MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

February 24, 2021
Health Plan of San Joaquin – Via GoTo Meeting Webinar

COMMISSION MEMBERS PRESENT:

Greg Diederich, Chair
Neeleesh Bangalore, MD
Michael Herrera, DO
Brian Jensen
Sheela Kapre, MD
Christine Noguera
Matthew Paulin
Larry Ruhstaller
Chuck Winn
John Zeiter, MD

COMMISSION MEMBERS ABSENT:

Kathy Miller

STAFF PRESENT:

Michael Schrader, Chief Executive Officer
Michelle Tetreault, Chief Financial Officer
Dr. Lakshmi Dhanvanthari, Chief Medical Officer
Cheron Vail, Chief Information Officer
Sunny Cooper, Chief Compliance Officer
Lizeth Granados, Chief Operations Officer
Evert Hendrix, Chief People Officer
James Mark Myles, County Counsel
Sue Nakata, Executive Assistant to CEO and Clerk of the Health Commission

CALL TO ORDER

Chair Diederich called the meeting of the Heath Commission to order at 5:00 p.m.

PRESENTATIONS/INTRODUCTIONS

Chair Diederich welcomed Dr. Neeleesh Bangalore, new Commissioner to the Health Commission and thanked Commissioner Jensen for facilitating the January Health Commission meeting on his behalf.

PUBLIC COMMENTS

No public comments were forthcoming.

MANAGEMENT REPORTS

1. CEO Report

Mr. Schrader highlighted the following topics from his written CEO Report:

- COVID-19 Vaccinations for HPSJ Members. HPSJ continues to pursue opportunities for COVID-19 vaccinations for our members by identifying those age 65 and older and prioritizing them based on highest risk for hospitalization, should they catch the virus. This prioritization involves using risk scores from the county's vendor, Bayesiant, and identifying members who have diabetes, COPD or congestive heart failure. HPSJ partnered with three different providers on vaccination clinics with various events, including staffing a 5-day clinic over a two-week period that was held by Doctor's Medical Center in Manteca. HPSJ personnel supported a two-day clinic over President's Day weekend at the Ag Center in Stockton for 2,500 In Home Supportive Services caregivers to receive their second dose. HPSJ identified 600 members that are assigned to Community Medical Centers, and CMC is placing outreach calls to get them in for vaccination appointments. HPSJ also hosted an evening webinar for our public health officers from San Joaquin and Stanislaus counties to update community physicians. In addition, our own Drs. Lakshmi Dhanvanthari and Mehrdad Mansouri held a Q & A session with staff at the January All Staff Meeting on the safety of the vaccines.

- Medi-Cal Rx. The state continues preparations to carve-out the Medi-Cal pharmacy benefit from managed care plans to the vendor Magellan, at which point HPSJ will no longer be responsible to cover prescriptions for our members. The cutover will be enormous, impacting 13.1 million Medi-Cal beneficiaries, or nearly one-third of California residents, as well as prescribers. The original go-live date for the cutover was to occur on January 1, 2021. In November, DHCS announced the first delay of three months, moving the cutover date to April 1, 2021. In February, DHCS announced a second delay to a date that is to be determined. The reason for the second delay is that unexpected to DHCS, Centene announced it is acquiring Magellan. DHCS now needs to evaluate conflict avoidance protocols to ensure that there would be an acceptable firewall between Centene's Medi-Cal managed care plan (HealthNet) and pharmacy benefit manager (Magellan). Plans are suggesting that if DHCS allows Magellan to proceed, that the new go-live date be January 1, 2022. DHCS anticipates providing further information in May 2021.

- Regional Counties. Five counties may be interested in partnering with HPSJ: Alpine, Amador, Calaveras, El Dorado, and Tuolumne. HPSJ has been hosting weekly information sessions for counties and their key providers. On February 10, HPSJ agreed to develop a template Letter of Intent (LOI), make presentation materials for Boards of Supervisors (BOS), and either deliver presentations or be available to answer questions. The DHCS deadline for submission of LOIs is March 31, 2021, except for counties that request a one-month extension, which some are intending. Per DHCS instruction, the BOS for interested counties must formally authorize the submission of LOIs, and an LOI must be co-signed by the BOS Chair and health plan CEO. Counties that intend to partner with the same plan, may submit a joint LOI, which some of the

counties are intending. Shared governance could include adding up to five seats to the HPSJ Commission, one for each new county to appoint an individual. This would require approval by the San Joaquin Board of Supervisors to change local ordinance. This approval could be sought in 2021 and the ordinance change could be made effective before go-live in January 2024.

Upon Mr. Schrader's CEO report, Chair Diederich stated that this is positive work on Regional Models and will ensure that the SJC BOS is aware of the proposed opportunity.

Regarding Medi-Cal Rx, Commissioner Zeiter asked how the state was not aware of the conflict of Centene/Magellan. Mr. Schrader responded that DHCS reported not expecting Centene's announced acquisition of Magellan and now needing to evaluate conflict avoidance protocols.

Commissioner Bangalore asked if Magellan is approved by the state as the authorized vendor, will there be cost-savings for HPSJ. Mr. Schrader responded that DHCS expects the pharmacy carve-out to be cost neutral to managed care plans, since both the revenue and expense will be eliminated. However, for HPSJ, the pharmacy component has contributed to positive net income, although this can be transient from year-to-year.

CONSENT CALENDAR

Chair Diederich presented three consent items for approval:

2. January 27, 2021 SJC Health Commission Meeting Minutes

3. Community Advisory Committee (CAC) – Joint SJC and Stanislaus – 2/10/2021
   a. January 21, 2021 Meeting Minutes
   b. Advance Care Planning
   c. Attention Deficit/Hyperactivity Disorder (ADHD) Material Update
   d. CAC Webpage and Logo Review
   e. Presentation from SJC Public Health Services
   f. Presentation from Stanislaus Health Services Agency, Pub. Health Div.

4. Finance and Investment Committee – 2/16/2021
   a. January 20, 2021 Meeting Minutes
   b. ConsejoSano SOW #2

ACTION: The motion was made (Commissioner Zeiter), seconded (Commissioner Ruhstaller) and unanimous to approve the three consent items as presented (10/0).

REPORT ITEMS

5. January 2021 YTD Financial Reports

Michelle Tetreault, CFO presented for approval the January 2021 financial reports, highlighting the following:

- Net Income for December YTD
  - $31.0M and is $53.4M favorable to budget
  - Tangible Net Equity (TNE) is 832%
  - Days Cash on Hand is 150
  - Liquid Reserves

- 3.67 months of premium revenue
- 3.85 months of total expense

- Membership
  - San Joaquin is 8,873 unfavorable to budget driven by unfavorable variance in the TANF category of aide, offset by favorable variances in all other categories of aide
  - Stanislaus is 42,556 unfavorable to budget; Stanislaus is unfavorable in TANF and SPD's and ACA, and favorable in Duals
  - The unfavorable membership is because we are not experiencing the growth expected from Covid-19 unemployment that DHCS predicted
- Premium Revenue is $18.6M favorable to budget, driven by a favorable rate variance since the beginning of the fiscal year and the delay in the pharmacy carve out
- Medical Expenses are $20.4M favorable to budget
  - Medical expenses are less than expected due to continued lower utilization of elective procedures related to Covid-19
  - The favorability related to low utilization is offset by an unfavorable variance in pharmacy expenses. Pharmacy expenses are unfavorable to budget because of DHCS delayed the timeline for carving out pharmacy
- Prior Period Adjustments – adjustments are related to changes in estimates of IBNR in institutional and professional

Ms. Tetreault also noted that utilization and payment patterns are not following historical/predicted trends causing some volatility in IBNR estimates. With majority of staff being remote, administrative expenses are continuing to be favorable to budget as the company is seeing savings in incidental costs.

Upon reviewing Ms. Tetreault's report, Chair Diederich asked, with pharmacy carve-out scheduled for this calendar year, will this more than off-set capitation rates. Ms. Tetreault noted to the affirmative and stated that HPSJ expects to end the year in a favorable net income position instead of a loss. Incentive program for staff will be activated based on the company reaching favorable bottom line; accruals for the incentive program have been established as of January.

Commissioner Noguera asked if HPSJ budgeted for pent-up demands on elected procedures. Ms. Tetreault responded that management has budgeted for the current and next fiscal year for elective procedures. There will be pent up demands that will exceed what is budgeted, however, there will be capacity limit of what services could be rendered. Reaching budget is a good estimate of where the company will be for the next several months. Commissioner Zeiter also noted that

pent up demands can never be met at 100%, it's probably around 65%, given members life changes.

Commissioner Paulin asked on member months if the state's projection is too aggressive. Ms. Tetreault responded that the projection is aggressive, as the state made estimates related to unemployment, which was a higher than what is our experience. Management took a conservative approach and took in the low-end of what state projected; there is no history to rely upon to make predictions based on the current Covid-19 situation.

Commissioner Ruhstaller asked based on HPSJ's favorable earnings, will the state claw back some of the funds. Ms. Tetreault responded that the state sets the rate and adjust on cost. Based on county-wide averaging, this will bring HPSJ in-line with our competitor. It will not have a significant impact on our rates. There are also efficiency factors that are built into our rates, i.e., ER visits, preventable admissions, and avoidable ER utilization. Overall, the company will be financially sound.

ACTION: With no additional questions or comments, the motion was made (Commissioner Bangalore) seconded (Commissioner Jensen) and unanimous to approve the January 2021 financial report as presented (10/0).

6. Code of Conduct Policy Revision and Update

Sunny Copper, Chief Compliance Officer submitted for approval the revised Code of Conduct Policy, highlighting the following changes since the last approval made by both the Compliance Committee and Health Commission in December 2017:

- Section I: Amy Shin's name updated to Michael Schrader
- Sections V, VII & VIII: Updated Chief Compliance Officer title.
- Section IV: Added Cultural Awareness and Sensitivity and Harassment Prevention as part of the mandatory training requirements.
- Section VII: "Privacy Incident Report" was updated to "Report an Incident".
- Section VIII: Updated Compliance Department's Vision and Mission
- Section X: Replaced "Vendors" with "Subcontractors"

As part of the periodic assessment of HPSJ's Compliance and Ethic's Program, HPSJ workforce and Health Commissioners are required to read and acknowledge, via attestations, their understanding of the company's Code of Conduct and Business Ethics on an annual basis. Additionally, HPSJ Workforce and Health Commissioners will also be required to attest their understanding of the associated policy, i.e., CMP 23 - Conflict of Interest (COI). A select group of staff, known as Designated Employees, will also be required to file the 2020-2021 Statement of Economic Interests (Form 700) by mid-March 2021.

ACTION: With no questions or comments, the motion was made (Commissioner Herrera), seconded (Commissioner Zeiter) and unanimous to approve the Code of Conduct Policy Revision and Update as presented (10/0).

7. Modeling and Analysis of Regional Counties

Ms. Tetreault summarized Part I of the Analysis, which Pacific Health Consulting and Mazar presented in full to the Commission in February. Part I of the analysis used Stanislaus County as a case study, to show the advantages of expansion into other counties. The study showed the continued positive impact of HPSJ's expansion into Stanislaus County related to financial stability and scalability, member access and choice, provider simplification, and support for the local community.

Tim Reilly of Pacific Health Consulting Group presented Part II of the Analysis, related to all five of the possible expansion counties, including by-county enrollment, startup costs, estimated time to realize a return on investment, ongoing premiums and financial feasibility, provider network, member access, and HEDIS quality scores. Mr. Reilly concluded:

- A membership level of 28,867 was used to model the financial feasibility
- Start-up costs are estimated to be nearly $2 million, spanning 30 months and 7 FTEs
- Health care expenses are assumed to average 94 percent of premium
- Start-up costs should be recovered within first two years based on a modest operational margin
- The combined enrollment across the five counties make it likely that there is a sufficient base to be financially feasible

- Financial profitability is projected to be over $3 million on 28,867 members if only marginal administrative costs are charged to this product line. The amount is reduced to $1 million if "full" administrative costs are incurred
- If not all counties join, particularly El Dorado, there will be point where it is not financially feasible
- Some members from these counties already use San Joaquin hospitals and providers, and HPSJ already has contracts with some of the providers currently utilized in these counties. However, significant new contracts will have to be obtained to provide for the appropriate network
- If HPSJ decides to enter the Medicare and Covered CA markets, it will probably be advantages to be in multiple counties
- HPSJ can bring to these neighboring counties the advantages of a public plan - improved quality care, higher payments to providers, and community input in plan policy decisions

Upon review of the case study, extensive discussions were held with Commissioners asking the following questions:

Q: *Commissioner Bangalore - Regarding the major hospitalds by county, it only shows a total of 81%, what happened to the remaining 19% usage?*
A: Mr. Reilly – Data is from California's Office of Statewide Health Planning and Development (OSHPD). My table shows the top five hospitals based on volume that serve Medi-Cal beneficiaries from each of the five counties. OSHPD does not include data for Nevada hospitals.

Q: Commissioner Bangalore - Does enrollment depend on financial guidelines?
A: Mr. Reilly - The state wants to make sure health plans have sufficient reserves and capital to be available if some unexpected results happen. HPSJ has more than sufficient funds based on current reserve level.

Q: Chair Diederich – Regarding marginal costs on recoupment of funds, this is only looking at Centene's market share? Will HPSJ have more market share? With not that many lives, will there be potential?
A: Mr. Reilly – With time, HPSJ can improve over Centene's market share based on historical beneficiary choice rates for public plans and HPSJ in particular. Based on market size for the five counties and HPSJ's expected market share, the expansion appears financially feasible, including a modest margin to recapture the initial start-up investment within a reasonable period of time of two years.

Q: Chair Diederich - Has Stanislaus been engaged on this and would this have them re-consider HPSJ as their Local Initiative (LI)?
A: Mr. Schrader - It is estimated that any point Stanislaus could engage HPSJ to change the structure of our partnership. This is because, it would not involve a change to the Two Plan model for Stanislaus County, so there would be no impact to the State's RFP for commercial plans, in which case, no Letter of Intent would be required, nor would any of the LOI/RFP timelines apply. Mr. Schrader agreed that Stanislaus County, seeing other counties being given seats on the HPSJ Commission, could request the same, which would necessitate elimination of the vendor agreement between HPSJ and Stanislaus, since the two would essentially become one.

Q: Commissioner Paulin – Does HPSJ have existing provider relationships in these counties?
A: Mr. Schrader – There are more than 100 providers that serve Medi-Cal beneficiaries from the five possible expansion counites. We only have existing contracts with a small number of them, although this includes some key providers. This includes providers in San Joaquin and Stanislaus counties that already serve some Medi-Cal beneficiaries from the five possible expansion counties. It includes existing arrangements we have with providers outside of San Joaquin and Stanislaus counties, that our members go to for tertiary care. It also includes our relationships with systems

that have hospitals inside and outside of our two counties, for which we presently have contracts but for local hospitals only.

Q: Commissioner Herrera – This seems like a lot of work for less than 10% of gained lives for all five counties. Is HPSJ going to be stretching administrative staff and CMO's workload too thin?
A: Mr. Schrader and Dr. Lakshmi Dhanvanthari, CMO – The start-up and initial operations will take significant effort and resources in order to develop the provider network, configure IT systems, expand policies and procedures, modify our Knox Keene license, experience the state readiness review, forge working relationships with providers, and issue communications. However, on an ongoing basis, the impact should be more incremental based on the modest 10 percent bump in membership and proportional increase in volumes of claims, authorizations, and other business. Further, there will also be some scalability.

Q: Commissioner Noguera - These five counties are rural and different from each other; what challenges and costs could be incurred?
A: Mr. Schrader – The challenges of serving rural counties will likely include a low ratio of providers to members, limited number of specialists, travel distances between beneficiaries and provider locations, transportation, and hindered access across the Sierra crest during winter months for Alpine County specifically.

Q: Chair Diederich - Based on employee bandwidth with CalAIM and Whole Person Care, do you think taking on additional counties will be successful?
A: Mr. Schrader – The lift to expand into addition counties and launch various CalAIM initiatives will be significant and overlap, yet they will also be spread over multiple years. In 2022, the CalAIM initiatives that will go-live and is significant to HPSJ, include enhanced care management, in lieu of services, and carve-in of major organ transplants. In 2023, CalAIM initiatives include population health management and the carve-in of long-term care. In 2024, the expansion into additional counties and CalAIM regional capitation rates become effective. In 2025, HPSJ's Medicare D-SNP will go-live.

Q: Chair Diederich – How do member aid categories for the regional counties compare to those for the existing counties we serve?
A: Tim Reilly – The county-by-county aid-code distributions are comparable, there is not much difference across counties, all counties have a somewhat standard mix.

Upon discussion, Chair Diederich stated that if it spreads HPSJ's fixed costs by not adding additional executive staff, if it leverages existing infrastructure with an incremental and proportional increase in resources, and if start-up cost can be recovered through operational margins in only a couple years, then it is promising to add additional counties to the plan.

Q: Chair Diederich – How would you propose shared governance to our county supervisors?
A: Mr. Schrader – The proposal is to give each expansion county a seat on the Commission, for them to appoint an individual. This would mean that San Joaquin County instead of appointing individuals to all 11 seats on the Commission for 2 counties, would appoint individuals to two-thirds of the seats, or 11 of 16 seats, for 7 counties. For fundamental topics, like timely access for members, there is likely to be unanimity on the Commission. Further, differences in perspective may be defined by provider type (e.g., hospital, clinics, pharmacies) and not geographic region. Yet, if there were differences of opinion by geography, it should not be assumed that all five expansion counties would be in unity and on opposite side of an issue as San Joaquin County. Most important, is that we continue to have a Commission that seeks win-win solutions and promotes a culture of team and mutual support

ACTION: The motion was made (Commissioner Jensen), seconded (Commissioner Zeiter) and unanimous to receive and file the Modeling and Analysis of Regional Counties as presented (10/0).

8. Seek Authority to move forward with Letters of Intent for HPSJ to serve as Local Plan for up to five Regional Counties: Alpine County, Amador County, Calaveras County, El Dorado County and Tuolumne County

Mr. Schrader requested Commission authority to move forward with Letters of Intent for HPSJ to serve as the Local Initiative for up to five counties: Alpine, Amador, Calaveras, El Dorado, and Tuolumne. If any of the three counties with the largest membership (El Dorado, Calaveras, and/or Tuolumne) decide not to proceed, management will bring the item back to the Commission at the March or April meeting for reconsideration.

Chair Diederich asked if the BOS does not approve, once LOIs are submitted, how will the process be handled. Mr. Schrader said that if this were the case, the sooner we know the better, so that DHCS and counties would have time prior to release of the RFP to make adjustments. For this reason, it's important to give the Supervisors advance notice that this request for an ordinance change to add seats to the HPSJ Commission is coming their way, and to get the item on the BOS agenda as soon as possible following the submission by expansion counties of Letters of Intent.

ACTION: With no further questions or comments, the motion was made (Commissioner Bangalore), seconded (Commissioner Jensen) and unanimous for HPSJ to move forward with the Letter of Intent to serve as a Local Plan for the five Regional Counties as presented (10/0).

INFORMATION ITEMS

9. Chief Operations Officer Report – January 2021 Operations Report

Lizeth Granados, COO reported that the January 2021 Operations Report is available in the meeting packet, highlighting the following reports:

- Member trends is at a positive with membership continuing to increase from December to January
- Member call volume decreased by .3% from December, however, the volume is lower than expected for January
- Utilization trends increased in November
- FQHC utilization trends, as whole, continues to increase. The data shows a 3-month lag, the current data shows that members are moving forward and seeking services at their clinics
- ER Service, data shows a slight increase in services and utilization

10. Chief Compliance Officer Monthly Report

Sunny Cooper, Chief Compliance Officer reported on monthly compliance activities, including CalAIM's component and timeline, highlighting the following:

- CalAIM Background
    - First released in October 2019 with initial implementation dates planned for January 1, 2021 and beyond
    - DHCS conducted CalAIM stakeholder workgroup meetings between November 2019 and February 2020
    - Due to COVID-19 Public Health Emergency's (PHE) impact in the state's budget and health care infrastructure, CalAIM was put on hold for the duration of 2020

- DHCS revised the original CalAIM proposal and presented the revised CalAIM timeline via a webinar on January 29, 2021
- CalAIM Goals:
  - Identify and manage member risk and need through Whole Person Care (WPC) approaches and addressing Social Determinants of Health (SDoH);
  - Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
  - Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems and payment reform

- CalAIM Components and Timeline

- CalAIM Other Components
  - Long-Term Plan for Foster Care: launched a workgroup to explore whether California should consider a different model of care for children and youth in foster care. DHCS and DSS will take lessons learned from the workgroup and develop a comprehensive set of recommendations and plan of action. Workgroup launched in June 2020 and will meet through June 2021
  - County Partners: Enhance DHCS' oversight and monitoring of Medi-Cal eligibility and enrollment of the California Children's Services (CCS) and Child Health and Disability Prevention (CHDP) programs as well as improving the accuracy and collection of beneficiary contact and demographic information.
    - Enhancing county eligibility oversight and monitoring work to begin June 1, 2021 (subject to change)
    - Enhancing county oversight and monitoring for CCS and CHDP work began in August 2020
    - Improving beneficiary contact and demographic information work to begin in 2022-2023
  - Dental Benefits: Proposed implementation was January 2022. This date is under review following CMS denial of Designated State Health Program (DSHP) funding in the Medi-Cal 2020 one-year extension request

- Variables Impacting CalAIM Timelines
  - Legislative Analyst's Office (LAO) released a 2021-22 budget report that summarizes and identifies policy issues related to CalAIM. The report calls attention to outstanding implementation concerns and includes recommendations for the Legislature to explore where implementation delays may be advisable, consider a process for legislative oversight of implementation, and establish a framework for the independent evaluation of major untested CalAIM components. Specifically, LAO recommends that the Legislature resolve the following questions about CalAIM prior to acting on the proposal:
    - Is Managed Care Well Positioned for a Significant Expansion of Responsibilities?
    - Would New Benefits Expand the Supply of Already Limited Services?
    - What New Complexities Does CalAIM Create?
    - Does a Major Ongoing Augmentation Make Sense Amid the State's Projected Multiyear Shortfall?
    - Is the Funding Plan Reasonable and What Are the Longer-Term Fiscal Risks?
    - Is the Updated Implementation Timeline Realistic?
    - How Would the Reforms Be Overseen and Evaluated?

- Compliance Monthly Report
  - October 2020 Security Incident Updates
    - The Security Incident Team, including the external legal counsel and data mining vendor, has been working towards finalizing the manual review effort of identifying impacted members. Below is a summary of tasks performed in January 2021:
      - Concluded the Phase I data mining activity and determined that the final number of records requiring manual reviews (Phase II) were 222,888 documents
      - Solicited 3 bids for Phase II manual review work
      - Secured the agreement with our cyber security insurance carrier to continue the Phase II with our Phase I vendor at a not-to-exceed bid of $450K
      - Concluded a preliminary estimate that approximately 225K members were impacted and submitted an addendum to OCR on 2/8/2021 and an updated PIR to DHCS on 2/9/2021
      - Most recent Key Statistics:
        - Vendor Hosted Call Center: Received 9 calls
        - HPSJ Call Center: Received 1 call
        - HPSJ web Site clicks: 675 clicks (598 English and 77 Spanish)
        - Press Publications: 0
        - Credit Monitoring Activations: 68 activations

- Code of Conduct, Conflict of Interest and Form 700 Filing
  - As part of the requirements supporting HPSJ's Compliance Program and Ethics, Commissioners and HPSJ Workforce are required to attest their understanding of Code of Conduct and Business Ethics (CoC) and CMP 23 Conflict of Interest (COI) policies on an annual basis
  - HPSJ's Designated Employees and Commissioners are also required to submit a Statement of Economic Interest, also known as the Form 700, on an annual basis
    - Commissioners and HPSJ Workforce: Both CoC and COI policies will be posted via HPSJ University for both Commissioners and HPSJ Workforce to review and attest their understanding by mid-March 2021
  - Commissioners and HPSJ Designated Employees: The 2020-2021 Form 700 filing requests have been sent to both the Commissioners and HPSJ Designated Employees via DocuSign. The evidence of Form 700 filings will be submitted to the Registrar's Office of the County of San Joaquin by April 1, 2021 as required

- DMHC Full Medical Survey
  - As a result of the 227 DMHC document request items, HPSJ produced and submitted a total of 1,258 documents for DMHC's auditors to perform their desktop reviews before the virtual audit interviews. DMHC is scheduled to conduct the virtual interviews with HPSJ team starting on May 3rd.

Document Category	DMHC Requests	Documents Produced
Access & Availability	66	246
Access to Emergency Services and Payment	10	17
Case Logs	12	26
Continuity of Care	13	84
General Document & Questionnaire	17	259
Grievances & Appeals	20	119
Prescription Drugs	29	59
QI/QM	21	139
UM	39	309
Total Documents Uploaded	227	1,258

Upon review of the materials presented, Chair Diederich asked with the extension of Whole Person Care waiver, is the CalAIM initiatives and timeline on track. Ms. Cooper responded that HPSJ have yet to receive definitive answer from the state, however, management is proceeding ahead of the waiver based on timeline.

Chair Diederich stated that the state is carving out many of the scopes for Medi-Cal Plan and not much left on fee-for-service. Ms. Cooper noted the affirmative and stated that many health plans are not pleased with the postponement of the pharmacy carve-out as they are losing funds on much of the items that have already been actioned upon per the original timeline.

11. Legislative Update

Brandon Roberts, Government Affairs Representative reported on legislative activities, highlighting the following:

- State Budget Trailer Bill Proposals
  - CalAIM
    - NCQA Accreditation
    - Population Health Management
    - Enhanced Care Management
    - Major Organ Transplant Carve-in
    - MSSP Carve-Out
    - D-SNPs and Aligned Enrollment
  - Restoration of Adult OTC Cold/Cough Acetaminophen Drugs
  - Expansion of Telehealth for Certain Medi-Cal Services
    - Remote patient monitoring as covered benefit
  - Delayed suspension of Medi-Cal postpartum care
  - Medi-Cal Adult Optional Benefits Suspension Delay
  - Delayed Suspension of Prop 56 Payments

- LAO Budget Report on CalAIM
  - LAO Recommends the Legislature do the following in light of overarching questions regarding CalAIM implementation:
    - Consider additional implementation delays
    - Consider a process to oversee implementation
    - Ensure independent evaluation of major untested components
  - Overarching questions for the Legislature to resolve prior to CalAIM:
    - Is managed care positioned for an expansion of responsibilities?
    - Would new benefits expand the supply of already limited services?
    - What new complexities does CalAIM create?
    - Does CalAIM make sense amid a multiyear budget shortfall?
    - Is the CalAIM funding plan reasonable?
    - Is the implementation timeline reasonable?
    - How will the implementation of programs be overseen?

- Newly Introduced Priority Legislation
  - AB 34 (Aguilar-Curry) – Telehealth. Deletes exemptions for Medi-Cal MCPs from current requirements to provide coverage for health care services delivered through telehealth on the same basis and to the same extent as in-person diagnosis, consultation, or treatment

- AB 114 (Maienschein) – Medi-Cal benefits: rapid Whole Genome Sequencing. Expands the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing, including individual sequencing, trio sequencing, and ultra-rapid sequencin
- AB 265 (Petrie-Norris) – Medi-Cal: reimbursement rates. Deletes existing requirements for rates developed by DHCS for clinical or laboratory services to not exceed 80% of the lowest maximum allowance established by the Medicare Program for the same services
- AB 369 (Kamlager) – Medi-Cal: street medicine and utilization controls. Requires DHCS to implement presumptive eligibility for individuals experiencing homelessness and prohibit DHCS from imposing prior authorization or other utilization controls on services to test, treat, prevent, or mitigate COVID-19
- SB 226 (Pan) – Medi-Cal: County of Sacramento. Authorizes the Board of Supervisors of Sacramento to establish a health authority to negotiate and enter into contracts with health plans; requires the health authority to meet with any health plans intending to contract with DHCS and designate at least 2 licensed health plans for approval by DHCS
- SB 242 (Newman) – Health care provider reimbursements. Requires a health plan to contract with its providers to reimburse, at a reasonable rate, their business expenses that are medically necessary to render treatment to patients, to protect health care workers, and to prevent the spread of diseases causing public health emergencies; requires DHCS to similarly reimburse a Medi-Cal provider after undertaking a process to set a reasonable rate in consultation with provider groups.
- SB 256 (Pan) – Medi-Cal: covered benefits. Requires mandatorily developed health-plan and county-specific rates for Medi-Cal MCP contracts to include in lieu of services and settings provided by the Medi-Cal managed care plan; requires each plan disclose to DHCS specified information on in lieu of services that are plan specific, including the number of people receiving those services

CHAIRMAN'S REPORT

Chair Diederich reported on the status of the following Health Commission Committee appointments:

- HR Committee – Commissioner Brian Jensen has been appointed as committee Chair
- F & I Committee – Commissioner Matthew Paulin has been appointed as new committee member
- CAC Committee – Seat is still open. Seeking new member from the Health Commission

COMMISSIONER COMMENTS

No comments were forthcoming.

CLOSED SESSION

At this time, the Health Commission adjourned to Closed Session at 7:27 p.m.

Closed Session - Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of 54956.9)
Name of Case: Radner v. HPSJ, et al., Case No. STK-CV-UWT-2020-180

ACTION: Action taken by County Counsel Myles under attorney-client privilege and attorney work product doctrine.

The Health Commission came out of Closed Session at 8:23 p.m.

ADJOURNMENT

Chair Diederich adjourned the meeting at 8:24 p.m. The next regular meeting of the Health Commission is scheduled for Wednesday, March 31, 2021.