- Member Portal – **There were 69 calls for assistance with the Member Portal**, mostly creating a new account or resetting a password.

Provider Calls Coded:

- Provider call volume (1,740) = 11% of all calls tracked. 67% were for eligibility verification, 13% were for PCP selections, & 11% were transferred out of Member Services (Mostly to Claims & Medical Management).

CENCAL HEALTH CALENDAR 2024

MEMBER GRIEVANCE SYSTEM GRIEVANCE & APPEAL RECEIPTS

MEMBER GRIEVANCES & APPEALS

Reporting period:

February 2024 - Calendar 2024

- In Control
- Not in Control

February's PTMPY for grievance and appeals was **2.39**, slightly below 2023's Mean of 2.64 and in control.

February Grievance/Appeals = 48
(Including 2 Expedited)

QUALITY OF CARE	16
APPEALS	16
ACCESS	6
BENEFITS	5
ADMINISTRATIVE	3
INTERPERSONAL	2

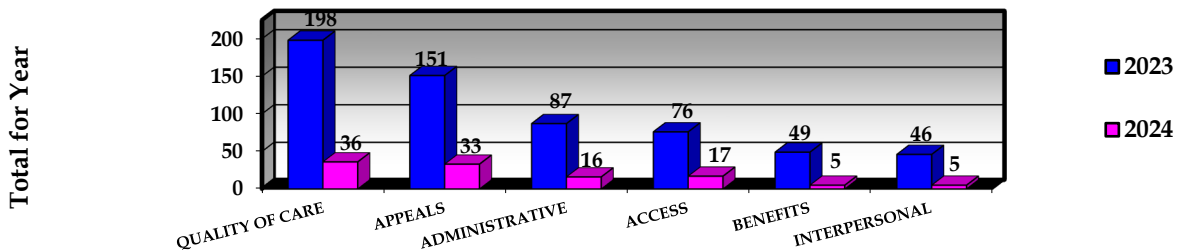
Of the **48** grievances/appeals filed:
43 = SBHI 90% of the aggregate volume (PTMPM: 0.25)
5 = SLOHI 10% of the aggregate volume (PTMPM: 0.07)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CenCal 23 Mbrshp	229,679	231,154	231,832	233,532	235,109	235,685	234,379	234,132	231,619	230,591	229,022	227,078
CenCal G&A Issues	53	54	67	42	52	46	47	43	60	57	52	40
CenCal PTMPYCM	2.77	2.80	3.47	2.16	2.65	2.34	2.41	2.20	3.11	2.97	2.72	2.11
CenCal 24 Mbrshp	241,652	241,206										
CenCal G&A Issues	64	48										
CenCal PTMPYCM	3.18	2.39										

February Analysis and Trends:

- * **QOC Grievances** (10 PCP, 3 Behavioral Health, 2 Specialist, 1 Hospital): Various perceived quality of care concerns/reasons with most issues stemming from member concerns that the provider inadequately addressed their concerns/conditions. Mostly for providers not following up, appointments being too far out, and not prescribing medication. No provider had more than 1 QOC grievance filed against them in February.
- * **Appeals:** 16 TAR appeals: 11 various outpatient services including 2 for speech therapy, & 2 for occupational therapy. There were 3 DME, 1 RBM & 1 Inpatient appeals with no trends.
- * **Access:** Most access issues were due to providers not having available appointments within the members expected timeframe or the timeliness of authorization submission. There were two transportation related grievances against Ventura Transit Systems for scheduling issues resulting with missed appointments.
- * **Benefits:** There were 4 grievances against VTS for no-show/late arrivals for pickups and general dissatisfaction with the transportation service.
- * **Administrative:** Mostly centered around the member's dissatisfaction with scheduling, timely communication, or the authorization process, no trends.
- * **Interpersonal:** The member's perception of rude demeanor or comments made by office staff/provider during interactions. There were 2 filed with no trends.
- * **Total Mental Health/BHT Services:** 2 (2 QOC) 100% in SB county. Commonly dissatisfied with appointment availability, being dismissed by provider, delays in call back/poor communication or not being prescribed medications of choice/preference.

Member Grievance & Appeal System Receipts by Reasons



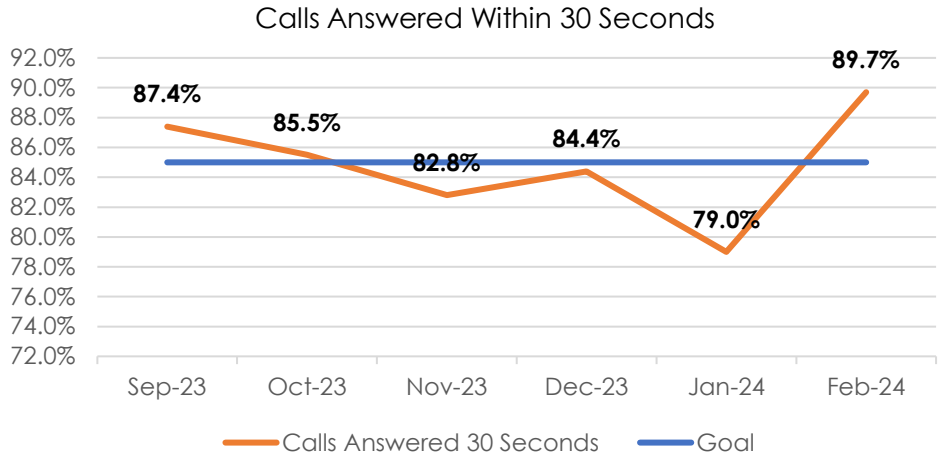
Type	Calendar 2023	Calendar 2024
QUALITY OF CARE	198	36
APPEALS	151	33
ADMINISTRATIVE	87	16
ACCESS	76	17
BENEFITS	49	5
INTERPERSONAL	46	5

Analysis: Grievances and appeal volume average of 56 per month in 2024 is slightly above the 2023 average of 51 per month.

CENCAL HEALTH PROVIDER SERVICES STATISTICS

Analysis:
Goal: 85%
Result: 89.7%

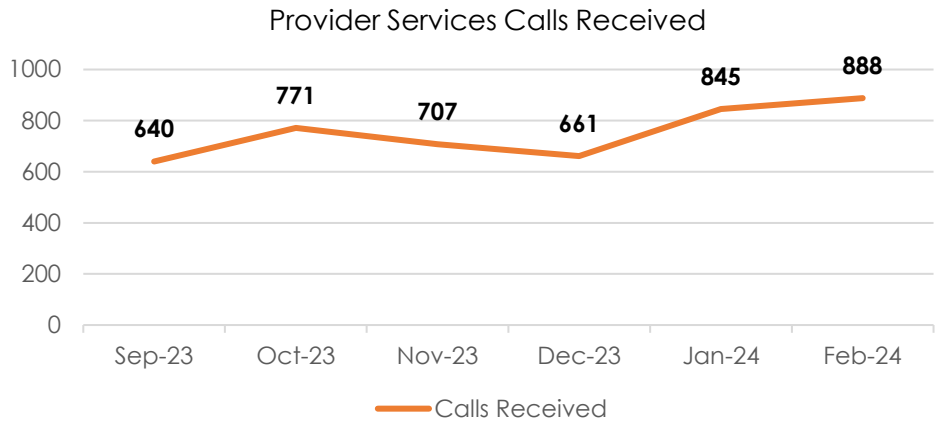
In February, performance was well above the goal. Closer phone queue monitoring and adjustments to staffing led to an increase in performance against goal.



Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024
87.4%	85.5%	82.8%	84.4%	79.0%	89.7%

Analysis:
February 2024 Calls Received: 888

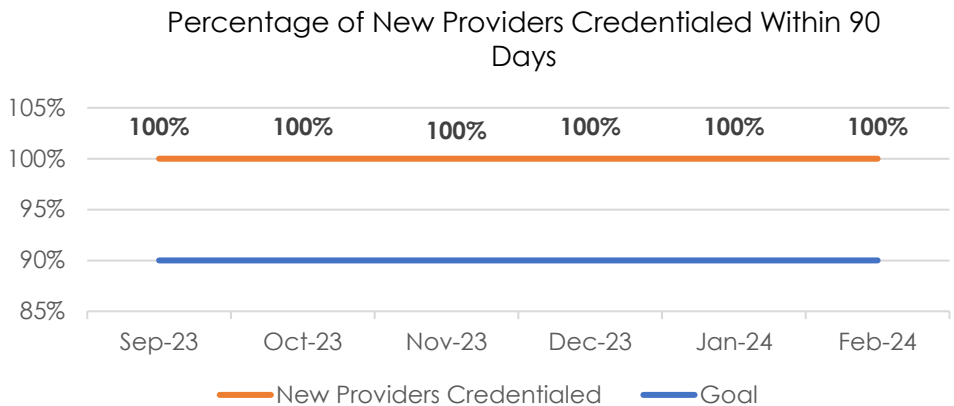
Call volume slightly increased due to providers inquiring about contract status, OTA status, claims, as well as members/ benefit eligibility.



Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024
640	771	707	661	845	888

Analysis:
Goal: 90%
Results: 100%

35 providers were approved for February; all within 90 days.

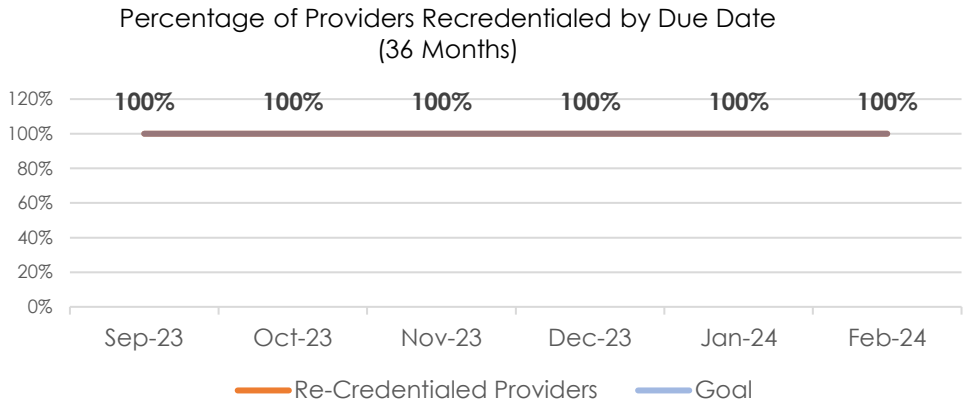


Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024
100%	100%	100%	100%	100%	100%

CENCAL HEALTH PROVIDER SERVICES STATISTICS

Analysis:
Goal: 100%
Results: 100%

6 Providers were due for re-credentiaing in February. All were re-credentialed before their due date.



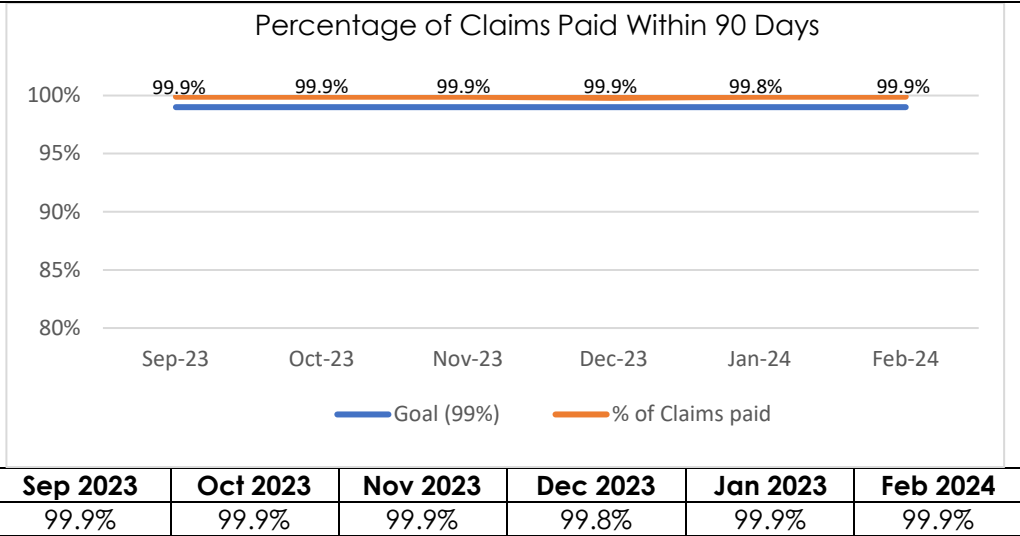
Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024
100%	100%	100%	100%	100%	100%

CENCAL HEALTH CLAIMS OPERATIONS STATISTICS

Analysis:
 Goal: 99%
 Result: 99.9%

The Turn-around-Time (Percentage of Claims Paid) is a regulatory requirement with a standard of 99%.

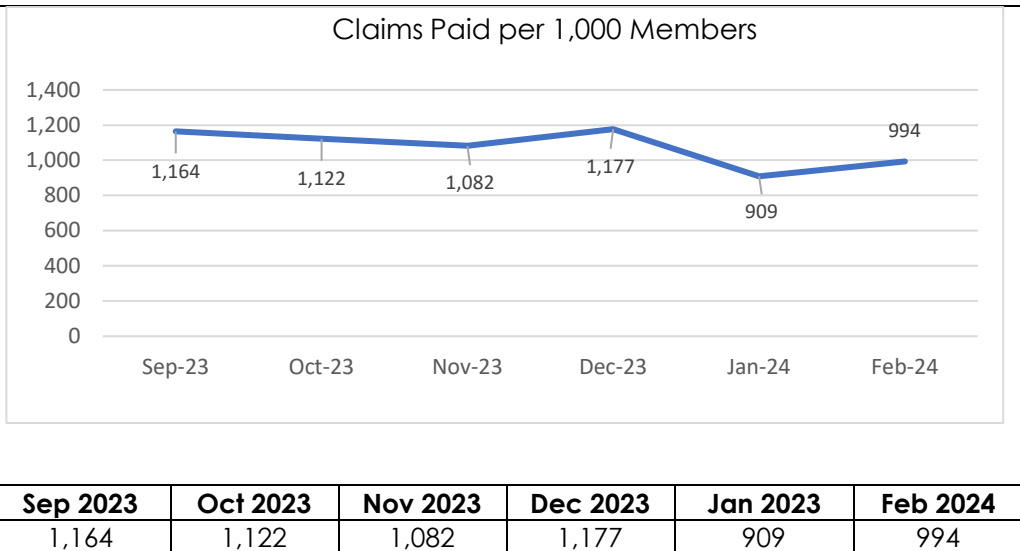
Results are consistently above this level.



Analysis:
 Trend to compare payments per month normalized with the total membership to account for membership fluctuations.

Result: 994 claims paid per 1,000 members

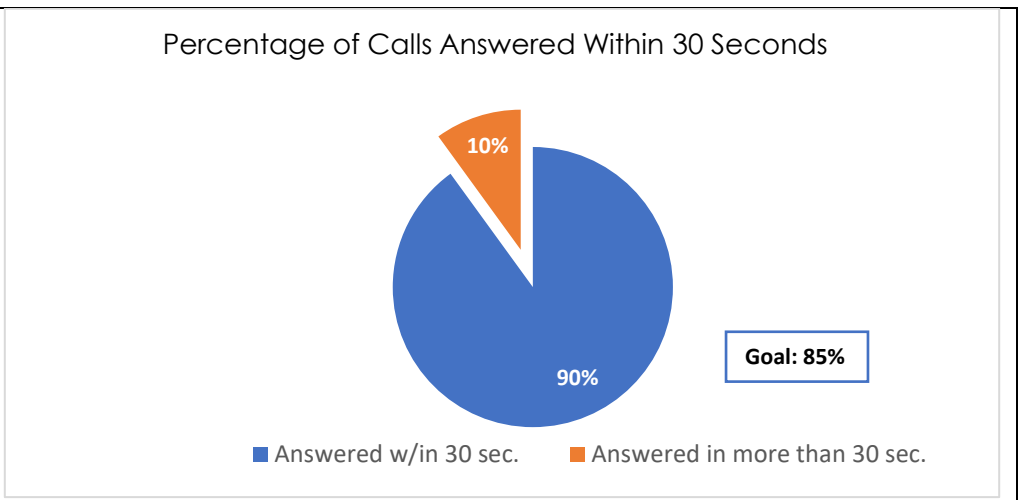
Claims Paid per 1,000 Members varies and is within a normal range.



Analysis:
 Goal: 85 %
 Results: 90 %

The current performance is above goal.

The calls not answered in 30 seconds were isolated during peak call times. These calls were answered since Abandonment Rates remain under 1%.



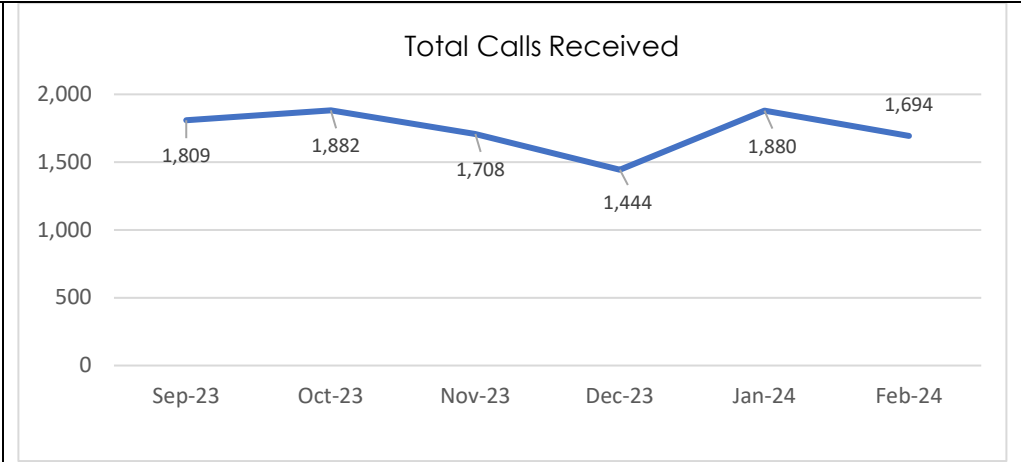
CENCAL HEALTH CLAIMS OPERATIONS STATISTICS

Analysis:

Calls Received: 1,694

Total Calls received has trended back to normal level which is consistent with seasonal trends and number of working days.

Claim status remains the top reason for calls.

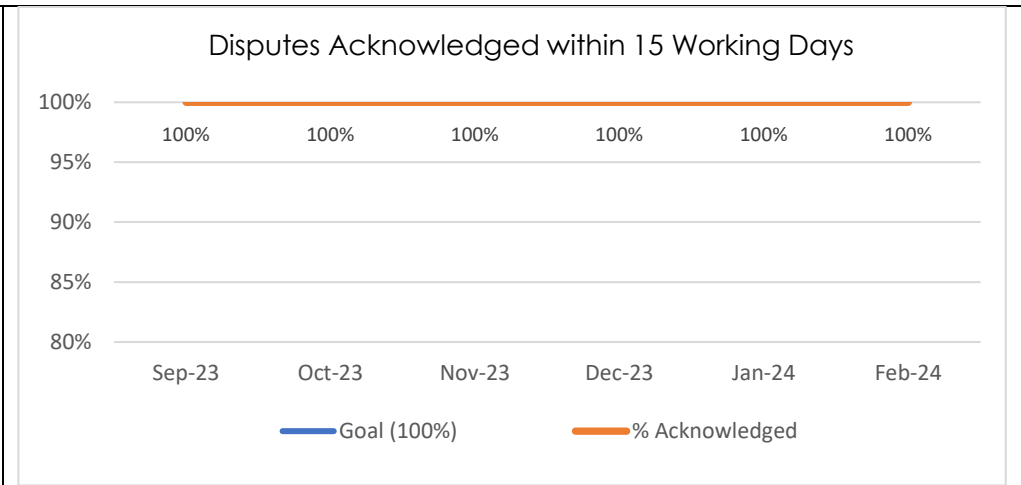


Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2023	Feb 2024
1,809	1,882	1,708	1,444	1,880	1,694

Analysis:

Goal: 100%
Results: 100%

The Disputes Acknowledged in 15 Working Days is a regulatory requirement with a standard of 100%.

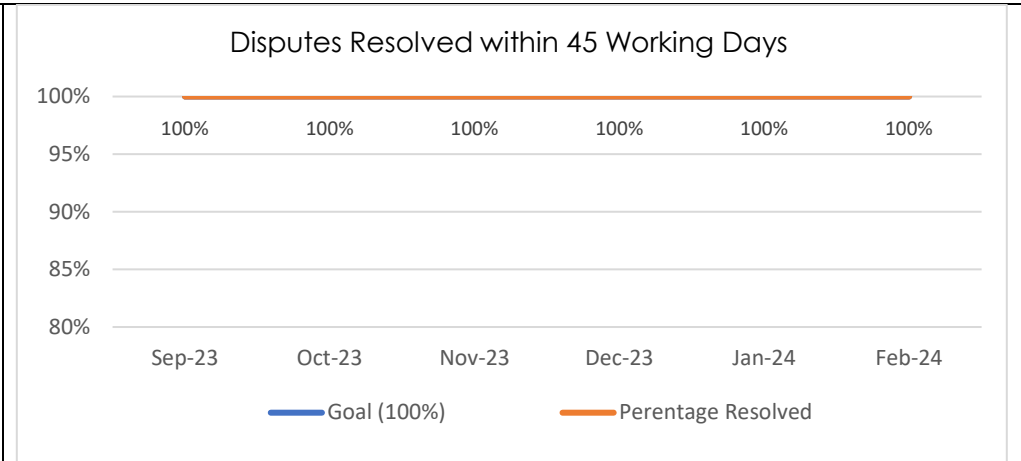


Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2023	Feb 2024
100%	100%	100%	100%	100%	100%

Analysis:

Goal: 100%
Result: 100%

The Disputes Resolved in 45 Working Days is a regulatory requirement with a standard of 100%.



Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2023	Feb 2024
100%	100%	100%	100%	100%	100%