

# **MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION**

January 26, 2022

Health Plan of San Joaquin – Via GoTo Meeting Webinar

## **COMMISSION MEMBERS PRESENT:**

Greg Diederich, Chair

Neelesh Bangalore, MD

Michael Herrera, DO

Brian Jensen

Kathy Miller

Jay Wilverding

Chuck Winn

John Zeiter, MD

## **COMMISSION MEMBERS ABSENT:**

Christine Noguera

## **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

Quenny Macedo, County Counsel

Sue Nakata, Executive Assistant to CEO and Clerk of the Health Commission

## **CALL TO ORDER**

Chair Diederich called the meeting of the Health Commission to order at 5:01 p.m.

## **PRESENTATIONS/INTRODUCTIONS**

None.

## **PUBLIC COMMENTS**

No public comments were forthcoming.

## **MANAGEMENT REPORTS**

1. Michael Schrader, CEO provided an update on the federal approval of CalAIM, Medi-Cal Rx transition, Major Organ Transplant (MOT) benefit implementation and housing and homelessness incentive programs, highlighting the following:

### **Federal Approval of CalAIM**

In December, DHCS received CMS approval for two 5-year waivers. Waivers are used by the state to seek flexibility in the design of their Medicaid programs. The 1915(b) waiver permits the states to implement delivery systems that involve managed care plans, and the 1115 waiver is for demonstration projects that promote the objectives of the Medicaid program. Through CalAIM, the state will add major new responsibilities to the Medi-Cal Managed Care Plans over the next 5 years. This month, HPSJ launched the first of the CalAIM initiatives, including Enhanced Care Management, Community Supports and the Carve-In of the MOT benefit.

In the waiver, CMS added a more comprehensive delegated oversight framework. Delegation is the “passing on” of some or all plan functions to a subcontractor (delegated entity) for a subset of members. One of HPSJ’s delegates is Kaiser; 16k of HPSJ’s 388k members are delegated to Kaiser.

CMS added two new requirements for delegated oversight:

- (1) CMS wants to know the Medical Loss Ratio (MLR) for not only primary plans, which has long been reported, but also for delegated entities, which has not been reported. The CMS benchmark has been that no more than 15% should get pulled for administrative expenses and profit, leaving at least 85% for MLR for medical expenses for member care. There are pending questions about how much gets pulled out for administrative expenses and profits when there are two layered entities (primary plan and delegated entity)
- (2) Network Certification be required not only for the primary plan, which has been the case, but also for the delegated entity. CMS is concerned that delegated entities may have narrower networks, resulting in restricted access for members that are assigned to them

### **Medi-Cal Rx Transition**

The statewide transition of the pharmacy benefit from managed care to the state’s vendor, Magellan, impacting all 14M Medi-Cal beneficiaries, occurred on January 1, 2022. The first month of Magellan’s operations have not gone well. There have been excessive and improper claims rejections/denials, long wait times for the call center that can exceed an hour, and a growing backlog of prior authorizations. DHCS reports that Magellan is working on strategies to reduce unnecessary claims denials, adding resources, and training new call center staff. In parallel, DHCS and Magellan are holding weekly calls with the Medi-Cal managed care plans. HPSJ’s call center is continuing to take pharmacy calls even though the benefit is carved out. In the first week, HPSJ received an average of 140 calls per day from members and retail pharmacies, which dropped to 110 calls per day in weeks two and three. Dale Standfill, Director of Customer Service and his team are making sure to answer calls in less than 30-seconds.

### Major Organ Transplant (MOT) Benefit Implementation

The carve-in of MOT on January 1, 2022 has gone well. HPSJ now covers MOT for adult members, while the local county CCS offices continue to cover MOT for children, with HPSJ as a backstop. Since January 1, HPSJ had three transplant requests, including two for liver at UCSF and one for bone marrow at UC Davis. Dr. Lakshmi Dhanvanthari and her Medical Management team are coordinating with providers to ensure these members receive all the needed services, including pre-transplant assessments, hospitalization, surgery, transportation, and postoperative services.

Commissioner Bangalore asked if a patient needing a bone marrow transplant is under contractual agreement. Mr. Schrader responded that HPSJ, using contracts and case-by-case letters of agreement, will make sure that members needing major organ transplants are able to access centers of excellence and associated physicians.

Chair Deiderich asked for clarification on a discussion that was held at the Finance and Investment Committee on January 19<sup>th</sup>, inquiring whether HPSJ had decided not to acquire additional reinsurance given the state's risk corridor for MOT. Mr. Schrader confirmed that HPSJ decided not to acquire reinsurance for MOT because the state's risk corridor already provides financial protection against significant losses.

### Housing and Homelessness Incentive Program

Another program under the CalAIM initiative is the Housing and Homeless Incentive Program, scheduled to launch this year. Medi-Cal MCPs will be able to earn incentive funds for making investments and progress toward addressing homelessness. Allowed services will include:

- Home health care
- Personal care services
- Case management
- Rehabilitative services
- Private duty nursing
- Housing stability through home modifications
- Tenancy support services

\*\*The incentive funding does not include payment for room and board.

This is a two-year incentive program for calendar years 2022 and 2023. From the date upon which DHCS completes its design of the program (expected to be in February 2022), plans will have 60-90 days to submit letters of interest and 6 months to complete a gap/needs assessment and homeless plan. The homeless plan must be developed in collaboration with the local continuum of care and build upon our community's existing homeless plans. Once the homeless plans are approved, the performance phases begin. Participating plans will receive incentive payments based on progress that is made toward advancing the homeless plans.

### CONSENT CALENDAR

Chair Diederich presented four consent items for approval, noting that the Finance and Investment Committee meeting was not held on 12/1/21 due to lack of quorum:

2. December 8, 2021, SJC Health Commission Meeting Minutes
3. January 5, 2022, Special Meeting of the SJC Health Commission Meeting Minutes

4. Resolution 2022-02: AB 361 (Rivas) –Brown Act Teleconferencing Requirement for Public Meetings for February 23, 2022, Health Commission Meeting
5. Community Advisory Committee – Joint SJC and Stanislaus – 12/16/2021
  - a. October 14, 2021, Meeting Minutes
  - b. Decreasing Asthma Within Neighborhoods (D.A.W.N.)
  - c. B-CORE in Medical Project: Member Participation
  - d. Presentation from San Joaquin Public Health Services
  - e. Presentation from Stanislaus Health Services Agency, Public Health Division
  - f. Diabetes Prevention Program (DPP)
6. Human Resources Committee – 01/05/2022
  - a. December 1, 2021, Meeting Minutes
7. Finance and Investment Committee – 01/19/2022
  - b. October 20, 2021, Meeting Minutes

**ACTION:** The motion was made (Commissioner Fadoo), seconded (Commissioner Bangalore) and unanimous to approve consent items 2-7 (9/0).

## **REPORT ITEMS**

### 8. November and December 2021 Financial Report

Ms. Tetreault presented for approval, the November and December 2021 YTD financial statements, highlighting the following for the December YTD 2021 financials:

- Net Income fiscal YTD
  - \$22.3M and \$26.5M favorable to budget
  - TNE is 789%
  - Liquid Reserves is at 3.5 months of premium revenue and 3.6 months of operating expenses
- Membership
  - Member months are unfavorable to budget by 27,417 in SJC and by 14,849 in Stanislaus
- Revenue
  - Premium revenue is \$7.4M unfavorable to budget driven by the unfavorable membership variance
- Medical Expenses
  - Medical Expenses are \$7.8M favorable to budget; favorable variance due to lower utilization than expected
- Administrative Expenses
  - Administrative expenses are \$4.5M favorable to budget primarily due to lower than budgeted personnel, consulting, and purchased services expenses
- Other Revenue and Expenses
  - HPSJ has been allocated \$11.4M in connection with the COVID-19 Vaccination Incentive Program implemented by the State in September 2021

- Other revenues and expenses for the fiscal YTD ended December 31, 2021, includes \$2.6M net income for our progress towards meeting the milestones and measures outlined by the COVID-19 Vaccine Incentive Program to date
- Prior Period Adjustments are primarily related to changes in estimates of IBBR

Chair Diederich acknowledged the great work done in finance and stated that the company is healthy with strong financials compared to budget.

**ACTION:** The motion was made (Commissioner Miller) seconded (Commissioner Zeiter) and unanimous to approve the November and December 2021 YTD financial reports as presented (9/0).

#### 9. QMUM Committee Meeting Update – 01/19/2022

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the QM/UM Committee meeting report for 01/19/2022, highlighting the following committee meetings, work plans, program descriptions and reports that were reviewed and approved:

- Nurse Advice Line Annual Report and Criteria Approval
  - HPSJ delegates 24/7 Nurse triage and the associated Telehealth physician urgent care consult services to a URAC and NCQA accredited provider
  - Clinical triage and health information is provided by Registered Nurses
  - Overall utilization for both Nurse Advise Line and physician consult has increased year over year; by 2% in fiscal year 2020 and 6% fiscal year 2021
  - The Speed of answer for FY 2021 does not meet the standard of 30 seconds or less. Reasons for this include increase in membership, call volumes and the COVID-19 pandemic
  - Performance for diverting members from the ED increased by 10% in FY 2021; while diverting members from Urgent Care and MD services decreased in FY 2021 by 7% and 3%
- UM Work Plan FY 2021-2022 Qtr. 1 (7/1/2021 – 9/30/2021)
  - Turn Around Time Compliance
    - Inpatient 99.3%
    - Pharmacy 99.4%
    - Outpatient 100%
  - Inpatient Utilization Metrics for Q1
    - San Joaquin County:
      - TANF Adult bed days/1000 was 320.1 with a goal of 273
      - TANF Adult ALOS was at 3.16 with a goal of 2.80
      - SPD ALOS was at 5.42 with a goal of 4.50
      - ACA bed days/1000 were at 286.87 with a goal of 249.0
      - ACA ALOS was at 4.56 with a goal of 3.80
    - Stanislaus County:
      - TANF Adult bed days/1000 were at 306.17 with a goal of 300.0 admissions
      - TANF Adult ALOS was at 3.11 with a goal of 2.88,
      - TANF Child ALOS was at 2.75 with a goal of 2.42
      - SPD ALOS was at 5.25 with a goal of 4.70
      - ACA bed days/1000 were at 292.57 with a goal of 266.0
      - ACA ALOS was at 4.44 with a goal of 3.90

- Other Activities
  - COC between Medical and BH continues to improve member care across the continuum with the implementation for the BHI program and Care Coordination meetings with Behavioral Health and Case Management
- UM Evaluation FY 2020-2021
  - Program Goals
    - Consistently deliver high quality, medically necessary, and cost-effective care to members
    - Facilitate access to medically appropriate services for patients in a timely manner
    - Ensure Utilization Management decision-making practices are not based on financial incentives
    - Promote the use of evidence-based clinical practice guidelines and preventive care guidelines
    - Establish, update and utilize nationally recognized, peer-reviewed criteria for UM reviews.
    - Provide case management services for members with complex medical conditions and/or chronic condition
  - Inpatient
    - San Joaquin County:
      - TANF Child all metrics were met
      - TANF Adults was above goal for Bed days/1000 and 30-days Readmissions
      - SPD was above goal for Length of stay
      - ACA was above goal for Bed days/1000 and Length of stay
      - SPD members experience higher utilization than other populations because of higher complexity and have a mix of acute and chronic conditions that result in more hospitalizations
    - Stanislaus County:
      - TANF Child all metrics were met
      - TANF Adult was above goal for Length of stay
      - SPD was above goal for Length of stay
      - ACA was above goal Length of stay
  - Pharmacy
    - Overall pharmacy spends increased due to increase in drug costs and increased membership but per member per month cost stayed flat between 2020 and 2021
    - The percentage of utilizers remained relatively flat between 2020 and 2021 and decreased slightly
    - Generic utilization increased slightly between 2020 and 2021
  - Member Satisfaction
    - Quantitative Analysis
      - HPSJ met the goal for the measure Getting appointments with specialists as soon as needed which was used to evaluate member satisfaction with Utilization Management
      - HPSJ improved 2 of 6 measures
  - Provider Satisfaction
    - Quantitative Analysis
      - Overall satisfaction with HPSJ exceeded the goal of 80%
      - Compared to 2019, seven of the ten key performance measures used to evaluate the UM process improved in 2020
      - Three key measures, "Overall Satisfaction with Pharmacy Utilization," "The health plan's facilitation/support of appropriate clinical care," and

- "Access to Case/Care Managers," all demonstrate significant improvements
  - HPSJ is committed to meeting the 80 percent provider satisfaction target for 2021, and while many of the measures have improved, only two of the measures have met the target
- CAHPS Annual Report - 2021 Behavioral Health Member Experience
  - The purpose of this report is to provide an analysis of and identify opportunities to improve HPSJ enrollees' behavioral health member experience.  
ECHO- The Experience of Care and Health Outcomes Survey- also a CAHPS Consumer Assessment of Health Plan Providers and Systems. Survey fielded in November 2021. One mail wave with a postcard reminder was sent.
    - Response rates decreased from 9.3% in 2020 to 5% in 2021. 87% of respondents were female, an increase of 43%. Of the respondents, 84% were Hispanic
  - Quality of Care:
    - Of the metrics monitoring quality of care, two met the 80% benchmark. Of note, a 20% increase in the percentage of members who were told about medication side effects
  - Access to Care:
    - Rates were mixed but what is evident from the response rates is that members do not understand their behavioral health benefits and they seem to wait longer than they want to for counseling or treatment
  - Attitude and Service:
    - Rates were mixed but it is noteworthy that members felt like they did not have enough time spent with them during treatment and that their counselor or doctor did not listen carefully to them
  - Quality of Provider Office Site:
    - Most rates were improved. Of note, the rates the indicate members know they can advocate on their own behalf went up and the rate of members who felt their personal information was shared went up indicating members did not feel their information is safeguarded
  - Grievances:
    - There were 28 behavioral health grievances for 2020-2021, an increase of 17 over 2019-2020
    - 14 were related to quality of care, 12 were related to appointment access  
Initiatives:
      - Present to the Community Advisory Committee for feedback.
      - Adjust the content in the member newsletter to explain the BH benefit, and how to access behavioral health care
      - Explain patient privacy and rights in the newsletters
      - Member Focus Newsletter to inform members how to access services
      - Improvements partnering with selected provider partners to improve Behavioral Health Coordination
- HPSJ Patient Safety Pharmacy Program Annual Report
  - The Health Plan of San Joaquin goals for the fiscal year were to reduce concurrent use of opiates and benzodiazepines
  - The HPSJ Pharmacy team sent education materials for concurrent use of opiates and benzodiazepines and a provider alert in May of 2020

\*\* Prior year initiatives to share information with providers were effective in improving the members knowledge of medication side effects.

- HPSJ implemented a soft edit at the point of sale in August of 2020 that required the pharmacist to acknowledge concurrent use and confirm with the provider whether the use should be continued
  - In August 2020, HPSJ had 711 members taking opiates and benzodiazepines concurrently
  - In September 2020, HPSJ had 245 members taking opiates and benzodiazepines concurrently
- HPSJ Emergency Medication Access Audit Results FY 2021
  - Emergency Medication Access Audits are conducted at least annually to ensure the member has sufficient provision of drugs in emergency circumstances to last until members can reasonably be expected to have a prescription filled
  - Grievances are reviewed to check for potential access issues reported by members and providers
  - GeoAccess reports are reviewed to analyze 24-hour pharmacy access in relation to emergency rooms and hospitals
  - FY 2021 Audit
    - HPSJ called 509 members that had ER visits to determine if members were having difficulty filling medications after the ER visits
  - Geo Access Reports
    - DHCS regulations require that MCO's have a pharmacy with 10 miles and 30 minutes of every beneficiary
      - HPSJ is compliant with DHCS regulations for pharmacy access
    - HPSJ is contracted with all available 24-hour pharmacies in both San Joaquin and Stanislaus Counties
    - Based on the 2021 Audit, the Pharmacy Team did not find any deficiencies in the pharmacy network or access to medications after an ER visit
    - As of January 1, 2022, Medi-Cal Rx has taken over adjudication of pharmacy claims for outpatient prescription drugs. HPSJ will not be responsible for the pharmacy network management after this date
    - The HPSJ Pharmacy Team will continue to monitor claims adjudication at the point of sale and work to ensure members get their medications in a timely manner. HPSJ will partner with Medi-Cal Rx and DHCS
- Policies Update
  - UM 49 - COC for Medical Managed Care including Mental Health
  - UM 46 - Alcohol Drug Treatment Services
  - QM27 - Potential Quality Issue (PQI) Report – No change
  - QM42 - Ongoing Monitoring and Organizational Providers – No changes
  - QM47 - Ongoing Assessment of Organizational Providers
- Subcommittees
  - Pharmacy & Therapeutics Advisory Committee December 22, 2021
    - Health Plan of San Joaquin Policy PH04 Pharmacy and Therapeutics Committee defines the Health Plan of San Joaquin (HPSJ) Pharmacy and Therapeutics Committee (P&T) members, duties, tasks, and meeting agendas. The Health Plan of San Joaquin (HPSJ) Pharmacy and Therapeutics Committee (P&T) is responsible for providing input on pharmaceutical management procedures and for developing, managing, updating, and administering the Drug Formulary System for HPSJ. The P&T Committee is responsible for ensuring HPSJ's members receive high quality, cost-effective, safe, and efficacious medication therapy.- Approved.
      - Policies retired due to the Carve-out of Pharmacy Benefits by DHCS - Effective 1-1-2022 (refer policy list in meeting packet)



- Coverage Policies reviewed with recommended changes
  - Oncology- Cancer
  - Renal- Anemia
- Coverage Policy Reviews with No changes
  - Dermatology – Other Skin Disorders
  - Endocrine Disorders – Women’s Health
  - Infectious Disease – Fungal Infections
  - Infectious Disease – Viral Infections
  - Respiratory Disorders – Pulmonary Hypertension

Upon reviewing Dr. Lakshmi’s report, Chair Diederich asked on the Emergency Access Audit, whether it will be removed based on the pharmacy carve-out. Dr. Lakshmi noted to the affirmative and stated that it will no longer be HPSJ’s responsibility and will be shifted under the state’s responsibility.

**ACTION:** A motion was made (Commissioner Bangalore) and seconded (Commissioner Wilverding) to approve the QMUM Committee Report 01/19/22 as presented (9/0).

**ACTION:** A motion was made (Commissioner Fadoo) and seconded (Commissioner Zeiter) to approve the UM Annual Evaluation for FY 2020-2021 as presented (9/0).

#### **Peer Review and Credentialing Committee (PRC) – 01/12/2022 and 01/14/2022**

- Total Credentialed/Re-Credentialed – Direct Contract Providers: 83
  - Initial Credentialed for 3 Years = 19
  - Recredentialed for 1 Year = 4
  - Recredentialed for 3 Years = 57
  - Recredentialed 01/12/2022 to 04/01/2022 = 1
  - Clean File Initial Credentialing Sign Off Approval by Dr. Lakshmi: 2

Upon review of Dr. Lakshmi’s report, Chair Diederich asked how long the process for a new provider is to join HPSJ’s network. Dr. Lakshmi responded that the PRC Committee meets every other month to review the list of new providers and for those who are interested in joining HPSJ’s network, the medical management team will assist them on the process. It is not a lengthy process if the providers’ credentialing file is clean with no actions on their license, no OIG restrictions or DEA findings.

**ACTION:** A motion was made (Commissioner Parsa), seconded (Commissioner Miller) with one abstention (Commissioner Herrera) to approve the Peer Review and Credentialing Committee reports for 01/12/2022 and 01/14/2022 as presented (8/1).

#### **INFORMATION ITEMS**

##### **10. Chief Operations Officer Report**

Lizeth Granados, COO provided an update on FQHC utilization trends, noting that the encounter data referenced in her report have a 3-month lag time:

- Members were not seeing providers as frequent back in October; HPSJ has been partnering with providers and FQHCs to make appointments
- CMC showed a big drop in the data due to system issues and submitted encounters will show up on future reports
- Urgent care services declined in the fall

- ER services and utilization decreased in the fall from the summer spike, however, utilization for hospitals is currently increasing due to the rise in Omicron

#### 11. Chief Compliance Officer – Annual Compliance Report

Sunny Cooper, Chief Compliance Officer reported on compliance activities for CY 2021, highlighting the following:

- Fraud, Waste and Abuse (FWA) Incidents
  - The number of reportable incidents increased by a count of 5 in CY 2021 when compared to CY 2020 (excluding “DOJ Investigation Assistance” category)
    - The increase was due to suspicions of stolen identity and banking fraud
- Claims Recovery and Cost Avoidance Monitoring
  - Claims continued to monitor and track potential fraudulent billing activities through its recovery unit daily operations. The identification of OHC is estimated to yield a savings of \$2.6 Million for CY 2021
  - Recovery opportunities include:
    - External vendor to perform COB (Coordination of Benefit) recoveries and Cost Avoidance due to OHC (Other Health Coverage)
    - Claims Recovery Unit and data analysis
    - System/configuration remediation
    - Medi-Cal Guidelines reviews
    - Working with other departments in identifying potential FWA incidents
- Privacy Incident Report (PIR)
  - 296 incidents were investigated, potentially impacting 187,632 members
    - 11 of the 296 incidents identified were reportable to DHCS/DOJ
    - Based on investigation, 154 incidents were not privacy incidents incurred by HPSJ, and 131 were remediated timely and potential breaches were prevented
- CY 2021 Mandatory Compliance Training
  - New hires to complete training within 30 days of hire and annually and bi-annually thereafter
  - Employee disciplinary actions are enforced if training is not complete by the due date
- Business Continuity Plan (BCP)
  - In 2021 HPSJ, implemented RPX software to maintain our BCP documents
    - With RPX, all BCP documents are built into a software housed in the cloud, making the documents more accessible during a business interruption
  - All BCP documents currently reside in the RPX software. Our first BCP Tabletop Exercises, using RPX, will be conducted in CY 2022
- Disaster Recovery (DR)
  - In CY 2021, HPSJ re-evaluated and renewed the DR contract with Quest Technologies. In addition, HPSJ completed an upgrade of the DR-VDI (Virtual Desktop Infrastructure) environment to the latest software, and tested user connectivity to production environment of mission critical systems
  - The planned DR Bubble Test in 2021 was canceled due to a data sync issue that was identified. This issue was later corrected and will be conducting another DR test by March of 2022

- CY 2021 Policy Review Program Goals
  - Develop and implement a communication plan for published policies
  - Improve the review and quality assurance process to confirm compliance with new and existing regulatory and contractual requirements
  - Enhance policy owner training for the development and collaboration edits of policies
  - Continue the CY2020 goals to improve the quality of procedure content; reduction of redundant policies across departments; and complete annual reviews by the end of the calendar year
  - As of the December, 201 policies were scheduled for review and 175 (87%) were presented to PRC for approval
  - Policy Review team was unable to conduct the annual review of all policies due to CMS workflow issues and resource competition with DMHC, DHCS and NCQA audits
  - Mitigation Plan for the Future
    - Technical support resources for system errors have been increased within IT & Compliance has access to the vendor's help desk directly
    - Compliance restructured staff responsibilities to support the regulatory review and QA process
    - The 2022 policy review schedule will be published in January and a formal work plan for the entire year will be established to ensure accountability of each Policy Owner to adhere to his/her commitment in completing the policy review per work plan
    - Resource limitation due to audits should subside greatly next year

Upon Ms. Cooper's report, Chair Diederich asked if there is a trend line in the Privacy Report. Ms. Cooper responded that the trends are consistent from month to month as Compliance tracks reports daily. It is currently trending in the middle but would like to show a lower trend line. The trends will be included in the February Health Commission report.

## 12. Legislative Report

Brandon Roberts, Government and Public Affairs Manager reported on the Governors Proposed Budget for FY 2022-23, highlighting the following:

- Total 2022-23 Budget: \$286.5B (\$213.1B GF)
- Budget Surplus: \$45.7B, of which \$20.6B is discretionary
  - Budget Reserves: \$34.6B, including:
    - Rainy Day Fund: \$20.9B
    - Safety Net Reserve: \$900M
    - Public School System Stabilization Account: \$9.7B
    - Operating Reserve: \$3.1B
- Medi-Cal Budget and Caseload Projections
  - 2021-22 Budget: \$123.8B (\$26.8B GF)
  - 2022-23 Budget: \$132.7B (\$34.9B GF)
  - 2022-23 Caseload: 14.2M Californians
- Medi-Cal Expansion to All Income-Eligible Californians
  - 2023-24 Budget: \$819.4M (\$613.5M GF) - *Annually at full implementation: \$2.7B (\$2.2B GF)*
  - Expansion Caseload Estimate: Anticipated to cover over 700,000 undocumented adults

- Community-Based Mobile Crisis Services as a Medi-Cal Benefit
  - Includes \$108M (\$16M GF) to add qualifying community-based mobile crisis intervention services as a mandatory Medi-Cal benefit, beginning no sooner than January 1, 2023
  - Matching Funds from the ARPA of 2021: Federal policy authorizes 85 percent federal matching funds
    - Available for 12 quarters during a five-year period, starting April 1<sup>st</sup>
    - Total costs projected to be \$1.4B (\$335M GF) over five-years
  - Forthcoming TBL: Will clarify conditions to add qualifying 24/7 community-based mobile crisis intervention services as a Medi-Cal benefit
- Proposition 56 Provider Payments
  - Revenues have declined and are insufficient to support current Prop 56 payments beginning in FY 2022-23
    - In 2022-23, Medi-Cal Prop 56 supplemental payments are projected to exceed revenues by \$176M
  - Includes \$176M to continue incentive payments for Prop 56-funded services
    - 2022-23: \$147M allocated to transition current Prop 56 payments to GF, including:
      - ACE Screenings
      - AIDS Waiver
      - Community-Based Adult Services
      - Developmental Screenings
      - Freestanding Pediatric Subacute
      - Home Health Services
      - Intermediate Care Facilities for the Developmentally Disabled
      - Non-Emergency Medical Transportation
      - Pediatric Day Health Care
  - Includes \$29M GF to fund other Prop 56 payments at current level
- Home and Community-Based Alternatives (HCBA) Waiver
  - Includes \$304M (\$152M GF) in 2022-23 to implement the HCBA waiver for a new five-year term from January 1, 2022, through December 31, 2026
- Office of Health Care Affordability
  - Reappropriates funding for the Office that was originally included in the 2021 Budget Act and proposes statutory changes for its establishment, housed within the Department of Health Care Access and Information
- Children and Youth Behavioral Health Initiative (CYBHI)
  - Includes the following funds to implement elements of the CYBHI:
    - \$87M (\$41M GF) to implement Dyadic Services, effective January 1, 2023
    - \$429M GF for evidence-based behavioral health practices
    - \$450M GF for school behavioral health partnerships and capacity
    - \$230M GF for the Behavioral Health Services and Supports Platform and related e-Consult service and provider training

- County Funding for Medi-Cal Eligibility Redeterminations
  - Includes \$73M (36.5M GF) in 2021-22 and 2022-23 for counties to resume annual redeterminations of Medi-Cal beneficiaries who remained enrolled due to the continuous coverage requirement during the COVID-19 PHE
    - Forthcoming TBL: Will align redeterminations with federal guidance
- Medi-Cal Provider Equity and Practice Transformation Payments
  - Includes one-time \$400M (\$200M GF) for provider payments focused on advancing equity and improving quality in children's preventive, maternity, and integrated behavioral health care
    - Beginning January 1, 2023
    - Intended to reduce the impact of untreated behavioral health conditions on emergency departments and psychiatric facilities by referring people to services in the community
- Skilled Nursing Facility Payment Reform
  - Reforms the funding framework for SNFs to move from a primarily cost-based methodology to one that incentivizes values and quality
- Public Hospital Financing Reform
  - Suggests working with public hospital systems in 2022-23 to reform Medi-Cal payments for public hospitals
  - The goal of these payment reforms is to drive system transformation to provide person-centered care, reduce administrative burden, and focus on integration, quality, outcomes, and value
- Alternative Payment Methodology for FQHCs
  - Forthcoming TBL will update existing law on APM reimbursement methodologies for FQHCs to incentivize delivery system and practice transformation by moving away from a volume-based reimbursement methodology
- COVID-19
  - Testing in Schools: The Budget Act of 2021 included \$575M total funds for COVID-19 testing in schools in FY 2021-22, not accounting for increased FMAP
    - However, to date, schools have relied on direct federal funding to support testing costs rather than billing Medi-Cal for eligible students
      - The proposed budget no longer assumes costs related to COVID-19 testing in FY 2021-22
        - \$405M total funds (\$102M GF) are included in FY 2022-23, coinciding with the projected end of direct federal funding
  - Vaccine Administration Costs: The federal government assumed full responsibility to cover vaccine administration costs in Medi-Cal beginning April 1, 2021
    - The Budget proposal includes \$348M total funds (\$38M GF) in FY 2021-22 and \$155M total funds (\$1M GF) in FY 2022-23 to cover vaccine administration costs, not accounting for increased FMAP

Upon reviewing Mr. Roberts' report, Chair Diederich asked when the 988-suicide prevention line will be rolled out and will it be included in the Mental Health Crisis bill. Mr. Robert is uncertain if it is included in the budget will confirm and report back to the commission.

### **CHAIRMAN'S REPORT**

Chair Diederich announced the re-appointments of the following Health Commissioners:

- Commissioner Kathy Miller – appointed by SJC BOS
- Commissioner Chuck Winn – appointed by SJC BOS
- Commissioner John Zeiter, MD – appointed by the SJC Medical Society
- Commissioner Brian Jensen – appointed by Hospital Council

### **COMMISSIONER COMMENTS**

No comments were forthcoming.

*Commissioner Jensen joined the meeting at this time.*

### **CLOSED SESSION**

*At this time, the Health Commission adjourned to Closed Session at 6:28 p.m.*

13. Closed Session - Trade Secrets  
Welfare and Institutions Code Section 14087.361  
Title: Update on FY' 21-22 Corporate Objectives
14. Closed Session - Conference with Labor Negotiator  
Government Code Section 54957.6  
Title: Union Contract Negotiations
15. Closed Session – Conference with Legal Counsel – Existing Litigation  
Government Code Section 54956.9(d)(1)  
Title: Sutter Contracts

No actions were forthcoming.

*The Health Commission came out of Closed Session at 7:10 p.m.*

### **ADJOURNMENT**

Chair Diederich adjourned the meeting at 7:11 p.m. The next regular meeting of the Health Commission is scheduled for February 23, 2022.