

MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

**September 28, 2022
Health Plan of San Joaquin – Community Room**

COMMISSION MEMBERS PRESENT:

Greg Diederich, Chair
Brian Jensen, Vice-Chair
Farhan Fadoo, MD
Kathy Miller
Elyas Parsa, DO
Jay Wilverding
John Zeiter, MD

COMMISSION MEMBERS ABSENT:

Neelesh Bangalore, MD
Christine Noguera
Michael Herrera, DO
Chuck Winn

STAFF PRESENT:

Michael Schrader, Chief Executive Officer
Cheron Vail, Chief Information Officer
Sunny Cooper, Chief Compliance Officer
Lizeth Granados, Chief Operations Officer
Evert Hendrix, Chief People Officer
Michelle Tetreault, Chief Financial Officer
Lakshmi Dhanvanthari, MD, Chief Medical Officer
Priti Golechha, MD, Assistant Chief Medical Officer
Tracy Hitzeman, Executive Director – Clinical Operations
Brandon Roberts, Manager, Government Affairs
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 5:02 p.m.

PRESENTATIONS/INTRODUCTIONS

None.

PUBLIC COMMENTS

No public comments were forthcoming.

MANAGEMENT REPORTS

1. Mr. Schrader, CEO reported on the following:

Cheron Vail, CIO Retirement and Recruitment for a new CIO

Mr. Schrader announced the planned retirement of Cheron Vail, CIO, who will leave HPSJ in January 2023 after 11 years of stellar service to our community. Our Health Commission will have an opportunity to recognize Dr. Vail for her service by presenting her with a plaque at the joint November/December meeting.

HPSJ is recruiting a CIO prior to the transition and has received approximately 20 applications for consideration. The interviewing process is underway, and we hope to welcome our new CIO at the start of the new year.

HPSJ Executives Tour St. Mary's Dining Room

Mr. Schrader shared that CalAIM provides new opportunities for HPSJ to support our community, related to homelessness. HPSJ is going beyond health care providers to partner with organizations that serve individuals who are experiencing homelessness.

Mr. Schrader shared that HPSJ executives toured the facilities of St. Mary's Dining Room, an organization that focuses on preparing meals, coordinating health care, and providing hygiene services, and offering social supports to individuals and families. Its facilities are located under the intersection of the SR-4 and I-5 freeways in Stockton, where there is a substantial and long-standing encampment of individuals experiencing homelessness.

Following the meeting, efforts are underway for St. Mary's Dining Room to contract with HPSJ to become a provider of Community Health Worker Services and to become a Community Supports provider of Housing Transition Navigation Services.

DHCS Defining a Medi-Cal Street Medicine Benefit

Mr. Schrader reported that DHCS issued a draft All Plan Letter to guide Medi-Cal managed care plans on utilizing street medicine providers to meet the clinical and non-clinical needs of members experiencing homelessness. Street medicine, which refers to a set of health and social services like Enhanced Care Management and Community Supports that are designed to address the unique needs of homeless populations, aims to reduce barriers to care by directly delivering services to homeless individuals in their living environments and on their own terms. Through street medicine, certain health care providers can engage homeless individuals and provide services in environments like cars, tents, abandoned buildings, and other spaces used as shelter. As such, HPSJ is actively outreaching to our network of federally qualified health centers to encourage participation as street

medicine providers in the community – some clinic partners are already coordinating with HPSJ to submit letters of intent to DHCS to provide street medicine services starting in the 1st quarter of 2023.

Concept for Development of Modular Housing for Homeless Individuals

Mr. Schrader explained that later in the meeting Lizeth Granados, COO would present HPSJ's proposed Investment Plans for San Joaquin and Stanislaus Counties for the Housing and Homeless Incentive Program (HHIP). He described that the DHCS HHIP program calls for plans to make up-front investments with the potential to later earn incentive dollars based on performance measures, including getting members housed and keeping them housed. He stressed that there is no guarantee that the incentive dollars HPSJ earns will fully cover the initial investments. He shared that staff are proposing approximately 15 different investments for a total of approximately \$15 million through the two Investment Plans.

Mr. Schrader highlighted the most significant investment. He described that HPSJ and Health Net are proposing to invest \$6 million for the construction of up to 150 modular units for individuals experiencing homelessness. HPSJ would cover 91 percent of the cost, or \$5.5 million, and Health Net would cover 9 percent of the cost, or \$500,000, proportional to Medi-Cal membership in San Joaquin County. The City of Stockton may invest an additional \$1.8 million, allowing for even more units.

The units would be located on what today is an empty parking lot surrounded by a chain-link fence that is owned by St. Mary's Dining Room. The parking lot is located under the shadow of the SR-4 and I-5 freeways in Stockton. The location is considered ideal because it has long been the site of a large encampment and already includes support services, including shelter, cafeteria, clinic, hygiene center, and social supports.

Q: Commissioner Zeiter inquired if participation would be open to donors in the Stockton community who may get excited by the initial funding from HPSJ and Health Net.

A: Mr. Schrader confirmed that by one ballpark estimate the parking lot includes space for up to 250 units, of which up to 150 units would be funded by the \$6M from HPSJ and Health Net, leaving opportunities for other local sponsors to participate.

A: Chairman Diederich added details about the planned units, noting that they are pre-fabricated and intended for privacy; available in a single-unit module with a window, door, A/C, and potentially a bathroom; or available in a 2-unit module with private rooms and a shared bathroom.

Q: Chair Diederich asked if Kaiser is going to be another financial contributor to the project addressing community homelessness.

A: Mr. Schrader responded that it would make sense to approach Kaiser, given the organization's positive presence in our local community, history of sponsorships, and future intentions to be a Medi-Cal managed care plan through a direct contract with DHCS.

Q: Chair Diederich asked if hospitals are going to be financial contributors.

A: Mr. Schrader responded that Dignity has been involved in the stakeholder discussions.

Q: Commissioner Parsa asked if there will be a Medi-Cal eligibility requirements for individuals or families to get into a housing unit?

A: Mr. Schrader indicated that the units would be available to all in need. However, HPSJ would coordinate to make sure our members have access and perhaps even priority.

A: Petra Linden, CEO of St. Mary's Dining Room shared that many of the homeless individuals her organization serves are already HPSJ members who lack interim housing. St. Mary's Dining Room hopes to stabilize and transition many homeless HPSJ members into permanent housing.

City of Stockton Hosted Townhall to Unveil its Homeless Action Plan

HPSJ executives on September 14th joined the City of Stockton in a townhall meeting to unveil its Homelessness Action Plan in partnership with the United Way, shelter leaders, and other community stakeholders. This was another opportunity for HPSJ to partner with other organizations to address

homelessness. The City of Stockton's Homeless Action Plan includes three overarching goals:

- 1) Establish a coordinated and engaged regional system of care,
- 2) Increase access and reduce barriers to homeless crisis response services, and
- 3) Ensure households experiencing homelessness have access to affordable sustainable permanent housing. Each of these goals intersect with the ambitions of CalAIM, which HPSJ is working to operationalize. This townhall provided an opportunity for HPSJ to lend insight on the intersections of health and housing, as well as to strengthen our local partnerships to meet the needs of our most vulnerable members.

HPSJ Delivers a Presentation on CalAIM for the Stanislaus Focus on Prevention Steering Committee

Mr. Schrader reported that HPSJ leaders on September 8th were invited by the Stanislaus Focus on Prevention Steering Committee to present an overview of the CalAIM initiative, which provides new opportunities for HPSJ to build cross-sector partnerships and coordinate the delivery of services that meet non-clinical needs of our members. Focusing in the areas of education, economics, health, housing, and community, the Stanislaus Focus on Prevention aims to improve the quality of life for Stanislaus residents through coordinated prevention efforts and health promotion, and its Steering Committee is comprised of multidisciplinary stakeholders, including HPSJ's CFO, Michell Tetreault.

Appeals of DHCS Procurement for Commercial Medi-Cal Managed Care Plans

Mr. Schrader provided an update on the DHCS procurement of commercial Medi-Cal managed care plans to serve beneficiaries across delivery model types in 21 different counties, including HPSJ's service area counties. Through its RFP process, DHCS in August 2022 provided its Notice of Intent to Award (NOIA) for the commercial plan procurement, which functions in parallel with the conditional approval by DHCS for 17 counties to change local managed care models. Contracts procured by DHCS through the RFP will determine HPSJ's commercial competitor in each service area county and take effect on January 1, 2024, alongside the transition of select local managed care models.

While there were eight commercial plans that submitted county-specific proposals to serve Medi-Cal beneficiaries, only Anthem Blue Cross, Health Net, and Molina were identified in the NOIA by DHCS. The NOIA revealed that DHCS intends to contract with Health Net as the commercial Medi-Cal managed care plan in San Joaquin and Stanislaus Counties, and contract with Anthem as the commercial Medi-Cal managed care plan in Alpine and El Dorado Counties. However, these decisions are being appealed by other commercial plans aiming to serve Medi-Cal beneficiaries in our service area counties. The NOIA decision in San Joaquin and Stanislaus Counties is being appealed by Blue Shield, while the NOIA decision in Alpine and El Dorado Counties is being appealed by Blue Shield and Health Net.

Q: Chair Diederich observed that Health Net is poised under DHCS' NOIA to absorb the biggest membership loss of any commercial Medi-Cal MCP, and inquired about the local impact, as Health Net is HPSJ's local counterpart.

A: Mr. Schrader affirmed the significance of Health Net's potential loss of LA County to its statewide membership number. He also added that in our San Joaquin and Stanislaus counties, the NOIA by

DHCS would leave Health Net in place as the commercial Medi-Cal Managed Care Plan.

CONSENT CALENDAR

Chair Diederich presented two consent items for approval:

2. August 31, 2022 SJC Health Commission Meeting Minutes
3. Human Resources Committee – 9/28/2022
 - a. August 31, 2022 Meeting Minutes
 - b. Policy Updates
 - Alternative Work Schedules Policy
 - Introductory Period Policy
 - Leaves of Absence – Other Policy
 - Miscellaneous Pay Provisions Policy and Bilingual Pay Schedule
 - Performance Evaluations Policy
 - Time Off Policy and Time Off & Leave Schedule

ACTION: The motion was made (Commissioner Jensen), seconded (Commissioner Miller) and unanimous to approve the two consent items as presented (7/0).

REPORT ITEMS

4. Moss Adams Auditors Report – Fiscal Year 2022 Audited Financials

Rianne Suico, Brian Conner and Eleanor Garibaldi of Moss Adams joined the meeting to present the organization's audit results for fiscal year 2022. 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) - \$1,165,803 in 2022 compared to \$969,254 in 2021
 - Assets and Deferred Outflows of Resources
 - Liabilities, Deferred Inflows of Resources, and Net Position
- Operations
 - Total Operating Expenses (in thousands) - \$1,254,882 in 2022 compared to \$1,198,225 in 2021
- 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

Mr. Connor reported that changes in operating margin have decreased from 2021 to 2022 with and without stimulus for non-profit health systems. They are consistently negative 3% to 4% due to workforce replacement, supply chain issues and inflation, including utilization.

He also noted, typically health systems get together in marketplace to create contracting leverage, there hasn't been a lot of horizontal integration due to regulations. Some of the things important for health plans is to have strong financial relationships with providers so that they will continue to

provide services to their members. Also, additional IT security system monitoring is vital in the current environment, which could be incorporated into the health plans strategic plans.

Chair Diederich thanked Michelle Tetreault, CFO, the finance staff, and Moss Adams on the great results.

Ms. Tetreault also thanked all finance staff on an outstanding job in assisting and managing the financials throughout the year and for the flawless audit result.

ACTION: With no additional questions or comments, the motion was made (Commissioner Miller) seconded (Commissioner Fadoo) and unanimous to approve the Moss Adams Report for FY 2022 audited financials as presented (7/0).

5. July 2022 YTD Financial Reports

Ms. Tetreault presented for approval the July 2022 YTD financial reports. She noted that the results for the first month of the fiscal year will likely change over time because of the significant amount of IBNR included in Medical Expenses.

Net Income for July 2022 YTD

- Net income of \$181k and is \$4.3M favorable to budget
- Total Equity is 989%
- TNE is \$46M
- Liquid Reserves are at 4.26 months of premium revenue and 4.23 months of operating expenses
- Membership
 - Combined membership for SJC and Stanislaus is 412,093, a favorable variance of 1,789 (0.4%) over budget
 - Membership increased by 5,002 month-over-month compared to an increase of 2,049 budgeted
 - Premium Revenue is \$2.7M (2.6%) favorable to budget, primarily driven favorable membership variance of \$562k and a decrease in prior period estimated Prop 56 risk corridor reserves
- Managed Care Expenses
 - \$3.4M (3.4%) favorable to budget for the month, primarily due to favorable variances in institutional and professional categories of services

Category of Service	Utilization Variance (PMPM variance * Budgeted Membership)	Membership Variance (PMPM actual * -Membership variance)	Total Variance
Institutional	(\$4.27 * 393,491) ^a = \$1,679,984^b	(\$128.65 * -1,279) ^a = -\$164,514^b	\$1,515,470
Professional	(\$4.83 * 410,304) = \$1,983,285^b	(\$78.57 * -1,789) = -\$140,545^b	\$1,842,740
Total Institutional & Professional Variances	\$3,663,269	-\$305,059	\$3,358,210
% of Total Medical Expense Variance	106.7%	-8.9%	97.8%

^a Excludes Kaiser members - expense fully delegated

^b Difference in calculation due to rounding

- Administrative Expenses
 - \$1.3M (21.6%) favorable to budget, primarily due to lower than budgeted IT subscription and consulting cost of \$590k and personnel costs of \$356k
- Prior Period Adjustments – are primarily related to changes in estimates of IBNR

Upon review of the financial report, Chair Diederich asked what is the anticipated effect of the expiring Public Health Emergency (PHE)? Ms. Tetreault responded that the budget anticipated the PHE to sunset in October 2022, we now know that it is being extended. HPSJ anticipates this will have favorability impact on our financial performance for this fiscal year beginning in February 2023.

ACTION: With no additional questions or comments, the motion was made (Commissioner Miller) seconded (Commissioner Fadoo) and unanimous to approve the July 2022 YTD financial report as presented (7/0).

Commissioner Miller left the meeting at this time.

6. QMUM Committee Meeting Update – 09/21/2022

Dr. Dhanvanthari, CMO submitted for approval the QM/UM Committee meeting report for 09/21/2022, highlighting the following committee meetings, work plans, program descriptions, policies updates and reports that were reviewed and approved:

- UM Program Description July 1, 2022 – June 30, 2023 (revisions and updates to the UM program)
 - Policies Reviewed
 - UM01, UM48, UM04 (retired), UM79, UM37 (retired), UM63 (retired), UM72 (retired), QM27
 - Definition of Medical Necessity
 - Updated to include Early and Periodic Screening, Diagnosis and Treatment (EPSDT) medical necessity
 - Scope
 - Staff after-hours availability and post stabilization process updated
 - Added CalAIM activities: Enhanced Care Management, Community Support Services
 - Enhanced Transition of Care description
 - Goals and Objectives, Activities
 - Removed review and evaluation of new technologies and the drug formulary
 - Appropriate Professionals

- Added: Associate Chief Medical Officer (ACMO), Executive Director of Clinical Operations (EDCO), Manager of Referral and Authorizations and Concurrent Review, Transition of Care (TOC) Manager, TOC Supervisor, Senior Appeals Nurse, Appeals Nurse
- Enhanced description of staff qualifications and role responsibilities
- UM Review Guidelines (Milliman Care Guidelines)
 - Clinical Criteria for Utilization Management (UM) Decisions - Criteria Review
 - Health Plan of San Joaquin uses licensed, evidence based medical review criteria, and the criteria is reviewed annually
 - The criteria are reviewed and updated annually, as appropriate against current clinical and medical evidence
 - The application is evaluated through Inter-rater reliability (IRR)
 - Medi-Cal Provider Manual
 - Health Plan of San Joaquin uses licensed, evidence based medical review criteria for use by the Utilization Management Department, practitioners and providers to make medical necessity determinations for requested services.
 - The criteria are reviewed and updated annually, as appropriate against current clinical and medical evidence
 - Application of such criteria are evaluated through an inter-rater reliability (IRR) process annually
- QM Work Plan – 4th Quarter Updates
 - Facility Site Review (FSR)
 - In San Joaquin County - 1 Initial FSR/Physical Accessibility Review Survey (PARS) and 3 initial Medical Record Review (MRR) was completed. 1 Periodic FSR/MRR/PARS and 3 Periodic MRR were completed. 1 Focused FSR and 1 Focused MRR completed
 - In Stanislaus County - 3 Initial FSR were completed. 2 Periodic FSR/MRR/PARS was completed. 1 Periodic FSR/PARS and 2 Periodic MRR was completed
 - Grievances Q3 – SJC - Total number of grievances = 521
 - 314 Quality of Care concerns, 38 were resolved in the member's favor, 4 were forwarded to Potential Quality Issues (PQI)
 - 117 Access to Care issues, 12 were resolved in the member's favor
 - 79 Attitude and Service issues, 26 were resolved in the member's favor
 - 11 Billing & Financial issues/Other, 7 were resolved in the member's favor
 - Grievances Q3 – Stanislaus - Total number of grievances = 434
 - 239 Quality of Care concerns, 27 were resolved in the member's favor, 1 was forwarded to PQI
 - 106 Access to Care issues, 15 were resolved in the member's favor
 - 78 Attitude and Service issues, 21 were resolved in the member's favor
 - 11 Billing and Financial issues, 7 were resolved in the member's favor
 - Grievance, Appeals, Potential Quality Issues (PQIs) Q3
 - San Joaquin County: Out of 27 PQI's received in San Joaquin County 27 (100%) or 0.11 per 1000 were related to Quality-of-Care issues
 - Stanislaus County: Out of 5 PQI's received in Stanislaus County 5 (100%) or 0.03 per 1000 were related to Quality-of-Care issues
 - Managed Care Accountability Set (MCAS)/Quality Improvement
 - Ongoing Interventions:
 - Care gap clinics
 - Direct Scheduling

- Targeted Outreach
 - My rewards
 - QI Improvement Projects:
 - 2 Plan Do Study Act (PDSAs)-Postpartum Care, and CDC 9
 - 2 Performance Improvement Project (PIPs) –Well Child Visits, and Cervical Cancer Screenings
 - 1 Strength, Weakness, Opportunity, Threats (SWOT)- Children Health
 - Member Call Quality - All metrics were met including those related to abandonment, and call handling
 - HEDIS Interventions Q3 2021
 - Member Interventions
 - Incentive mailers
 - Instituted Chinese threshold language
 - Data Interventions
 - Manifest DAV data improvements identified-
 - FQHC Electronic Medical Record (EMR) data requested for key biometric results
 - Provider Interventions
 - High priority provider alerts in process, 4 published, 4 pending
 - HEDIS/Behavioral Health (BH) ECHO/Initial Health Assessment (IHA) & Lead Screening HEDIS (LSC) Reports-Annual Updates
 - Interventions
 - Newsletters sent; health surveys were fielded.
 - Included information about BH benefits and patient privacy
 - BH ECHO Survey
 - Reached out to Beacon for permission to use their survey instrument. It is a modified ECHO survey. This will allow consistency when comparing rates to Beacon's
 - BH survey fields in late fall annually
- UM Workplan Q3 & Q4: Managing Utilization – SJC and Stanislaus
 - Bed Days, Admissions, and 30-day admissions all met the set threshold however Average Length of Stay (ALOS) was over the metric
 - Category of Aid - Temporary Aid for Needy Families (TANF)-ADULT: All metrics were met except ALOS
 - Category of Aid – TANF-CHILD: All metrics were met in SJC and Stanislaus, except for ALOS in Stanislaus
 - Category of Aid - Seniors and Persons with Disabilities (non-SPD): All metrics were met for this category of aid except ALOS
 - Category of Aid – Affordable Care Act (ACA) - All metrics were met except ALOS and Bed Days/1000
- Population Health - Population Health Annual Evaluation Report FY 2020-2021. The purpose of this report is to evaluate the effectiveness of the Population Health Management Program
 - There was a slight decrease in Complex Case Management from 121 members in 2020 to 116 in 2021
 - There was an increase in Chronic Kidney Disease members. This is a new area of focus. There were 846 high risk and 1,781 low to moderate risk
 - Increase in unseen members from 45,600 (14.43%) in 2020 to 66,996 (20.62%) in 2021

- Overall, there were fewer outreach calls for high risk prenatal members (down by about 2,000 calls) but higher engagement with case management programs
 - Inpatient admissions and ER visits were higher in 2021 than in 2020
 - Overall Satisfaction with Complex Case Management and condition management programs improved from 85% to 87%
 - HPSJ conducted a member focus group to review the “MyRewards” incentive materials- response was overall positive. 37 members participated
 - Utilization of interpreter services is up 10% from 24% in 2020 to 34% in 2021
 - HPSJ successfully implemented virtual Diabetes Prevention by end of year and is enrolling members
 - Information learned from the 2021 PHM effectiveness program will be incorporated into the 2022 PHM Program and Goals
- Emergency Provider Medication Access - 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. The audit did not show any deficiencies.
- Subcommittees Report
 - Delegation Oversight Committee (DOC) - Beacon audit was conducted during May and June 2022
 - Audited areas included UM, Credentialing, UM, Claims, PDRs, COC, CM, New Provider training, and BHT
 - Not all areas were scored at 100% so a CAP was issued. These areas included CM, COC, Credentialing, and New Provider Training
 - VSP 2022 Annual Audit Results
 - VSP audit was conducted during April 2022
 - Audited areas included Credentialing, Claims, PDRs, New Provider training
 - Not all areas scored 100% so CAPS were issued. Only one remains open
- HEDIS Annual Evaluation MY 2021
 - HEDIS
 - Nationwide, HEDIS rates have declined. As a result, the benchmarks have been lowered
 - San Joaquin County -10/15 measures improved, 10/15 met 50th, 2/15 within 5% (cervical cancer screening, vaccines -combo 10), 3 were not close (Child well visits in 15 months and breast cancer screening)
 - Stanislaus County- 9/15 improved, 6/15 met 50th, 3 within 5% (vaccines for adolescents, breast cancer screening, chlamydia screening), 6/15 were not close (child well visits 15 months, well child all, nutrition and activity counseling, child vaccines combo 10)
 - Conclusions: Impacts of COVID can still be seen in the rates
 - 2022 IHA Report
 - IHA Compliance trended upward in 2021. 2019=52%, 2020=51%, 2021=54%
 - Random 411 charts selected for review against components of IHA
 - HPSJ offers PCPs incentives to complete IHA, evaluates IHA during site reviews and publishes provider alerts
 - 2022 Lead Screening Annual Report
 - Reviewed members who received lead screening by their 2nd birthday

- Random sample of 411 members reviewed
- 72.08% (29,572/40,620) children ages 0-6 have received at least one lead screening
- Barriers: delayed screenings, physician documentation- anticipatory guidance not documented, patient refusals not noted, patients not following through with lab orders

Upon review of Dr. Lakshmi's report, Chair Diederich asked if Beacon is an exclusive provider for HPSJ on Behavioral Health and are there any corrective actions from them. Dr. Lakshmi responded that Beacon is our only provider and corrective action areas include CM, COC, credentialing, and new provider training.

Chair Diederich stated, for LED Screening, the percentage is excellent in comparison to 20% from what he has seen. Dr. Lakshmi agreed to the affirmative and stated the score is great, however, HPSJ still have many opportunities to improve.

ACTION: With no further questions, a motion was made (Commissioner Parsa) and seconded (Commissioner Zeiter) to approve the QMUM Committee Report for 9/21/2022, UM Program Description FY 2022-2023 and Population Health Evaluation CY 2021 as presented (6/0).

Peer Review and Credentialing (PRC) Committee – September 8, 2022

- Direct Contracted Providers: 39
 - Initial Credentialed for 3 years = 24
 - Recredentialed for 1 Year = 2
 - Recredentialed for 3 Years = 13

ACTION: With no questions or comments, a motion was made (Commissioner Parsa), seconded (Commissioner Zeiter) to approve the Peer Review and Credentialing Committee reports for 9/28/2022 as presented (6/0).

7. Chief Operations Officer Report

Lizeth Granados, COO submitted for approval the non-binding Investment Plan (IP) for Housing and Homelessness Incentive Program (HHIP) that is due to DHCS by September 30, 2022. The investment plan is intended to outline the path to achieve measures and targets across the course of the program. HPSJ has been collaborating on investments for both counties with Health Net. On any shared investments, HPSJ investment is proportionate to populations served.

In partnership with Continuums of Care (CoC) and local partners, HPSJ has been conducting community outreach to determine priorities and activities to invest in and align with HHIP program. The proposed investments for both counties include:

San Joaquin County:

Investment Activity	Gap or Need Addressed	Description	Dollar Amount or Range
1. Point in Time (PIT) Count Support	Insufficient resources for CoC for conducting next PIT count	Supplemental funding for additional staff support to organize and manage 2024 PIT count	\$45,500
2. Coordinated Entry System (CES) and Homeless Management Information System (HMIS) Infrastructure	Lack of integration across referral systems between healthcare and social services delivery. Limited data sharing	Integration with CES and HMIS	\$455,000
3. Support Data Exchange Capabilities	Need for standardized data sharing agreements to support data integration goals	Funding for required work efforts to operationalize data sharing framework and standardized agreements	\$100,000

Investment Activity	Gap or Need Addressed	Description	Dollar Amount or Range
4. Street Medicine Support	Staff and capacity limits on street medicine	Contract and provide resources for added street medicine infrastructure and capacity. Staffing, added case management, and hygiene materials	\$2,387,500
5. Housing Support	Community needs and partnerships that support the delivery of housing services	Modular units in proximity to Stockton Shelter/St. Mary's Dining Room	\$5,460,000
		Housing Voucher Support Housing Authority County of San Joaquin	\$455,000
		Gap funding for permanent housing projects (Sonora Square, county HOME, and St. Mary's/STAND projects)	\$273,000

Investment Activity	Gap or Need Addressed	Description	Dollar Amount or Range
6. Housing Support	Partnerships that support the delivery of housing services	<p>Gap funding for two interim shelter site locations comprised of modular units, dormitory style, tiny homes, and administrative and storage facilities.</p> <p>1) Arbor Avenue Interim Shelter</p> <p>2) Brichetto Road Interim Shelter</p> <p>Supplemental funding for benefits to recruit and sustain shelter staff</p>	\$1,231,850

Stanislaus:

Investment Activity	Gap or Need Addressed	Description	Dollar Amount or Range
1. Point in Time (PIT) Count Support	Insufficient resources for CoC for conducting next PIT count	Supplemental funding for additional staff volunteer recruitment and incentives for 2023 PIT count	\$5,600
2. Coordinated Entry System (CES) and Homeless Management Information System (HMIS) Infrastructure	<p>Lack of integration across referral systems between healthcare and social services delivery.</p> <p>Limited data sharing</p>	Integration with CES and HMIS	\$175,000
3. Coordinated Entry System (CES) and Homeless Management Information System (HMIS) Infrastructure	Identified infrastructure needs and staff to support HHIP	Funding support for staff to assist with HHIP coordination of CES/HMIS tasks and HMIS partner training activities	\$94,500

Investment Activity	Gap or Need Addressed	Description	Dollar Amount or Range
4. Support Data Exchange Capabilities	Need for standardized data sharing agreements to support data integration goals	Funding for required work efforts to operationalize data sharing framework and standardized agreements	\$35,000
5. Street Medicine Support	Staff and capacity limits on street medicine	Contract and provide resources for added infrastructure and capacity. Staffing, supplies, vehicle, and virtual care devices	\$406,700
6. Housing Support	Partnerships that support the delivery of housing services	Gap funding for permanent housing projects (Central Valley Home Project)	\$1,680,000
		Modular units-Bridge Covenant Church	\$1,050,000
		Modular units -Free Will Baptist Church Village	\$1,050,000
Investment Activity	Gap or Need Addressed	Description	Dollar Amount or Range
7. Housing Support	Community needs for additional permanent housing options.	Funding support for 8-unit single family home development (Kestrel Ridge) to support permanent supportive housing for behavioral health clients	\$175,000

Next Steps:

- Continue to monitor guidance from DHCS
- Development of memorandums of understanding (MOU), data sharing agreements, or contracts to be used with community partners
- Continue to engage with CoC and local partners. Continue to identify required activities and tasks
- Participate in implementation meetings as required with community partners for execution of proposed investments and HHIP program goals and measures
- Continue engagement for future potential opportunities

Considerations:

- HPSJ is committing to a portion of the allocation of program year 1 as an opportunity to invest in long term sustainable projects and invest in future projects
- Additionally, investments may come from reserves and there is no guarantee to earn funds back from the state
- There is potential risk in capital projects as there may be delays in the construction of sites and timelines may extend beyond the two program years. This in turn may impact HPSJ's ability to fully earn funding

Based on proposal, management is requesting for commission approval for HPSJ to fund investment activities and amounts as specified within DHCS HHIP Investment Plans for submission to DHCS totaling \$15,079,650:

- San Joaquin County = \$10,407,850
- Stanislaus County = \$4,671,800

Extensive discussions were held regarding the project plans and investments, with the following questions and comments from commissioners:

Q: Wilverding - How did HPSJ come up with this idea on partnership with Saint Mary's Dining Room, how confident is management to utilize the parking structure, and how did HPSJ secure the price?

A: Granados – The partnership started with Dignity as they have been having challenges with the transition of care from the hospital to shelter and nursing facilities were not able to accept these members. Dignity Moves an organization run by Dignity in the Bay Area to place modular units was a success and they wanted to utilize the same concept in our counties. They have a construction vendor that they can leverage relationship with and could be done locally. Funds need to be spent in a short period of time, which are a risk if construction is delayed.

A: Petra Linden of SMDR: The need has become more and more with homeless people having high acuity. The SMDR board are in support of providing interim and permanent housing.

A: Schrader - Rather than initiative new projects, HPSJ's approach has been to inventory already-planned efforts in the community, and to come alongside, support, and amplify those with the most potential and/or the most shovel ready. Through this process, this project was identified.

A: Granados - To make things sustainable to better serve our members, housing navigation, housing transition and community health workers are now available as a benefit through HPSJ. Right now, the state is recognizing the need to assist with the homeless population.

Q: Zeiter - What is the percentage of homelessness population that belongs to HPSJ?

A: Granados - There are about 91% of homeless people in SJC and data will determine how many belongs to HPSJ.

A: Petra Linden of SMDR – Its estimated about 60-70% homeless population are enrolled with HPSJ.

Q: Jensen - What is the risk if the project is not complete on time, will we lose our money?

A: Granados - It is a risk because DHCS expects us to have number of homeless to transition to long-term housing or transition location to those units and we recognize that there might be some delays in building the units.

A: Schrader - The incentive years are 2023 and 2024, so the longer it takes to construct the modular units, the less time HPSJ has to demonstrate results and earn incentive dollars from DHCS, including to get members housed and keep them housed. However, we would rather make a long-lasting difference for our members and community instead of letting ourselves be limited by a short-term program.

A: Diederich - Some housing will be allocated in the next couple of weeks and with this coming project to allocate additional members in there, it will move the needle a bit.

Q: Parsa – What investment is being done for transitioning homeless into modular and permanent housing in relations to substance abuse and behavioral health?

A: Diederich – There are projects in place on the old housing project and vacant land/building that have been purchased; partnership with housing and Section 8 in giving vouchers.

A: Petra Linden of SMDR – In terms of modular, we have partnered with CMC for behavioral health services, which is integrated in the process.

Ms. Granados and Mr. Schrader stated that HPSJ currently have weekly calls with Health Net to ensure alignment of the project with Health hNet being the bigger plan taking the lead.

ACTION: With no further questions and/or comments, a motion was made (Commissioner Jensen) and seconded (Commissioner Zeiter) to approve for HPSJ to fund investment activities and amounts (SJC for \$10,407,850 and Stanislaus for \$4,671,800) as specified within DHCS HHIP Investment Plans for submission to DHCS as presented (6/0).

INFORMATION ITEMS

8. Long-Term Care Carve-In Update

Ms. Granados provided an update on the key milestones and deliverables for the Long-Term Care Carve-In program. As a follow-up to the latest update, Ms. Granados provided a brief background of the program, noting as part of benefit standardization included within CalAIM, Long Term Care (LTC) will be carved in to HPSJ as a benefit going live January 1, 2023. All Medi-Cal and dual eligible beneficiaries in Medi-Cal fee-for-service residing in a LTC facility on January 1, 2023 will be enrolled in a MCP effective January 1, 2023. Beneficiaries will be defaulted into a MCP if they do not make a MCP choice. LTC members in additional levels of care (intermediate care facilities (ICF) and subacute) will go live July 1, 2023.

Previously, members who entered an LTC facility would have been disenrolled from HPSJ. As a change, those members will remain enrolled in managed care starting on January 1, 2023. A high-level benefit standardization APL 21-015 was released to plans initially. A subsequent draft APL 22-XXX was released and awaiting final guidance. HPSJ will monitor finalization of the guidance and will continue implementation planning, based on the following key milestones and deliverables:

- Submit LTC network readiness documentation by 9/1/2022 – COMPLETE
- UM Program Description for LTC Carve-In by 9/1/2022 – COMPLETE
- Provider Training Attestation by 9/1/2022 – COMPLETE
- 2023 Evidence of Coverage and other publications to include LTC by 8/5/2022 - COMPLETE
- Member Material Update by 9/1/2022 – COMPLETE
- Policies and Procedures that are in development phase
 -
 - P&Ps to describe how LTC providers demonstrate administrative, financial capacity, and financial viability
 - P&Ps that demonstrate claims processes and payment for LTC
 -
 - P&Ps that demonstrate assessment of access and availability for LTC
 - P&Ps the demonstrate coordination and management of care for LTC members; including FFS transition
 - P&Ps that demonstrate provision and monitoring complex case management for LTC members
 - P&Ps that demonstrate process for care transitions, discharge planning and care coordination for LTC members
 - P&Ps to demonstrate member grievance and appeal processes
 - Submit P&Ps that demonstrate continuity of care for members and their providers
 - Submit P&Ps demonstrating the inclusion of LTC services as a covered benefit
 - Submit P&Ps for the provisions of LTC benefit requirements in accordance with APL 22-XX

The latest progress updates and next steps for the program are:

- Contracts & Agreements: 60% of SNFs are contracted. Amended contracts have been sent for signatures. Procedure for PCP assignment has been determined

- Marketing & Communication: All network providers have and will continue to receive guidance on LTC carve-in
- Finance: LTC Rate Codes have been proposed and pending finalization
- Data & Reporting: Plans will receive member information and assignments for current Medi-Cal members in LTC in November 2022. Reporting is on hold as final guidance is pending
- Medical Management: The development of the clinical workflow is in process. Policies to create have been identified

Upon Ms. Granados's update, Chair Diederich asked if there are enough beds for the aging population. Ms. Granados responded that HPSJ is looking at our contracted network and expanding facilities in both counties, as well as to the Bay Area and Sacramento.

9. Chief Compliance Officer Bi-Monthly Regulatory Report

Sunny Cooper, Chief Compliance Officer presented on compliance regulatory activities, highlighting the following:

- Fraud, Waste and Abuse (June and August 2022)
 - 8 FWA incidents were reported. Upon further investigation, 3 incidents were reported to DOJ/DHCS for further investigation
 - Possible clerical errors on checking reconciliation issues in the providers' offices
 - Detected banking fraud with counterfeit checks and stopped by HPSJ's Positive Pay Exception process
 - A provider balance-billed members and provided grossly inflated invoices to HPSJ for payment on DME
- DHCS and DMHC Audit Updates

Who	What	Audit Period	Update
DHCS	Full Scope Medical Survey	7/1/19 – 6/30/21	1) Virtual on-site in December 2021 2) Preliminary Report received on 6/15/22 & Final Report received on 8/2/22 3) Ten (10) findings
DMHC	Full Scope Routine Survey	12/1/18 - 11/30/20	1) Virtual on-site in June 2021 & follow-up in December 2021 2) Preliminary report received on 7/18/22
DMHC	Routine Financial Survey	1/1/21 – 12/31/21	1) Virtual on-site in May 2022 2) Preliminary report received on 7/21/22
DHCS	Full Scope Medical Survey	7/1/21 – 9/30/22	1) Received initial notice via email on 8/9/22 2) Pre-Audit Documents requested on 8/12/22 & submitted 500 documents on 9/2/22 3) Virtual on-site between 10/10/22 and 10/21/22

- 2021 DHCS Medical Survey Audit Findings I

Category	Sub-Category	Finding Description
Utilization Management (UM)	Prior Auth Appeal Process: Follow G&A requirements and template per APL 17-006	1) The governing body meeting minutes did not contain a review of the written log of grievance and appeals
Case Management & Coordination of Care (CoC)	1) Notification of End of CoC period 2) CoC Approval Notification Letter 3) Timeliness for CoC 4) Member and Provider Education of CoC 5) CoC Service Request	2) Failed to inform members 30 calendar days 3) Failed to send notification letters to members within 7 calendar days 4) CoC requests were not completed within 30/15 calendar days 5) Member informing materials did not include on how to initiate a CoC 6) Failed to have a process in place to contact providers and allow for up to 30 calendar days to respond to denials of CoC

- 2021 DHCS Medical Survey Audit Findings II

Category	Sub-Category	Finding Description
Member's Rights	1) Grievance System Review 2) Acknowledgement Letters	7) Failed to ensure the periodic review of the written log by the Plan's board of directors, public policy body and the designated officer 8) Grievance acknowledgement letters did not contain the name of the person responsible for processing a member's grievance request
Quality Management (QM)	Quality Improvement System Oversight	9) Failed to provide effective oversight to improve deficient quality of care identified in PQI complaints affecting member care
Administrative & Organizational Capacity	Suspected Fraud and Abuse Reporting	10) Failed to report all suspected fraud incidents to DHCS within 10 working days of the date when they initially became aware of or received report

Upon review of Ms. Cooper's report, Chair Diederich asked under Managed Care, if there are co-pays or deductibles. Ms. Cooper responded that there are no co-pays or deductibles under Managed Care.

10. Legislative Report

Brandon Roberts, Government and Public Affairs Manager provided an update on the State Auditor's Report on DHCS and Preventative Services for Children in Medical and Priority Bills, highlighting the following:

California State Auditor Reports on Children in Medi-Cal. Finds Most Children Have Not Received Required Preventive Services

- State Auditor's report was issued to the Governor and Legislative leadership
- The September 2022 report is a follow-up to a similar March 2019 report, which also finds deficiencies in DHCS' oversight of the delivery of services to children
 - Provides a new analysis and reviews DHCS' efforts to implement previous State Auditor recommendations
- About half of California's children receive health care through a Medi-Cal MCP
- The State Auditor analyzed nearly a decade of data and finds:
 - DHCS has been unsuccessful in increasing the percentage of children receiving the preventive services required by Medi Cal
 - Less than 50% of the children in Medi-Cal received required preventive services.
 - Nearly three-quarters of 2-year-olds in Medi Cal did not receive required preventive services, including lead testing and developmental screenings
 - DHCS' efforts to improve its oversight of the provision of children's preventive services by MCPs were paused during the COVID pandemic
 - Deficiencies were exacerbated by the pandemic
 - The ongoing threat of COVID and other communicable diseases provides more reason, not less, for DHCS to improve its oversight of health plans
- The State Auditor suggests DHCS should do more to oversee Medi-Cal MCPs and issued recommendations for DHCS that will impact MCPs

Priority Bill

Governor Signs Legislation to Allow Certain Teleconferencing Flexibilities for Local Public Meetings.

- AB 2449 – (Rubio, Blanca) – Open meetings: local agencies: teleconferences. Authorizes, until January 1, 2026, members of a local legislative body to use teleconferencing without noticing or making publicly accessible each teleconference location if a quorum participates in-person
 - A member of a local legislative body may participate remotely if:
 - The member provides advance notification, including at the start of a regular meeting, of their need to participate remotely for just cause
 - Must include a general description of the circumstances
 - Cannot be used for more than two meetings per year
 - The member requests to participate remotely due to emergency circumstances and the legislative body takes action to approve

HPSJ will soon initiate outreach and planning efforts to include Alpine and El Dorado County representatives on our Health Commission by July 2023.

- Under longstanding Brown Act requirements, Commissioners may participate:
 - In-person and on-site in French Camp, or
 - Via teleconferencing when the location is posted and publicly accessible

Legislation to Increase Civil Penalties Imposed on Health Plans

- SB 858 (Wiener) – Health care service plans: discipline: civil penalties. Increases the maximum base amount of the civil penalty on health plans from \$2,500 per violation to \$25,000 per violation of the Knox-Keene Health Care Service Plan Act and Regulations
 - Rationale for increasing civil penalties:
 - DMHC is authorized to impose penalties on plans

- Plans are subject to penalties for violations related to coverage of medically necessary care, behavioral health services, gender-affirming care, timely access, and other member protections
- Many civil penalties have not been altered since Knox-Keene was enacted in 1975
- Increases would keep pace with rising premiums and prevent plans from making cost-benefit decisions to pay fines rather than address areas of noncompliance

Upon review of Mr. Roberts's report, Commissioner Jensen asked who is responsible for the children's preventative services. Mr. Roberts responded, based on report findings, the oversight of DHCS is unsuccessful and that the health plans are to coordinate these services. It is especially problematic on finding reports on CA state auditors that more than half of Medi-Cal children are enrolled in Medi-Cal and receive coverage through health plans.

CHAIRMAN'S REPORT

Chair Diederich reported on the formation of the Ad-Hoc Community Reinvestment Committee, which consists of Chair Diederich, Commissioners Jensen and Noguera.

COMMISSIONER COMMENTS

No comments were forthcoming.

CLOSED SESSION

At this time, the Health Commission adjourned to Closed Session at 7:13 p.m.

11. Closed Session - Conference with Labor Negotiators CA Government Code Section 54957.56
Lead Negotiator: Evert Hendrix
Title: SEIU Tentative Agreement Review

ACTION: The motion was made by Commissioner Jensen, seconded by Commissioner Wilverding to approve the SEIU Tentative Agreement as presented (6/0).

12. Closed Session – Public Employee Performance Evaluation
Government Code Section 54957
Title: Chief Executive Officer

ACTION: Based on an overall performance review rating of Exceeds for Michael Schrader, CEO of HPSJ, the Human Resources Committee proposed a base salary increase to \$625,000, effective October 3, 2022 and the corporate incentive payout of 9.5% based upon the percentage of annual corporate objectives being met, which for the FY 21-22 (ended 6/30/2022) was reported as 95%.

A motion was made by (Commissioner Diederich), seconded by (Commissioner Jensen) and unanimous to approve the CEO's base salary increase to \$625,000 and corporate incentive payout of 9.5% as presented (6/0).

The Health Commission came out of Closed Session at 7:45 p.m.

ADJOURNMENT

Chair Diederich adjourned the meeting at 7:46 p.m. The next regular meeting of the Health Commission is scheduled for October 26, 2022.