

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

**October 25, 2023**

**Health Plan of San Joaquin – Community Room**

## **COMMISSION MEMBERS PRESENT:**

Greg Diederich, Chair

Brian Jensen, Vice-Chair

Olivia Byron-Cooper

Paul Canepa

Michael Herrera, DO

Miguel Villapudua

Terry Woodrow

## **COMMISSION MEMBERS ABSENT:**

Neelesh Bangalore, MD

Farhan Fadoo, MD

Christine Noguera

Elyas Parsa, DO

Jay Wilverding

John Zeiter, MD

## **STAFF PRESENT:**

Lizeth Granados, Chief Executive Officer

Betty Clark, Chief Legal and General Counsel

Sunny Cooper, Chief Compliance Officer

Evert Hendrix, Chief Administrative Officer

Tracy Hitzeman, Executive Director of Clinical Operations

Dr. Lakshmi Dhanvanthari, Chief Medical Officer

Elizabeth “Liz” Le, Chief Operations Officer

Ildi Rabinowitz, Chief Health Equity Officer

Michelle Tetreault, Chief Financial Officer

Victoria Worthy, Chief Information Officer

Kirin Virk, Deputy 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 5:09 p.m.

## **PRESENTATIONS/INTRODUCTIONS**

Chair Diederich welcomed new commissioner, Olivia Byron-Cooper, Director of Health and Human Services of El Dorado County, to the Health Commission.

## **PUBLIC COMMENTS**

No public comments were forthcoming.

## **MANAGEMENT REPORTS**

### **1. CEO Report**

Lizeth Granados, CEO, welcomed Betty Clark, Chief Legal and General Counsel to HPSJ, followed by an update on the following:

#### **Quality Incentives**

The Department of Health Care Services (DHCS) continues to increase expectations for Medi-Cal plans to meet quality performance metrics and will begin issuing increased monetary sanctions to Medi-Cal plans that fail to meet the minimum performance levels (MPLs) for certain 2022 quality measures.

Plans may be retrospectively sanctioned an amount that ranges from \$25,000 to \$437,000 per deficient measure, which may be increased in consideration of:

- Scope – number of members impacted,
- Severity – degree to which performance falls below MPLs,
- Trend – upward or downward trajectory of performance, and
- History – continual failure to meet MPLs.

DHCS is also modifying its Auto Assignment Incentive Program methodology. The program methodology rewards better performing plans with a greater percentage of assigned enrollees who do not choose a Medi-Cal plan. DHCS historically considered 4 quality metrics in the program methodology, but the newly proposed program methodology will include 14 quality metrics.

HPSJ's financial stewardship and membership growth will be more closely tied to our quality performance.

Upon review of Ms. Granados' presentation, Chair Diederich asked if the 14 quality measures could be separately levied against a Medi-Cal plan in each of the service area counties in which its performance falls below the MPL. Ms. Granados affirmed, indicating that DHCS could issue two separate sanctions of \$25,000 or more against HPSJ if falling below the MPL on the same measure in both San Joaquin and Stanislaus Counties.

### Medi-Cal Targeted Rate Increases

Revenues from the renewed managed care organization (MCO) tax will be used to support Medi-Cal by promoting provider participation and improving access, quality, and equity. The MCO tax is effective from April 1, 2023, through December 31, 2026.

Starting January 1, 2024, Medi-Cal reimbursement rates for primary care, obstetric and doula care, and non-specialty mental health care will be the greater of 87.5% of the Medicare rate or the previous arrangement with a provider.

HPSJ will ensure that contracted rates for a targeted service are not less than the previous arrangement with a provider, inclusive of Proposition 56 supplemental payments. By no sooner than January 2025, the MCO tax will additionally authorize investments in:

- Specialty care services
- Community or hospital outpatient procedures and services
- Family planning services and women's health providers
- Hospital-based emergency and emergency physician services
- Ground emergency transport services
- Designated public hospitals
- Behavioral health care for members in hospitals and institutional long-term care settings
- Maintaining and growing the health care workforce

Upon review, Chair Diederich asked if the pending MCO Tax will only be utilized to support the Medi-Cal program, as opposed to being diverted by the state to fund additional programs. Ms. Granados noted that there is a draft initiative for the MCO tax structure, the state is authorizing investments in managed care plans to ensure the funding will be used to grow the network of safety-net providers and drive health care quality in Medi-Cal.; Ms. Granados added that Medi-Cal plans and other stakeholders are advocating that MCO tax initiative for funding not be allocated to other programs supported by the general fund.

### Trio Benefit for Community Health Worker, Doula, and Dyadic Services

DHCS is partnering with HPSJ and other Medi-Cal plans to support the utilization of trio benefits. Trio benefits are newly covered services within the Medi-Cal program, which include community health worker services, added in July 2022, as well as doula and dyadic services, added in January 2023.

The utilization of trio benefits has been relatively low across the state and HPSJ is growing awareness among providers and community-based organizations to ensure trio benefits are accessed by our members.

Upon review, Commissioner Herrera asked if doulas are licensed and/or certified. Ms. Granados responded that doulas must be Medi-Cal enrolled, which includes training and DHCS requirements around their services. Standardized requirement is by the state for them to be qualified to participate.

### Alpine and El Dorado County Expansion Update

Mountain Valley Health Plan (MVHP) is diligently establishing new partnerships with key stakeholders throughout our expanded service area and frequently meeting with health care providers, county officials, and community-based organizations; meetings often focus on advancing mutual priorities and fostering collaboration across sectors.

MVHP will host a welcoming event on November 15th at the El Dorado County Fairgrounds in Placerville to facilitate introductions to the community, lend support to providers transitioning into

MVHP's network and establish opportunities to serve members through multidisciplinary partnerships.

Upon Ms. Granados's update, Chair Diederich asked if members residing in Alpine or El Dorado Counties can be auto assigned to HPSJ/MVHP. Ms. Granados responded that DHCS will provide HPSJ/MVHP a list of eligible members in November for a January 1, 2024 effective date; however, these members can still opt out of HPSJ/MVHP enrollment and choose to be served by our commercial counterpart.

### **CONSENT CALENDAR**

Chair Diederich presented three consent items for approval:

2. September 27, 2023 SJC Health Commission Meeting Minutes
3. Finance and Investment Committee – 10/18/2023
  - a. September 20, 2023 Meeting Minutes
4. Community Advisory Committee (CAC) – 10/19/2023
  - a. August 10, 2023 Meeting Minutes
  - b. Every Women Counts Presentation
  - c. HPSJ Cultural and Linguistics Presentation
  - d. HPSJ Prenatal Focus Group
  - e. HPSJ Grievances and Appeals Update
  - f. HPSJ CAC Selection Committee

**ACTION:** With no questions or comments, the motion was made (Commissioner Jensen), seconded (Commissioner Villapudua), to approve the three consent items as presented (7/0).

### **DISCUSSION ITEMS**

#### **5. Moss Adams Auditors Report – Fiscal Year 2023 Audited Financials**

Rianne Suico and Eleanor Garibaldi of Moss Adams joined the meeting to present the organization's audit results for fiscal year 2023. Moss Adams' audit objectives were to issue an opinion about whether HPSJ's combined financial statements are reasonably stated, free of material misstatement in accordance with generally accepting accounting principles, and a consideration of internal controls, highlighting the following:

- Unmodified Opinion – financial statements are fairly presented in accordance with generally accepted accounting principles
- Combined Statements of Net Position (in thousands) - \$1,539,027 in 2023 compared to \$1,165,803 in 2022
  - Assets and Deferred Outflows of Resources
  - Liabilities, Deferred Inflows of Resources, and Net Position
- Operations
  - Total Operating Expenses (in thousands) - \$1,434,678 in 2023 compared to \$1,254,882 in 2022
  - Tangible Net Equity (TNE) in thousands – \$686,303 compared to \$456,117 in 2022
- Included in the report were the following important Board Communications:

- AU-C Section 260 – The Auditor's Communication with Those Charged with Governance
  - Significant accounting policies
  - Accounting estimates are reasonable
  - No audit adjustments
  - No issues discussed prior to our retention as auditors
  - No disagreements with management
  - No awareness of instances of fraud or noncompliance with laws and regulations

Chair Diederich asked how the claims liability is being compared to Medical Loss Ratio (MLR). Ms. Suico responded that the report shows how much the liability is paid out, in comparison to premium liability, not necessarily medical expense. In 2022 it was low utilization, with pent up demand in 2021. Based on trends, it looks like 2023 will also have low utilization.

Chair Diederich thanked Moss Adams for their honest opinion of HPSJ's financials and appreciated all the work done the last 4-5 years.

**ACTION:** With no additional questions or comments, the motion was made (Commissioner Jensen) seconded (Commissioner Villapudua) and unanimous to approve the Moss Adams Report for FY 2023 audited financials as presented (7/0).

**6. Resolution 2023-03 - Approve Purchase Agreement with Joseph Forte and Elizabeth Forte, for the property located at 4327 Golden Center Dr., Placerville, CA 95667 for \$1,775,000**

Michelle Tetreault, CFO presented for approval, Resolution 2023-03 - Purchase Agreement with Joseph Forte and Elizabeth Forte, for the property located at 4327 Golden Center Dr., Placerville, CA 95667 for \$1,775,000. She reported that comparable properties sell price per square foot is \$170-\$286; HPSJ/MVHP accepted the offer price of \$237 per square foot.

**Property Strengths:**

- a) Opportunity to lease unused space (offsetting space costs)
- b) Requires substantially less improvements to be utilized by Health Plan
- c) Offers a large lot (.75 acres) for outdoor community functions
- d) Significantly matches Health Plan property search criteria

**El Dorado Commercial Real Estate – Seller's Market:**

- a) Limited real estate inventory in El Dorado County matching MVHP criteria
- b) High interest in property
- c) Owners declining initial offer for \$1.4M/Countering with \$1.775M
- d) Lower investment post-purchase for necessary improvements

Upon reviewing Ms. Tetreault's request, Chair Diederich asked how much the tentative improvement costs are and how many years this will be an asset in the books. Ms. Tetreault responded; improvement costs will be roughly \$750k and will depreciate over 39 years.

**ACTION:** With no additional questions or comments, the motion was made (Commissioner Canepa) seconded (Commissioner Jensen) and unanimous to approve for management to execute a "Purchase and Sale Agreement" and any related documents for the purchase of commercial real estate property, located at 4327 Golden Center Drive, Placerville, CA 95667, to serve as the long-term Mountain Valley Health Plan Office in El Dorado County as presented under Resolution 2023-03 (7/0).

## 7. August 2023 YTD Financial Reports

Michelle Tetreault, CFO thanked Chris Navarro and Elizabeth Gagnon for all the hard work that they and their team has done throughout the year to get financial reports complete and on-time for health commission review.

Ms. Tetreault then presented for approval the August 2023 YTD financials, highlighting the following:

- Net Income is \$21.0M and is \$4.2M favorable to budget
- Premium Revenue is -\$13.5M unfavorable to budget YTD, attributed to lower than budgeted enrollment in LTC categories of aid
- Managed care expenses are \$11.5M favorable to budget YTD, primarily attributable to the following factors:
  - +\$3.5M favorable Institutional variance due to lower than budgeted LTC enrollment
  - +\$8M favorable overall due to more low and non-utilizers in our membership than budgeted driven by disenrollments occurring more slowly than anticipated in the budget
- Other Program Revenues and Expenses (Net) - Net other revenues and expenses are -\$0.7M unfavorable (-\$0.66 PMPM) to budget YTD primarily due to incentive program income budgeted but not yet earned. The variance is temporary due to timing differences between the budgeted vs. earned month and is expected to be reversed later in the fiscal year
- Administrative Expenses are \$4M favorable to budget YTD primarily due lower than budgeted IT subscription, consulting costs and personnel costs
- Prior period adjustments are primarily due to changes in estimates of IBNR

Upon review of the financials, Commissioner Jensen asked if HPSJ is the source of the miscalculation on membership under Long-Term Care. Ms. Tetreault responded that managements assumptions are based on numbers provided by DHCS; HPSJ build in about a percentage lower.


**ACTION:** With no additional questions or comments, the motion was made (Commissioner Villapudua) seconded (Commissioner Canepa) and unanimous to approve the August 2023 YTD financial reports as presented (7/0).

## 8. QMUM Committee Update – 10/17/2023

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the QM/UM Committee meeting report for 10/17/2023, highlighting the following committee meetings, work plans, program descriptions, policies updates and reports that were reviewed and approved:

- Grievance FY 22-23 'Q4
  - San Joaquin County = 538
  - Stanislaus County = 347
- Appeals FY 22-23 'Q4
  - San Joaquin County = 24
  - Stanislaus County = 40
- Initial Health Assessment Annual Report CY 2022 (Jan 1, 2022 - Dec 31, 2022)
  - 411 randomly sampled records selected for medical record compliance review

- Steady increases from 2018 to 2020 for IHA's with minimal fluctuations for the use of the SHA tool
- 2021 saw the most dramatic decline in completion due to COVID restrictions and DHCS temporary suspension for the IHA through October of 2021
- IHA completion in MY2022 increased from MY 2021 and is in line with prior years
- Lead Screening Annual Report MY 2022
  - A Randomized sample of 411 children up to age 2 was sampled for the Measurement Year
  - Compliance with lead screening completion has continued to decline year over year
  - MY2022 saw an increase in documentation of anticipatory guidance from 2.63% to 13.93%
  - Continued low rate of documentation found of caregiver refusal
- CAHPS/ECHO Benchmark Comparison

 **Medicaid Child CAHPS // Benchmark Comparison**  
Health Plan of San Joaquin

Composite/Attribute/Measure/Rating Item	Valid n	Your Plan Summary Rate*	Benchmarks		Significance Testing***	
			2023 SPH Analytics BoB**	2022 Quality Compass® All Plans**	To SPH Analytics BoB	To Quality Compass® AP
Getting Needed Care		78.7%	83.1%	84.2%	Not sig.	Not sig.
Getting Care Quickly		73.4%	85.8%	86.7%	Below	Below
How Well Doctors Communicate		91.3%	94.0%	94.2%	Not sig.	Not sig.
Customer Service		88.6%	88.7%	88.1%	Not sig.	Not sig.
Coordination of Care (Q20)	93	82.8%	84.2%	84.7%	Not sig.	Not sig.
Ease of Filling out Forms (Q30)	314	93.9%	95.8%	95.9%	Not sig.	Not sig.
Rating Items (Summary Rate = 8 + 9 + 10)						
Rating of Health Care (Q8)	201	81.1%	86.8%	87.3%	Below	Below
Rating of Personal Doctor (Q21)	254	85.4%	89.8%	90.2%	Below	Below
Rating of Specialist (Q25)	60	90.0%	86.7%	86.5%	Not sig.	Not sig.
Rating of Health Plan (Q31)	329	85.4%	86.8%	86.5%	Not sig.	Not sig.
Rating Items (Summary Rate = 9 + 10)						
Rating of Health Care (Q8)	201	62.2%	69.6%	70.8%	Below	Below
Rating of Personal Doctor (Q21)	254	68.5%	76.5%	77.2%	Below	Below
Rating of Specialist (Q25)	60	70.0%	72.3%	73.0%	Not sig.	Not sig.
Rating of Health Plan (Q31)	329	69.3%	72.0%	72.0%	Not sig.	Not sig.

- QI3 Continuity & Coordination of Medical Care MY 2023 Report - The purpose of this report is to annually evaluate continuity and coordination of medical care across settings and between provider types to assess the overall effectiveness and identify opportunities for improvement. (NCQA QI3)
  - Two measures have been selected to support coordination and collaboration among providers to ensure high quality, timely patient care
    - Post-partum care
    - Diabetic eye exams
  - Two major opportunities for improvement selected:
    - Post-partum care – Providers are currently offered an incentive for providing timely postpartum care. Innovative data sharing platform for providers to review gaps in care to support timely identification of members needing care.
    - Diabetic eye exams: Partner with vision service provider to develop holistic understanding of the current process of provider communication and information sharing in order to develop best practices and timely coordination of care
- Annual Evaluation for Continuity and Coordination of Medical and Behavioral Health Care Services MY 2022 - The purpose of this report is to annually evaluate continuity and

coordination of medical and behavioral healthcare to assess the overall effectiveness and identify opportunities for improvement. (NCQA Q14)

Measure	San Joaquin	Stanislaus
1. % of Providers that attest to communicating (verbal and/or written) about the mutual patient's care with a PCP (answer key: always or usually)	28.8% (no goal set yet)	
2. % of Providers confirm that they receive communication (verbal and/or written) about mutual patient's care from a PCP (answer key: always or usually)	18.5% (no goal set yet)	
3. % of Providers that attest to communicate (verbal and/or written) about the mutual patient's care with another Behavioral Health Provider (answer key: always or usually).	44.9% (no goal set yet)	
4. % of Providers confirm that they receive communication (verbal and/or written) about mutual patient's care with another Behavioral Health Provider (answer key: always or usually)	33.1% (no goal set yet)	
5. Antidepressant Medication Management Effective & Continuation (AMM)	Met	Met
6. Follow-up Care for Children Prescribed ADHD Medication Initiation and Continuation & Maintenance (ADD)	Met	Not Met
7. Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications (SSD)	Met	Not Met
8. Diabetes Monitoring for People with Diabetes and Schizophrenia (SMD)	Met	Not Met
9. Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia (SMC)	Met	Not Met
Measure	San Joaquin	Stanislaus
10. Prenatal Depression Screening and Follow-up (PND-E)	Not Met	Not Met
11. Postpartum Depression Screening and Follow-up (PDS-E)	Not Met	Not Met
12. Utilization of the PHQ9 to Monitor Depression Symptoms for Adolescents and Adults (DMS-E)	Not Met	Not Met
13. Depression Screening and Follow-up for Adolescents and Adults (DSF-E)	Not Met	Not Met

- Major opportunities for improvement selected:
  - Factor 1: Exchange of Information between Primary Care Physician, Behavioral Health Provider, and other Providers
  - Items 1, 2, 3, and 4 (from above)
  - Factor 5: Implementation of a primary or secondary preventative behavioral health program
  - Items 10, 11, 12, and 13 on previous page.
- Interventions proposed:
  - Provider Education via the website, newsletter, and Joint Operations Meetings
  - Member Education via the member newsletter and webpages
  - Community Advisory Committee engagement on material development and distribution
- Report Changes/ Updates
  - New template utilized for Measurement Year 2022
- 2022-2023 HEDIS Annual Report - This is an Annual report of HPSJ HEDIS, Managed Care Accountability Set (MCAS) and Health Plan Ratings (HPR) Measure outcomes
  - 15 measures held to MPL in each county
  - San Joaquin County met the MPL for 6 of the 15 and 6 more were within 5% of the MPL for MY2022. Only 3 were more the 5% below the MPL for MY2022
  - Stanislaus county met the MPL for 4 out of 15 measures, 5 were within 5% of the MPL and 6 measures in Stanislaus were more the 5% below the MPL for MY2022

Measure Domain	MCAS	Description	GOAL	SJ Final	ST Final
			2022 MPL (50th percentile)		
Children and Adolescent Well-Care	CIS-10-H	2 y.o. vaccines- Combo 10	34.79%	36.50%	20.92%
Children and Adolescent Well-Care	IMA-2-H	13 y.o vaccines- Combo 2	35.04%	37.55%	30.20%
Children and Adolescent Well-Care	LSC-H	Lead Screening in Children	63.99%	46.11%	39.37%
Children and Adolescent Well-Care	WCV-A	Well Child Visits 3-21	48.93%	47.26%	41.89%
Children and Adolescent Well-Care	W30-15-A	15 Months, 6+ visits	55.72%	50.36%	35.32%
Children and Adolescent Well-Care	W30-30-A	30 Months, 2+ visits	65.83%	60.67%	56.49%
Reproductive Health	PPC-Pre-H	Prenatal Care in the 1st Tri	85.40%	87.59%	86.37%
Reproductive Health	PPC-Post-H	Postnatal Care 7-84 days	77.37%	79.08%	80.05%
Cancer Screening	CCS-H	Cervical Cancer Screening	57.64%	56.93%	58.15%
Cancer Screening	BCS-A	Breast Cancer Screening	50.95%	50.44%	50.42%
Other Preventative Services	CHL-A	Chlamydia Screening	55.32%	58.78%	52.60%
Diabetes Care	HBD > 9%-H	A1c Poor Control >9	39.90%	35.52%	40.63%
Heart Disease	CBP-H	Controlling High BP	59.85%	59.37%	59.85%
BH-Care Coordination	FUM-30-A	Follow-Up After ED Visit for Mental Illness-30 Day	54.51%	52.39%	47.16%
BH-Care Coordination	FUA-30-A	Follow-Up After ED Visit for Substance Abuse-30 days	21.24%	17.08%	18.06%



- UM Program Description FY 2023-2024
  - The UM Program Description details the philosophy, goals, structure and processes by which HPSJ promotes the delivery of high quality, medically necessary and cost-effective care for our members
  - Enhanced Behavioral Health sections to include specifics regarding program, use of delegate Carelon and enhanced content sections for Substance Abuse and BHT (Behavioral Health Treatment)
  - Added Alpine and El Dorado Counties effective 1/1/2024 Appropriate Professionals
  - Added: Behavioral Health Medical Director, Director of Behavioral Health and Social Work, Director of Case Management, Long Term Care Supervisor
  - UM Review Process
    - Updated Post-Stabilization process description
  - UM System Controls
    - Added information regarding Advanced System Controls in the UM system that prevents changing receipt and notification dates
- Clinical Criteria for UM Decisions - Hierarchy of Medical Criteria
  - MCG – Nationally recognized criteria and HPSJ's primary review source will serve as the first primary medical review criteria for authorization determinations
  - State of California's manual of Medi-Cal Provider Manual Criteria shall serve as the primary reference for benefit coverage determinations and secondary authorization criteria when there are no MCG guidelines pertaining to the request or if the primary review criteria is insufficient
  - UM staff, practitioners and providers will use HPSJ's General Utilization Management Criteria when medical necessity criteria cannot be found within the MCG Guidelines and the Medi-Cal Provider Manual. The General Utilization Management Criteria may be used when primary and secondary criteria are insufficient to address the specific individualized needs of members
- 2023 Clinical Practice Guidelines
  - Chronic Obstructive Lung Disease (COPD)
  - Diabetes
  - Chronic Kidney Disease
- Policies Updates
  - Pharmacy Policies
  - Quality Management Policies
  - Clinical Operations Policies
- Sub Committee Reports
  - Delegation Oversight Committee (DOC) - 09/05/2023
    - Audit Results
      - Carenet / MDLive- No concerns
      - Carelon – Continuity of Care & New Provider Training are 2 areas of opportunity
      - ECM Audits (95% is the passing score)
        - SJCHSA = 90%
        - CMC = 88%
  - Pharmacy & Therapeutics Advisory (P & T) Committee ( – 09/12/2023
    - Quarter 3 2023 Program Goals
      - Section Descriptions - September 2023
        - Coverage Policies reviewed with recommended changes:
          - Gastroenterology – Acute and Chronic Bowel Disease
          - Neurologic – Migraines

- Coverage Policy without changes
  - Gastroenterology – Nausea
  - Infectious Disease – Bacterial Infections
  - Infectious Disease – Fungal Infections
  - Infectious Disease – Viral Infections
  - Miscellaneous – Growth Hormone

Upon reviewing Dr. Dhanvanthari's report, Chair Diederich asked about the P&T committee with the pharmacy carve out to the state. Dr. Dhanvanthari responded that the state controls the formularies, and it is a generous amount and the therapeutic agents provided by physicians that are covered under the medical benefit are covered by HPSJ Medi-Cal, which is why HPSJ still has the P & T committee.

Chair Diederich and Commissioner Herrera asked about lead testing, how it is being completed and the low compliance rates for lead testing. Dr. Dhanvanthari responded for multifold reasons - children that were going for well care visits has reduced. Throughout the state, this has been an issue, including HPSJ's service counties. When parents are given lead tests requests, physicians note that they are not going to the lab for testing. The provider's office must be in CLIA compliant to do the testing in their offices and have the point of care testing equipment. Dr. Herrera noted that this is only required for Medi-Cal patients and so providers that see both commercial and Medi-Cal patients may not be accustomed to ordering the test.

**ACTION:** With no further questions or comments, a motion was made (Commissioner Diederich) and seconded (Commissioner Canepa) to approve the QMUM Committee Report for 10/17/2023 as presented (7/0).

## **INFORMATION ITEMS**

### **9. ICF-DD and Subacute Transition**

Elizabeth Le, Chief Operations Officer reported on ICF-DD and Subacute Transition, noting as part of managed care benefit standardization proposal by DHCS to ensure all Medi-Cal managed care plans provide the same benefit package, Long-Term Care (LTC) services were carved into our benefit packet in two phases.

#### *Phase I – January 1, 2023*

- Skilled Nursing Facilities (SNF) - freestanding and hospital-based

#### *Phase II – January 1, 2024*

- Intermediate Care Facilities
  - Intermediate Care Facility for the Developmentally Disabled (ICF/DD)
  - Intermediate Care Facility for the Developmentally Disabled-Habilitative (ICF/DD-H)
  - Intermediate Care Facility for the Developmentally Disabled-Nursing (ICF/DD-N)
- Subacute Care Facilities (adult and pediatric) - freestanding and hospital-based

At present, members receiving ICF/DD services are served through Fee-for-Service (FFS) Medi-Cal. Beginning January 1, 2024, members who reside in an ICF/DD home or subacute care facility will remain enrolled in HPSJ, instead of being disenrolled and transferred to FFS Medi-Cal.

To ensure a seamless transition, HPSJ must authorize and cover medically necessary services with no disruptions in access or services, including:

- Home services
- Professional services
- Ancillary services
- Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT)

HPSJ's on-going efforts:

- Continue to work with ICF homes and Subacute Care facilities on contracting efforts
- Continue to work very closely with Regional Centers on the transition
- Meet & Greet with ICF homes on 10/19/23 at Valley Mountain Regional Center (VRMC)

Upon Ms. Le's presentation, the following questions were raised by commissioners:

Q: Herrera – Is this transition for both counties?

A: Le - Yes for both counties. What the state is providing us with is information on homes that are in existing plans, and we are actively reaching out to those homes for contracting and acquisition.

Q: Diederich – What about transportation services?

A: Le – HPSJ is continuing to work with providers; educating both providers and members on accessing transportation.

Q: Jensen - Do we have adequate services in the areas that we serve (enough vendors)?

A: Le - Yes. For both non-medical transportations, we are contracted with Lyft. HPSJ is continuing to look for opportunities with other vendors.

A: Granados – This is an ongoing challenge with the more rural areas that HPSJ serves, especially with the increase in gas prices.

#### 10. Legislative Update

Brandon Roberts, Manager of Government and Public Affairs, provided an update on priority bills signed into law by Governor Newsom, as well as an update on two forthcoming reports by the California State Auditor, highlighting the following:

##### Priority Bills Signed into Law by the Governor

- AB 425 (Alvarez) – Medi-Cal: pharmacogenomic testing. Commencing on July 1, 2024, specifies pharmacogenomic testing as a Medi-Cal benefit
- AB 1369 (Bauer-Kahan) – Out-of-state physicians and surgeons: telehealth: license exemption. Authorizes a licensed physician in another state to deliver care via telehealth to an eligible patient who has an immediately life-threatening disease or condition
- SB 311 (Eggman) – Medi-Cal: Part A buy-in. Requires DHCS to submit a state plan amendment and enter into a federal Medicare Part A buy-in agreement for qualified Medicare beneficiaries
- SB 770 (Wiener) – Health care: unified health care financing. Directs the pursuit of waiver discussions with the federal government to establish a unified health care financing system without cost sharing for essential services and treatments
- SB 525 (Durazo) – Minimum wage: health care workers. Requires stepped minimum wage increases at varying rates for health care employees until reaching \$25 per hour

*State Auditor Reports Scheduled for Release as early as Fall 2023*

- *Departments of Health Care Services and Managed Health Care – Access to Behavioral Health Services for Children*
  - Scope: Will provide information on the timely access to behavioral health services for children in Medi-Cal and California Children's Services
- *Departments of Health Care Services and Public Health – Comprehensive Perinatal Services Program*
  - Scope: Will provide information on the implementation of the Medi-Cal Comprehensive Perinatal Services Program

These reports by the California State Auditor are conducted at the request of the Legislature.

Both reports are likely to result in new recommendations or requirements related to the oversight and operations of Medi-Cal managed care plans.

Upon review of Mr. Roberts' report, Chair Diederich asked about the status of any proposed legislative items related to the elimination of prior authorizations for network providers who have at least 90 percent of their prior authorization requests for specific services approved by a health plan. Mr. Roberts responded that there remains interest among certain legislators and stakeholders to pursue such legislation, which failed key deadlines this year and was not passed by the Legislature. Mr. Roberts noted that though unsuccessful in 2023, such legislation will likely resurface in 2024, as provider advocacy groups are partnering with health plan representatives to find a more successful approach to advancing legislation on reducing the need for prior authorizations.

Commissioner Herrera inquired about the passage of AB 1369 and whether there remains an opportunity to address accountability challenges once California's strict medical licensing requirements are waived to allow out-of-state physicians to provide telehealth services under certain circumstances. Mr. Roberts indicated that the bill is minimally prescriptive, so its implementation will likely require the Medical Board, Osteopathic Medical Board, Department of Consumer Affairs, and other stakeholders interested in the licensing and disciplining of physicians to issue clarifying regulations or requirements that position California to adequately conduct oversight and hold an out-of-state physician accountable if their practice fails to meet the standard of care.

**CHAIRMAN'S REPORT**

Chair Diederich reported the Community Reinvestment Committee (Diederich, Jensen and Noguera) is scheduled to meet in November and will be bringing investment recommendations to the full commission for review and approval.

**COMMISSIONER COMMENTS**

No comments were forthcoming.

**CLOSED SESSION – Tabled to December 13, 2023, Health Commission Meeting**

Closed Session – Trade Secrets  
Welfare and Institutions Code Section 14087.31 Title: FY' 23-24  
Quarterly Corporate Objectives Update

**ADJOURNMENT**

Chair Diederich adjourned the meeting at 6:25 p.m. The next regular meeting of the Health Commission is scheduled for December 13, 2023.