

MINUTES OF THE MEETING OF THE SAN JOAQUIN COUNTY HEALTH COMMISSION

**January 29, 2025
Health Plan of San Joaquin – Community Room**

COMMISSION MEMBERS PRESENT:

Genevieve Valentine, Chair
Brian Jensen, Vice-Chair
Lauren Brown-Berchtold, MD
Paul Canepa
Michael Herrera, DO
Jay Krishnaswamy
Sandra Regalo
Terry Withrow
Terry Woodrow

COMMISSION MEMBERS ABSENT:

Jim Diel
Ruben Imperial

STAFF PRESENT:

Lizeth Granados, Chief Executive Officer
Betty Clark, Chief Legal and General Counsel
Sunny Cooper, Chief Compliance Officer
Dr. Lakshmi Dhanvanthari, Chief Medical Officer
Evert Hendrix, Chief Administrative Officer
Tracy Hitzeman, Executive Director – Clinical Operations
Michelle Tetreault, Chief Financial Officer
Victoria Worthy, Chief Information Officer
Kirin Virk, Deputy County Counsel
Sue Nakata, Executive Assistant and Clerk of the Health Commission

CALL TO ORDER

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

PRESENTATIONS/INTRODUCTIONS

Chair Valentine announced that the BOS on January 28, 2025, appointed Michael Sorenson as the new member of the Health Commission; he will be joining the Health Commission in February.

PUBLIC COMMENTS

Kristen Birtwhistle, CEO of United Way, expressed gratitude to the Health Plan for our partnership in the Volunteer Income Tax Assistance (VITA) Program. She emphasized that this collaboration would harness the talents within the community, ultimately generating returns of \$4 million to \$5 million for local families.

CONSENT CALENDAR

Chair Valentine presented four consent items for approval:

1. December 11, 2024 Health Commission Meeting Minutes

ACTION: With no questions or comments, the motion was made (Commissioner Regalo), seconded (Commissioner Herrera), with abstention by Commissioner Canepa to approve the December 11, 2024 meeting minutes as presented (9/1).

2. Community Advisory Committee – 12/12/2024
 - a. October 17, 2024
 - b. HPSJ/MVHP Behavioral Health Program Update
 - c. HPSJ/MVHP Provider Manual
 - d. 2025 Topics Brainstorming Session
 - e. Winter Holiday Activity
3. Community Reinvestment Committee – 01/18/2025
 - a. November 13, 2024 Meeting Minutes
 - b. Community Reinvestment Update
 - c. Grant Applications for Approval
 - Standard Data Sharing Health Information Exchange (HIE) & Non-HIE Grant Program - March Lane Medical Clinic: \$75,000
 - Capital Projects Grants Program - St. Joseph's Medical Center/Dignity Health Medical Foundation: \$678,721
 - General Grants Program - Emergency Food Bank of Stockton/San Joaquin: \$250,000
4. Human Resources Committee – 01/29/2025
 - a. December 11, 2025 Meeting Minutes
 - b. Policy Update
 - Agency Temporaries, Independent Contractors, and Limited Term Staff
 - Time Off and Leave Schedule
 - Accommodations Policy

ACTION: With no questions or comments, the motion was made (Commissioner Jensen), seconded (Commissioner Canepa) and unanimous to approve the three consent items as presented (10/0).

DISCUSSION/ACTION ITEMS

5. October and November FY 2024 Financial Reports

Ms. Tetreault presented for approval the October and November FY 2024 financial reports, highlighting the following in the November financials:

- Premium Revenue is -\$22.8M unfavorable (-\$7.50 PMPM) to budget YTD as of November 2024, primarily driven by the acuity rate adjustment for CY 2024. However, DHCS recently reported there will be no acuity adjustment for CY2024. Health Plan anticipates a \$15M favorable adjustment to revenue. The impact of the expected change is favorable \$8M in prior period and \$7M in current year
- Managed Care Expenses are -\$23.0M unfavorable (-\$14.04 PMPM) to budget YTD, primarily attributable to -\$33.0M unfavorable Institutional and professional services, driven by a significant increase in the number and cost of high dollar claims. This is offset by +\$3.1M favorable re-insurance recoveries, and +\$2.8M favorable Medical Management Expense included in medical expenses, due to unfilled positions in Health Equity and Behavioral Health as well as unused consultant dollars
- Net other revenues and expenses are +\$15.1M favorable (+\$7.23 PMPM) primarily due to the receipt of CalAIM Incentive Payment Program (IPP) funds. These funds are recorded as earned upon notification from DHCS
- Administrative expenses are +\$6.0M favorable to budget primarily due to lower than budgeted personnel costs of +\$1.2M, consulting expenses of +\$2.4M mainly related to projects for DSNP and subscription expenses of \$1.6M mainly related to healthcare data management and healthcare productivity automation software. While favorability in personnel costs is likely permanent, favorability in consulting and subscription expenses is likely temporary
- Prior period adjustments of -\$25.4M were primarily related to rate adjustments for CY 2024 and changes in estimates of IBNR
- Investment Income November YTD, \$4.5M in Unrealized Gains (Loss) on Investment and \$22.5M in Interest Income compared to the budget of \$14.7M

Ms. Tetreault also noted that utilization has increased and was included in the budget, but the increase is higher than anticipated.

Upon reviewing Ms. Tetreault's report, the following questions were raised:

Q: Commissioner Jensen – Did we not predict the increase in utilization and does this attribute to more claims or higher cost per claims?

A: Tetreault - Tetreault - It's both. The higher cost per claim is in the high-cost claims (severity of members). It's higher in all service categories with Adult Expansion, TANF Adult and SPDs.

Q: Commissioner Herrera – Are the increase in utilization, planned outpatient visits or can we differentiate it as being seasonal?

A: Dr. Dhanvanthari - We are seeing utilization increase in comparison to previous years due to respiratory issues. The MM team is analyzing to determine admits based on aide codes; currently working with our analytics team on utilization based on admission types.

Q: Commissioners Jensen and Herrera: What types of issues are we experiencing for pediatric utilization and are we immunizing?

A: Dr. Dhanvanthari – Most issues are due to respiratory. It will continue to peak through February and should decline by mid-March. Other conditions including cancer utilization are also being admitted from what data shows in the past. Our experience is delayed in comparison to other health plans by a year and expect to see it through another year.

C: Chair Valentine – It is important to track these trends especially when we are reinvesting in the community.

C: Granados – Initiatives promoting preventative care services align with Community Reinvestment Committee grants.

ACTION: With no further questions or comments, the motion was made (Commissioner Canepa) seconded (Commissioner Brown-Berchtold) and unanimous to approve the October and November FY 2024 financial reports as presented (10/0).

6. Peer Review and Credentialing Committee (PRC) – 12/05/2024 and 01/09/2025

Dr. Lakshmi Dhanvanthari, CMO submitted for approval the Peer Review and Credentialing Committee reports for December 5, 2024 and January 9, 2025:

December 5, 2024:

- Direct Contracted Providers: 171
 - Initial Credentialed for 3 years = 125
 - Initial Credentialed for 1 year = 1
 - Recredentialed for 3 Years = 42
 - Recredentialed for 1 Year = 3
- Clean File Initial Credentialing Sign Off Approval by CMO: 11
- Clean File Recredentialed Sign Off Approval by CMO: 0
- Termination-Involuntary: 0

January 9, 2025:

- Direct Contracted Providers: 137
 - Initial Credentialed for 3 years = 62
 - Initial Credentialed for 1 year = 1
 - Recredentialed for 3 Years = 63
 - Recredentialed for 1 Year = 3
- Clean File Initial Credentialing Sign Off Approval by CMO: 8
- Clean File Recredentialed Sign Off Approval by CMO: 0
- Termination-Involuntary: 0

ACTION: With no questions or comments, a motion was made (Commissioner Jensen) and seconded (Commissioner Krishnaswamy), with abstention by Commissioner Herrea to approve the Peer Review and Credentialing Committee report for December 5, 2024 and January 9, 2025, as presented (9/1).

INFORMATION ITEMS

7. CEO Update

Lizeth Granados, CEO, provided an update on 2025-2026 new initiatives for the Health Plan and MVHP's One-Year Anniversary, highlighting the following:

Memorandum of Understanding (MOU) - Go-Live 7/1/24 through 7/1/26

Clarify roles and responsibilities for coordination of the delivery of care and establish processes for collaboration of care between Health Plan and county departments

- MOUs support the CalAIM vision of a more equitable, coordinated, and person-centered approach to maximizing member health
- Health Plan is collaborating with MCPs in each county to execute most MOUs - Health Net, Anthem, Kaiser
- We will be using the Health Information Exchange for data sharing
- MOUs in process: Stanislaus - 8, San Joaquin - 8, El Dorado - 8, Alpine – 6

Student Behavioral Health Fee Schedule – Go-Live 1/1/24 through 2025

Establish a statewide, multi-payer, reimbursement structure for school-based providers

- Focus on improving behavioral health of children and youth by expanding their access to youth-centered, equitable, and prevention-oriented services
- Created wellness spaces in the community that have expanded the behavioral health provider network and increased access to Medi-Cal services
- Assisted with outreach to help families become familiar with services such as behavioral health screenings, referrals, wellness programs, and other care at school sites

Medi-Cal Connect - Go-Live July-Sept 2025

Utilize a statewide data system to improve population health management by providing a comprehensive view of a Medi-Cal member's health and benefits, enabling better care coordination, identifying gaps in services, and ultimately improving health outcomes for California residents by leveraging data from trusted partners to inform policy and programs at the population level

- Statewide data solution to drive population health management (PHM), close gaps in services, and improve member lives - better understand Medi-Cal members' health and diverse needs
- Increase the share of Medi-Cal Members successfully connected to the services they need by identifying and addressing gaps in referral practices and service availability through Closed-Loop Referral (CLR) process
- At a broader level, this will help DHCS understand population health trends and the efficacy of various interventions
- Medi-Cal Connect service will perform risk stratification and send risk tiering to MCPs

ECM Justice-Involved Reentry Initiative - San Joaquin County Sheriff Department set to go-live 01/31/25; Other Correctional Facilities anticipated go-live dates in Jan, July and Sept 2026

Reducing gaps in care and improving connections between pre-release and community-based services, increasing investments in health care and related services to enhance quality of care, improving physical and mental health outcomes, and preventing unnecessary admissions to inpatient hospitals, psychiatric hospitals, nursing homes, and emergency departments

- The Justice-Involved initiative aims to connect eligible members to community-based care, offering them services up to 90 days before their release to stabilize their health conditions and establish a plan for their community-based care (collectively referred to as “pre-release services”)

- The state's Justice-Involved Initiative will address these disparities by reducing gaps in care and improving connections between pre-release and community-based services, increasing investments in health care and related services to enhance quality of care, improving physical and mental health outcomes, and preventing unnecessary admissions to inpatient hospitals, psychiatric hospitals, nursing homes, and emergency departments

Transitional Rent Program - Go-Live 1/1/26

Provide short-term (6 months) rental assistance to members facing housing instability, supporting their transition into stable housing and improving overall health outcomes

- Addresses social determinants of health by enhancing member well-being, reducing healthcare utilization, and aligning with state mandates on housing as a health driver
- Focused on reducing emergency department visits, preventing hospital readmissions, and increasing member engagement in preventative care services
- Rental assistance is limited to 6 months, providing a temporary but impactful bridge to housing stability while addressing immediate financial barriers
- Partnerships with counties, housing authorities, and social service organizations are central to the program's design and implementation to ensure effective delivery and support

Dual Special Needs Plan (D-SNP) – Go-Live 1/1/26

DNSPs are Medicare Advantage plans in California available to members with both Medicare and Medi-Cal. As part of CalAIM, D-SNPs promote integrated care by managing both benefits through the same organization

- Health Plan of San Joaquin Advantage/Mountain Valley Health Plan Advantage
- There will be one single health plan, one ID card, and one set of benefits
- Members receive all Medicare services along with Medi-Cal benefits, including specialized care coordination, wraparound services, and additional benefits that may go beyond Medicare and Medi-Cal
- There is a dedicated care team that helps manage their care across all health needs offering a personalized approach to health care
- Enrollment in D-SNP is voluntary and offers members choice and flexibility to streamline their health care delivery

MVHP One-Year Anniversary – 1/1/2025

- MVHP Membership – 8,698
- Notable Partners
 - All five of our Community Hubs
 - El Dorado County Public Health
 - Asociación Guadalupeana
- Community Investments
 - Collaboration with El Dorado Community Health Centers and El Dorado County Public Health to secure dental provider and access to dental services in South Lake Tahoe region

Upon Ms. Grandos's report, Commissioner Canepa asked, how are memberships in MVHP as of the new year. Ms. Granados responded that new campaigns were launched, which helped increase membership, but have yet to gain much traction, and that the plan is continuing to build partnerships to maximize enrollment. Market share is still on the low side but continuing to increase.

Commissioner Withrow asked related to student behavioral health, for schools that are providing services, if they are able to bill for services. Ms. Granados responded, schools are able to submit claims as providers can back to January 2024; claims can be submitted directly to HPSJ or through Carelon. With delay from the state, we haven't received any claims but will be able to process retroactively. Schools are providing services, but we don't have data on the volume. MM has already established relationships with the schools. HPSJ has also provided school funds through the Student Behavioral Health grants.

Chair Valentine stated, on behalf of SJC Human Services Agency, the Health Plan has been phenomenal in coordinating the MOU and data exchange in comparison to other counties.

8. Legislative Update

Evert Hendrix, CAO provided an update on the Governor's Proposed State Budget, highlighting the following:

- Total Budget: \$322.3 billion total fund (\$228.9 billion General Fund) in FY 25-26
- Reduced Revenues and Budget Shortfall: The FY 2025-26 budget anticipates a surplus of \$16.5 billion compared to the FY 2024-25 budget

Overall Medi-Cal Budget

- 2025-26 Budget estimate: \$188.1 billion (\$42.1 billion General Fund) Total projected enrollment: The FY 2025-26 projected average monthly caseload is 14.5 million, a decrease of 3.09% from FY 2024-2025

Budget Affects on Medi-Cal

- *Caseload Impacts of Redetermination* - For the Governor's Budget, DHCS projects that Medi-Cal enrollment will be higher than assumed in the 2024 Budget Act, resulting in approximately \$3 billion (\$1.1 billion General Fund) increased cost in 2024-25
- *Medi-Cal Eligibility Expansion* - The Governor's Budget assumes no changes to Medi-Cal eligibility expansion for those with unsatisfactory immigration status. The budget assumes an approximately \$2.7 billion increase in cost for this population, primarily driven by higher than anticipated enrollment and increased pharmacy costs
- *Increase in Pharmacy Expenditures* - The budget includes an increase of \$1.6 billion (\$1.3 billion General Fund) in 2024-25 and a year-over-year increase of \$1.2 billion (\$215.2 million General Fund) in 2025-26 due to projected growth in Medi-Cal pharmacy expenditures
- *CalAIM* - The Governor's Budget estimates \$1.2 billion in expenditure for CalAIM ECM and Community Supports, a reduction of \$491.1 million from FY 2024-25
- *Prop 35 – MCO Tax* - The provider payment increases and investments that were newly authorized in the 2024 Budget Act are repealed as of January 1, 2025. In addition, DHCS must consult with a stakeholder advisory committee to develop and implement the program. For FY 2025-26, the budget reflects \$4.4 billion in MCO Tax revenue, a decrease of \$2.2 billion from the FY 2024-25 budget and \$3.3 billion for FY 2026-27, a decrease of \$1.8 billion from FY 2024-25
- *Behavioral Health (BH-Connect)* - DHCS received federal approval for \$8 billion for the BH-CONNECT demonstration in December 2024, effective January 1, 2025 through December 31, 2029. The proposed budget includes a total of \$29.5 million (\$655,000 GF) for FY 2024-2025 and \$784.3 million (\$31.6 million GF) for FY 2025- 2026
- *Behavioral Health Transformation* - The budget previously included \$85 million (\$50 million GF) in 2024-2025. The Governor's proposed budget includes an additional \$93.5 million (\$55 million GF) in 2025-2026 in Local Assistance for counties to administer BHSA

Upon Mr. Hendrix's report, discussions were held with Chair Valentine stating that SJC will not be able to opt for BH-Connect due to restrictions. SJC will not be able to reap the benefits, which will impact the federal funds for Medi-Cal. The counties Length of Stay (LOS) is far closer to 118 days vs. 45 days and cannot opt into the waiver. SJC was able to opt in every year, however, unable to this year.

Commissioner Withrow asked on caseload vs. what the state is utilizing vs. HPSJ, if people are still eligible for Medi-Cal. Mr. Hendrix and Ms. Granados, the state is projecting a higher number of individuals will remain in Medi-Cal compared to what they had originally projected. However, HPSJ is experiencing a downward membership trend. Of the members that HPSJ is retaining there is higher utilization.

CHAIR'S REPORT

Chair Valentine reported that Commissioner Dr. Lauren Brown-Berchtold has resigned from the Health Commission, effective, January 30, 2025. She thanked the Commissioner for her time and service on the Health Commission.

Commissioner Brown-Berchtold announced that she will be leaving SJC and will be unable to complete her term on the Health Commission. She expressed gratitude for the valuable experience and shared that she has learned a great deal during her year on the commission.

COMMISSIONER COMMENTS

No comments were forthcoming.

At this time, the Health Commission adjourned to Closed Session at 5:55 p.m.

CLOSED SESSION

9. Closed Session – Trade Secrets
Welfare and Institutions Code Section 14087.31
Title: FY' 24-25 Quarterly Corporate Objectives Update

The Health Commission came out of Closed Session at 6:06 p.m.

ADJOURNMENT

Chair Valentine adjourned the meeting at 6:07p.m. The next regular meeting of the Health Commission is scheduled for February 26, 2025.