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CenCal Health Board of Directors Information Update

For the Month of March 2022

April 15, 2022

CONTENTS

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Date: April 14, 2022

To: Board of Directors

From: Marina Owen, Chief Executive Officer

Subject: Executive Summary

State Policy. As you are aware, the Governor's Office held private conversations with Kaiser Permanente (Kaiser) resulting in an announcement by the Department of Healthcare Services (DHCS) that significantly alters state policy and the role of public health plans in the future. Effective January 1, 2024, Kaiser will be granted a no-bid contract to become a Medi-Cal Health Plan in 25 counties in California and serve 900K members with an intention for 25% growth over time. This arrangement was made without stakeholder input, public process or discussion with safety-net providers, counties, community advocates or local health plans like CenCal Health and raises many questions and concerns. Local Health Plans of California (LHPC), CenCal Health's association, formally opposed the proposal and initial Trailer Bill language.

Since our discussion at the March Board of Directors Meeting, Santa Barbara and San Luis Obispo County Boards of Supervisors heard this matter at their April 5, 2022 meeting and supported opposing AB 2724 (Arambula), an Assembly Bill planned to enact the proposal. In response to this legislation, the California State Association of Counties (CSAC) opposed as well citing the value of County Organized Health Systems (COHS) and public health plans. County opposition letters are enclosed as exhibits to this Executive Summary for your awareness and an update will be provided at the May Board of Directors Meeting. In the interim, the State Assembly Health Committee will hear this matter later this month and local health plan, county and safety-net provider advocacy efforts will continue.

Financial. CenCal Health's net operating gain in March 2022 was $1.6M, given improved revenue, administrative and medical expense factors. Administrative expenses are under budget by $621K for the month and $4.2M for the year (or 9%). March revenue is near budget and medical expenses are reported over budget forecast for the month influenced by the following expense categories: inpatient care, skilled nursing care and mental health/behavioral health services. Year to date losses are $7.6M compared to anticipated operating losses of $15M. March represents the third consecutive month ending in a positive operating margin, which trends well against the revised budget forecast covering the months of January –June 2022. Tangible Net Equity (TNE) is $162.8M, which is 431% of the DMHC required minimum and

64% of the board approved target. Additional details can be found in the *Financial Report*.

Health Services. CenCal Health is focused on the development of the Enhanced Care Management Program in partnership with our safety-net clinic partners and behavioral health departments in advance of July 1, 2022 implementation. CenCal Health elected to add Community Supports for members and is partnering with local recuperative care programs, our shelter providers and contracting with multiple medically-tailored meal vendors. Longer term, discussions are underway with local counties and elected representatives to support their efforts to establish or sustain sobering centers and offer additional housing supports in January, 2023 as CARES funding ends. These programs will support members experiencing homelessness, have a higher degree of medical need and/or would benefit from enhanced mental health and behavioral health services or coordination. A comprehensive Model of Care with the Department of Healthcare Services is in process and CenCal Health is submitting the third filing to the State detailing provider network development and planning activities on April 15, 2022.

CenCal Health also joined several local agencies in submission of a California Healthcare Foundation grant proposal to increase Community Health Worker and Promotora (CHW/P) workforce capacity in the tri-counties. The goal of the CHW/P Capacity Building Collaborative is to strengthen the capacity of the safety net to advance health equity by scaling its engagement with the promotora workforce. This 18-month project will support four regions in California that seek to expand the size and potential impact of this important workforce.

Lastly, recruitment for the Chief Medical Officer is underway, with candidates being considered through an inclusive interview process with over 25 CenCal Health representatives including CenCal Health executives, directors, managers, pharmacists and nurses. An announcement will likely be made by the end of April. I wish to acknowledge and appreciate Dr. Karen Hord, MD, MSPH, for her leadership as Interim Chief Medical Officer over these past few months. Additional details can be found in the executive summary of the *Health Services Report*.

Quality. CenCal Health's Substance Use Disorder (SUD) disease management program has increased enrollment from community providers. Members engaged in the SUD Program are in recovery including medication assisted treatment, outpatient or residential care, and successful abstinence. The SUD program is managed by Sophia Manson, RN, BSN, PHN, under the clinical supervision of Dr. Karen Hord, MD, MSPH. With SUD Program support, 17% of engaged members achieved greater than 12 months of abstinence, and nearly two-thirds of enrollees have successfully established with a PCP-directed treatment plan. The SUD Program aims to increase access to Naloxone, increase SUD treatment utilization and provide case management support to members. CenCal Health's SUD Program nurse supports Naloxone distribution events in both counties, and provides instruction on use of Naloxone kits and emergency response to opiate overdose. The Naloxone kits also include information on access to SUD treatment and mental health resources. Additional details can be found in quality section of the *Health Services Report*.

Operations. CenCal Health's Member Services Department began a hybrid office schedule with employees on-site two (2) days per week to both collaborate with each

other and enhance on-site presence and availability. This transition from full-time remote work to a hybrid schedule has proceeded smoothly. I wish to acknowledge Eric Buben, Member Services Director, for being the first leader to initiate office re-entry and for his support of his team and our members. CenCal Health's Claims Department met all operational benchmarks for the month of April and Provider Services Department continues credentialing, contracting, operations and relations activities in support of multiple organization-side initiatives. Longer term, CenCal Health will be planning along with state and county agencies for the end of the Public Health Emergency (PHE) that discontinued re-determination of member eligibility, essentially ensuring members retain their health insurance through the pandemic. As these CMS and State flexibilities end over the coming months, CenCal Health will play an active role in supporting members, providers and community partners. Additional details can be found in the *Operations Report*.

Respectfully submitted,

Marina Owen, Chief Executive Officer

California State Association of Counties®

April 11, 2022

The Honorable Jim Wood
Chair, Assembly Health Committee
1020 N Street, Suite 390
Sacramento, CA 95814

RE: Assembly Bill 2724 (Arambula): Medi-Cal: Alternate Health Care Service Plan
As Amended on April 7, 2022 – OPPOSE
Set for Hearing April 19, 2022 – Assembly Health Committee

Dear Assembly Member Wood,

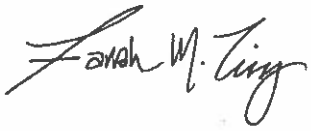
The California State Association of Counties (CSAC) regretfully must OPPOSE AB 2724 as amended on April 7 by Assembly Member Arambula. Our counties are concerned about the erosion of our local responsibility to ensure a health care safety net under the Governor's proposal to offer a no-bid statewide contract to Kaiser Permanente for the care of certain Medi-Cal beneficiaries.

Our counties historically provided health care to low-income and medically indigent residents, and this century-long experience has evolved into today's current and diverse county-led system of health care service delivery. Counties developed multiple structures for ensuring health care access, including County Organized Health Systems (COHS) and participation in two-plan or other models. Each model is led by the county or a county subsidiary tasked with ensuring access to quality health care for all low-income residents.

AB 2724 would exempt Kaiser from this model of local planning and oversight by allowing the company to directly contract with the state for the provision of Medi-Cal managed care services. Our counties oppose AB 2724 because it would effectively cleave Kaiser from the locally organized health care safety net and terminate county input and/or oversight for Kaiser operations within each county.

Counties are committed to ensuring access to quality care for every person in our communities. Kaiser plays a key role in providing quality care, but we remain concerned that AB 2724 would undermine our local safety net responsibilities by exempting Kaiser from local health care planning and oversight. It is for these reasons that CSAC respectfully opposes AB 2724.

Sincerely,



Farrah McDaid Ting
Senior Legislative Representative for Health and Behavioral Health
California State Association of Counties
fmcting@counties.org

cc. Honorable Members, Assembly Health Committee
Marko Mijic, Undersecretary, California Health and Human Services Agency
Michelle Baass, Director, Department of Health Care Services Marjorie Swartz, Policy Consultant, Office of Senate pro Tempore Atkins
Agnes Lee, Policy Consultant, Office of Assembly Speaker Rendon
Rosielyn Pulmano, Principal Consultant, Assembly Health Committee Joe Parra, Senate Republican Caucus
Anthony Archie, Assembly Republican Caucus
Linnea Koopmans, Executive Director, Local Health Plans of California
County Caucus

Attachment B

April 12, 2022

The Honorable Jim Wood
Chair, Assembly Health Committee
1020 N St., Room 390
Sacramento, CA 95814

Re: AB 2724 (Alternative Health Care Service Plan) – OPPOSE

Dear Chair Wood:

On behalf of the Boards of Supervisors of Ventura, San Mateo, Santa Barbara, Monterey, Santa Cruz, Sonoma, Mariposa, Merced, San Luis Obispo, and Yolo counties, we are writing to express our opposition to AB 2724 (Alternative Health Care Service Plan) by Assemblyman Arambula. We request the Committee's reconsideration of the bill, based on our considerations of the harms it could cause to the safety net health systems in our counties, and the Medi-Cal beneficiaries we serve.

A County Organized Health System (COHS) plan and local initiative plans (LI) are publicly governed, Medi-Cal managed care plans authorized under federal and state law and created under local ordinance. As such, COHS and LI models, which has been operational in California for almost forty (40) years, is a unique and time-tested model of publicly accountable managed care. Pursuant to federal, state, and local authority, the COHS and LI plans organize the local delivery system, complies with all requirements set forth in the DHCS contract, and is governed by a public commission operating pursuant to the requirements of California's Brown Act. The COHS and LI model has been so effective that 14 additional counties passed county ordinances last year to join an existing COHS or LI in 2024. **COHS and LI plans and their partner counties exemplify transparent and accountable governance that directly leads to optimal outcomes for the vulnerable populations they serve.**

Currently, Medi-Cal recipients in our counties receive their services through COHS or LI plans, which is a local public health plan. We believe the proposed bill proposed will be disruptive to local safety net networks and potentially harmful to our critical county health systems. If Kaiser or any other entity contracts directly with the State, the local public plans would have no oversight of care delivered to members served by that entity. If one integrated system contracts directly with the State, it sets a precedent for further fracturing of community collaborations. Our local plans have spent years building strong and trusted community partnerships, working with local community-based organizations to respond directly to emerging needs at the neighborhood level, and plan with the community for solutions that meet the unique needs of diverse residents. We are concerned that a contract brokered directly between the State and a national health plan will not bring the local solutions that our communities have engendered over decades and that our communities need to achieve wellness as we come out of a global pandemic. **A closed system that excludes vulnerable populations is inequitable, where any reinvestment of net earnings would not inure to the benefit of the members excluded from the closed system, especially those who have higher needs and require that additional investment.**

It is unclear how the proposal will impact current patients served by our counties, but we presume some portion of the patients we serve may choose Kaiser if they meet the criteria outlined in the draft trailer bill language. Our counties also have concerns with how enrollment into Kaiser will be effectuated. **How will the enrollment process work so that Kaiser is assigned patients with higher acuity levels and more complex physical, behavioral, and socio-economic needs versus giving the existing safety net**

system and local plans, who do not exclude populations, a disproportionate share of complex and costly patients? The State should reevaluate how to measure quality scores and equity across systems serving vastly different acuity levels. A system serving mostly working and healthy beneficiaries is quite different than a system serving historically underserved members experiencing complex physical health, mental health, and social conditions including individuals experiencing homelessness, individuals with serious mental health conditions, individuals with multiple co-morbidities and complex care needs, and individuals and families involved with the justice system.

The value of the COHS and LI models are that they understand their members and know how to coordinate care for the entire Medi-Cal population. Introducing multiple entities will lead to duplicative contracting, member and provider confusion, and runs counter to the State's integration and standardization goals through the California Advancing Innovation in Medi-Cal (CalAIM) transformation. Our local plans have spent decades cultivating strong and trusted relationships with our community-based organizations that serve our most vulnerable Medi-Cal members. Kaiser would not be able to do this quickly, so new Kaiser members would not have access to these critical services when they need it. **Further, the intention of the legislature has been to support models that can best meet member needs locally in a health plan that is publicly governed and directly accountable to the communities it serves.** We continue to support such models and believe these networks are crucial to the success of CalAIM.

Additionally, as enrollment is diverted away from COHS and LI plans, it will reduce the Medi-Cal supplemental payments that public providers receive – thereby impacting future funding for public hospitals, clinics, and public health departments necessary to sustain critical public health systems that responded so well to the pandemic. Currently, Medi-Cal supplemental payments are used to bolster low Medi-Cal rates for public providers and are based on enrollment in COHS and LI plans. We anticipate that our county systems could lose millions of dollars in supplemental funding if this proposal was to be implemented.

For the reasons described above, Ventura, San Mateo, Santa Barbara, Monterey, Santa Cruz, Sonoma, Merced, San Luis Obispo, Mariposa, and Yolo counties must oppose the Alternative Health Care Service Plan proposal and uphold the integrity of the COHS model. We request the State's reconsideration of the proposal, based on our considerations of the harms it could cause to the safety net health systems in our counties, and the Medi-Cal beneficiaries we serve. Thank you for your time and attention to this matter.

County Descriptions

Ventura County operates a Level II Trauma Center with 180 bed acute care hospital. The county also operates a 49-bed campus in Santa Paula and 18 Federally Qualified Health Centers (FQHCs), 7 urgent care centers for a total of 35 clinic locations including specialty clinics. San Mateo County operates a 105-bed acute hospital with an additional 32 skilled nursing beds along with five FQHC sites. Santa Barbara County operates 5 FQHCs and clinics at 3 homeless shelters. Monterey County operates a Level II Trauma Center with a 172-bed acute care hospital. The County operates 10 FQHCs, the D'Arrigo Family Specialty Clinic with over 15 specialties, and Natividad Medical Group. Santa Cruz County operates three FQHCs, and through the County Behavioral Health Division, provides the Specialty Mental Health care for Medi-Cal and other beneficiaries. The County is also home to the newly-formed Pajaro Valley Health Care District, which is the court-approved buyer for the Watsonville Community Hospital.

Approximately 6,000 Medi-Cal enrollees in Ventura are Kaiser members through a subcontract with Gold Coast. The Ventura County health system currently serves 40-45% of Medi-Cal enrollees and 100% of foster youth. San Mateo serves about 50% of the Medi-Cal enrollees in the county where Health Plan of San Mateo has delegated about 11,000 of their 150,000 Medi-Cal beneficiaries to Kaiser. CenCal Health in Santa Barbara County is responsible for 146,243, or 88% of the total Medi-Cal Population in the county. The Monterey County health system currently serves 40-45% of the County's Medi-Cal managed care enrollees and 100% of foster care youth. The Federally Qualified Health Centers operated by the County of Santa Cruz serve 13,100 Medi-Cal beneficiaries or 18% of the county's Medi-Cal managed care enrollees. Partnership HealthPlan in Sonoma covers 122,373 Medi-Cal beneficiaries with 26,088 delegated to Kaiser. Merced County operates two acute care hospitals with 226 beds between them. The County operates 2 FQHCs and one look alike clinic, and through the County Behavioral Health Division, provides the acute psychiatric care in a 16-bed inpatient facility. 1 in 2 Merced County residents are enrolled in Medi-Cal managed plans, and 39% are served by the 3 County community health centers. Mariposa County has 6,221 Medi-Cal beneficiaries with 4,418 being adults and 1,802 being children under 21.

Sincerely,

Carmen Ramirez, Chair
Ventura County Board of Supervisors

DocuSigned by:
Mary Adams
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Mary L. Adams, Chair
Monterey County Board of Supervisors

Don Horsley, President
San Mateo County Board of Supervisors

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Manu Koenig
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Manu Koenig, Chair
Santa Cruz County Board of Supervisors

DocuSigned by:
Joan Hartmann
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Joan Hartmann, Chair
Santa Barbara County Board of Supervisors

James Gore, Chair
Sonoma County Board of Supervisors

Angel Barajas, Chair Yolo County Board of Supervisors	DocuSigned by: Rosemarie Smallcombe EEE9F94B55214DC... Rosemarie Smallcombe, Chair Mariposa County Board of Supervisors
Bruce Gibson, Chair San Luis Obispo Board of Supervisors	Lloyd Pareira, Chairman Merced County Board of Supervisors

cc: The Honorable Joaquin Arambula, Author
Members, Assembly Health Committee
Scott Bain, Consultant – Assembly Health Committee
Consultant, Assembly Republican Caucus

CenCal HEALTH®
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Date: April 11, 2022

To: Board of Directors

From: Amanda Flaum; Chief Health Operations Officer
Karen Hord, MD; Interim Chief Medical Officer

Contributors:
Isis Montalvo, MBA, MS, RN, CPHQ; Interim Director of Medical Management
Jeff Januska, PharmD; Director of Pharmacy Services
Seleste Bowers, DBH; Director of Behavioral Health
Rita Washington; Health Services Program Manager
Lauren Geeb, MBA; Director of Quality
Carlos Hernandez, Quality Officer

Subject: Health Services Department Report

How are we performing? How do we compare to others? Are we improving?

Are members and providers getting what they need from CenCal Health?

Purpose:

- To spur feedback and dialogue between the BOD, the CMO, and the CHO for all areas of accountability
- To provide a strategic overview of activity within the CMO's and the CHO's areas of accountability

Chief Health Operations Officer (CHOO) & Chief Medical Officer (CMO) Board Memo

The Director of Medical Management recruitment interviews are in process. Isis Montalvo will remain in her role as interim Director of Medical Management to ensure continuity with the teams, as well as, Dr. Hord serving as Acting CMO.

CenCal Health staff continue to support Santa Barbara and San Luis Obispo Public Health with vaccine outreach and delivery. Our communications team has produced bilingual television ads promoting vaccination for all approved ages.

We continue to recruit network providers and community business organizations to partner with CenCal Health to deliver CalAIM services by our first due date, which is July 1, 2022. We are on track to submit part 3 of the Model of Care template for approval by DHCS on April 15, 2022. This submission includes Enhanced Case Management and Community Supports programs. CenCal

Health is recruiting and interviewing for the approved six new internal positions designed to manage and operationalize both of these important programs.

The CHOO/CMO Bi-Monthly Leadership Forum launched March 8, 2022. The leaders are working closely with IT to identify their immediate reporting needs by April 30, 2022 to monitor and report their key performance indicators. IT will identify a timeline for delivery in May.

CHOO Leadership in Pharmacy are standing up vendor oversight and program management rigor and discipline for three key vendors within Medical Management (radiology benefit management, after hours nurse line, specialty e-consult). The Pharmacy team is uniquely positioned to establish such discipline, given their successful history managing the pharmacy benefit manager. We expect greater insight into program outcomes and eventually increased effectiveness of the programs.

Progress continues with the Behavioral Health Insourcing project. Teams are focused and making progress on the Initial Launch Action plan, as well as, the ABA Action Plan. Meetings have been held with 17 of 19 ABA providers with positive feedback. Workplans for Phase 2 Ongoing Functions are finalized and workgroup meeting structure rolled out. Weekly project reporting package launched to provide visibility to leaders and ELT on progress, KPIs, and Immediate Needs. Project Management will be fully transitioned from HMA to CenCal Health effective May 1.

Respectfully Submitted,

Amanda Flaum, Chief Health Operations Officer
Dr. Karen Hord, Interim Chief Medical Officer, and Deputy Chief Medical Officer

MEDICAL MANAGEMENT

For Adult UM in March, Turn-Around Time (TAT) rates for urgent pre-service authorizations (≤72 hours) were at (93%), retrospective (<30 days) or post-service authorizations improved at (100%) and standard pre-service (≤ 5 days) authorizations were at (94%). A TAT action plan was implemented in March to improve our compliance with TAT's. For adult UM, authorizations past the 5 day turnaround time have been due to current one time authorization (OTA's) process. A weekly huddle continues between Medical Management and Provider Services to provide line of sight on these OTA's and get status updates. Some progress has been made with the number of outstanding OTA's. For Peds UM, the Turn-Around Time (TAT) rates for urgent pre-service authorizations is at 99%, standard pre-service is at 98% and retrospective post service at 100%. The Peds CSA team received 1,277 phone calls in March which is a 25% increase from February.

The Pediatric and Adult Case Management teams are on phase two of the Individualized Care Plan (ICP) Enhancement Project. Their efforts are focused on enhancing goals and interventions to better address care coordination needs of members enrolled in case management. The top referral source in Peds case management is California Children's Services (CCS) County offices from Santa Barbara (SB) and San Louis Obispo (SLO). The referrals are mostly for CCS members being reviewed for their annual CCS medical eligibility redetermination. The Pediatric team made a total of 144 referrals to the County CCS offices in March which is an increase of 18% from February's referrals. Member outreach is done when there is lack of recent medical visit notes on file and to determine if continued follow-up for the CCS condition is required. Currently the top 2 referral sources in Adult case management are Health Surveys and Internal UM Department. Total referrals received from various sources to Adult Case Management for the month of March was nearly double of what had been received in the month of April.

Enhanced Care Management (ECM) and Community Supports (CS)
Medical Management posted 7 new approved positions in support of ECM and CS. An Associate Director (AD) Care Management position, that will oversee Adult Care Management, Disease Management, ECM and CS, and 3 positions for ECM and 3 positions for CS. One of our top priorities is to build the ECM and CS Teams given the Cal-AIM deliverables. We are happy to share we have received several internal and external applicants for the various (6) ECM/CS positions and are accepting applications for the AD of CM position. ECM development work continues with developing an ECM comprehensive assessment, care plan and TAR templates to ensure our ECM providers have the necessary tools to implement ECM services for our members.

Educational Updates
An Educational Needs Assessment Survey was created and administered by our Master Clinical Trainer (MCT) in order to create a training calendar based on highest priority needs identified by the staff. A 6-month educational calendar was created based on the results. April is Inter-Rater Reliability (IRR) month! The MCT, MM leaders and BH Director worked over three months to implement a new IRR process to ensure compliance. Training was provided to all UM reviewers on using the MCG Learning Management System, cases were selected and assigned accordingly to the respective reviewers and our IRR testing went live on Monday, April 4th! The window of testing is over a three

week period and subsequent reports will be generated for UMC, and QIC based on the results and the analysis. April will be the annual IRR testing month.

Our UM training manual has been updated to be in alignment across Pediatric, and Adult UM onboarding with input from Behavioral Health (BH) UM. In addition, a Notice of Action (NOA) standard operating procedure (SOP) has been updated to be consistent across Adults, Peds, and BH.

Operational Improvement

An evaluation occurred in 2019 regarding opportunities for operational excellence in health services. Seventy-three (73) items were initially identified within 6 areas: *Operational Excellence, Organization Structure, Engagement & Talent Management, UM/CM Transformation, Cost of Healthcare Management, IT Strategy & Optimization*. Little movement or progress occurred from 2019-2022. A "refresh" and review of those initial findings occurred in Q1 of 2022. Additional opportunities were identified, recognition of items that were broader across Health Services, items that were specific to Medical Management, and a new plan was identified to achieve operational excellence across People, Process and Technology. A prioritization schema was also created to identify Quick Hits, High Priority, Moderate and Low. The total opportunities grew to just over 80 items with 50+ being in Medical Management and the remainder for Health Services overall. Six (6) items have been completed and 8 are in process with the refresh. The priority is to complete the 8 items in process.

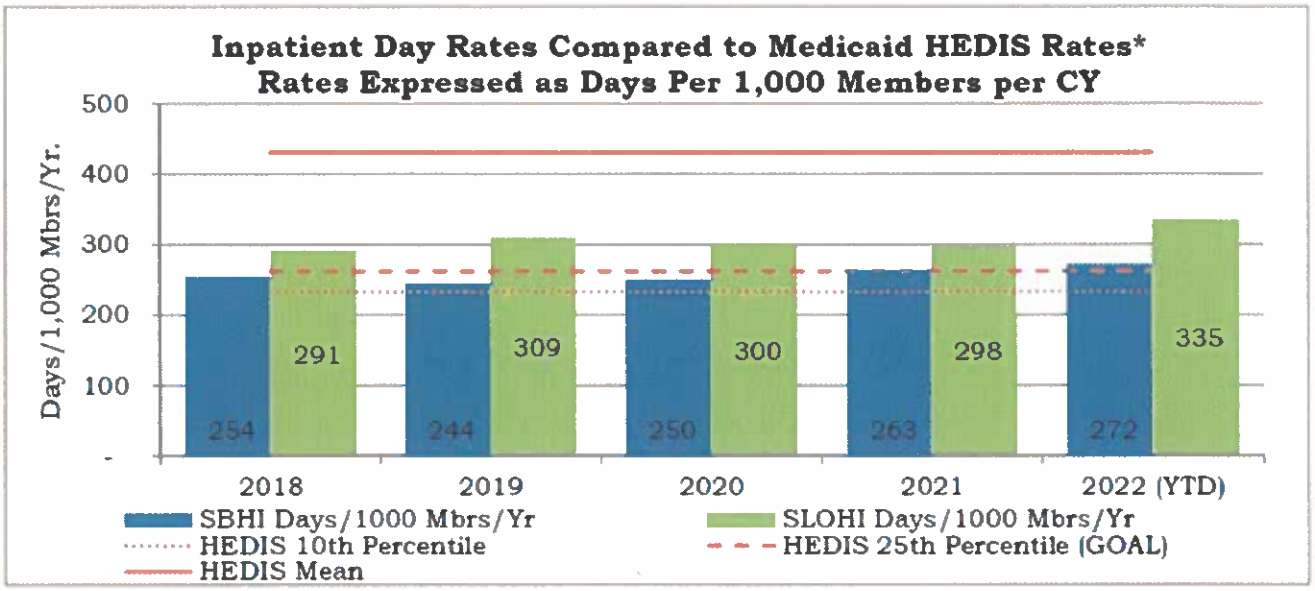
Respectfully Submitted,

Isis Montalvo, MBA, MS, RN, CPHQ
Interim Director, Medical Management

Operational Overview of Key Performance Indicators

Inpatient Bed Days

SBHI & SLOHI Inpatient Days Rates



Last published HEDIS rates are for calendar year 2018 (measurement year 2017).
CY 2016 HEDIS Rates:
•10th Percentile: 219 •25th Percentile: 270 •50th Percentile: 335 •75th Percentile: 429 •Mean: 478
CY 2017 HEDIS Rates:
•10th Percentile: 231 •25th Percentile: 260 •50th Percentile: 317 •75th Percentile: 388 •Mean: 424
CY 2018 HEDIS Rates:
•10th Percentile: 233 •25th Percentile: 262 •50th Percentile: 328 •75th Percentile: 404 •Mean: 430

Includes Medicare Reported Days and Members
Excludes Psych, NICU, Nursery and Mental Health/Detox Days per the HEDIS definition of Inpatient Days
*Rates can fluctuate for up to 12 months due to late claims.
Effective July 1, 2018, SLOHI rates include CCS claims.

Impressions:

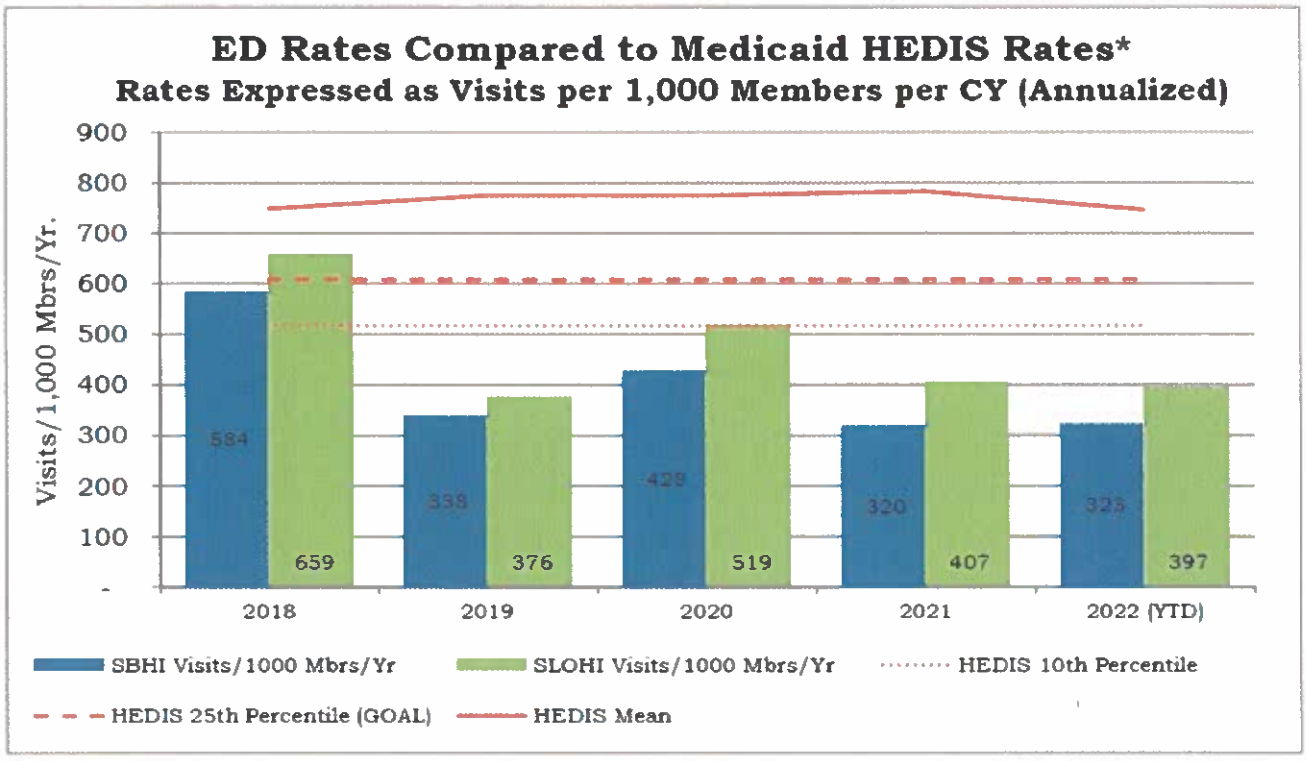
The graph above displays the year-to-year (YTY) annualized rate of inpatient days per 1,000 members. For 2022 YTD, rates for days/1000 is currently 335 for SBHI and 272 for SLOHI, which is lower than last months, but higher than 2021 year end. Comparatively, 2021 rates are trending about the same for year-end 2020. SLOHI and SBHI are above CenCal Health's goal of being in the 25th percentile of 262. Both remain below the Medicaid HEDIS 50th percentile of 328 and the HEDIS mean of 430.

Actions:

An inpatient stay workgroup is being convened to evaluate data and determine if the increase in days is secondary to scheduled admissions, an increase in membership, referral patterns, or other factors.

Emergency Department – Visits per 1,000 Members per Year

HEDIS
SBHI & SLOHI Emergency Department Visit Rates



Last published HEDIS rates are for calendar year 2018 (measurement year 2017).
CY 2016 HEDIS Rates:
•10th Percentile: 515 •25th Percentile: 639 •50th Percentile: 753 •75th Percentile: 880 •Mean: 775
CY 2017 HEDIS Rates:
•10th Percentile: 531 •25th Percentile: 627 •50th Percentile: 752 •75th Percentile: 872 •Mean: 783
CY 2018 HEDIS Rates:
•10th Percentile: 517 •25th Percentile: 608 •50th Percentile: 726 •75th Percentile: 841 •Mean: 746
*Rates can fluctuate for up to 12 months due to late claims.
Effective July 1, 2018, SLOHI rates include CCS claims.

Impressions:

The above graph displays a year-to-year (YTY) annualized rate of ED visits per 1,000 members. ED visits per 1,000 members appeared to be well within goal for CenCal Health as both counties continue to meet and exceed the target goal of being within the HEDIS 25th percentile. Initial data for 2022 similar trending to 2021and well below the benchmarks.

Actions:

CenCal Health's overall and "avoidable" ED utilization is below the standards set by both HEDIS and DHCS. No specific actions are necessary at this time.

Utilization Trend Report March 2022

AUTH TYPE	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Member Count	208,044	209,611	210,248	211,431	212,377	213,179
18-1 Acute	585	596	538	530	468	537
20-1 LTC	403	387	425	357	315	403
50-1 OP	2682	2425	2544	2743	2490	3356
RAF Referral	8954	8683	8682	8240	9054	10420
TOTAL	**12624**	**12091**	**12189**	**11870**	**12327**	**14716**

Member counts are relatively unchanged and authorizations increased in March compared to January and February. March included 23 business days vs 19 and 20 in February and January respectively.

(Includes all authorizations received, including auto-approvals, Behavioral Health, and pharmacy)

AUTHS BY NETWORK STATUS			
AUTH FORM	**JANUARY**	**FEBRUARY**	**MARCH**
In-Network	**11198**	**11798**	**14035**
18-1	462	413	475
20-1	155	171	249
50-1	2456	2271	3052
RAF	8125	8943	10259
Out of Network	**672**	**529**	**681**
18-1	68	55	62
20-1	202	144	154
50-1	287	219	304
RAF	115	111	161

Authorizations for In-Network increased considerably, and Out of Network increased compared to February but relatively the same compared to January. An Out of Area workgroup is identifying clearer definitions to ensure consistency in terminology, e.g. Out-of-Area, vs. Out-of-Network

Medical Management Outpatient Auth Turnaround Time Report by Category for March 2022

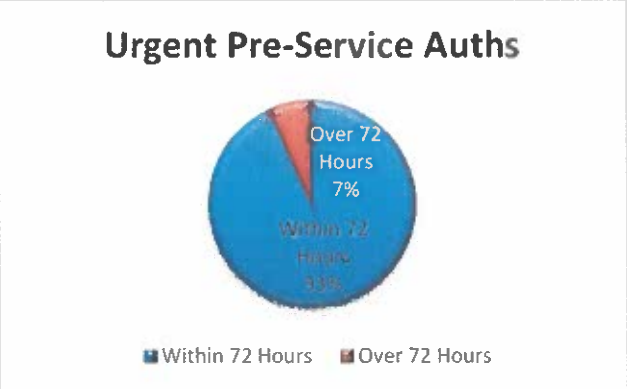
The following only captures a small amount of pediatric auths and predominantly adults. An IT change in January had the unintended consequence of not being able to capture all Peds auths and TAT's. Trouble shooting is in process to resolve and improvements have been made. Preliminary Peds data shows compliance >90% across all categories. Updated TAT's will be reflected in next month's report with the final IT changes made.

Standard Pre-Service Auths	
0 - 5 Business Days	1399
6+ Business Days	83
TOTAL	**1482**

TAT Compliance 94%

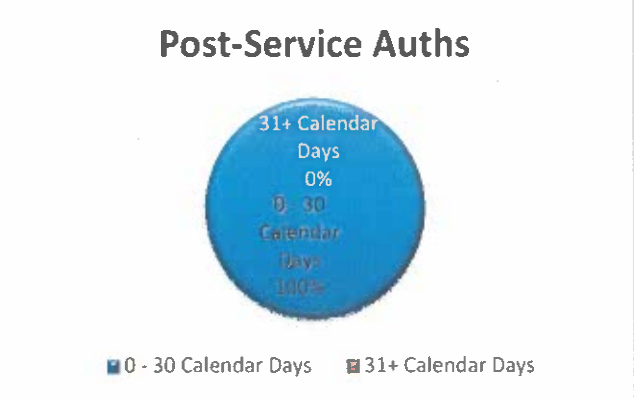
Urgent Pre-Service Auths	
Within 72 Hours	96
Over 72 Hours	7
TOTAL	**103**

TAT Compliance 93%



Post-Service Auths	
0 - 30 Calendar Days	278
31+ Calendar Days	0
TOTAL	**278**

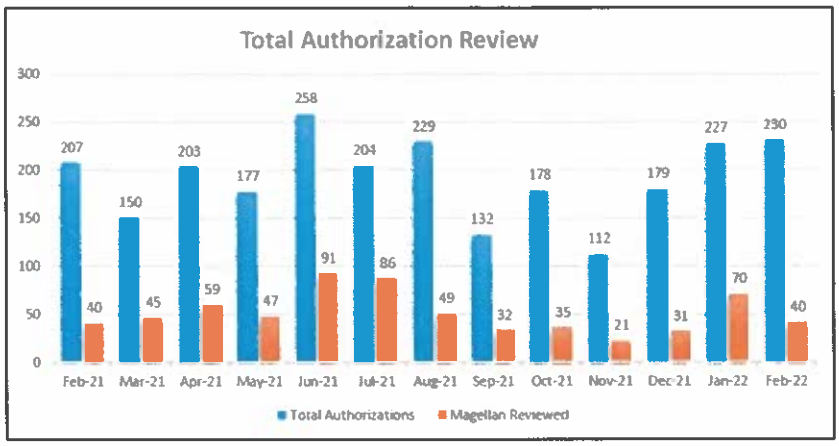
TAT Compliance 100%



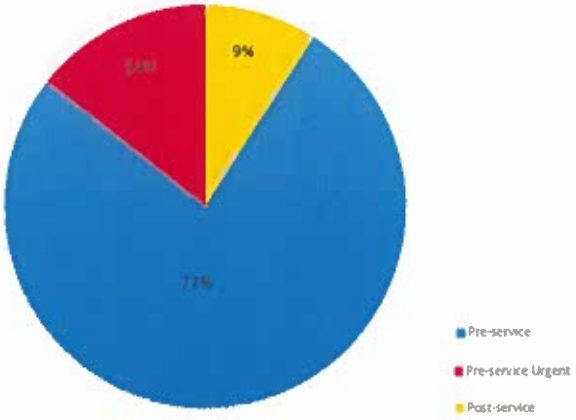
PHARMACY

Medical-Pharmacy (Physician Administered Drugs – PADs)

- For the Month of January, the CenCal Health Clinical Pharmacy team processed 230 PAD authorizations sending 40 out to our 3rd party review.
- 77% of the requests were for pre-service and a little over ½ within the oncology space.
- The authorization requests were completed within the regulatory time standards.



Authorization Categories



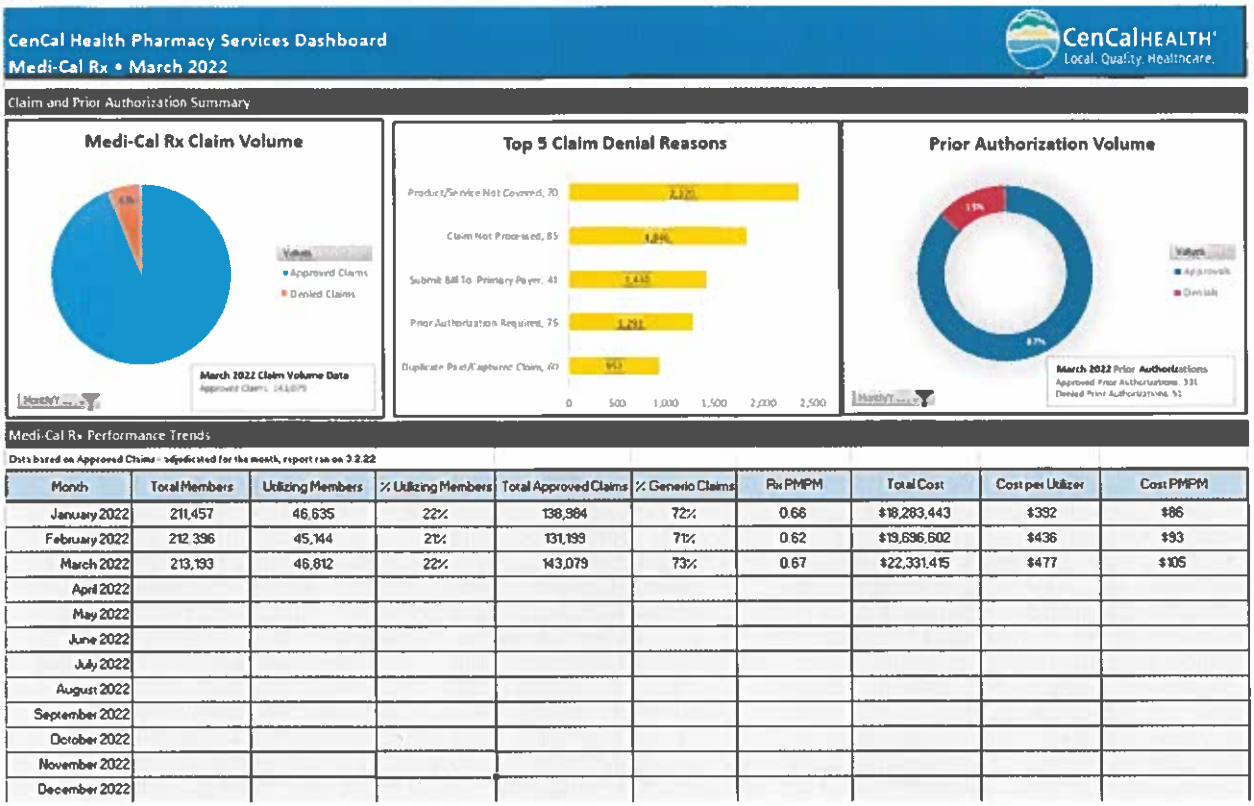
Therapeutic Categories

Unique Pharmacy Authorization Approvals or Denials Turnaround Time Summary						
	Unique # Urgent	Average Urgent TAT	Unique # Pre-Service	Average Pre-Service TAT	Unique # Post-Service	Average Post-Service TAT
DHCS Standard TAT	72- Hours		14-Calendar-Days		30-Calendar Days	
February 2021	20	30.3	88	2.7	6	2.6
March 2021	11	28.2	64	2.6	3	9.0
April 2021	15	25.4	93	4.1	8	5.9
May 2021	10	22.4	88	3.0	8	5.6
June 2021	18	31.5	107	4.3	11	6.3
July 2021	11	31.7	95	4.7	6	2.0
August 2021	17	22.4	117	3.1	10	5.1
September 2021	18	22.6	43	3.0	3	3.7
October 2021	13	19.4	74	3.4	11	2.0
November 2021	10	38.9	56	2.6	2	7.4
December 2021	5	29.1	28	1.9	1	2.0
January 2022	14	21.2	81	2.0	5	0.5
February 2022	15	17.7	120	2.5	10	8.4

Medi-Cal Rx - Retail Pharmacy Carve-out:

After completion of the third full month of the Medi-Cal Rx program, our observations include:

- The number of adjudicated prescriptions in February continues to track close to our historical experience.
- The amount paid for prescriptions continues to track above historical experience as we continue to see a shift from generic utilization over to brand utilization, which favors rebate opportunity under the DHCS design.
- Prior Authorization (PA) volumes from Medi-Cal Rx continue to track below natural history experience from CenCal, close to 30% of historical experience. This is compounded by DHCS removing the PA requirements for many classes of medications due to their significant backlog in processing.
- Concern still exists in May when many of the turned-off edits are turned back on.



Month	Total Members	Utilizing Members	% Utilizing Members	Total Approved Claims	% Generic Claims	Rx PMPM	Total Cost	Cost per Utilizer	Cost PMPM
January 2022	211,457	46,635	22%	138,984	72%	0.66	$18,283,443	$392	$86
February 2022	212,396	45,144	21%	131,199	71%	0.62	$19,696,602	$436	$93
March 2022	213,193	46,812	22%	143,079	73%	0.67	$22,331,415	$477	$105
April 2022									
May 2022									
June 2022									
July 2022									
August 2022									
September 2022									
October 2022									
November 2022									
December 2022									

Respectfully Submitted,

Jeff Januska, PharmD,
Director of Pharmacy Services

BEHAVIORAL HEALTH

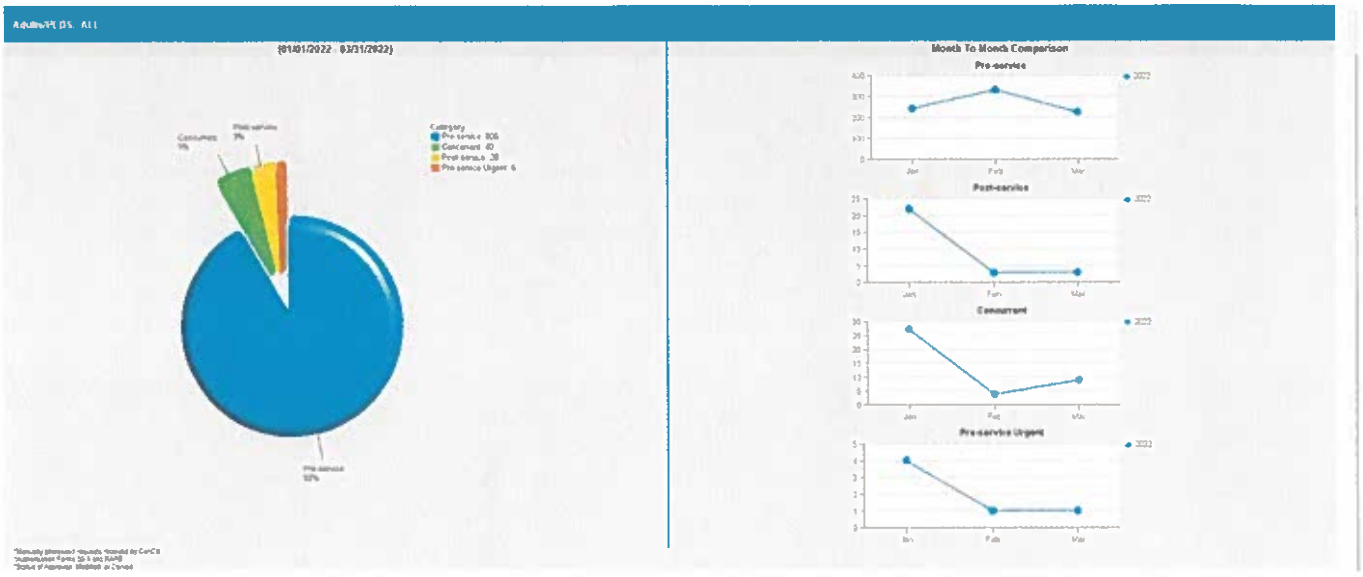
Behavioral Health Care Coordination Center

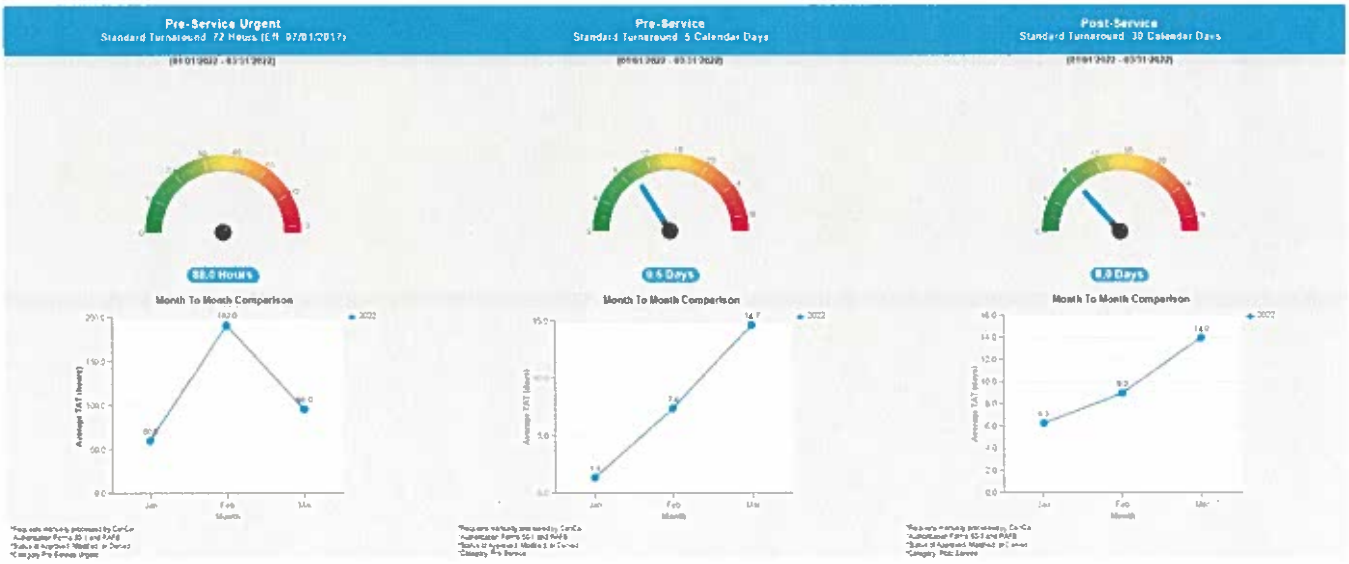
The Behavioral Health Care Coordination Center continues to meet KPI's for the third month. Overall the first quarter saw consistent trends in daily call volume-average of approximately 90 calls a day. This includes member and provider calls.

BH Phone statistics for 2022	*Jan Total*	*Feb Total*	*Mar Total*
Call volume *(including non-queue calls)*	**1,847**	**1,788**	**1,827**
Provider	336	367	347
Spanish	214	168	194
English	1,248	1182	1,211
Calls answered	**1,738**	**1755**	**1,813**
Calls answered within 30 seconds	**1,470**	**1630**	**1,742**
Daily Call Volume Average	**96**	**93**	**11**
Queue Calls only	**1,662**	**1655**	**3**
ASA goal - 85% or higher	85%	93%	88%

Utilization Management

The Behavioral Health Department has received 874 authorizations in the Quarter 1. There was a 98% approval rate, with 2% of authorizations denied.





The average turnaround time has increased from 7.6 to 9.4. The contributing factors include provider training to increase correct submission on the first submission and training and onboarding of one staff which impacted team productivity.

Recruiting, Hiring and Training Updates

The Behavioral Health Department is actively recruiting for the open UM Supervisor position which oversees the clinical teams. In lieu of having this position filled, the Director of Behavioral Health is filling this position's responsibilities.

Last month, in internal candidate was offered and accepted the Behavioral Health Care Coordination Lead position and will transfer to their new position in April.

The Behavioral Health Department is working on ensuring that all positions are filled. The Behavioral Health Team (UM) has filled their last positon. The open positions that are actively being recruited for include: Behavioral Health Care Coordination Manager, Behavioral Health County Liaison, and Clinical Support Associate.

The Behavioral Health Director has continued the commitment to building community and provider relationship by establishing Multi-disciplinary Meeting with both counties; Santa Barbara and SLO. The purpose of these meetings is to support the transition of members, collaboration, member care, and the referral process. The Behavioral Health Director is working on establishing regular meetings with all FQHC's for continued support of the transition, referral process and member needs. The Behavioral Health Director has partnered with Provider Services to meet with all 21 BHT (ABA) providers to enhance collaborative partnerships, receive feedback and identify opportunities for continued support during the transition process.

Respectfully Submitted,

Seleste Bowers, DHA, LCSW
Director of Behavioral Health

HEALTH SERVICES PROGRAM MANAGEMENT

CHOO/CMO Leadership Forum

As part of the OEMM recommendations, the CHOO and CMO organization began meeting in March and will continue to meet bi-monthly. Development of Key Performance Indictors (KPI) is underway. This forum will capture Medical Management, Pharmacy, and Quality. Each of the departments KPI's will be reported in a dashboard format supporting improved communication and awareness for all CHOO and CMO organizational operations outcomes.

In addition, this forum will provide Talent Management reporting to the CHOO and CMO leaders of all open positions and recruitment strategies.

Behavioral Health Integration Incentive Program (BHIIP)

The Department of Health Care Services (DHCS) requires Managed Care Plan's (MCP) to complete an annual Performance Measurement report of all providers participating in the BHII Program. With provider collaboration, CenCal Health completed this oversight and delivered to DHCS in March 2022.

The next program reporting is scheduled for May 30th which will complete Performance Year (PY) 2, Quarter (Q) 2 provider invoicing and completed milestones.

BHIIP funding for PY 1, Q 3 was received from DHCS and payments will be processed within the next 2 weeks.

Respectfully Submitted,

Rita Washington
Health Operations Program Manager

QUALITY DEPARTMENT

Substance Use Disorder Program

CenCal Health's Substance Use Disorder (SUD) disease management program has increased enrollment from community providers (58%) and claims data (42%) sources. Initially, enrollment was solely from claims data. CenCal Health participates on both Santa Barbara and San Luis Obispo County Opioid Task Forces, and meets regularly with County Behavioral Wellness Alcohol and Drug Program staff.

Engaged members are in various states of recovery including medication assisted treatment, outpatient or residential care, and successful abstinence (17% achieved greater than 12 months of abstinence). Nearly two thirds of enrollees have successfully established with a PCP directed treatment plan, with CenCal Health SUD RN case management support.

Naloxone distribution events are supported in both counties (most recent event on March 25th in Lompoc), with CenCal Health's SUD Registered Nurse and Public Health Nurse who provides education and demonstration for use of Naloxone kits and recognizing and responding to an overdose. Kits also include CPR aides and information on how to access SUD treatment and mental health resources. Currently, the health plan is in collaboration with both counties' SUD community providers, hospital emergency departments, clinics and youth organizations to increase access to Naloxone, increase SUD treatment utilization and provide support to members. The SUD program is managed by Sophia Manson, RN, BSN, PHN, under the clinical supervision of Dr. Karen Hord, MD, MSPH, Interim Chief Medical Officer.

2021 COVID-19 Quality Improvement Plan

As was required in 2020, DHCS mandated plans complete a COVID-19 Quality Improvement Plan in 2021. CenCal Health addressed three aspects of care negatively impacted by COVID-19. The current plan required the development of innovative strategies to target care within behavioral health, women's health, and child and adolescent health. CenCal Health addressed adolescent depression screening, chlamydia screening in women, and pediatric developmental screening. The following strategies were implemented:

- Adolescent Depression Screening – Staff developed a provider toolkit which included a provider tip sheet, parent-facing health promotion materials, and teen-facing health promotion materials. The toolkits were electronically distributed to all PCPs who see teenage patients. Additionally, approximately 30 print toolkits were distributed to PCPs who requested them.

- Chlamydia Screening in Women – A digital member educational program regarding not only the importance of recommended chlamydia screening, but routine, risk-based STI screening was pilot-tested at CHCCC - Los Robles. It was distributed to members through a small educational card, both digital and print, that included a QR code linking to the tool. Due to low viewership, the program will continue pilot-testing until September 2022.

- Pediatric Developmental Screening – Staff developed a dashboard that displays month-over-month rate trending, high/low-performing providers, members with abnormal screenings, and

members due for developmental screening. The dashboard will help staff develop targeted interventions for members due for screening, partner with providers who may benefit from quality improvement activities, and ensure that those children who had an abnormal screening are connected to the resources they need.

The COVID-19 Quality Improvement Plan was submitted for outcomes approval on March 31st, 2022 and is pending DHCS approval.

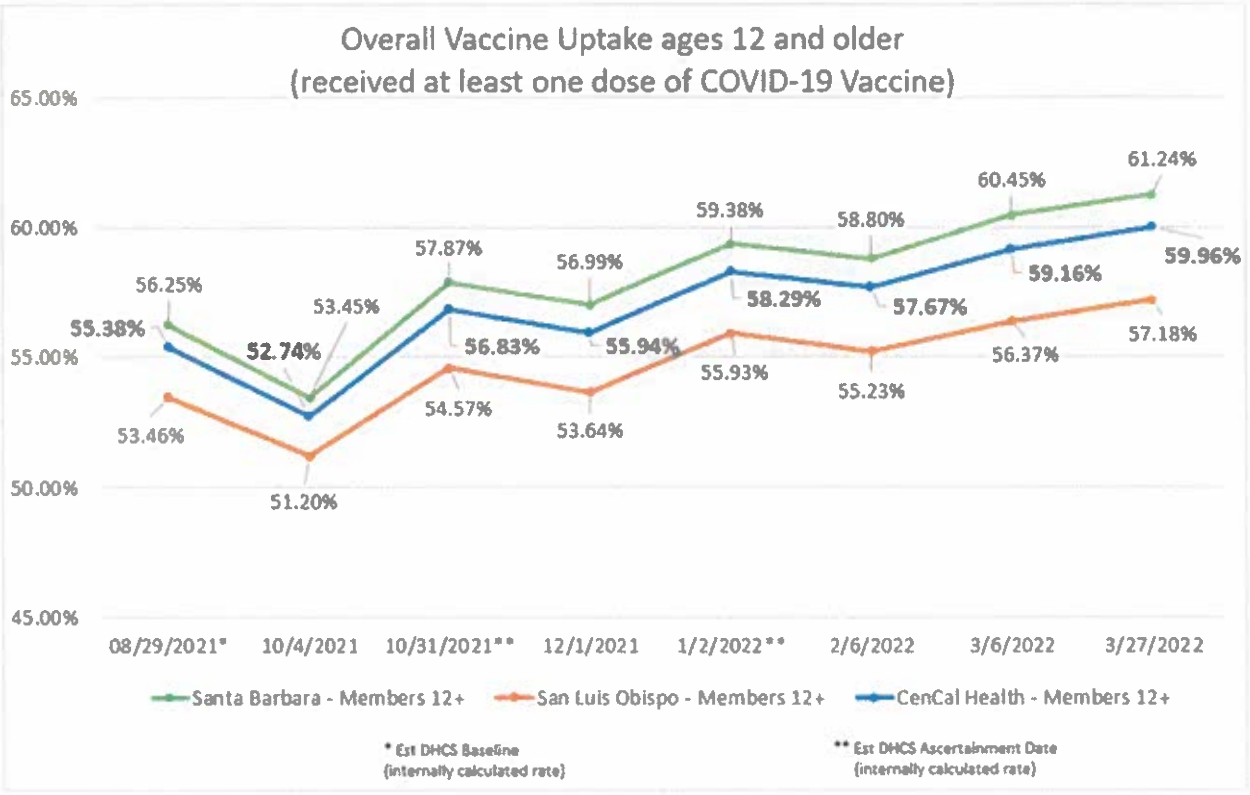
COVID-19 Vaccine Strategy - DHCS Vaccine Response Plan (VRP)

CenCal Health staff implemented final strategies identified in the COVID-19 Vaccination Response Plan (VRP) throughout March. The Plan's VRP describes actions to close the COVID-19 vaccination gap for CenCal members. Activities completed included:

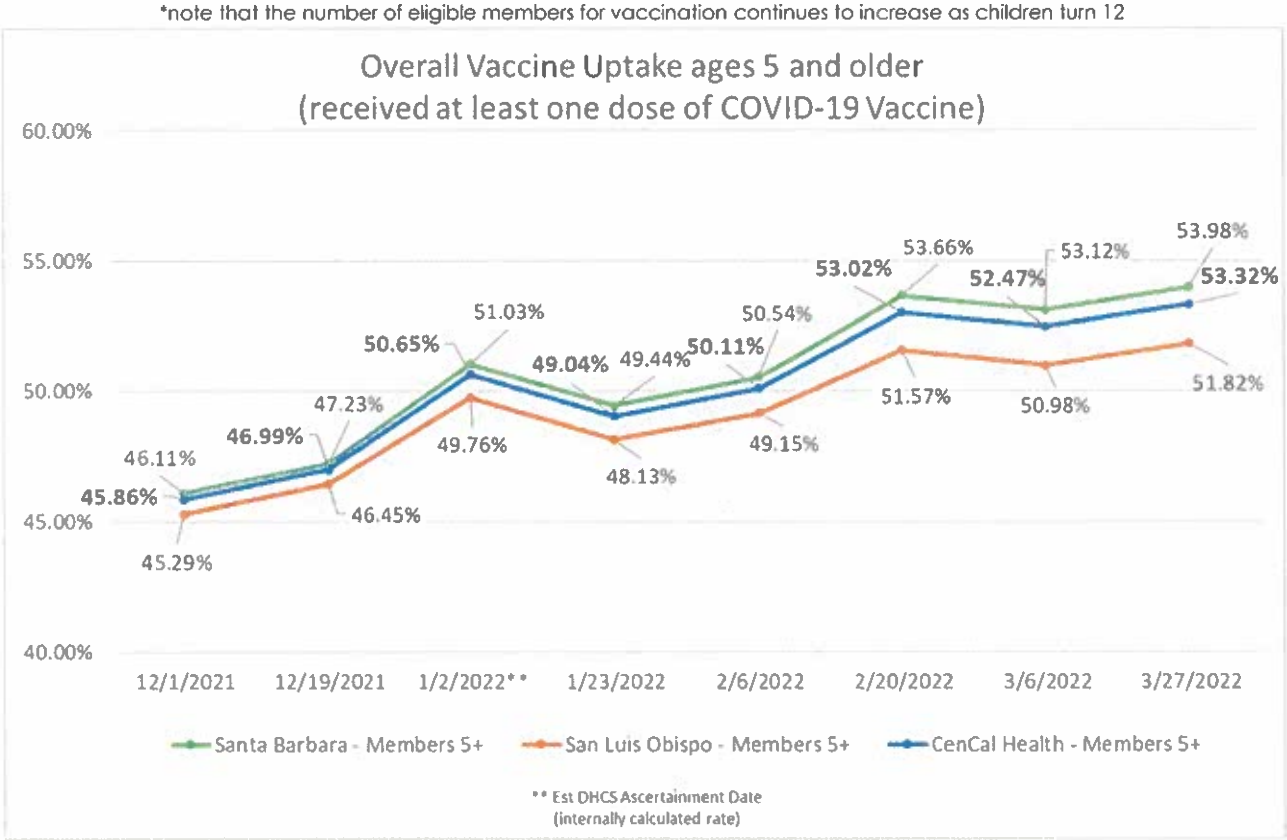
- Text messages sent to all unvaccinated member households to encourage vaccination
- Dissemination of a PSA regarding the importance and safety of vaccination featuring local network providers
- Continued social media vaccine promotion
- Ongoing distribution of PCP incentives to all PCPs offering the vaccine in their office
- Distribution of $50 member incentives to members

The VRP concluded on March 1st, 2022 and reporting was submitted to DHCS at the end of March. Final outcomes will be reported in August. While vaccination rates have not increased significantly overall, to date several goal metrics have been met, including vaccination improvement for 12 to 25 year olds and Black/African American members. During VRP implementation, robust organization-wide interventions were implemented and many will likely continue. Ongoing, outreach and partnership efforts will focus on project sustainability.

Below are graphs indicating current vaccination uptake* since the launch of the VRP including financial status and potential earnings the program.



*note that the number of eligible members for vaccination continues to increase as children turn 12



Health Promotion

CenCal Health has joined several local agencies in submission of a California Healthcare Foundation grant proposal to increase Community Health Worker and Promotora (CHW/P) workforce capacity in the tri-counties. The goal of the CHW/P Capacity Building Collaborative is to strengthen the capacity of the safety net to advance health equity by scaling its engagement with the CHW/P workforce. This 18-month project will support four regions in California that seek to expand the size and impact of the CHW/P workforce. Ultimately, the regional collaboratives selected for the CHW/P Capacity Building Collaborative will be expected to launch a new, or amplify an existing, CHW/P initiative that seeks to increase scale at a regional level. As the local Medi-Cal Managed Care Plan, CenCal Health will have a key role in this initiative. Awardee grant cycles will begin at the end of this month.

Respectfully Submitted,

Lauren Geeb, MBA
Director of Quality

CenCal HEALTH
Local. Quality. Healthcare.

Date: April 11, 2022

To: Board of Directors

From: Eric Buben
Director of Member Services

Subject: Operations Report - April 2022

The operations teams continue to work effectively remotely. In addition to the day-to-day business activities within units, significant project work continues for the Behavioral Health Integration and Cal AIM Enhanced Care Management and Community Supports (recuperative care and medically-tailored meals) set to begin July 1, 2022. Close tracking of deliverables for these projects are ensuring readiness, compliance, quality improvement opportunities and/or sustainability. Additionally, CenCal Health has begun our "Return to Office" strategy for our staff. Member Services was the first department in late March to bring operations back into building 4050 Calle Real, with the SLO Office and other departments to follow during April-July. CenCal Health will now be offering hybrid, full-time in office and some full-time remote schedules for future business operation as remote work was achieved so effectively.

Highlights of the March operations activities and metrics are as follows:

Claims: Claims processing operational metrics in March were all within the target range. Medical claim receipts increased significantly to 277,786 which is 26% over the pre-pandemic baseline. However, based on typical seasonality, membership increases, 23-business days in March and the addition of behavioral health claims, no unexpected causes for this increase. All productivity/accuracy targets and timeliness objectives are being maintained. Provider call volume focused on how to submit claims or access the portal. This call volume is a good indicator of quality as providers are not calling as much for status or with payment disputes.

Member Services: CenCal Health's aggregate membership continues to grow with the DHCS suspension of negative re-determinations for Medi-Cal Eligibility through the end of the public health emergency, though the PHE is expected to end soon with potential for one more brief extension. MCPs are tasked to immediately outreach all membership to update their contact information with their local DSS offices for re-determination needs. CenCal Health will be performing upcoming social media, website and a member newsletter outreach, in addition to change of address postcard reminders for all members identified through the national NCOA change of address database. Member call volume daily average in March was 391. Average Speed to Answer was 89% which is above the goal of 85% and abandon rate at 2%, below the goal of 3% or less. All other metrics are at goal or better. Back to full-staffing in Jan. 2022.

Provider Services: The Provider Services Department just received approval from DHCS for our Subcontractor Network Certification Readiness Plan, submitted in May of 2021. Subcontractor Network Certification is a new aspect of Annual Network Certification; and all plans were required to submit a readiness plan, even plans without any subcontractors that meet the definition, such as CenCal Health. Awaiting the release of the promised revised APL regarding Annual Network Certification, and thus far have only heard that the filing is delayed until July 2022.

Staff continue participation in the multidisciplinary ECM/CS workgroup, and are currently conducting follow-up meetings with numerous potential ECM providers. Topics addressed in these meetings include implementation planning progress, the reimbursement methodology, projected member volume, questions about staffing type and numbers, workflows, and data and reporting requirements. Plan staff have scheduled a joint meeting on April 13th with potential ECM providers to discuss finalization of the draft agreement amendment with fee schedule. Part 3 of the Model of Care template is due April 15th, which outlines the Plan's proposed network by Population of Focus and includes projected capacities for each provider. Later in April, staff plans to begin hosting a series of roundtable discussions with all potential ECM providers to encourage discussion, and the sharing of ideas and best practices.

Staff made a high priority to address operational differences between The Holman Group and CenCal Health for our ABA providers and have met individually with each ABA provider to hear concerns and needs. Provider Services remains committed to expanding the network to meet member need and is researching the use of telehealth vendors.

CenCalHEALTH®
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April 8, 2022

Memo To: Board of Directors

From: Amy Sim, General Accounting Manager
Leanne Bauer, Director of Finance

Through: David Ambrose, CPA, Chief Financial Officer/Treasurer

RE: ***Financial Report for Month Ended 3/31/2022***

Financial Highlights (year-to-date)

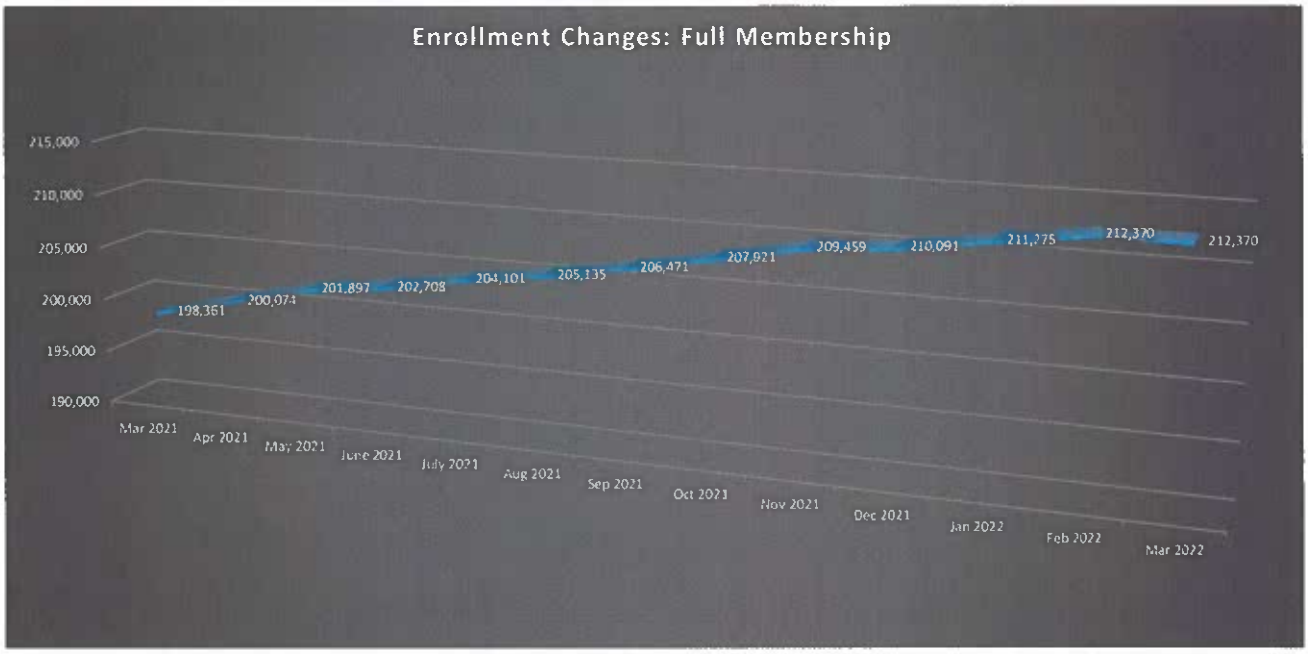
- ***Consolidated gain or loss*** from all programs and activities show a year-to-date operating loss of $7.4 million compared to anticipated flexible budget operating loss of $15.0 million.
- ***Capitation revenue*** is over budget by $80.2 million and 10.0%.
- ***Total medical costs*** are over budget by $75.8 million and 10.5%.
- ***Medical loss ratio (MLR)*** FYTD is running at 90%.
- ***Administrative expenses*** are under budget by $4.2 million and 9.5%.
- ***Admin Costs as a Percentage of Capitation Revenue*** FYTD is running at 5.0%.
- ***Other revenue and unrealized gain (loss)*** is over budget by $1.6 million and 150.6%.
- ***Tangible net equity*** (TNE) is at $162.8 million, which is 64% of the Board approved Minimum TNE Target at $253.1 million.
- ***Member enrollment*** is at 212,370 covered lives as of March 2022.

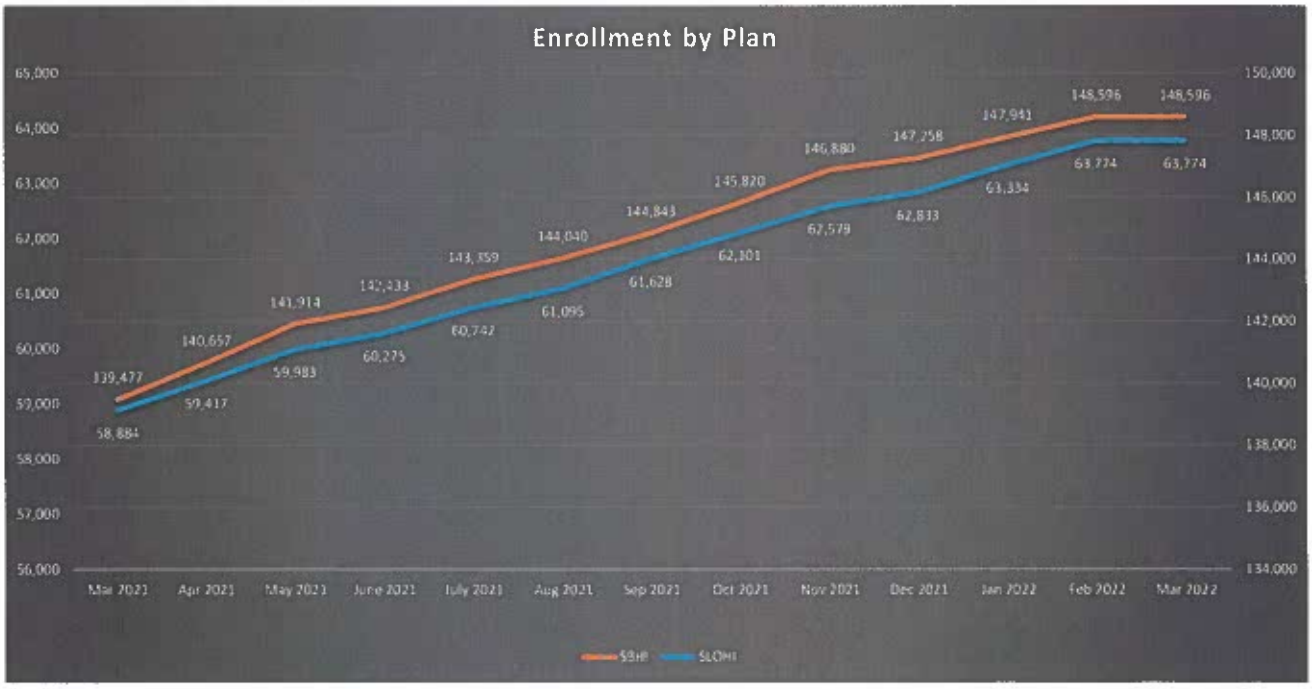
MONTHLY FINANCIAL RECONCILIATION-MAR 2022	
SB County Operating Gain/Loss	$ (1,322,743.37)
SLO County Operating Gain/Loss	$ 2,253,477.28
Realized Gain/Loss	$ -
Unrealized Gain/Loss	$ (931,792.72)
Cash Management Income	$ 77,730.11
Other Program Revenues	$ 1,561,779.75
Month GAIN	**$ 1,638,451.05**

Financial Report:

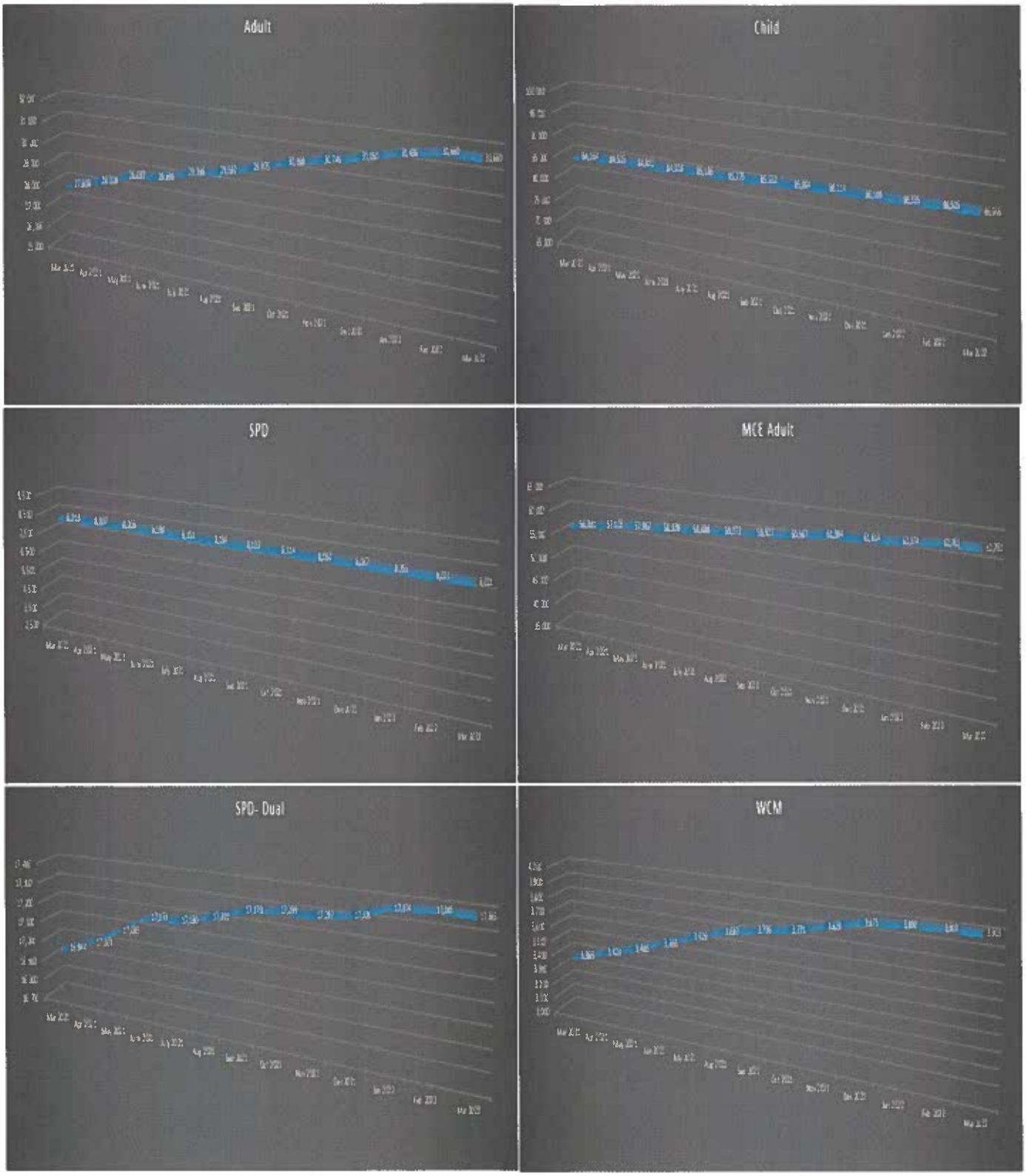
The 2021-22 unaudited financial statements and supplemental information can be found at **Item 4.1.**

Member Enrollment: The health plan's membership count for March 2022 is 212,370 enrollees versus our budget forecast for March at 210,915 enrollees.





The upward enrollment trend began around March 2020. The Health Plan anticipates the upward trend to continue in the months ahead through June 2022.



With the exception of the SPD aid category member population, all aid category member populations have been on an upward trend.

Revenue:
FYTD is $80.2 million or 10.0% greater than budget due to the recording of prior year revenue within the current 21/22 fiscal year.

Revenue Type	FYTD Actual Dollars	FYTD Budget	FYTD Variance	% Variance
Base Capitation Revenue	$822,721,176	$784,791,000	$37,930,176	4.8%
BHT, HepC, AIS Revenue, Maternity	$27,637,401	$17,853,000	$9,784,401	54.8%
Budgeted Revenue Items	**$850,358,577**	**$802,644,000**	**$47,714,577**	**5.9%**
Prior Year Revenue Adjustments: Prior Year Items Recorded in Current Year	$32,491,678	----	$32,491,678	
TOTAL PROGRAM REVENUE	**$882,850,255**	**$802,644,000**	**$80,206,255**	**10.0%**

Base Capitation revenue FYTD is tracking close to budget with a variance of only 4.8%.

Plan received $861,000 on January 5th for VRP program (Vaccination Respond Program) initiated by DHCS. Plan has made payments to providers who help vaccinate our members. Plan received $787,777.11 on April 6th another payment from DHCS; plan is ready to make payments to applicable providers in late April.

Plan received $710,000 for the BHIP (Behavioral Health Incentive Program) for Q1 measures. Plan paid the qualified providers in November their incentive dollars. Plan received $851,318 Q2 measures payment in mid-January, payment made to all the applicable providers in February. Plan received $751,596.25 on April 6th for Year1 Q3 measures and ready to pay applicable providers in late April.

Plan received an awarded letter from DHCS for CalAIM Incentive Payment Program (CalAIM IPP) Program Year 1 for the total amount of $12.8M. The 1st payment is expected to be mid-May and 2nd payment is mid-December. Plan is expected to pay DHCS back if plan does not meet the expected metrics.

Behavioral Health Therapy (BHT), Hepatitis C Prescriptions (HepC), Maternity Deliveries, and American Indian Services (AIS) revenue (these four items are also known as supplemental revenue), which each are volume-based, combined are over budget with a variance of 54.8% due to higher estimated utilization of services than anticipated compared to the budget assumption.

For the month, plan incurred several prior year revenue adjustments that are impacting the reported revenue figure on the financial statements:

- Due to capitation revenue rate changes and Prop 56 MLRs. These prior year rate changes were due to Hospital Directed Payment for FY19/20. Prop 56 MLR adjustments for prior year activity being offset by Physician Services, which is under budget by $3.3 million for the month (budget variance is impacted by Prop 56 services being incurred at a lower level than the associated Prop 56 revenue).

DHCS Risk Corridor [covering the 18-month period July 2019 to Dec 2020]:
The health plan has recorded a receivable due from DHCS in the amount of $3.3 million because the health plan's allowable medical expenses exceed the 102% threshold (104.4% SB and 104.3% SLO) of the risk corridor. The receivable is recorded within the A/R – Medi-Cal Capitation account on the balance sheet. As of the date of this financial report, the DHCS has not yet established a timeline for reporting and reconciling the 18-Month Risk Corridor.

Medical Expenses:
March actual FYTD medical expenses are near at budget, over budget by $75.8M or 10.5%; and the month of March medical expenses are over budget by $71.4M or 98%, primary due to Direct Hospital Payment.

MARCH 2022 YTD PERFORMANCE	YTD Variance to Budget Over/(Under)	Due to Average Cost per Visit is great than Budget		Due to Average Cost per Visit is Less than Budget		Due to Utilization is great than Budget		Due to Utilization is less than Budget		Comments
MEDICAL EXPENSES		SB	SLO	SB	SLO	SB	SLO	SB	SLO	
PCP capitation, incentives & case mgmt fees	(458,572)									Due to the actual case mix of PCP assigned members not perfectly mirroring the case mix assumed in the budget
Physician services	(19,145,720)									Primarily due to lower specialty capitation dollars than the budget assumed. One specialty practice was termed from their capitation arrangement with the health plan.
Hospital inpatient - in area	(2,021,808)									Even though, both counties utilization is trending great than budget.
Hospital inpatient - out of area	6,515,352									Even though, both counties average cost per visit is trending less than budget.
Hospital outpatient - in area	1,418,501									
Hospital outpatient - out of area	1,092,033									Even though, both counties utilization is trending less than budget.
Pharmacy	(8,190,953)									Rebates and accrued PBM P4P saving share dollars are exceeding budget expectations.
Long term care / skilled nursing	12,256,942									
Chiropractic	(14,006)									
Acupuncture	(21,163)									Even though, both counties average cost per visit is trending greater than budget.
Optometry	(122,115)									Even though, both counties average cost per visit is trending greater than budget.
Optician	5,130									Even though, both counties average cost per visit is trending less than budget.
Audiology	(55,385)									
Mental health	5,469,534									MH and ABA is offset, since ABA budget is included with MH.
Behavioral health therapy (ABA)	(3,353,373)									MH and ABA is offset, since ABA budget is included with MH.
Podiatry	107,737									Even though, both counties utilization is trending less than budget.
Physical therapy	233,598									Even though, both counties utilization is trending less than budget.
Speech therapy	(1,363)									
Transportation	(649,258)									
Prosthetics	(286,863)									
Home health	(658,924)									Even though, both counties average cost per visit is trending greater than budget.
Hospice	(2,040,951)									Even though, both counties average cost per visit is trending greater than budget.
Dialysis	(732,657)									Even though, both counties average cost per visit is trending greater than budget.
Laboratory	780,770									Even though, SLO County average cost per visit and utilization is trending less than budget.
Durable medical equipment	524,017									Even though, both counties utilization is trending less than budget.
All other medical services	13,868,453									Typically caused by some poor coding or other incorrect claim values. Over time, many of these claims get corrected and will subsequently be mapped into their proper expense category.
HQAF Directed Pmt	(183,346)									Quality Assurance Fee (HQAF) and Inter-Governmental Transfers (IGT) are pass-thru revenue components
Pooled Directed Pmt	67,651,794									
Rate Range IGT	(3,517,820)									
Reinsurance/recoveries - net	(3,610,448)									A few high $ dollar cases from last year met the deductible.
Prior year change in IBNR estimate	9,361,540									Projecting the total medical claim expense covering the 24-month period on and prior to June 30, 2021 at a total value.

Medical Expense Summarization:

Medical Expense Type	FYTD Actual Dollars	FYTD Budget	FYTD Variance	% Variance
Medical Costs + Incentives	$787,904,076	$717,875,000	$70,029,076	9.8%
Reinsurance - net	($2,427,448)	$1,183,000	($3,610,448)	
Budgeted Medical Items	**$785,476,628**	**$719,058,000**	**$66,418,628**	**9.2%**
Prior Year Expense Adjustments: Prior Year Items Recorded in Current Year	$9,361,540		$9,361,540	
TOTAL MEDICAL COSTS	**$794,838,168**	**$719,058,000**	**$75,780,168**	**10.5%**

The health plan projects reinsurance recoveries at 20% of the premium cost. The deductible threshold is $1.25 million, plus the aggregation deductible of $0.85 pmpm. FYTD Reinsurance-net is exceeding budget expectations due to 3rd Party recoveries (Medicare and Commercial payers) currently occurring at a greater value than the budget forecast.

The prior year expense adjustments of $9.4 million is due to rate change for PHDP (Private Hospitals Direct Payment). The budget is based on a preliminary PMPM rate from the DHCS. Any dollars within these expense items also reside within the health plan's capitation revenue, resulting in a budget-neutral position.

Medicaid Expansion Population MLR: On the Balance Sheet, $39.9 million is a reserved liability which represents Medi-Cal capitation revenue which will be recouped back to the DHCS under the terms of the MCE Adult aid category medical loss ratio (MLR) contract language. This amount covers the period July 2017 through December 2021.

The health plan has completed and submitted to DHCS the MLR submission specific to the period covering July 2017 – June 2018. The submission is pending final review by DHCS and staff expects $23.6 million will be owed back to DHCS.

For the period covering July 2018 – December 2021, actual MLR submission to DHCS is likely many months away. DHCS has not established an MLR submission timeline yet. Staff has recorded an interim liability estimate at $16.3 million for this time period.

Prop 56 Programs [Enhanced Reimbursement for Qualifying Providers] – Table by Programs
The health plan anticipates that DHCS will be recouping back Prop 56 Program revenue that has an MLR less than 98% under the terms of a Prop 56 medical loss ratio (MLR) contract provision. The current liability recorded on the balance sheet in total is $17.6 million. For FY18/19 is $286K, 18 months bridge period (Jul 2019 to Dec 2020) is $9.8 million and CY2021 is $7.5 million.

Administrative Costs:
For the month Administrative Costs are under budget by $621,000 and FYTD under budget by $4.2 million or 9.5% driven primarily by:

- Staffing vacancies; 36.5 budgeted positions are currently vacant (6 open for behavioral health).
- Contract Services are lower than expected, due to Legal and Outside Processing costs year to date being lower than budget.
- Rent and Occupancy is lower than budget mainly due to janitorial costs and other occupancy costs. Janitorial costs should increase as staff are reintroduced into the CenCal offices. Utilities vary from month to month.
- Other Expenses are higher than expected mainly due to the acknowledgement of GASB 87 (Lease). The lease expense for the Ekwill and SLO offices were amortized retro to FY 20/21 and July 2021 through February 2022 which impacted $750K for 19 months catch up.
- Travel costs are under budget due to the timing of conferences/seminars and executive travel and the near shut down of all traveling since the Covid public health emergency.

Insourcing MH/BHT for January 2022 Go-Live:
The total administrative cost under budget variance is also influenced by the timing or ramp-up of expenditures associated to the start-up costs of the MH/BHT Project.
FYTD the health plan has incurred $1.1 million while the budget forecast was $2.4 million of expenditures incurred through March 31st. The favorability for FYTD is $1.3 million. As we move into the future months, this will be changing as more staff of MH/BHT being hired.

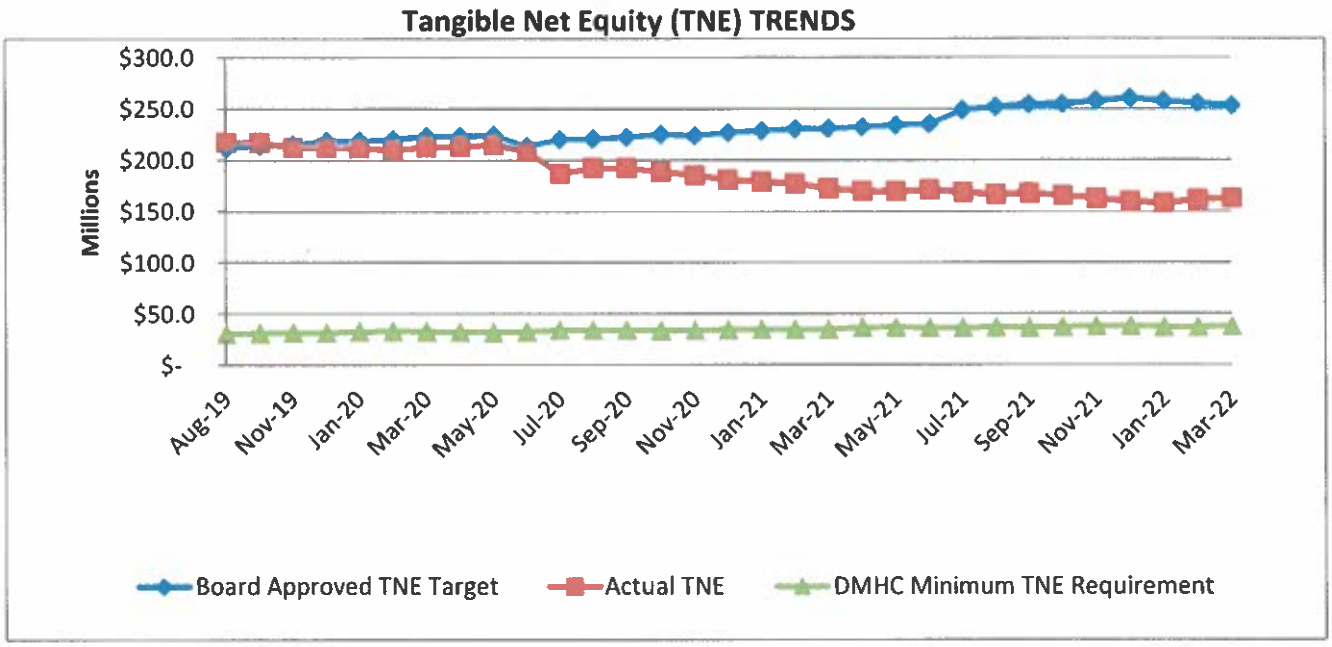
MCO Tax:
Plan is expecting to receive a determination letter from DHCS in May to recoup $2.6 million for the period of FY 2013/2014 to FY2015/2016. Plan has accrued the amount will be paying DHCS shortly after receiving the determination letter.

Recruitment and Retention Program:
This program became effective July 2020. The health plan purchased $10 million of Corporate Owned Life Insurance (COLI). As a reminder, this event is solely a balance sheet transaction ----- - converting one asset ($10 million of cash) to another asset (the COLI worth initially $10 million). It is estimated that as of March 31st, 2022, we have earned interest income in the amount of $ 445,949.83 on the COLI.

Executives Retiree Health Benefits, plan has obtained an actuarial services to provide the GASB 74/75 Report for a one-year lookback basis for the fiscal year ending June 30, 2022. Full Valuation estimated of $161, 000 that plan needs to accrue as liability.

MAP (Mortgage Assistance Program and SAL (Shared Appreciation Loan) Loans: The health plan has executed one (1) loan in the amount of $300,000. This loan is recorded on the balance sheet as a receivable of $300,000.

Tangible Net Equity (TNE): As of March 2022, our actual TNE is $162.8 million. The Board approved TNE target is $253.1 million, which equates to three and a half times the value of current fiscal year average monthly capitation revenue (base capitation, excluding pass-thru dollars & supplemental dollars) applicable for 2021-22. The minimum TNE requirement established by the Department of Managed Health Care (DMHC) for CenCal Health is currently $37.8 million; this is a continuous moving target as it is primarily driven by our annualized medical expenditures. Currently the actual TNE is 431% of the minimum DMHC requirement, and 64% of the Board approved TNE target.



Note: The **Board Approved TNE Target** is established at three and a half times the average monthly program revenue of the health plan. The board-approved target excludes MCO Tax, Rate Range IGT, Pooled Directed payment and HQAF Directed payment. **Actual TNE** represents the value of health plan assets minus the value of health plan liabilities, as reported on the Balance Sheet. **DMHC Minimum TNE Requirement** is a calculation per *Title 10, CCR, Section 1300.76 TNE* which is primarily a function of and dependent on the magnitude of the health plan's annualized medical expenses. As health plan membership grows and/or medical utilization & unit costs increase, the DMHC Minimum will correspondingly increase.

Treasury Activities:

Capitation Payments Received:

Cash received during the month in the form of capitation from the State of California, Department of Health Care Services received is shown.

Capitation and Premium Payments Received

SBHI Capitation	$ 86,839,230
SLOHI Capitation	39,195,036
	$ 126,034,266

Investments, Cash Balances & Interest Income:

Interest earnings for the current fiscal year to date are $529,000 and unrealized loss on investments is $2.1 million. The schedule of Investments and cash balances in **Figure 2** provides details on all invested funds and accrued interest receivable at March 31, 2022, including earnings accruing on the investment in LAIF funds and CalTrust, and the unrealized loss in the Medium Term fund at CalTrust.

Schedule of Investments and Cash Balances

LAIF	$ 26,507,946	
CalTrust - Short Term Fund	73,311,246	*
CalTrust - Medium Term Fund	36,361,525	*
Wells Fargo - checking		
Chase - HMS lockbox	274,194	
CD's - assigned to DMHC	300,000	
	$ 136,754,911	

* Includes unrealized gain (loss) on investments:	Current Month	YTD
Beginning Balance	$ 73,511,105	$ 73,723,748
Accrual Income Div Reinvestment	$ 19,577	$ 99,400
Redemption	$ -	$ -
Unrealized Gain (Loss)	(219,436)	$ (511,901)
Current Market Value	$ 73,311,246	$ 73,311,246
Beginning Balance	$ 36,853,077	$ 37,454,256
Accrual Income Div Reinvestment	$ 20,805	$ 114,311
Unrealized Gain (Loss)	(512,357)	(1,207,042)
Current Market Value	$ 36,361,525	$ 36,361,525
Interest income - receivable	$ 24,455	

Days Cash on Hand for Operations

Cash and Investments as of Mar 31	$ 313,066,034
Less future non-operating cash obligations	$ (142,734,810)
Net Cash Available for Operations	$ 170,331,224
Days Cash on Hand for Operations	67

Total Projected Non-Operating Payments: $142.7M

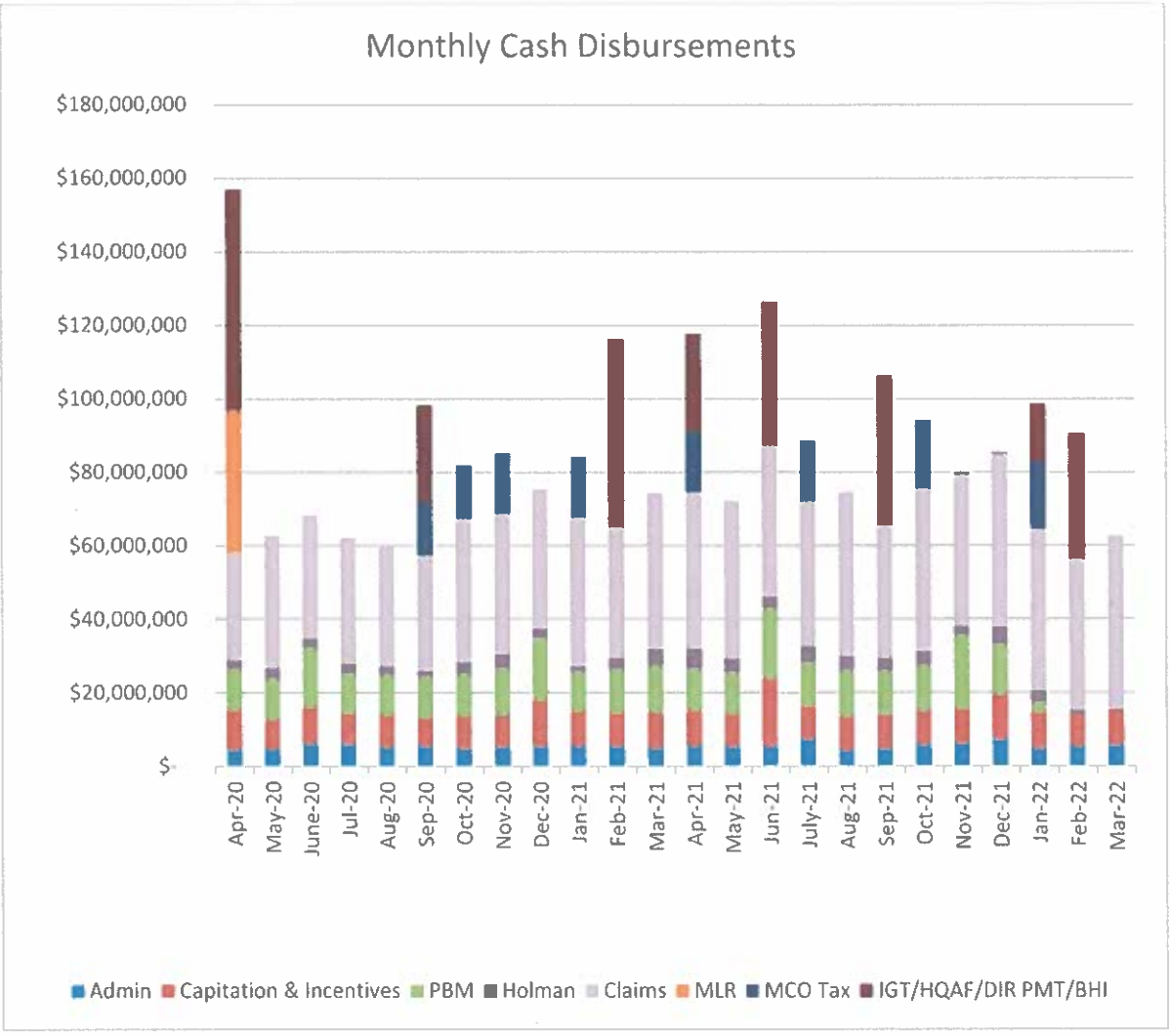
MCO Tax = $36.6M
AE MLR FY17/18 = $23.6M
AE MLR FY18/19 = $7.7M
AE MLR July19-December 20 = $6.3M
AE MLR CY2021 YTD = $5.2M
Prop 56 FY18/19 to CY2021 YTD MLR = $17.5M
Legal Cases and attorney fee = $2.5M
Hospital Directed Payment (PHDP + EPP) = $43.3

MCO Tax

Month	Total Membership	MCO Tax Revenue (Based on Membership)	MCO Tax Quarterly Invoice Amount	Difference (Under Funded)/Over Funded
Jan-20	172,997	$ 4,805,856.66		
Feb-20	174,742	$ 4,854,332.76		
Mar-20	175,102	$ 4,864,333.56		
	522,841	$ 14,524,522.98	$14,652,070.00	$ (127,547.02)
Apr-20	177,250	$ 4,924,005.00		
May-20	180,307	$ 5,008,928.46		
Jun-20	182,641	$ 5,073,766.98		
	540,198	$ 15,006,700.44	$14,652,070.00	$ 354,630.44
Jul-20	184,512	$ 5,125,743.36		
Aug-20	186,629	$ 5,184,553.62		
Sep-20	188,532	$ 5,237,418.96		
	559,673	$ 15,547,715.94	$16,483,578.75	$ (935,862.81)
Oct-20	190,241	$ 5,284,894.98		
Nov-20	191,979	$ 5,333,176.62		
Dec-20	193,599	$ 5,378,180.22		
	575,819	$ 15,996,251.82	$16,483,578.75	$ (487,326.93)
Jan-21	195,340	$ 5,426,545.20		
Feb-21	196,999	$ 5,472,632.22		
Mar-21	198,361	$ 5,510,468.58		
	590,700	$ 16,409,646.00	$16,483,578.75	$ (73,932.75)
Apr-21	200,074	$ 5,558,055.72		
May-21	201,897	$ 5,608,698.66		
Jun-21	202,708	$ 5,631,228.24		
	604,679	$ 16,797,982.62	$16,483,578.75	$ 314,403.87
Jul-21	204,093	$ 6,190,140.69		
Aug-21	205,135	$ 6,221,744.55		
Sep-21	206,472	$ 6,262,295.76		
	615,700	$ 18,674,181.00	$18,315,087.50	$ 359,093.50
Oct-21	207,922	$ 6,306,274.26		
Nov-21	209,461	$ 6,352,952.13		
Dec-21	210,093	$ 6,372,120.69		
	627,476	$ 19,031,347.08	$18,315,087.50	$ 716,259.58
Jan-22	211,277	$ 6,408,031.41		
Feb-22	212,372	$ 6,441,242.76		
Mar-22	212,372	$ 6,441,242.76		
	636,021	$ 19,290,516.93	$18,315,087.50	$ 975,429.43
				$ 1,095,147.31

This table tracks the difference between the health plan earned MCO Tax revenue components of our capitation rates versus the magnitude of the MCO Tax due. Currently, MCO Tax revenue appears to be trending slightly higher than the actual MCO Tax Expense for Q4 2021.

Historical Cash Disbursements:



ITEM 4.1

CenCal Health

Financial Statements and Additional Information
For The Period Ended March 31, 2022

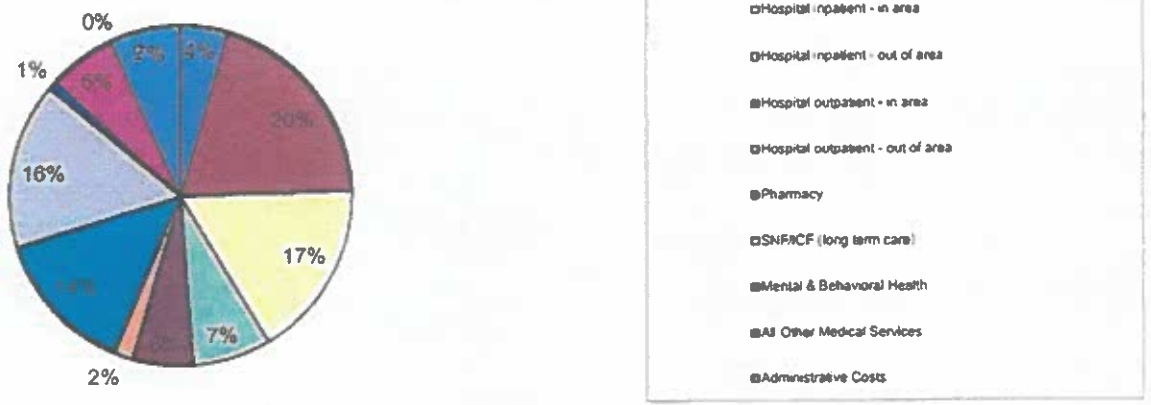
Executive Dashboard

Trends in Key Measures of Financial Performance (modified)

CenCal Health	2021-22 Budget	Actual FYTD 2021-22	Actual 2020-21	Actual 2019-20
Avg. # of Covered Lives	210,915	208,799	194,239	176,160
Capitation Revenue PMPM - net	$ 427.12	$ 469.80	$ 292.84	$ 311.46
Per Member Per Month:				
PCP Capitation, Incentives & Case Mgmt Fee	$ 14.66	$ 14.42	$ 15.57	$ 13.91
Physician FFS	$ 74.60	$ 64.41	$ 79.52	$ 67.40
Hospital inpatient - in area	$ 54.95	$ 53.88	$ 57.48	$ 46.25
Hospital inpatient - out of area	$ 20.37	$ 23.83	$ 21.97	$ 20.11
Hospital outpatient - in area	$ 17.70	$ 18.45	$ 18.50	$ 16.91
Hospital outpatient - out of area	$ 4.93	$ 5.51	$ 5.48	$ 3.77
Pharmacy	$ 49.05	$ 44.69	$ 74.10	$ 64.17
SNF/ICF (long term care)	$ 44.45	$ 50.97	$ 51.55	$ 44.82
Mental & Behavioral Health	$ 9.39	$ 2.91	$ 17.32	$ 9.82
All Other Medical Services	$ 19.09	$ 19.91	$ 20.44	$ 14.81
Administrative Costs	$ 23.77	$ 21.51	$ 24.10	$ 16.54

CenCal Health	Actual FYTD 2021-22
Other Financial Indicators:	
Actual TNE as of month-end (millions)	$162.8
TNE $ per Member	$780
FYTD Medical Loss Ratio (MLR)	90%
Total Assets (millions)	$658.4
Total Liabilities (millions)	$495.6
Assets to Liabilities Ratio	133%
Cash & Short Term Investments (millions)	$313.1
Admin Costs to Total Operating Costs	5%
FYTD Operating Gain (Loss) (millions)	-$7.4

How Each Dollar Is Spent
FYTD 2021-22



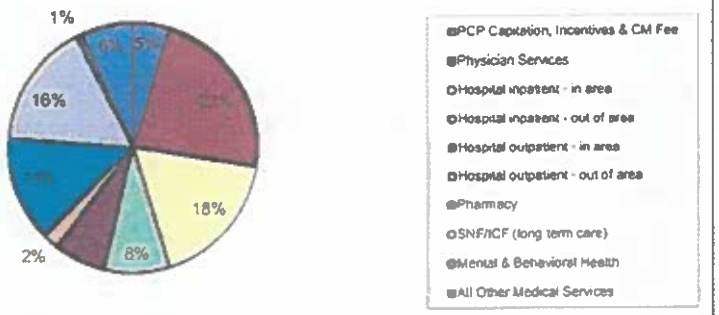
Executive Dashboard

Trends in Key Measures of Financial Performance (modified) for Medi-Cal Programs

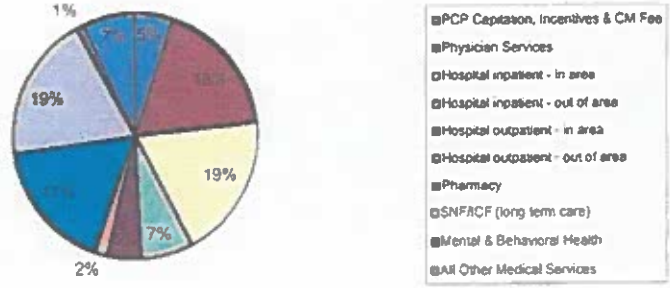
Santa Barbara Co	2021-22 Budget	Actual FYTD 2021-22	Actual 2020-21	Actual 2019-20
Avg. # of Covered Lives	148,742	146,371	136,843	124,631
Capitation revenue PMPM - net	$ 422.25	$ 461.15	$ 293.42	$ 312.13
Per Member Per Month:				
PCP Capitation, Incentives & CM Fee	$ 14.45	$ 14.16	$ 15.35	$ 14.54
Physician Services	$ 78.25	$ 68.36	$ 82.15	$ 78.04
Hospital inpatient - in area	$ 57.34	$ 52.56	$ 59.55	$ 57.20
Hospital inpatient - out of area	$ 20.40	$ 25.17	$ 21.10	$ 20.19
Hospital outpatient - in area	$ 19.65	$ 20.48	$ 20.61	$ 20.75
Hospital outpatient - out of area	$ 5.16	$ 5.78	$ 5.43	$ 5.21
Pharmacy	$ 44.60	$ 41.40	$ 68.48	$ 64.50
SNF/ICF (long term care)	$ 41.93	$ 48.07	$ 48.57	$ 50.50
Mental & Behavioral Health	$ 8.84	$ 2.72	$ 16.05	$ 12.57
All Other Medical Services	$ 18.22	$ 19.61	$ 20.18	$ 17.92

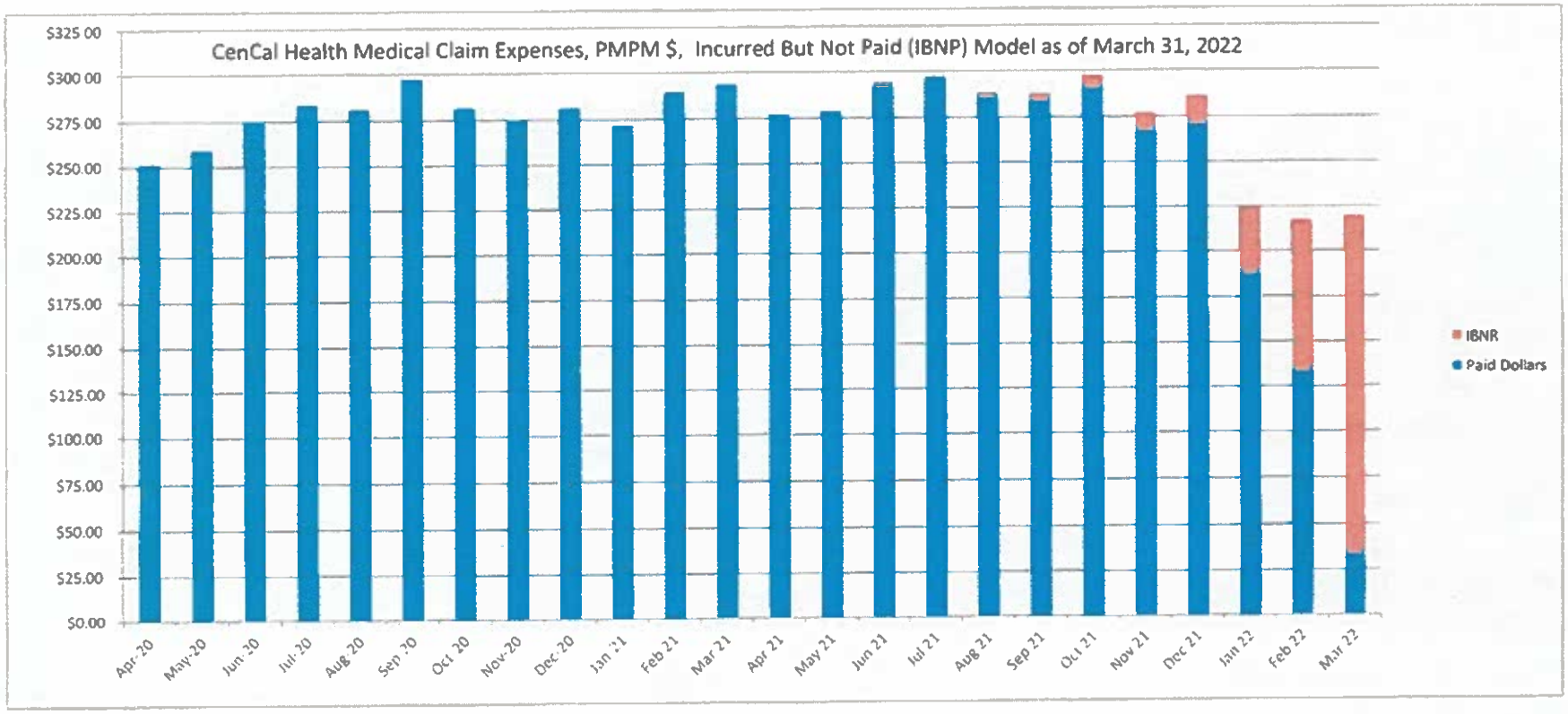
SLOHI	2021-22 Budget	Actual FYTD 2021-22	Actual 2020-21	Actual 2019-20
Avg. # of Covered Lives	62,173	62,428	57,396	51,530
Capitation revenue PMPM - net	$ 438.54	$ 490.08	$ 290.78	$ 312.68
Per Member Per Month:				
PCP Capitation, Incentives & CM Fee	$ 15.17	$ 15.01	$ 16.11	$ 15.09
Physician Services	$ 66.04	$ 55.16	$ 73.24	$ 72.58
Hospital inpatient - in area	$ 49.36	$ 56.96	$ 52.54	$ 50.97
Hospital inpatient - out of area	$ 20.28	$ 20.71	$ 24.06	$ 26.90
Hospital outpatient - in area	$ 13.11	$ 13.69	$ 13.46	$ 13.60
Hospital outpatient - out of area	$ 4.39	$ 4.87	$ 5.60	$ 8.75
Pharmacy	$ 59.49	$ 52.40	$ 87.52	$ 84.77
SNF/ICF (long term care)	$ 50.38	$ 57.78	$ 58.64	$ 63.14
Mental & Behavioral Health	$ 10.68	$ 3.37	$ 20.35	$ 16.12
All Other Medical Services	$ 21.13	$ 20.61	$ 21.07	$ 21.24

SBHI Medical Expenditures FY 2021-22



SLOHI Medical Expenditures FY 2021-22




CenCal Health Medical Claim Expenses, PMPM $, Incurred But Not Paid (IBNP) Model as of March 31, 2022
$325.00
$300.00
$275.00
$250.00
$225.00
$200.00
$175.00
$150.00
$125.00
$100.00
$75.00
$50.00
$25.00
$0.00
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Aug-21
Sep-21
Oct-21
Nov-21
Dec-21
Jan-22
Feb-22
Mar-22
IBNR
Paid Dollars

CenCal Health
Statement of Financial Condition
As of March 31, 2022
(Unaudited)

ASSETS			
Cash and Short-Term Investments			$ 313,066,034.16
Receivables			
A/R - Medi-Cal Capitation	276,269,931.51		
A/R - Recoveries	93,382.91		
A/R - Reinsurance	504,000.00		
A/R - VRP Funding	0.00		
A/R-CalAIM IPP	12,824,346.00		
Interest Receivable	24,454.97		
Other Receivables	4,919,827.52		
Total Receivables			294,635,942.91
Prepaid Expenses			
Prepaid Insurance	850,542.33		
Other Prepaids	1,484,113.20		
Total Prepaid Expense			2,334,655.53
Other Current Assets			
Security Deposits	105,017.84		
Total Other Current Assets			105,017.84
Total Current Assets			610,141,650.44
Net Property, Plant, & Equipment			29,568,988.17
Other Assets			
Restricted CD - Knox-Keene			300,000.00
Restricted COLI			10,445,949.83
Lease Asset SLO-Ekwill			2,429,445.02
Acc. Amort. Lease SLO-Ekwill			(725,396.26)
Deferred Outflow of Resources			
Deferred pensions			6,274,156.00
TOTAL ASSETS			$ 658,434,793.20
LIABILITIES			
Current Payables			
Medical Claims - Incurred But Not Paid		$ 92,465,322.00	
Other Current Payables		980,210.82	
Total Current Payables			93,445,532.82
Accrued Payables			
Accrued Salary, Wages, & Benefits		3,003,579.18	
Accrued IGT Distribution		47,930,517.00	
Accrued Pooled Directed Pmt		210,104,794.40	
Accrued HQAF Directed Pmts		9,400,568.22	
Accrued DHCS Revenue Recoup - 85% MLR		60,860,451.84	
Accrued CalAIM IPP		12,824,346.00	
Accrued MCO Tax		21,915,087.53	
Other Accrued Expenses		7,826,518.10	
Total Accrued Payables			373,865,862.52
Other Current Liabilities			
Primary Care Provider Incentives		14,109,095.94	
Quality Initiative Incentives		3,620,000.00	
Total Other Current Liabilities			17,729,095.94
Total Current Liabilities			485,040,491.28
Other Non-Current Liabilities			
Accrued Unfunded Pension Liability - GASB 68			8,125,246.93
Other Liabilities			
Acc. Amort. Lease			1,774,021.28
Deferred Inflow of Resources			
Deferred pensions			651,019.00
Total Liabilities			495,590,778.49
FUND BALANCES			
Designated - Contingency Reserve		170,209,882.66	
Undesignated - Current Year		(7,365,887.95)	
Total Fund Balance			162,844,014.71
Total Liabilities and Fund Balance			$ 658,434,793.20

CenCal Health
Consolidated Statement of Revenue and Expense
As of March 31, 2022

	Month Actual	FYTD Actual	FYTD Flexible Budget	Over (Under) Flexible Budget	Pct. Over(Under) Budget	YTD Actual PMPM
PROGRAM REVENUE						
Capitation Revenue	$ 158,292,799	$ 882,850,255	$ 802,644,000	$ 80,206,255	9.99%	$469.60
PROGRAM RELATED MEDICAL COSTS						
PCP capitation, incentives & case mgmt fees	3,093,358	27,094,428	27,553,000	(458,572)	-1.66%	$14.42
Physician services	11,439,105	121,044,280	140,190,000	(19,145,720)	-13.66%	$64.41
Hospital inpatient - in area	11,126,776	101,247,192	103,269,000	(2,021,808)	-1.96%	$53.88
Hospital inpatient - out of area	5,362,929	44,787,352	38,272,000	6,515,352	17.02%	$23.83
Hospital outpatient - in area	4,539,866	34,672,501	33,254,000	1,418,501	4.27%	$18.45
Hospital outpatient - out of area	2,247,798	10,351,033	9,259,000	1,092,033	11.79%	$5.51
Pharmacy	258,209	83,983,047	92,174,000	(8,190,953)	-8.89%	$44.69
Long term care / skilled nursing	12,324,844	95,785,942	83,529,000	12,256,942	14.67%	$50.97
Dialysis	603,505	5,228,343	5,961,000	(732,657)	-12.29%	$2.78
Home health & hospice	835,591	7,929,125	10,629,000	(2,699,875)	-25.40%	$4.22
Mental health	1,882,998	5,469,534	17,648,000	(12,178,466)		$2.91
Behavioral health therapy (ABA)	(541,796)	23,119,627	8,825,000	14,294,627	161.98%	$12.30
All other health care services	4,231,304	37,411,207	35,866,000	1,545,207	4.31%	$19.91
Quality initiave incentives & support	386,625	3,287,800	3,290,000	(2,200)	-0.07%	$1.75
HOAF Directed Pmt	2,951,688	26,144,654	28,328,000	(183,346)	-0.70%	$13.91
Behavioral Health Integration Incentive Program	1,561,690	1,561,690	-	1,561,690		$0.83
Pooled Directed Pmt	73,675,609	120,768,794	53,117,000	67,651,794	127.36%	$64.27
Rate Range IGT	(1,069,324)	25,193,180	28,711,000	(3,517,820)	-12.25%	$13.41
CalAIM IPP	12,824,346	12,824,346	-	12,824,346		$6.82
Reinsurance/recoveries - net	209,496	(2,427,448)	1,183,000	(3,610,448)	-305.19%	($1.29)
Prior year change in IBNR estimate	(3,627,069)	9,361,540	-	9,361,540		$4.98
Total Medical Costs	144,297,545	794,838,168	719,058,000	75,780,168	10.54%	$422.97
ADMINISTRATIVE COSTS						
Salary, wages, & benefits	3,101,551	27,146,176	29,034,514	(1,888,338)	-6.50%	$14.45
Contract services	587,107	6,342,416	7,746,150	(1,403,734)	-18.12%	$3.38
Travel expense	1,870	32,114	202,480	(170,366)	-84.14%	$0.02
Rent & occupancy	89,520	858,678	952,050	(93,372)	-9.81%	$0.46
Office supplies & equip	48,431	856,460	948,475	(92,015)	-9.70%	$0.46
Insurance	86,430	682,610	503,100	179,510	35.68%	$0.36
Depreciation & amortization	132,508	1,610,085	1,210,300	399,785	33.03%	$0.86
Other expenses	312,073	2,898,209	4,069,750	(1,171,541)	-28.79%	$1.54
Total Administrative Costs	4,359,491	40,426,749	44,666,819	(4,240,070)	-9.49%	$21.51
MCO Tax Expense	8,705,029	57,545,263	54,945,000	2,600,263	4.73%	$30.62
TOTAL OPERATING EXPENSES	157,362,065	892,810,180	818,669,819	74,140,361	9.06%	475.10
OTHER REVENUE (EXPENSE)						
Interest income	77,730	529,219	1,035,000	(505,781)	-48.87%	$0.28
Realized gain (loss) on investments	-	-	-	-		$0.00
Unrealized gain (loss) on investments	(931,793)	(2,118,943)	-	(2,118,943)		($1.13)
Other activities	1,561,780	4,183,782	-	4,183,782		$2.23
NET OPERATING GAIN (LOSS)	$ 1,638,451	$ (7,365,868)	$ (14,990,819)	$ 7,624,951	-50.86%	($3.92)

Average Member Count	212,370	206,799
FYTD Member Months	—	1,879,195
Medical Loss Ratio (MLR)	91%	90%
Admin Ratio [admin divided by cap revenue]	3%	5%
Pct. Admin to Total Expenses	3%	5%
Operating Margin Gain (Loss)	1%	-1%

CenCal Health

Medical Expenses by Category

As of March 31, 2022

All Programs Combined

Direct Medical Expenses Paid to Providers	FYTD Actual	FYTD Budget	Over (Under) Budget	Percentage Over (Under) Budget	FYTD Actual PMPM $
PCP capitation, incentives & case mgmt fees	$ 27,094,428	$ 27,553,000	$ (458,572)	-1.7%	$14.42
Physician services	121,044,280	140,190,000	(19,145,720)	-13.7%	$64.41
Hospital inpatient - in area	60,400,182	61,565,000	(1,164,818)	-1.9%	$32.14
Hospital inpatient - out of area	44,787,352	38,272,000	6,515,352	17.0%	$23.83
Hospital capitation - inpatient services	40,847,011	41,704,000	(856,990)	-2.1%	$21.74
Hospital outpatient: in-area	14,273,431	13,398,000	875,431	6.5%	$7.60
Hospital outpatient: out-of-area	10,351,033	9,259,000	1,092,033	11.8%	$5.51
Hospital capitation - outpatient services	20,399,070	19,856,000	543,070	2.7%	$10.86
Pharmacy	83,983,047	92,174,000	(8,190,953)	-8.9%	$44.69
Long term care / skilled nursing	95,785,942	83,529,000	12,256,942	14.7%	$50.97
Chiropractic	22,994	37,000	(14,006)	-37.9%	$0.01
Acupuncture	53,837	75,000	(21,163)	-28.2%	$0.03
Optometry	1,227,885	1,350,000	(122,115)	-9.0%	$0.65
Optician	46,130	41,000	5,130	12.5%	$0.02
Audiology	800,615	856,000	(55,385)	-6.5%	$0.43
Mental health	5,469,534	17,648,000	(12,178,466)	-69.0%	$2.91
Behavioral health therapy (ABA)	23,119,627	8,825,000	14,294,627	162.0%	$12.30
Podiatry	1,072,737	965,000	107,737	11.2%	$0.57
Physical therapy	2,228,598	1,995,000	233,598	11.7%	$1.19
Speech therapy	4,637	6,000	(1,363)	-22.7%	$0.00
Transportation	7,885,742	8,535,000	(649,258)	-7.6%	$4.20
Prosthetics	1,254,137	1,541,000	(286,863)	-18.6%	$0.67
Home health	2,407,076	3,066,000	(658,924)	-21.5%	$1.28
Hospice	5,522,049	7,563,000	(2,040,951)	-27.0%	$2.94
Dialysis	5,228,343	5,961,000	(732,657)	-12.3%	$2.78
Laboratory	11,840,770	11,060,000	780,770	7.1%	$6.30
Durable medical equipment	6,744,017	6,220,000	524,017	8.4%	$3.59
All other medical services	18,615,143	3,185,000	15,430,143	484.5%	$9.91
Quality initiative incentives	3,287,800	3,290,000	(2,200)	-0.1%	$1.75
	$ 615,797,447	$ 609,719,000	$ 6,078,447	1.0%	$ 327.69

Santa Barbara County Medi-Cal

Program Operating Statement
As of March 31, 2022

	FYTD Actual	FYTD Flexible Budget	Over (Under) Flexible Budget	Pct Over(Under) Budget	YTD Actual PMPM
PROGRAM REVENUE					
Capitation Revenue	**$ 607,496,215**	**$ 556,248,000**	**$ 51,248,215**	**9.21%**	**$ 461.15**
PROGRAM RELATED MEDICAL COSTS					
PCP capitation, incentives & case mgmt fees	18,659,815	19,029,000	(369,185)	-1.94%	14.16
Physician services	90,051,502	103,087,000	(13,035,498)	-12.65%	68.36
Hospital inpatient - in area	69,242,839	75,534,000	(6,291,161)	-8.33%	52.56
Hospital inpatient - out of area	33,151,304	26,877,000	6,274,304	23.34%	25.17
Hospital outpatient - in area	26,983,488	25,887,000	1,096,488	4.24%	20.48
Hospital outpatient - out of area	7,614,049	6,795,000	819,049	12.05%	5.78
Pharmacy	54,542,896	58,747,000	(4,204,104)	-7.16%	41.40
Long term care / skilled nursing	63,321,526	55,232,000	8,089,526	14.65%	48.07
Dialysis	4,176,982	4,780,000	(603,018)	-12.62%	3.17
Home health & hospice	5,281,216	7,296,000	(2,014,784)	-27.61%	4.01
Mental health	3,577,190	11,650,000	(8,072,810)		2.72
Behavioral health therapy (ABA)	14,716,509	5,826,000	8,890,509	152.60%	11.17
All other health care services	25,829,868	23,996,000	1,833,868	7.64%	19.61
Quality initiative incentives & support	2,310,030	2,304,000	6,030	0.26%	1.75
Reinsurance/recoveries - net	(2,222,618)	870,000	(3,092,618)	-355.47%	(1.69)
HQAF Directed Pmt	18,426,564	18,793,000	(366,436)	-1.95%	13.99
Behavioral Health Integration Incentive Program	1,561,690	-	1,561,690		1.19
Pooled Directed Pmt	83,997,331	36,533,000	47,464,331	129.92%	63.76
Rate Range IGT	17,532,640	20,171,000	(2,638,360)	-13.08%	13.31
CalAIM IPP	8,981,830	-	8,981,830		6.82
Prior year change in IBNR estimate	242,869	-	242,869		0.18
Total Medical Costs	**547,979,520**	**503,407,000**	**44,572,520**	**8.85%**	**415.97**
ADMINISTRATIVE COSTS - allocation	**28,339,717**	**31,312,000**	**(2,972,283)**	**-9.49%**	**21.51**
MCO Tax Expense	40,428,964	38,574,000	1,854,964	4.81%	30.69
TOTAL OPERATING EXPENSES	**616,748,201**	**573,293,000**	**43,455,201**	**7.58%**	**468.18**
NET OPERATING GAIN (LOSS)	**$ (9,251,986)**	**$ (17,045,000)**	**$ 7,793,014**	**-45.72%**	**$ (7.02)**

Average FYTD Member Count	146,371	Admin Ratio (admin divided by cap revenue)	4.7%
Current Month Member Count	148,596	Pct. Admin to Total Expenses	4.6%
FYTD Member Months	1,317,342		
Medical Loss Ratio (MLR)	90%		
Operating Margin Gain (Loss) %	-1.5%		

San Luis Obispo County Medi-Cal

Program Operating Statement
As of March 31, 2022

	FYTD Actual	FYTD Flexible Budget	Over (Under) Flexible Budget	Pct Over(Under) Budget	YTD Actual PMPM
PROGRAM REVENUE					
Capitation Revenue	**$ 275,354,040**	**$ 246,396,000**	**$ 28,958,040**	**11.75%**	**$ 490.08**
MEDICAL COSTS					
PCP capitation, incentives & case mgmt fees	8,434,614	8,524,000	(89,386)	-1.05%	15.01
Physician services	30,992,777	37,103,000	(6,110,223)	-16.47%	55.16
Hospital inpatient - in area	32,004,353	27,735,000	4,269,353	15.39%	56.96
Hospital inpatient - out of area	11,636,048	11,395,000	241,048	2.12%	20.71
Hospital outpatient - in area	7,689,014	7,367,000	322,014	4.37%	13.69
Hospital outpatient - out of area	2,736,984	2,464,000	272,984	11.08%	4.87
Pharmacy	29,440,151	33,427,000	(3,986,849)	-11.93%	52.40
Long term care / skilled nursing	32,464,416	28,297,000	4,167,416	14.73%	57.78
Dialysis	1,051,361	1,181,000	(129,639)	-10.98%	1.87
Home health & hospice	2,647,910	3,333,000	(685,090)	-20.55%	4.71
Mental health	1,892,344	5,998,000	(4,105,656)		3.37
Behavioral health therapy (ABA)	8,403,118	2,999,000	5,404,118	180.20%	14.96
All other health care services	11,581,339	11,870,000	(288,661)	-2.43%	20.61
Quality initiative incentives & support	977,770	986,000	(8,230)	-0.83%	1.74
Reinsurance/recoveries - net	(204,830)	313,000	(517,830)	-165.44%	(0.36)
HQAF Directed Pmt	7,718,090	7,535,000	183,090	2.43%	13.74
Pooled Directed Pmt	36,771,463	16,584,000	20,187,463	121.73%	65.45
CalAIM IPP	3,842,516	-	3,842,516		6.84
Rate Range IGT	7,660,540	8,540,000	(879,460)		13.63
Prior year change in IBNR estimate	9,118,671	-	9,118,671		16.23
Total Medical Costs	**246,858,648**	**215,651,000**	**31,207,648**	**14.47%**	**439.37**
ADMINISTRATIVE COSTS - allocation	12,087,032	13,355,000	(1,267,968)	-9.49%	21.51
MCO Tax Expense	17,116,299	16,371,000	745,299	4.55%	30.46
TOTAL OPERATING EXPENSES	**276,061,979**	**245,377,000**	**30,684,979**	**12.51%**	**491.34**
NET OPERATING GAIN (LOSS)	**$ (707,939)**	**$ 1,019,000**	**$ (1,726,939)**	**169.47%**	**$ (1.26)**

Average FYTD Member Count	62,428	Admin Ratio [admin divided by cap revenue]	4.4%
Current Month Member Count	63,774	Pct. Admin to Total Expenses	4.4%
FYTD Member Months	561,853		
Medical Loss Ratio (MLR)	90%		
Operating Margin Gain (Loss)	0%		

CenCal Health

Total Administrative Expenses

Fiscal Year-to-Date as of March 31, 2022

	Current YTD Actual	Current YTD Budget	Over (Under) Variance	
Salaries & Wages	$ 18,182,324	$ 19,841,280	$ (1,658,956)	
Fringe Benefits	8,963,853	9,193,234	(229,381)	
Contract Services	6,342,416	7,746,150	(1,403,734)	
Travel Expenses	32,114	202,480	(170,366)	
Rent & Occupancy	858,678	952,050	(93,372)	
Office Supplies & Equip.	856,460	948,475	(92,015)	
Insurance	682,610	503,100	179,510	
Depreciation	884,689	1,210,300	(325,611)	
Equipment/Software Maintenance	68,193	74,970	(6,777)	
Communications	404,469	481,200	(76,731)	
Publications	15,226	58,790	(43,564)	
Software Licensing Fees	1,612,427	1,512,130	100,297	
Professional Associate Dues	168,597	197,430	(28,833)	
Community Relations and Marketing	330,722	556,600	(225,878)	
Community Health Promotion	45,942	202,100	(156,158)	
Member and Provider Materials	6,625	69,500	(62,875)	
Provider Relations & Recruitment	-	47,800	(47,800)	
Credentialing Fees	20,476	20,250	226	
Director and Advisory Board Fees	15,797	26,075	(10,278)	
Business Meeting Costs	27,596	139,550	(111,954)	
All Other Misc Expenses	125,027	683,355	(558,328)	
Total	**$ 39,644,241**	**$ 44,666,819**	**$ (5,022,578)**	-11.2%
PMPM $	$21.10	$23.77		

NOTES TO THE FINANCIAL STATEMENTS FOR 9 MONTHS ENDING 3/31/2022

USE OF ESTIMATES The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. CenCal Health's principal areas of estimates include reinsurance, third-party recoveries, retroactive capitation receivables, and claims incurred but not yet reported. Actual results could differ from those estimates.

REVENUE RECOGNITION Under contracts with the State of California, Medi-Cal is based on the estimated number of eligible enrollees per month, times the contracted monthly capitation rate. Revenue is recorded in the month in which eligible enrollees are entitled to health care services. Revenue projections for Medi-Cal are based on draft capitation rates issued by the DHCS effective as of January 1, 2021, as well as prior year any retroactive rate adjustments issued by the DHCS.

SIGNIFICANT ITEMS REPORTED IN THE CURRENT MONTH'S FINANCIAL STATEMENTS

- Reserve for 85% Medical Loss Ratio (MLR) contractual provision on the Affordable Care Act (ACA) Medi-Cal Expansion (MCE) population: At March 31, 2022 $39.9M is reserved on the balance sheet as potential Medi-Cal capitation revenue that will be recouped back to the DHCS under the terms of the MLR contract language. A recoupment of this amount will result in an MLR of 85% for the MCE Adult population. This reserve covers the period July 1, 2017 – December 31st, 2021.

- Reserve for Prop 56 healthcare items including Physician Services, Development Screening Services, Adverse Childhood Event (Trauma) Screening Services, Family Planning Services and Value Based Payment Program. This reserve is effective FY18/19, FY19/20 through Dec 2020 and CY2021 for the amount of $17.6M for the 3 fiscal/calendar years.

- GASB 68 requires the health plan to record the magnitude of the unfunded pension liability. Accrued CalPERS Pension Liability is reserved on the balance sheet as of March 31, 2022 in the amount of $8,008,982 based on current estimates. The GASB 68 liability amount is derived by smoothing and amortizing the health plan's actual unfunded liability over several years and as a result will normally be calculated at a lower amount than the unfunded liability derived by CalPERS.

  The CalPERS Annual Valuation Report dated July 2021 reports the health plan's actual unfunded pension liability at $10,198,049 as of June 30, 2020.

CalPERS Misc Plan for employees hired prior to Jan 1, 2013	$9,446,850
CalPERS PEPRA Misc Plan for employees hired on or after Jan 1, 2013	751,199
	$10,198,049

CenCal Health
TANGIBLE NET EQUITY CALCULATION
At March 31, 2022

(1)	Total Assets			$ 658,434,793
(2)	Less: Intangible assets			
(3)	Less: Obligations of officers, directors or owners, which are not fully secured			
(4)	Less: Obligations of affiliates which are not current, or not fully secured			
(5)	Less: Long-term prepayments of deferred charges or nonreturnable deposits			
(6)	Less: Total Liabilities			(495,590,778)
(7)	Add: Subordinated debt	0		
	Less: Other	0		
	Total Line 7 (net)			0
(8)	ACTUAL TANGIBLE NET EQUITY (Line 1 through 7)			$ 162,844,015
	Title 10, CCR, Section 1300.76 TNE Requirement:			
(9)	Minimum TNE Requirement ($1 million)			$ 1,000,000
(10)	2% of first $150M of annualized premium revenue	$ 3,000,000		
	PLUS: 1% of annualized premium revenue > $150M	11,030,303		
	Total (Line 10)			$ 14,030,303
(11)	8% of first $150M of annualized health care expenditures, except those paid on a capitated or managed hospital payment basis	$ 12,000,000		
	PLUS: 4% of first $150M of annualized health care expenditures > $150M, EXCEPT those paid on a capitated or managed hospital payment basis	15,398,545		
	PLUS: 4% of the annualized hospital expenditures paid on a managed hospital payment basis (I.e., per diem payments made to the hospitals)	10,417,142		
	Total (Line 11)			$ 37,815,688
(12)	The greater of lines 9, 10, or 11			$ 37,815,688
(13)	% of the amount required by Title 10, CCR, Section 1300.76 ©			100%
(14)	Tangible Net Equity - Minimum required (Line 12 x Line 13)			$ 37,815,687.52
(15)	Actual Tangible Net Equity (Line 8)		431%	$ 162,844,015
(16)	Tangible Net Equity - Excess (Deficiency) (Line 15 - Line 14)			$ 125,028,327

Audit of CenCal Health's Vendor EFT Payments Policy and Procedure (FIN-10)

Date: April 11, 2022

From: Karen Kim, Chief Legal and Compliance Officer
David Ambrose, Chief Financial Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Kimberly Wallem, Senior Delegation Oversight Specialist

Executive Summary

The purpose of this memo is to provide the Board of Directors with a summary of the results of both an internal audit and external audit of the Vendor Electronic Funds Transfer (EFT) Payments Policy and Procedure (FIN-10). The internal audit was conducted by the Compliance Department between December 2021 to February 2022 and examined updates made to FIN-10 and whether those improvements are being implemented by the Finance Department. The external audit was conducted by Bartlett, Pringle & Wolf, LLP (BPW), and examined internal control enhancements and improvements made by the Finance Department since August of 2021. Both audits concluded that the improvements made by the Finance Department have enhanced controls and that the policy is being more strictly adhered to by members of the Finance Department. All recommendations and improvements to the EFT process have been added to FIN-10, which shall be presented for internal review and approval to the Compliance Committee later this month.

Background

In response to a recent fraud event, the Compliance Department conducted an internal audit of the revised Vendor Electronic Funds Transfer (EFT) Payments Policy and Procedure (FIN-10). Simultaneously, the Finance Department enlisted external auditors Bartlett, Pringle & Wolf, LLP (BPW) to audit FIN-10. This memo summarizes the results of both the internal and external audits.

Internal Audit by Compliance Department

The Compliance Department began its internal audit of the Finance Department's Vendor Electronic Funds Transfer (EFT) Payments Policy and Procedure (FIN-10) in December 2021. The audit included the following: 1) A review of whether current process meets the standards as defined in FIN-10, 2) Interviews with department leadership, including the Chief Financial Officer, Finance Director, and Finance Manager; and 3) Review of changes and improvements made to the EFT process and Vendor EFT Payments Policy to date. The audit examined in detail the following areas:

- Evaluated and reviewed the process to ensure alignment for both providers and vendors
- Evaluated process of conducting two (2) contact verification with the purported vendor requesting an EFT bank change
- Reviewed all EFT changes made in the past 6 months
- Confirmed the Director of Finance has a monthly report of all EFT records validating appropriate processing and access by staff
- Reviewed the newly implemented checklist used in processing EFT requests
- Reviewed standard EFT set-up/change cover page with the checklist of requirements
- Reviewed completed EFT set-up/change cover page over past 6 months to verify whether steps as outlined in the policy were properly completed
- Validated user controls for EFT and bank account changes in the system
- Validated additional staff training on relevant policies
- Evaluated if staff have received additional training on various fraud schemes

Compliance concluded its review in February 2022. The Finance Department has made improvements to FIN-10 and has overall been adhering to those changes. In addition, the Compliance team has made the following recommendations to the Finance Department, to strengthen FIN-10 and to incorporate best practices:

- Continue to provide training to all staff on different tactics or methods used by fraudsters attempting to gain access through EFT changes
- Ensure consistent completion of the checklist of requirements
- Include in FIN-10 a process for using W-9's to set up an EFT
- Include in FIN-10 a process for cancelling EFT's

The Finance team has implemented all recommendations and the newly revised Vendor EFT Payments Policy and Procedure shall be presented at the upcoming Compliance Committee meeting, scheduled for April 2022, for internal review and approval.

External Audit by Bartlett, Pringle & Wolf, LLP (BPW)

In addition to the internal review performed by the Compliance Team, CenCal's Finance Department engaged the independent financial auditing firm, Bartlett, Pringle & Wolf, LLP (BPW) to perform audit procedures around reviewing and testing internal control enhancements and improvements initiated since last Fall around the Electronic Fund Transfer (EFT) activities of the health plan.

Two documents from BPW: (a) CenCal Health – Internal Control Evaluation and (b) Schedule of Findings and Responses, are attachments to this memo, which include the

results and comments from BPW around this recent engagement. The BPW follow-up engagement comments are in blue type within both of these documents.

Below is a summarization of their findings and comments:

BPW performed testing of the new controls implemented by CenCal finance to ensure all changes to Vendor Master File (VMF) information is appropriate, authorized, and monitored.

Further, we noted all changes to VMF information is periodically monitored by CenCal Finance.
Each week, a system generated report of all changes to VMF information is generated from HIS,
Sage, and Troy and reviewed to ensure all changes are approved. We reviewed reports for the week ended February 11, 2022 to ensure completeness and noted review and approval by Leanne Bauer.

We noted CenCal IT now administers user access for HIS, Sage, and Troy. Tickets are submitted
to CenCal IT to add, delete, or modify user access. We reviewed new tickets submitted to CenCal IT to add a new user and to delete a terminated employee user access. Management performed a comprehensive review of user access for HIS, Sage, and Troy during the implementation of these new controls. Going forward, CenCal Finance will perform periodic review of user access semi-annually and maintain evidence of review.

All internal control deficiencies noted during our audit [the audit that occurred last year] were remediated by management. New controls as noted in blue throughout this document were implemented by management. Based on the testing performed above, these controls appear to designed appropriately and operating effectively.

The findings from both our internal review and from the BPW external review indicate the health plan has successfully implemented changes within its internal control procedures and processes towards mitigating future instances of EFT fraud risk on the organization.

Next Steps

The Finance Department is in the process of evaluating whether to use bank services to assist with vendor verification.

Recommendation

This memo is intended to be informational only and no action by the Board of Directors is being requested at this time.

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Appendices

Appendix A:	Compliance Report
Appendix B:	Public Policy Advocates (State) Legislative Report
Appendix C:	Communications and Community Relations Department Report
Appendix D:	Provider Grievance Tracking Report
Appendix E:	Provider Services Departmental Metrics
Appendix F:	Claims Report
Appendix G:	Member Services Telephone Statistics
Appendix H:	Member Grievance, System Grievance & Appeal Receipts
Appendix I:	CenCal Health Monthly Enrollment by Program

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Appendix A

Compliance Department Monthly Report

Date: April 11, 2022

From: Karen S. Kim, JD, MPH, Chief Legal and Compliance Officer

Contributors: Krisza Vitocruz, Compliance Director and Privacy Officer
Kimberly Wallem, Senior Delegation Oversight Specialist
Allison Bartee, Compliance Specialist

Executive Summary

The purpose of this memo is to provide the CenCal Health Board of Directors with an overview of current compliance activities for the organization. The memo highlights only certain compliance activities and includes the DHCS Audit, CalAIM, DHCS APLs, and Department Updates.

Department of Health Care Services (DHCS) Medical Audit 2021

The 2021 Department of Health Care Services (DHCS) Medical Audit (Audit) was held virtually from October 25 through November 5, 2021. The Audit was a full scope audit with a two-year look-back period from November 1, 2019 through September 30, 2021 and included the following components: Utilization Management, Case Management and Coordination of Care, Access and Availability, Member Rights, Quality Management, Administrative and Organizational Capacity, and State Supported Services. The CenCal delegate selected for the Audit is Care to Care.

An Exit Interview with DHCS is tentatively scheduled for the week of April 25, 2022 to review the audit results.

CalAIM

The Plan recently submitted CalAIM documents for Enhanced Care Management (ECM) services. The submission included CenCal's Model of Care (MOC), contract templates, and applicable policies and procedures. The Plan has received approval of its contract templates. The next CalAIM submission is for Community Supports (CS) and will be April 15, 2022.

Department of Health Care Services (DHCS) All Plan Letters

For the month of March 2022, four DHCS APLs were released, as noted below:

1. **APL 22-002:** Alternative Format Selection for Members with Visual Impairments

- Alternative Format Selection Technical Guidance for Medi-Cal Managed Care Health Plans
- Alternative Format Data Process Guide
- Alternative Format Selection Application User Guide

2. **APL 22-003:** Medi-Cal Managed Care Health Plan Responsibility to Provide Services to Members with Eating Disorders
3. **APL 22-004:** Strategic Approaches for Use By Managed Care Plans to Maximize Continuity of Coverage as Normal Eligibility and Enrollment Operations Resume
4. **APL 22-005:** No Wrong Door for Mental Health Services Policy

There were also two updates to 2021 DHCS APLs in the month of March, outlined below for reference as needed:

1. **APL 21-010:** Medi-Cal COVID-19 Vaccination Incentive Program
   - Attachment A: Vaccination Incentive Program - Health Plan Outcome Metrics
   - Attachment B: Direct Member Incentives Reimbursement Template
     - The update includes the addition of attachment B the Direct Member Incentive Reimbursement Template.
2. **APL 21-017:** Community Supports Requirements
     - The update clarified that the Community Supports Policy Guide and other non-APL communication related to Community Supports is incorporated by reference, into the APL.

Compliance Department Operational Updates

CenCal Health Auditing and Monitoring Program

Compliance is currently evaluating and strategically planning for an Auditing and Monitoring Program for the organization. Program assessment shall be a part of the Compliance Department's departmental assessment to ensure alignment with the organization's overall strategic plan.

Fraud, Waste, and Abuse (FWA)

The Anti-Fraud Committee for the organization has been meeting monthly to investigate reports of potential FWA and to pro-actively detect fraud within the organization. This committee shall report any findings to the Compliance Committee on a quarterly basis.

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Policies and Procedures

The Compliance Department is has procured a policy management tool for the organization (PolicyTech), with Navex. PolicyTech will facilitate the drafting, review, and approval process for organizational policies. In addition, the tool will store policies with the ability to search and view approved policies. A kick-off meeting and initial meetings with the vendor have been completed, and implementation is expected by Quarter 3. Adoption by staff will follow a phased approach through Quarter 4 of this year and early 2023.

Compliance Department Recruitment

The Compliance Department is actively recruiting for a Privacy Investigator in order to focus more efforts towards HIPAA compliance.

Next Steps

The Compliance Department shall be moving towards a quarterly submission to the Board of Directors that mirrors the report submitted to the Compliance Committee. This report will include similar details that have been included in the monthly reports to the Board of Directors. However, the new report will also include compliance activities organized around an annual work plan.

Recommendation

This memo is intended to be informational only and no action by the Board of Directors is being requested at this time.

PPA
PUBLIC POLICY ADVOCATES LLC

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To: Marina Owen, Chief Executive Officer
Michael Harris, Director of Government Affairs
CenCal Health

From: Russ Noack, Legislative Advocate

Subject: Legislative Update –April 2022

Legislature

The Legislature has adjourned for spring recess and will return on Monday, April 18. Upon their return, they will be met with a heavy committee schedule. The next deadline of importance is the fiscal deadline on April 29.

Legislation

The health committees in both houses held lengthy hearing prior to departing for legislative recess.

A few of the closely watched, high-profile bills that saw legislative action are listed below:

AB 1878 (Wood) **California Health Benefit Exchange: Affordability Assistance**. AB 1878 would implement a cost-share reduction assistance program at Covered California designed to lower out of pocket costs and eliminate deductibles. The measure passed out of committee and will next be heard in the Assembly Appropriations Committee.

AB 1880 (Arambula) **Prior Authorization and Step Therapy**. AB 1880 would mandate that a health plan or insurer's utilization management process ensure that denials of a step therapy exception request for certain prescription drugs is reviewed by a clinical peer despite the presence of existing laws and regulations addressing this issue. AB 1880 passed out of committee and will next be heard in the Assembly Appropriations Committee.

AB 2530 (Wood) **California Health Benefit Exchange: Financial Assistance.** AB 2530 would require Covered California to administer a program of financial assistance to help Californians obtain and maintain health benefits if they lose employer-provided health care coverage because of a strike, lock-out or other labor dispute. AB 2530 passed out of committee and will next be heard in the Assembly Appropriations Committee.

SB 923 (Weiner) **Gender-Affirming Care**. SB 923, in its current make-up would require health plan staff and a health plan's contracted providers to complete cultural competency training for the purposes of providing trans-inclusive health care. Ultimately, the provisions of the bill requiring health plans to ensure their contracted providers complete this training were removed from the bill. The amendments now place the responsibility on providers to complete this training through existing continuing medical education programs. SB 923 passed out of committee and will next be heard in the Senate Appropriations Committee.

SB 958 (Limon) **Medication and Patient Safety Act of 2022.** SB 958 is sponsored by the California Hospital Association. The measure, if passed, would take away a valuable program health plans and insurers use to provide cost savings to patients for expensive specialty drugs. This bill would also prohibit a health insurer, or its designee, from arranging for or requiring a vendor to dispense an infused or injected medication directly to a patient with the intent that the patient will transport the medication to a health care provider for administration. SB 958 passed out of committee and will next be heard in the Senate Appropriations Committee.

For the full Public Policy Advocates legislative tracking report, please click on the link below:

CenCal Health
Legislative Bill Status F

Governor

The Governor has announced the introduction of CARE Court Legislation. SB 1338 (Umberg) and AB 2830 (Bloom) have introduced legislation to provide vital treatment and support for Californian's struggling with severe psychotic disorders. Press release link below:

https://www.gov.ca.gov/2022/04/07/governor-newsom-statement-on-introduction-of-care-court-legislation/

The Governor signed SB 245 (L. Gonzalez) Health care coverage: abortion services: cost sharing. SB 245 eliminates out-of-pocket costs for abortion services.

Miscellaneous Health News

California is finally developing the long-discussed Health Information Exchange (HIE)for providers and payers. Once implemented, the exchange would cover roughly 40 million people over the 58 counties in California. The law establishing HIE – AB 133 (Wood) was signed by the Governor in July 2021.

The Health California for All Commission has released their draft report on Unified Financing System in California. The report states that a unified financing system "creates significant opportunities for improving our existing system that make health care more affordable". The final report is expected to be available on April 25. Link to report below:

https://www.chhs.ca.gov/wp-content/uploads/2022/03/Key-Design-Considerations-Revised-03-17-2022-Draft-for-Distribution-accessible.pdf

CenCal HEALTH
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March 2022 Look Back

To:
Board of Directors

From:
Nicolette Worley Marselian
Director, Communications & Community Relations

Date:
April 11, 2022

TABLE OF CONTENTS

EARNED MEDIA

Public Relations/Publicity Efforts

In March, the Communications and Community Relations department distributed the following press release:

- **CenCal Health Presents its 2021 Community Report**
  "Building on a Legacy" is theme of annual report from local health plan established in 1983

  (Note: to read the press release, go to page 6.)

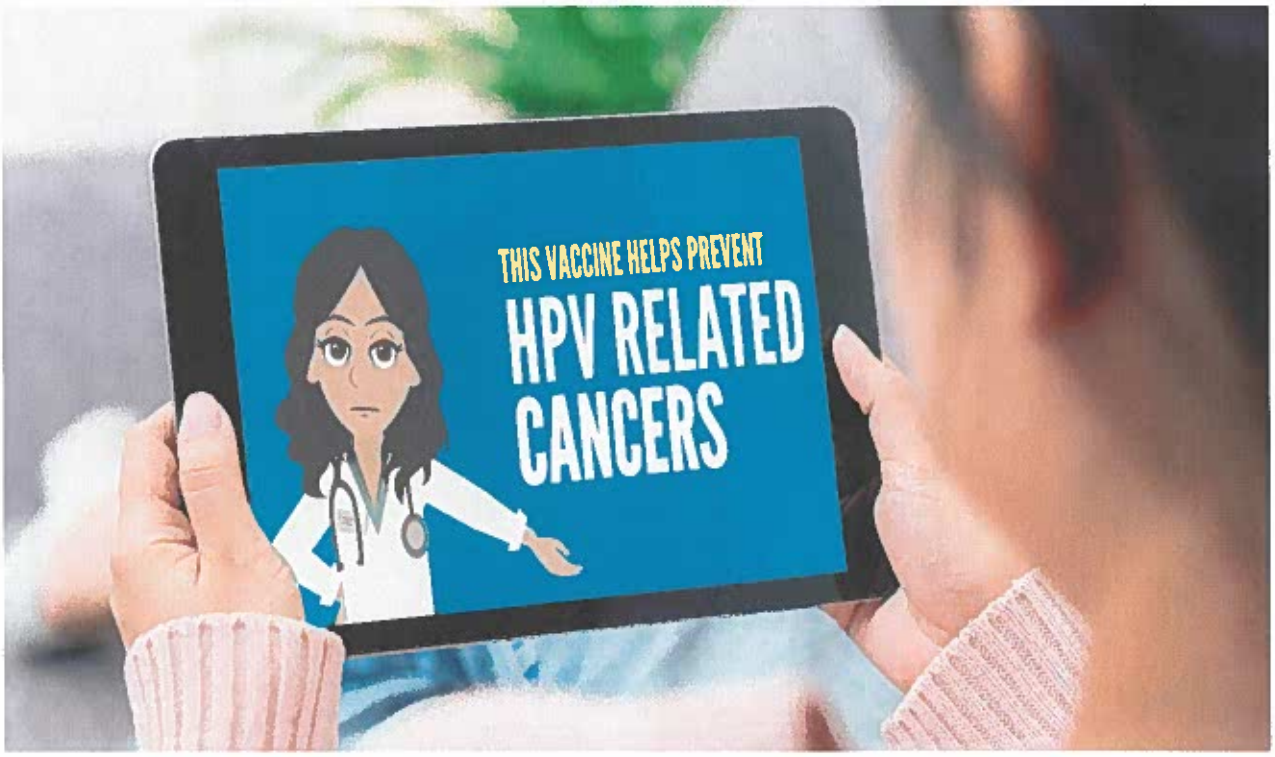
The 2021 Community Report, which was published in English and Spanish, earned coverage in four media outlets including the Local Health Plans of California (LHPC) website; Central Coast Medical Association's e-newsletter *The Pulse*; and the digital journals *Amigos 805* and *NonProfit Resource Network*.

Additionally, the weekly business publication *Pacific Coast Business Times* included CenCal Health in two issues. First, featuring our CEO Marina Owen in the *Top 50 Women in Business* special issue. The report honors the region's top female leaders in a number of private employer sectors, including health care, nonprofits, finance, technology, professional services, and corporate real estate (CRE). The special edition, which is published annually, described the 2022 honorees as women who "represent a multitude of ways of living and doing business." This marks Owen's first time appearing on the list. She joins repeat honoree, CenCal Health Board member Sue Anderson, who was recognized in the Healthcare & Technology section.

EARNED MEDIA

Public Relations/Publicity Efforts (cont.)

CenCal Health's second mention appeared in the journal's announcement of the 2022 *Best Places to Work* survey. The popular contest, carried out annually by *Pacific Coast Business Times*, is based on a survey where employees can share what makes their organization great. The top employers in the tri-counties region make the Best Places to Work list based on the survey feedback. This year's winners will be announced in May. CenCal Health has been a high-ranking champion of the contest for the past three years. The organization took first place in 2021 and 2019, and placed second in 2020.



March also generated organic publicity. The health plan was mentioned in a digital report for its acquisition of the National Committee for Quality Assurance (NCQA) Innovation Award. CenCal Health earned the award for its bilingual initiative *Know More: HPV*. The organization was named, in addition to other awardees, in a story published by *Health Payer Intelligence*.

Other organic publicity included an article in the *Atascadero News* journal, which mentioned CenCal Health as a sponsor of the El Camino Homeless Shelter Organization's (ECHO) Empty Bowls fundraiser.

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

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EARNED MEDIA

Media Coverage Report

CenCal Health received nine media mentions, including press release coverage, for the month of March 2022.

CenCal Health Media Coverage Report - March 2022

Date	Name	Type	Page	Section	Subject	Headline
*3/25/2022	Pacific Coast Business Times	Print & digital	26A	Top 50 Women in Business	CenCal Health CEO Marina Owen	**Top 50 Women in Business Pacific Coast Business Times 2022 Special Issue/List**
3/23/2022	Atascadero News	Digital		News	Cencal Health Sponsorship	**ECHO's Empty Bowls Is Coming Back April 28**
*3/22/2022	Health Payer Intelligence	Digital		Private Payers News	CenCal Health mentioned as other NCQA Innovation Award Receipt	**Centene Receives Health Equity Innovation Award from NCQA**
*3/21/2022	Amigos 805	Digital		News	2021 Community Report	**Bilingual Report: CenCal Health Presents its 2021 Community Report**
3/17/2022	CCMA's e-newsletter The Pulse	Email		News	2021 Community Report	**CenCal Health Presents its 2021 Community Report**
3/17/2022	Local Health Plans of California (LHPC) Email	Email		Member Mentions	#1 Best Place to Work in 2021 was Cencal Health	**Take our Central Coast Best Places to Work survey (for 2022)**
3/17/2022	Local Health Plans of California (LHPC)	Digital		Media Page	2021 Community Report	**CenCal Health Presents its 2021 Community Report**
3/17/2022	NonProfit Resource Network	Digital		News	2021 Community Report	**CenCal Health Presents its 2021 Community Report**
*3/11/2022	Pacific Coast Business Times	Print & digital		News	#1 Best Place to Work in 2021 was Cencal Health	**Take our Central Coast Best Places to Work survey (for 2022)**

**Clipping of online and/or print articles included on the next page.*

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

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Clippings Samples

Of the nine press mentions, below are four notable samples.

1

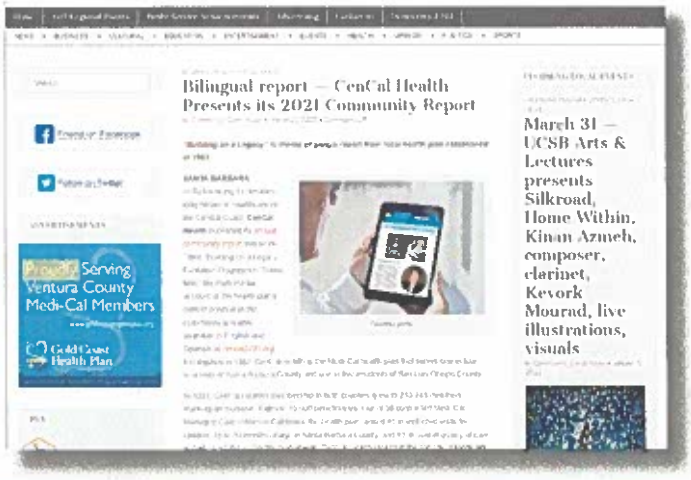
3/25/2022 – *Pacific Coast Business Times,* *Top 50 Women in Business* 2022 Special Issue

2

3/22/2022 – *Health Payer Intelligence*, Centene Receives Health Equity Innovation Award from NCQA

3

3/21/2022 – *Amigos 805,* Bilingual Report: CenCal Health Presents its 2021 Community Report



March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

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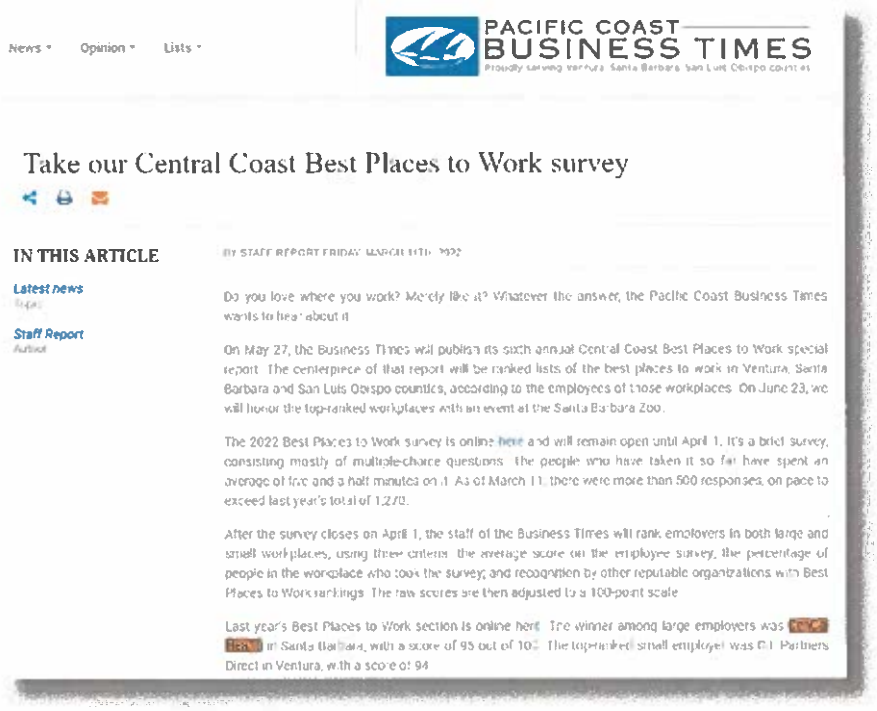
Clippings Samples (cont.)

Of the nine press mentions, below are four notable samples.

4

3/11/2022 – *Pacific Coast Business Times,* Take our Central Coast Best Places to Work survey (for 2022)



News ▾ Opinion ▾ Lists ▾

PACIFIC COAST BUSINESS TIMES
Proudly serving Ventura, Santa Barbara, San Luis Obispo counties

Take our Central Coast Best Places to Work survey

IN THIS ARTICLE

Latest news
Topic

Staff Report
Author

BY STAFF REPORT FRIDAY, MARCH 11TH, 2022

Do you love where you work? Merely like it? Whatever the answer, the Pacific Coast Business Times wants to hear about it.

On May 27, the Business Times will publish its sixth annual Central Coast Best Places to Work special report. The centerpiece of that report will be ranked lists of the best places to work in Ventura, Santa Barbara and San Luis Obispo counties, according to the employees of those workplaces. On June 23, we will honor the top-ranked workplaces with an event at the Santa Barbara Zoo.

The 2022 Best Places to Work survey is online here and will remain open until April 1. It's a brief survey, consisting mostly of multiple-choice questions. The people who have taken it so far have spent an average of five and a half minutes on it. As of March 11, there were more than 500 responses, on pace to exceed last year's total of 1,270.

After the survey closes on April 1, the staff of the Business Times will rank employers in both large and small workplaces, using three criteria: the average score on the employee survey; the percentage of people in the workplace who took the survey; and recognition by other reputable organizations with Best Places to Work rankings. The raw scores are then adjusted to a 100-point scale.

Last year's Best Places to Work section is online here. The winner among large employers was CenCal Health in Santa Barbara, with a score of 95 out of 100. The top-ranked small employer was ECI Partners Direct in Ventura, with a score of 94.

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

CenCal HEALTH
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Press Release

CenCal Health Presents its 2021 Community Report

"Building on a Legacy" is theme of annual report from local health plan established in 1983

SANTA BARBARA, Calif. – March 17, 2022 – Referencing its decades-long history in healthcare on the Central Coast, **CenCal Health** published its annual community report this week. Titled "Building on a Legacy: Evolution·Progression·Transition," the multi-media account of the health plan's current position in the community is readily available in English and Spanish at cencal2021.org. Established in 1983, CenCal Health is the Medi-Cal health plan that serves one in four residents of Santa Barbara County and one in five residents of San Luis Obispo County.

In 2021, CenCal Health's membership in both counties grew to 210,248 members, marking an increase of almost 15,000 beneficiaries. Out of 56 contracted Medi-Cal Managed Care entities in California, the health plan ranked #1 in well-child visits for children 15 to 30 months of age in Santa Barbara County, and #3 in overall quality of care in San Luis Obispo County. Nationwide, CenCal Health ranked in the top 5% of Medicaid plans for timeliness of women's postpartum care, in both counties it serves.

The report opens with a welcome video from CEO **Marina Owen**, who was named to the position in November 2021 after the retirement of former CEO **Bob Freeman**, who served the organization in various positions for 28 years. This is Owen's second time with CenCal Health, having worked for a decade as the agency's Provider Services Director and Program Development Director. Most recently, Owen was Chief Operating Officer of **Central California Alliance for Health**, serving Monterey, Santa Cruz, and Merced counties.

"Our legacy is strong as is our focus on advancing the organization into the future," said Owen. "I am pleased to have been appointed by our Board of Directors to this role of serving the community. If the past year has taught us anything, it is a lesson in resilience. We find strength in our local providers and community partners who stepped up to serve those in need with bravery and courage."

CenCal Health's 2021 Community Report emphasizes the important work of its 1500+ local providers and community partners including **Community Health Centers of the Central Coast; Santa Barbara Neighborhood Clinics; Santa Barbara County Public Health Department;** senior meal program **Meals That Connect** in San Luis Obispo County; and **Camp Mariposas**, providing pediatric therapies during the summer in both Santa Barbara and Atascadero.

Press Release #1 (cont.)

Featured in the report are several of the innovative healthcare programs that CenCal Health executed due to COVID-19, such as the multi-faceted Vaccine Response Plan. Because the Medi-Cal population participated in COVID-19 vaccination at a lower rate than the general population, special incentives were created and implemented to increase members' protection against COVID-19. Incentives included easy-to-access neighborhood "pop-up" vaccination sites and a $50 gift card for members who received their first vaccine dose.

Another CenCal Health program highlighted in the report was created and carried out in spite of the COVID-19 lockdown. The purpose of the Healthy Mothers Healthy Families program is to increase the rate of timely postpartum appointments for CenCal Health members who have recently delivered babies in San Luis Obispo County. These medical appointments are vital in the early detection of serious, often life-threatening health complications like postpartum hypertension, infections, blood clots, hemorrhage, and depression. Through attention-getting marketing and case management, Healthy Mothers Healthy Families provided support services like appointment scheduling assistance and transportation, to help new moms achieve optimal health outcomes – even during a pandemic.

CenCal Health put a spotlight on its membership with Voice of our Members, a poignant presentation of voice recordings from individuals who called the health plan with employee compliments or customer service accolades.

Also in the all-digital report are sections outlining the 2021 financials and the leadership at CenCal Health, with its 13-member Board of Directors including (now former) VNA Health CEO **Lynda Tanner**, RN, MSH; Santa Barbara County Director of Public Health **Van Do-Reynoso**, MPH, PhD; Santa Barbara County Supervisor **Joan Hartmann** (District 3); San Luis Obispo County Supervisor **Debbie Arnold** (District 5); **Dr. Rene Bravo** of Bravo Pediatrics; and Sue Andersen, President & CEO of Marian Regional Medical Center, among other community representatives.

The 2021 Community Report is available to the public at **cencal2021.org**. For more information on CenCal Health, visit cencalhealth.org

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

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PAID MEDIA

Ad in *Top 50 Women in Business* issue

A half-page congratulatory message for Marina Owen was featured in the *Pacific Coast Business Times'* special issue *Top 50 Women in Business*. The report was published on March 30.

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

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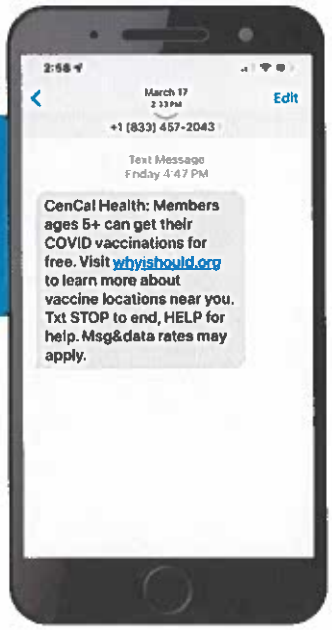
SHARED MEDIA

This text message was sent to more than 52K households, which included unvaccinated adult members and the parents/guardians of unvaccinated pediatric members (ages 5-17).



COVID-19 Vaccine Outreach: First SMS and IVR Campaign

In March, CenCal Health carried out its first text messaging campaign in the health plan's history. Nearly 60,000 member households were contacted via mobile text messages (SMS) and interactive voice response calls (IVR, or pre-recorded calls), with messaging relaying that COVID-19 vaccines are safe, free and readily available. The campaign's target audience were households with at least one member aged 5 or older without a first vaccine dose. If multiple unvaccinated members resided in a single household, only one phone record was selected in order to avoid multiple outreaches to a single household. This initiative is part of many key strategies developed by the health plan to improve COVID-19 vaccination rates among our more than 210,000 members.

The campaign's scripting was audience-tailored for adult members and the parents/guardians of pediatric members, in both English and Spanish. While texting was the priority, IVR calls were placed to households with only land lines on record.

Within the member database, more than 52,000 phone numbers were eligible for text messaging, and approximately 7,300 were provided IVR outreach. The campaign successfully reached 99% of the phone records targeted through SMS, and 52% of those targeted through IVR.

SHARED MEDIA (cont.)

In addition to using traditional methods of outreach, like mailers, CenCal Health's texting campaigns aim to build vaccine confidence, combat misinformation, and address any barriers to vaccine access. Additional subgroups within our membership (e.g., by age range, ethnicity, and/or locality) will receive similarly focused text messaging in the near future. The on-going goal is to increase opportunities of connecting and engaging with our members.

Below are detailed campaign analytics:

Total households targeted in the campaign

- 59,603

Text messaging (SMS)

- 88% of the total households noted above were targeted through SMS outreach (52,279 out of 59,603)
- 124,288 total texts were sent; this includes the initial outbound outreach message, plus responses prompted by replies (i.e., responses if the recipient replied HELP and/or STOP)
- 99% of households successfully received texts
    - Approximately 1% of the households opted-out from receiving future messages related to this COVID-19 outreach campaign.
- Santa Barbara County member households comprised 67% of the SMS outreach.
- San Luis Obispo County member households comprised 33% of the SMS outreach.
- English-speaking households comprised 70% of the SMS outreach.
- Spanish-speaking households comprised 30% of the SMS outreach.

SHARED MEDIA (cont.)

IVR outreach (adult and pediatric households)

- 12% of the total valid records were targeted through IVR outreach, with scripting directed towards adult-only households or pediatric households (7,324 out of 59,603)
  - 66% of the IVR outreach was for unvaccinated adult-only member households
  - 34% of the IVR outreach was for households with unvaccinated pediatric members, ages 5 - 17
- 52% of households were successfully reached
  - Successful reach means that the call was answered or a message was left on an answering machine.
  - 60% of the households successfully engaged in the call
  - 40% of the households successfully reached were left a voicemail
- 48% of households were not reachable
  - Unreachable numbers can be caused by multiple factors, including phone numbers that are out of the coverage area or no longer in service.
- Santa Barbara County member households comprised 69% of the IVR outreach.
- San Luis Obispo County member households comprised 31% of the IVR outreach.
- English-speaking households comprised 66% of the IVR outreach.
- Spanish-speaking households comprised 34% of the IVR outreach.
- A maximum of three calls per household were attempted.

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

CenCal HEALTH
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SHARED MEDIA

March Social Media Campaigns

CenCal Health uses social media platforms to communicate with our members, providers, staff, and communities at large.

Mental Health Mondays

Dr. René Bravo – Citizen of the Year

COVID-19 Vaccine Information

- Vaccine Education
- Pop-up Clinic Information
- COVID Vaccine for Children

As a reminder, we encourage members of the Board to:

- **Follow** CenCal Health on Facebook, Instagram, and LinkedIn.
- **"Like"** posts.
- **Post comments** as appropriate.
- **Share posts** you think others could find interesting or informative.

Facebook | Instagram | LinkedIn

On our social media platforms, you will see what we're communicating to our viewers, as well as teleworking posts with CenCal Health staff. Together, we will reach a larger audience, become a resource for our local communities, and connect with local partners and stakeholders.

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

CenCal HEALTH
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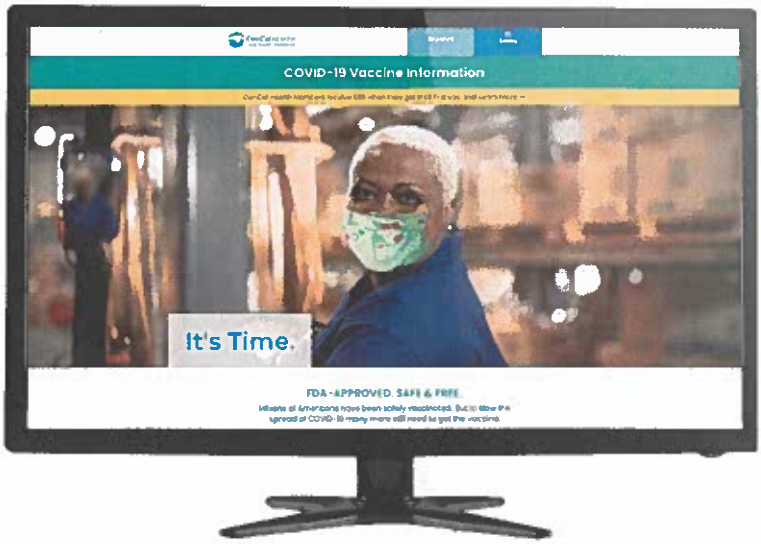
OWNED MEDIA

Microsite – whyishould.org



The microsite whyishould.org (*porquedeberia.org* for Spanish) continues being utilized as a digital tactic to improve vaccination rates among our membership. Launched in fall 2021, the site offers COVID-19 vaccine messaging that is tailored for members and the community. Resources available include vaccine-locator information; help for Medi-Cal members; FAQs/facts about COVID-19 vaccines that dispel misinformation; and messages of vaccine encouragement that include evidence-based data published by the Centers for Disease Control and Prevention (CDC).

Below are key microsite analytics, as of March 2022:

- 1,362 unique visitors; 1,886 total visits
- 84% of the unique visitors were direct
    - Direct visitors defines users that arrived to the site by typing the website URL into a browser or through browser bookmarks.
- 10% of the unique visitors arrived at the site through the COVID-19 Vaccine Encouragement public service announcements (PSAs).
    - At the time that this data was collected, the PSAs had been streaming digitally for one week. The PSAs include the microsite's URL.
    - (Note: a detailed account of the PSAs' media coverage, including broadcast television, will be included in the May Board Report.)
- 67% of the unique visitors viewed the English microsite
- 30% of the unique visitors viewed the Spanish microsite
- Other than the homepage (landing page), the most visited page was *Find a Vaccine Near You*, followed by *Help for Medi-Cal Members*.

March 2022 Look Back

To: Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: April 11, 2022

CenCal HEALTH
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COMMUNITY RELATIONS

Community Meetings

CenCal Health staff is virtually active on community boards, councils, and committees representing issues on access to healthcare, children and senior issues, behavioral health, Latino outreach, individuals with developmental disabilities, and homelessness. All meetings are still held remotely. Our focus is on improving access to high-quality healthcare, reducing health inequities, providing education, and promoting a healthy lifestyle.

Activities Report

In March, CenCal Health participated in 16 community-focused activities including meetings and online events. Please note that all meetings were attended virtually due to the COVID-19 pandemic.

Date	Activity/Event/Meeting	Audience Reached
March 1	Alpha Children, Family & Advocacy Team Meeting- CenCal Health Presentation; General Update - (SB)	Public/CBOs/Business Community/ County
March 2	KIDS Network- (SB)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 3	SB County General Continuum of Care Meeting – (SB)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 4	Adult Services Policy Council – (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 8	SLO Care Coordination Coalition Executive Meeting -(SLO)	CBOs/Business Community/ County/Provider
March 11	Help Me Grow Advisory Board Meeting - (SB)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 15	Children and Youth Behavioral Health Initiative (Webinar)	Public/CBOs/Business Community/ County/Business Community
March 16	Full Homeless Services Oversight Council Meeting (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 16	San Luis Obispo County Behavioral Health Board (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 18	Adult Services Policy Council Executive Committee Meeting– (SLO)	CBOs/Business Community/ County/ Business Community
March 18	SLO County Care Coordination Coalition (SLO)	Public/CBOs/Business Community/ County/ Provider
March 23	SLO Health Agency Vaccine Task Force (SLO)	CBOs/Business Community/ County/Provider/ Legislators

March 2022 Look Back

To: Board of Directors
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Date: April 11, 2022

CenCal HEALTH
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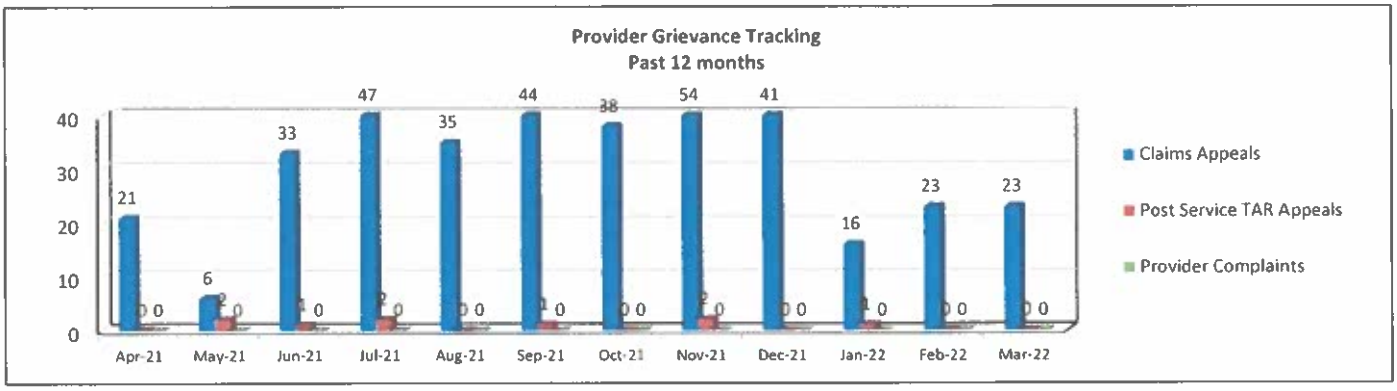
COMMUNITY RELATIONS

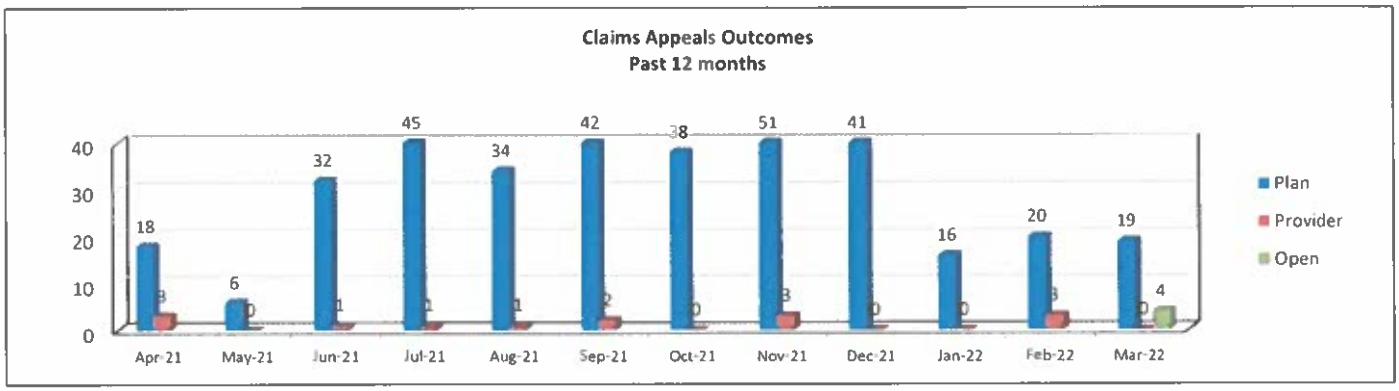
Activities Report (cont.)

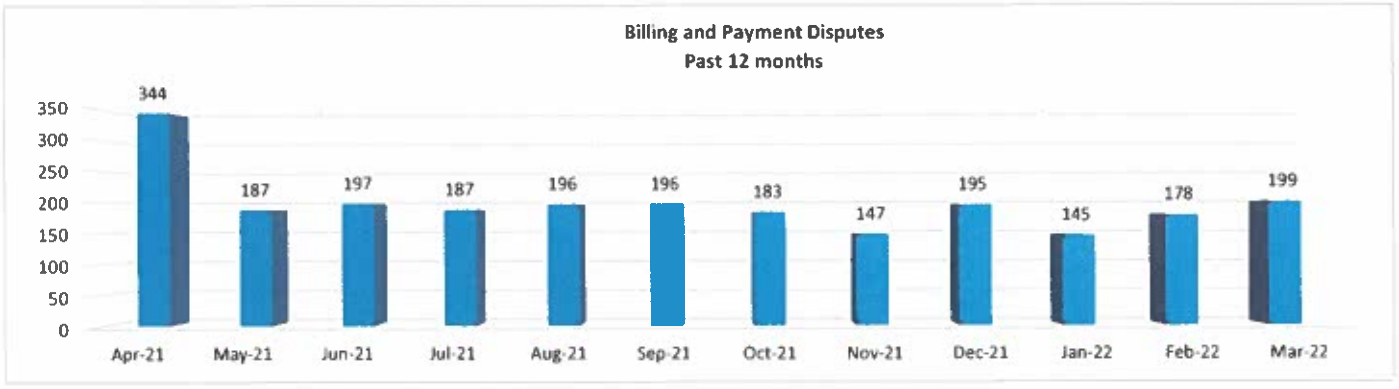
Date	Activity/Event/Meeting	Audience Reached
March 28	Housed or Unhoused: The Community Dilemma Over Public Spaces (SLO)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 30	Special Meeting: KIDS Network General Membership & Executive Committee (SB)	Public/CBOs/Business Community/ County/ Provider/Legislators
March 30	California's Culture of Coverage: Achieving and Implementing Equitable Universal Health Care (Webinar)	Public
March 31	San Luis Obispo Suicide Prevention Council Meeting (SLO)	Public/CBOs/Business Community/ County/ Provider

CenCal Health
Type of Indicator: Service
Indicator: Provider Grievance Tracking
Rolling 12 months

Appendix D





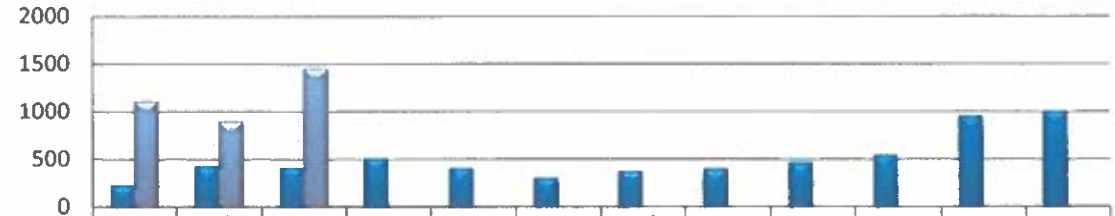


Appendix E

Provider Services Departmental Metrics

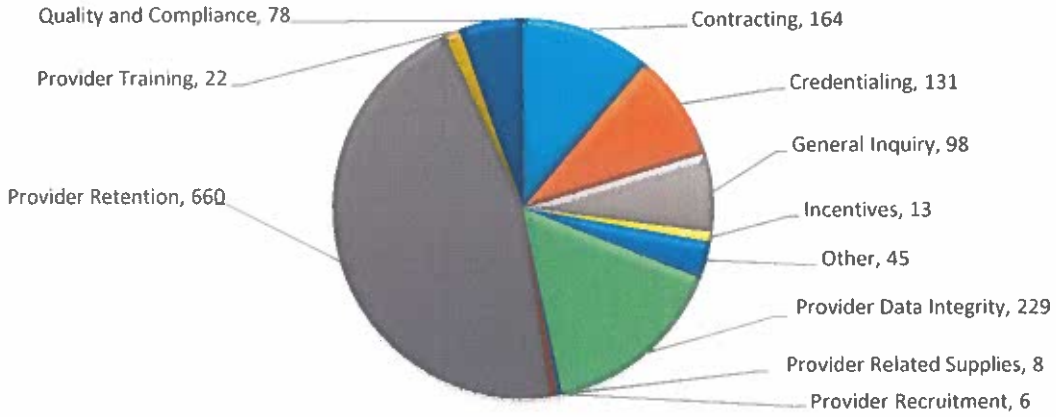
Providers Assisted – March 2022

Providers Assisted YTD

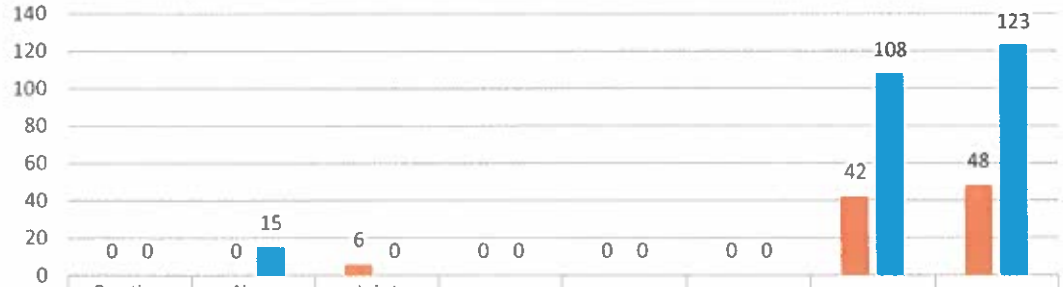


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	230	428	418	510	416	309	380	402	472	548	954	1010
2022	1110	900	1454									

Providers Assisted by Type

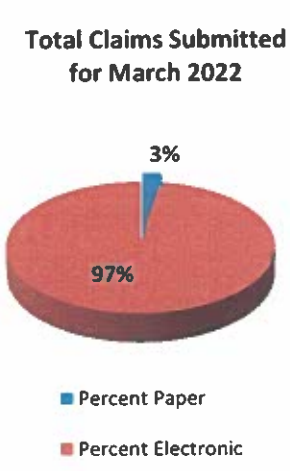


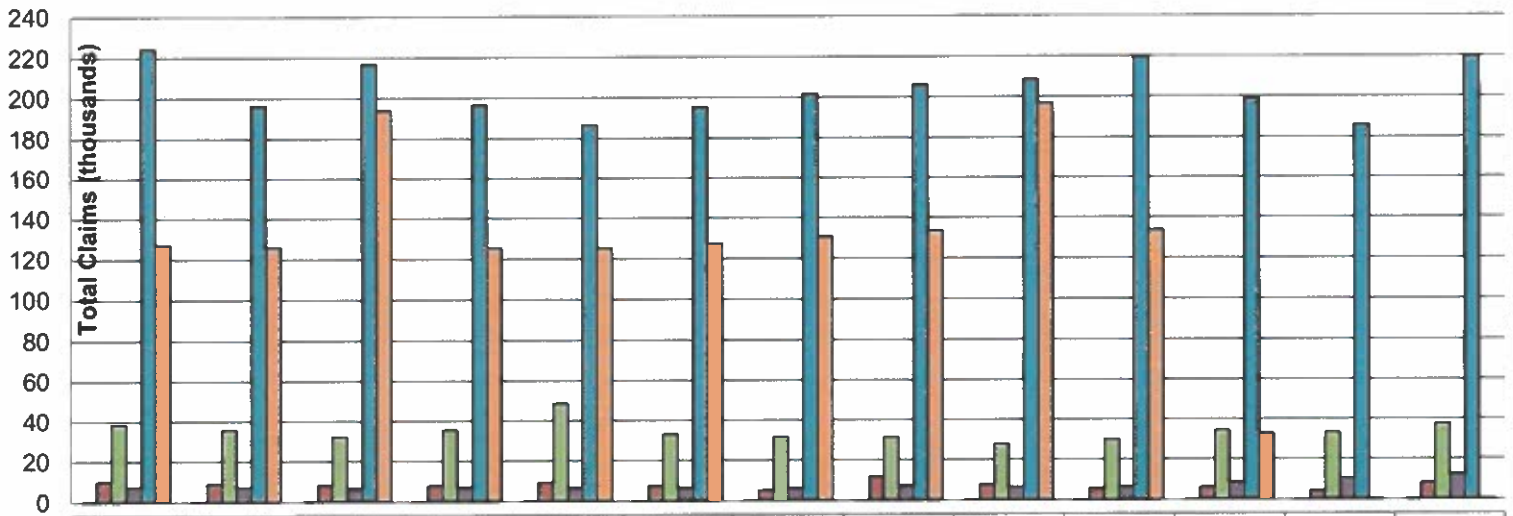
Provider Visits Monthly Comparison - Total Visits



	Routine Visit / Initial Recruitment (1)	New Provider Orientation (3)	Joint Operations Committee (3)	Recruitment Visits (2)	Work Group Meetings (2)	Training In Service Visits (2)	Provider Meeting (2)	Totals
February	0	0	6	0	0	0	42	48
March	0	15	0	0	0	0	108	123

Appendix F





	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Paper - CenCal Health	32	5	44	54	30	149	29	61	22	27	123	9	1
Paper - Outsourced	10,137	9,161	8,209	7,918	9,438	7,874	5,246	11,798	7,879	5,948	6,200	4,480	8,203
AdminisTEP	38,375	35,653	32,298	35,461	48,743	33,003	31,736	31,317	27,990	30,067	34,382	33,201	37,531
Web-Processed	7,545	7,422	6,714	7,251	6,788	6,699	6,409	7,390	6,521	6,559	8,499	10,490	12,571
HIPAA Files	224,427	196,350	216,751	196,473	186,513	195,453	201,716	206,191	208,644	219,855	198,763	186,001	219,500
Med-Impact/PBM	127,100	125,848	193,881	125,344	125,169	127,392	130,566	133,539	197,089	133,659	32,698	57	8

Summary:	
Measure Description:	Monthly report used to oversee total claims received by submission type.
Submission Types:	Paper CenCal Health - Claims processed "in-house" by staff at CenCal Health due to special circumstances (example Infusion Providers). Paper Outsourced - Claims outsourced to Smart Data Solutions for data entry and imaging. AdminisTEP - Paper claims submitted through outsourcing vendor to assist with reduction of Paper claim submission. Web Processed - Claims submitted by providers through the CenCal Health website. HIPAA Files -HIPAA compliant electronic claims submitted directly to the FTP server, including crossover claims from the Benefits Coordination & Recovery Center (BCRC). Med-Impact - Pharmacy claims managed and processed by a contracted PBM

CENCAL HEALTH
CALENDAR 2021 - 2022
MEMBER SERVICE TELEPHONE STATISTICS

AGGREGATE CALL VOLUME FOR HEALTH PLAN (CHART #1)
AGGREGATE AVERAGE SPEED TO ANSWER (CHART#2)

Reporting period:

March 2022 - Calendar 2022 **Chart #1**

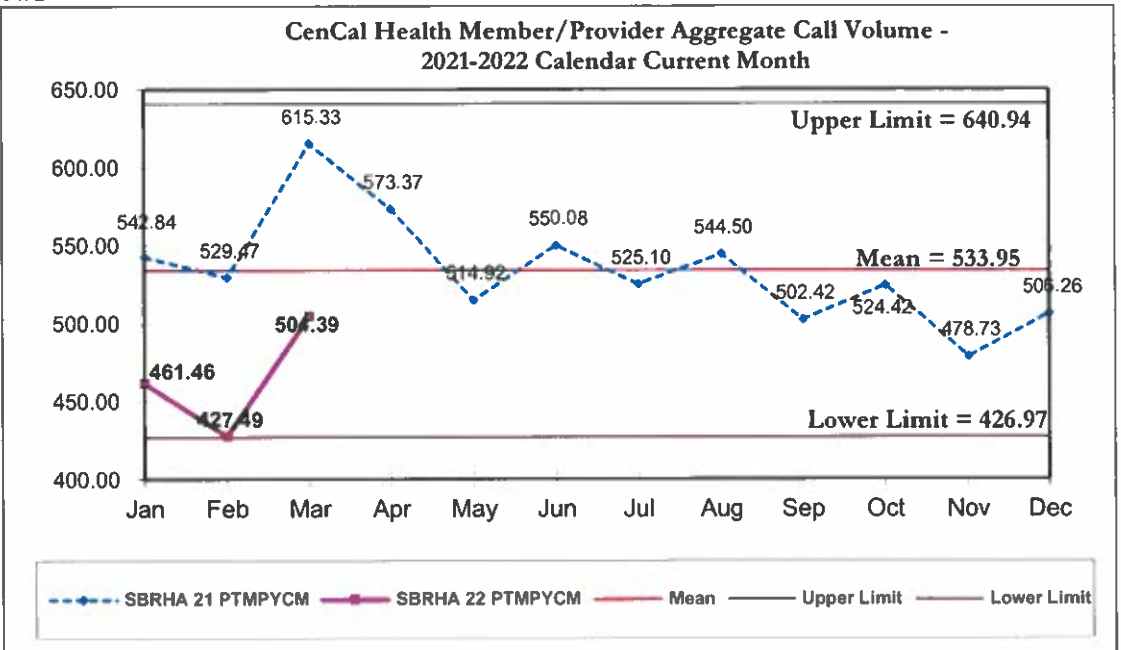
Monthly Call Volume

☒ In Control
☐ Not In Control

March 2022:
Member Queue = **6,835**
Provider Queue = **1,115**
Non ACD = **1,011**
Aggregate Call Volume = **8,961**

Calls per 1,000/month (PTMPM) = **42.03**
Calls per 1,000/year (PTMPY) = **504.39**

Analysis:
March's call volume PTMPY is slightly below the 2021 Mean (533.95) and in control.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
21 Members	195,461	197,133	198,508	200,226	202,122	202,922	204,328	205,378	206,647	208,069	209,655	210,248
Call Volume	8,842	8,698	10,179	9,567	8,673	9,302	8,941	9,319	8,652	9,093	8,364	8,870
PTMPYCM	542.84	529.47	615.33	573.37	514.92	550.08	525.10	544.50	502.42	524.42	478.73	506.26
22 Members	211,466	212,410	213,193									
Call Volume	8,132	7,567	8,961									
PTMPYCM	461.46	427.49	504.39									

March 2022- Chart #2

Monthly Average Speed to Answer

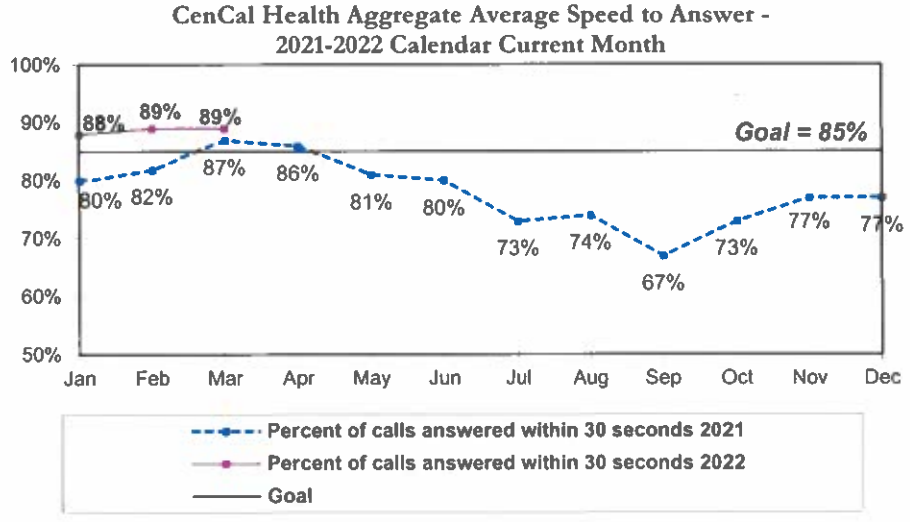
☒ Exceeding Goal
☐ Meets Goal
☐ Not Meeting Goal

Average Speed to Answer Goal = 85% of Calls Answered Within 30 Seconds

March's score = **89%**

Aggregate calls answered: **8,756**
Aggregate calls answered within 30 seconds: **7,757**

Analysis:
March 2022 averaged 391 calls a day, a bulk of those calls occur during Intrado (Welcome Calls) member outreach. These allow members a direct connection to the member services call center. Combined with unexpected staff absences during this time, resulted in having 6 calls in the queue over 10 minutes before answer.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Answered in 30 seconds or less 2021	80%	82%	87%	86%	81%	80%	73%	74%	67%	73%	77%	77%
Answered in 30 seconds or less 2022	88%	89%	89%									

CENCAL HEALTH
CALENDAR 2021 - 2022
MEMBER SERVICE TELEPHONE STATISTICS

AGGREGATE MONTHLY ABANDON RATE (CHART #3)
AGGREGATE MONTHLY CALL CODING PERCENTAGE (CHART#4)

March 2022- Chart #3

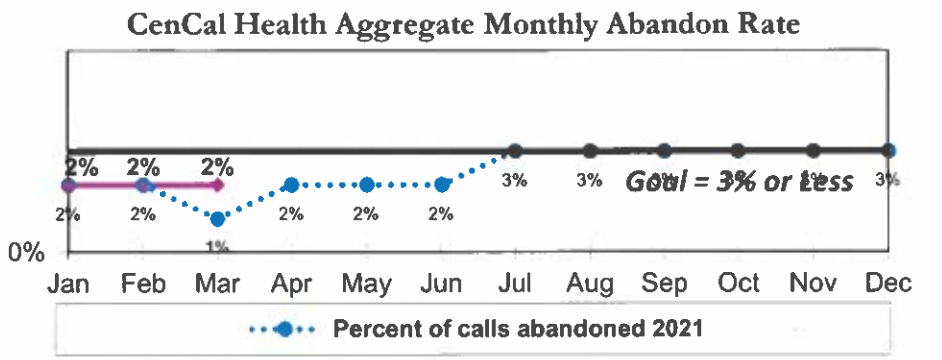
Monthly Aggregate Abandon Rate

☒ Exceeding Goal
☐ Meets Goal
☐ Not Meeting Goal

CenCal Health Goal = 3% or less

Aggregate Call Volume: **8,961**
Abandoned Calls: **136**

Percent of calls abandoned in March 2022 = **2%**



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
% of Abandoned Calls 2021	2%	2%	1%	2%	2%	2%	3%	3%	3%	3%	3%	3%
% of Abandoned Calls 2022	2%	2%	2%									

March 2022- Chart #4

Monthly Aggregate Calls Coded

☒ Exceeding Goal
☐ Meets Goal
☐ Not Meeting Goal

Goal for Percentage of Coded Calls = 95%

Queue Calls Handled: **7,745**
Queue Calls Coded: **7,537**
Percentage of calls coded in March 2022 = 97%
Total Issues Coded: **8,639**
*Calls may have more than one category.

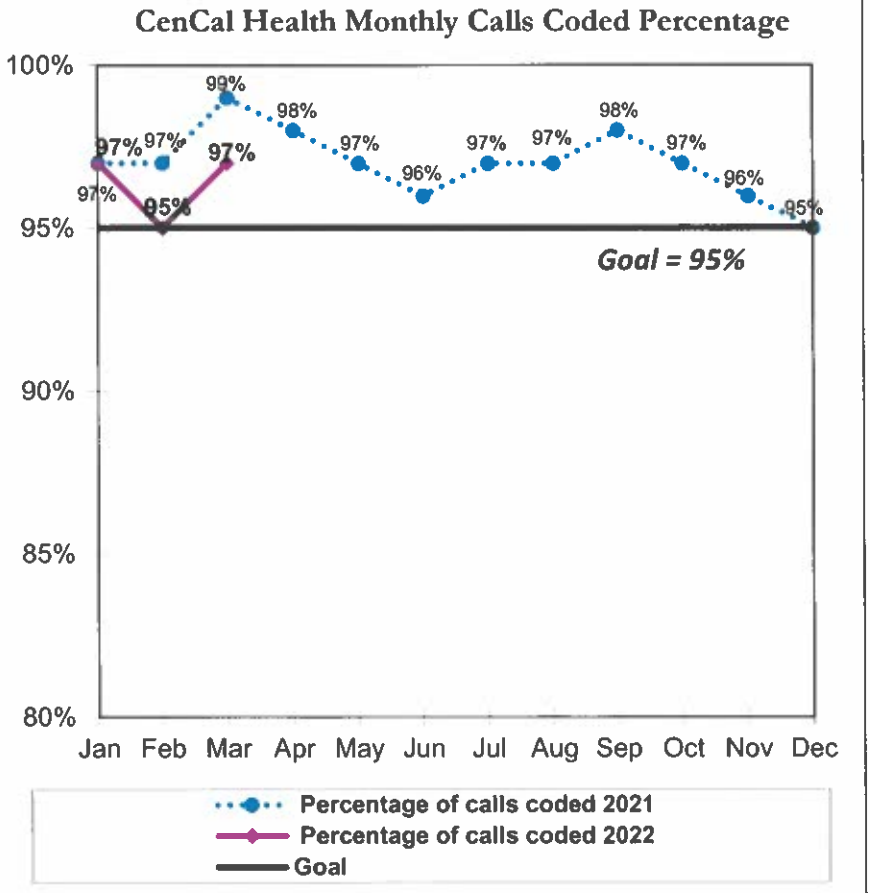
Top 5 Call Codes:

Category	Calls	% of Total
Eligibility	2,482	29%
PCP Selection	1,634	19%
Transfer	935	11%
Benefits	862	10%
Miscellaneous	639	7%

*Miscellaneous = calls dropped/disconnect or N/A to a preset category

March Analysis:
*Eligibility Calls – 53% Eligibility verification, 30% Referred to DSS/SSA.
*Transferred Calls – 19% (174) to Behavioral Health, 13% to Med. Management, 11% to Ventura Transit.
*Benefits – 36% Dental, 12% Vision.
*Pharmacy – 87 Total pharmacy related calls, including 43 general questions or regarding the benefit change. 16 resulted in a transfer to Medical Rx (Magellan).
*COVID specific calls – 39 total calls regarding testing sites, vaccinations, new at-home testing coverage and general questions.

*Provider Calls – 1,322 = 15% of all calls coded. 54% were for Eligibility Verification, 7% for PCP selections, 7% transferred to Medical Management.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
% of Calls Coded 2021	97%	97%	99%	98%	97%	96%	97%	97%	98%	97%	96%	95%
% of Calls Coded 2022	97%	95%	97%									

CENCAL HEALTH
CALENDAR 2022
MEMBER GRIEVANCE SYSTEM GRIEVANCE & APPEAL RECEIPTS

MEMBER GRIEVANCES & APPEALS

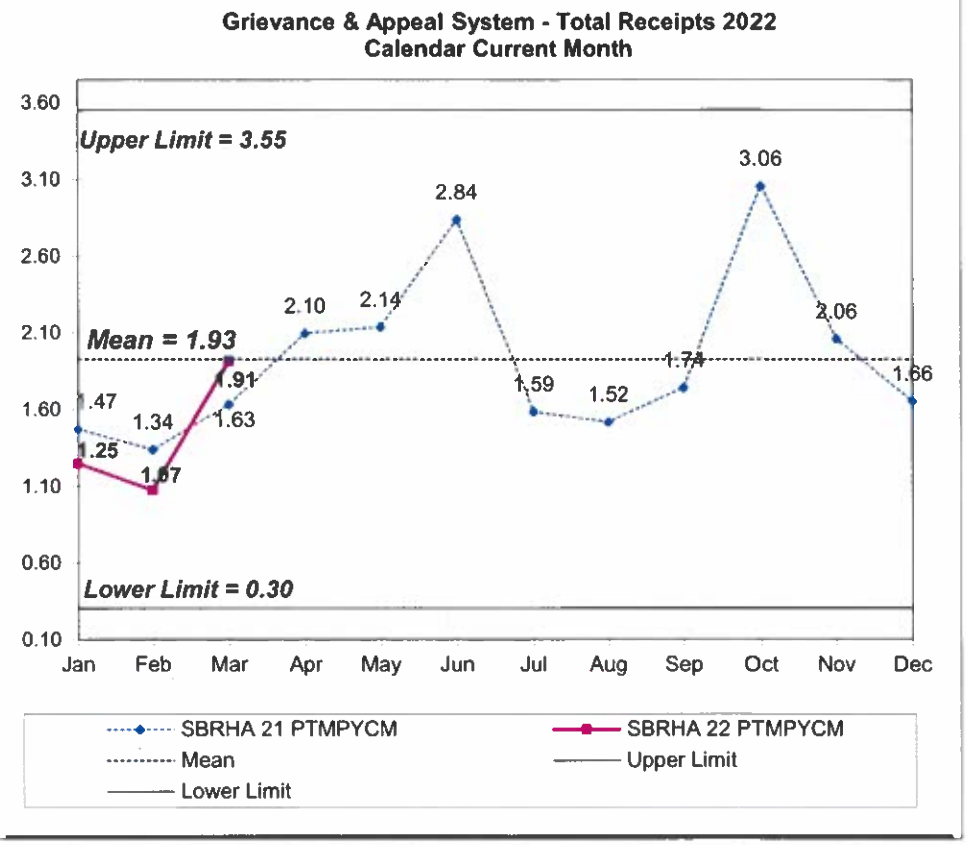
Reporting period:
March 2022 - Calendar 2022

☒ **In Control**
☐ **Not in Control**
March's PTMPY for grievance and appeals was **1.91**, slightly below 2021's Mean of 1.93 and in control.

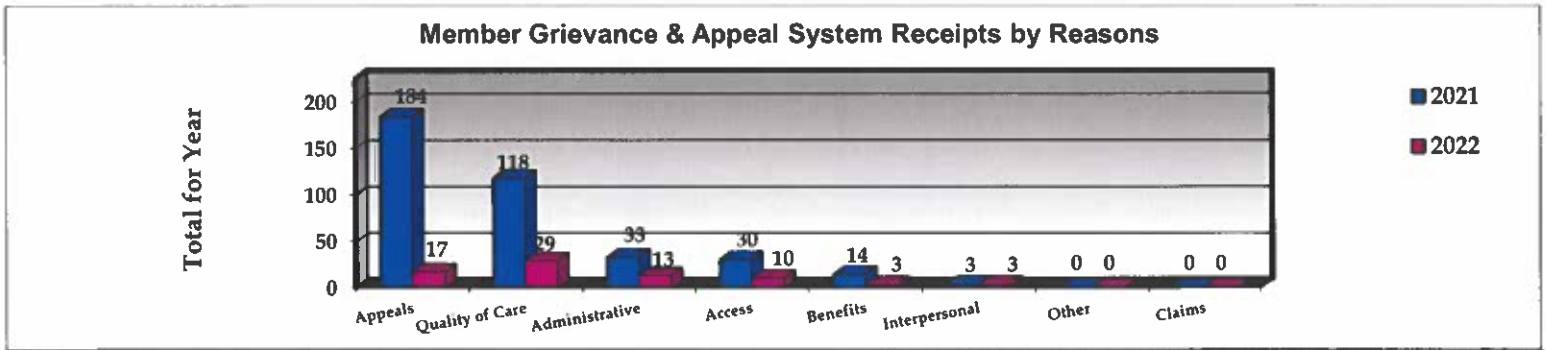
March Grievance/Appeals = 34
Administrative = **10**
Appeals = **9** (includes 2 Expedited Appeals)
Quality of Care = **9**
Access = **5**
Benefit = **1**

Analysis and Trends
* **Administrative** grievances include 5 Mental/Behavioral health grievances. Most originate from members dissatisfaction with the referral process and provider preference. No trends.
* **Appeals**: 8 TAR appeals for various reasons, 1 RAF appeal with no trends.
* **QOC Grievances** (4 Specialist, 2 Mental Health, 4 Specialist, 3 PCP) These were against different providers/clinics/ for various perceived quality of care concerns/reasons with no trends.
* **Access Grievances** – 4 of the 5 Access grievances were transportation related resulting in missed appointments.

Of the 34 grievances/appeals filed:
24 = SB County (9 Admin. grievances = 38% of SB Vol.)
10 = SLO County (4 Appeals = 40% of SLO Vol.)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CenCal 21 Mbrshp	195,461	197,133	198,508	200,226	202,122	202,922	204,328	205,378	206,647	208,069	209,655	210,248
CenCal G&A Issues	24	22	26	35	35	47	27	26	29	47	36	28
CenCal PTMPYCM	1.47	1.34	1.63	2.10	2.14	2.84	1.59	1.52	1.74	3.06	2.06	1.66
CenCal 22 Mbrshp	211,466	212,410	213,193									
CenCal G&A Issues	22	19	34									
CenCal PTMPYCM	1.25	1.07	1.91									



Type	Calendar 2021	Calendar 2022 (Through March)
Appeals	185	17
Quality of Care	118	29
Administrative	33	13
Access	30	10
Benefits	14	3
Interpersonal	3	3

Analysis: The transition of pharmacy benefits to Medi-Cal Rx has significantly lowered overall appeals averaging 5 Appeals/month in 2022 compared to 15/month in 2021. MRF appeals accounted for 55% of all appeals in 2021. Additionally, with the addition of Behavior/Mental Health grievance management transitioned to CCH, we expect an increase in all grievance types related to behavioral and mental health providers.

CENCAL HEALTH - Calendar 2022
CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM
MEMBER ENROLLMENT BY MONTH: MARCH 2022 – SBHI & SLOHI

Reporting period:
March 2022 – Calendar 2022

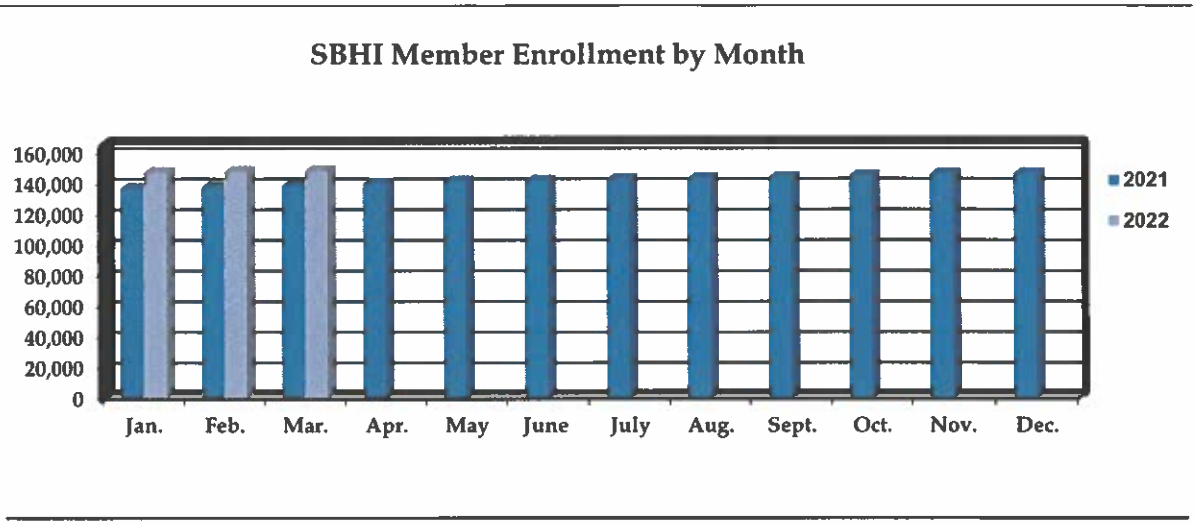
SBHI Monthly Enrollment 2022

March 2022 = 149,203

Membership increased by a net **546** members when compared to last month.

New members for March = **1,494**

DHCS has suspended negative re-determinations for Medi-Cal Eligibility through the end of the public health emergency. Expected continued membership increases due to lack of negative redeterminations and associated disenrollment.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021 Members	137,567	138,654	139,589	140,795	142,111	142,618	143,540	144,225	144,983	145,940	147,038	147,397
2022 Members	148,119	148,657	149,203									

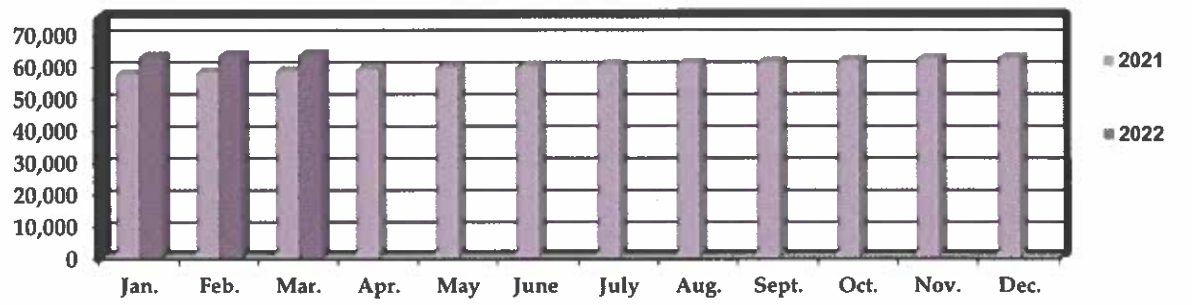
SLOHI Monthly Enrollment 2022

March 2022 = 63,990

Membership increased by a net **237** members when compared to last month.

New members for March = **797**

DHCS has suspended negative re-determinations for Medi-Cal Eligibility through the end of the public health emergency. Expected continued membership increases due to lack of negative redeterminations and associated disenrollment.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021 Members	57,894	58,479	58,919	59,431	60,011	60,304	60,788	61,153	61,664	62,129	62,617	62,851
2022 Members	63,347	63,753	63,990									

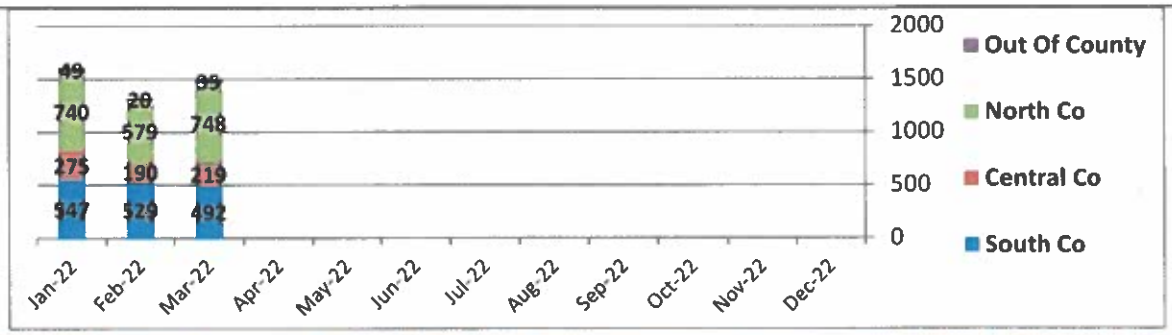
CENCAL HEALTH - Calendar 2022
CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM

SANTA BARBARA NEW MEMBER ENROLLMENT BY MONTH: MARCH 2022

Reporting period:
March 2022 – Calendar 2022

Santa Barbara County New Member Enrollment by Area

March 2022 = 1,494

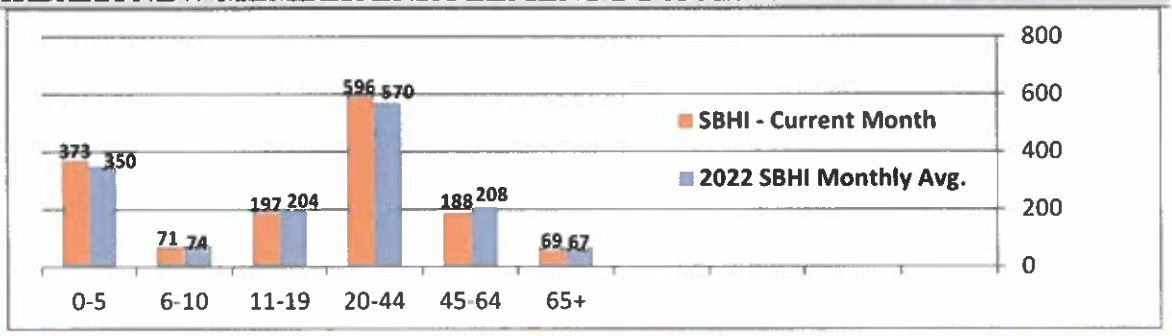


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021 Members	1,602	1,598	1,698	1,825	1,702	1,345	1,506	1,488	1,567	1,712	1,789	1,365
2022 Members	1,611	1,318	1,494									

SANTA BARBARA NEW MEMBER ENROLLMENT BY AGE: MARCH 2022

Santa Barbara County New Members by Age

March 2022 = 1,494

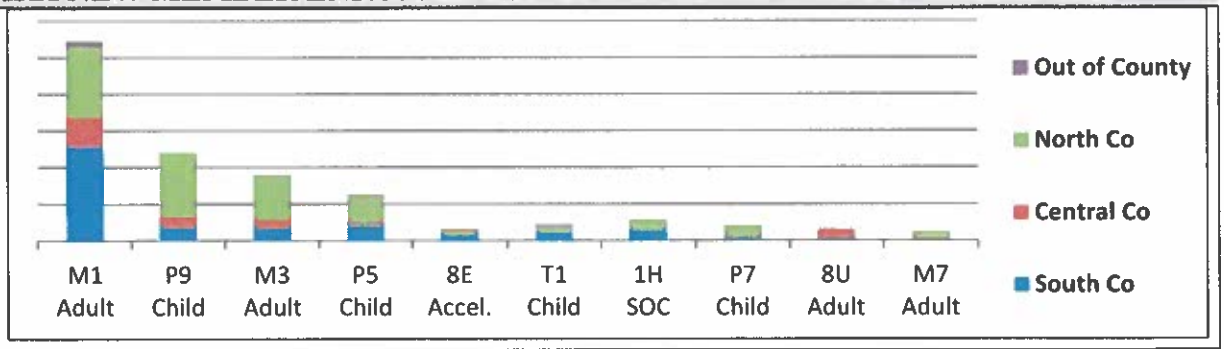


New Members by Age	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0-5	388	290	373									
6-10	95	57	71									
11-19	213	202	197									
20-44	595	520	596									
45-64	241	195	188									
65+	79	54	69									

SANTA BARBARA NEW MEMBER ENROLLMENT BY TOP 10 AID CODES: MARCH 2022

Santa Barbara County New Members by Top 10 Aid Codes

March 2022



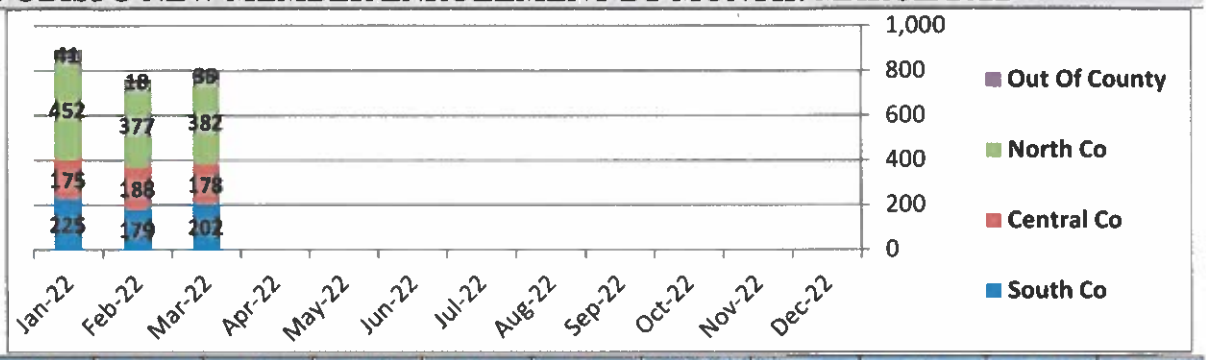
Aid Code	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
M1	579	503	545									
P9	209	198	241									
M3	136	119	179									
P5	118	121	126									
8E	123	57	33									
T1	56	40	44									
1H	53	40	57									
P7	44	22	42									
8U	35	30	32									
M7	30	24	24									

CENCAL HEALTH - Calendar 2022
CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM

SAN LUIS OBISPO NEW MEMBER ENROLLMENT BY MONTH: MARCH 2022

San Luis Obispo County New Member Enrollment by Area

March 2022 = 797

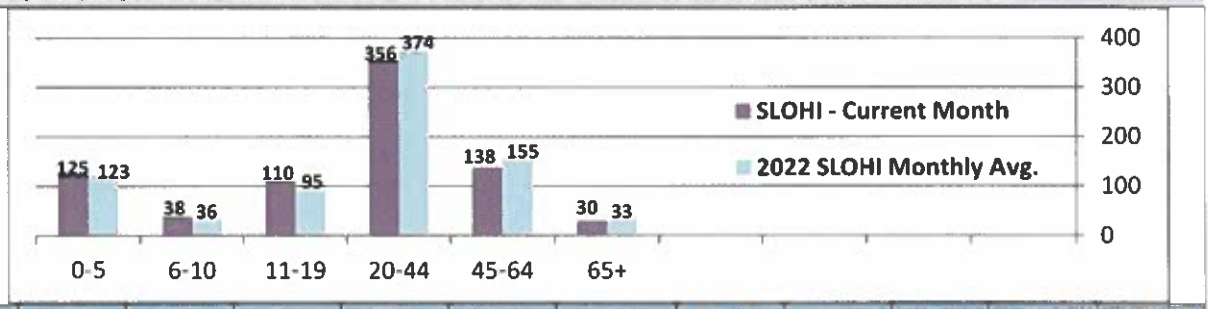


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021 Members	1,004	861	765	867	823	741	800	795	815	821	875	736
2021 Members	893	762	797									

SAN LUIS OBISPO NEW MEMBER ENROLLMENT BY MONTH: MARCH 2022

San Luis Obispo County New Members by Age

March 2022 = 797

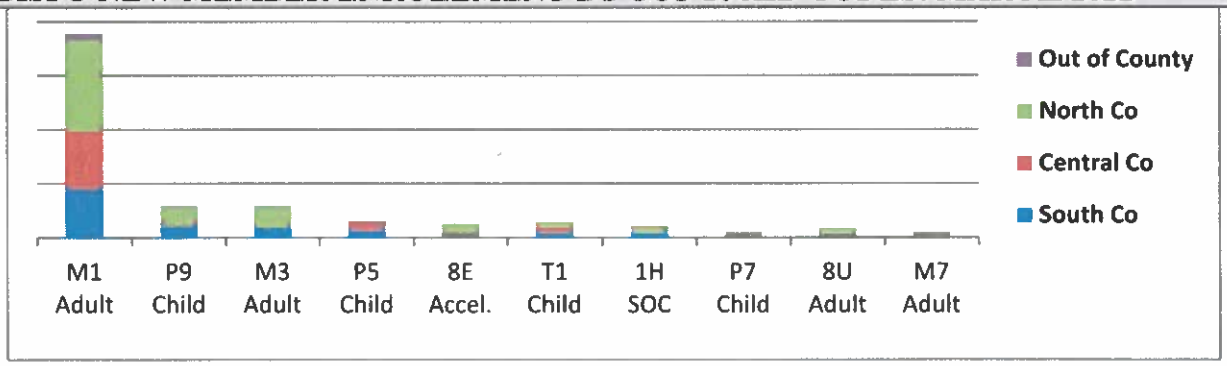


New Members by Age	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0-5	121	123	125									
6-10	35	36	38									
11-19	87	89	110									
20-44	415	351	356									
45-64	188	140	138									
65+	47	23	30									

SAN LUIS OBISPO NEW MEMBER ENROLLMENT BY TOP 10 AID CODES: MARCH 2022

San Luis Obispo County New Members by Top 10 Aid Codes

March 2022



Aid Code	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
M1	435	371	377									
M3	83	61	59									
P9	60	66	59									
P5	50	25	31									
1H	38	28	26									
T1	22	29	29									
P7	34	15	22									
60	13	18	10									
T2	12	15	18									
8U	6	6	10									

CenCal HEALTH
Local. Quality. Healthcare.

PROVIDER BULLETIN

A PUBLICATION FOR OUR PROVIDERS FROM CENCAL HEALTH

VOL. 32 NO. 3 • MARCH 2022

IN THIS ISSUE:

Utilization Management Reminders — Adult

Prevent Delays to your 18-1 Treatment Authorization Request (TAR)

Providers must submit the 18-1 TAR inpatient authorizations including Acute, LTAC, Rehab, or Retrospective reviews to determine the medical necessity of an acute care stay and to facilitate a transfer or transition of care. Once an authorization has been provided, a concurrent review will need to occur for continued stays and continued authorizations.

Helpful Tips:

- The authorization request can be submitted by either the admitting hospital or the LTAC facility
- For urgent and routine requests, notify CenCal Health within 24 hours of admission to let CenCal Health's the Utilization Management (UM) Department know there is a need for an inpatient authorization review and notify the treating provider/facility
- When a member is discharged, please send an updated discharge summary to CenCal Health's UM Department to prevent delays in the review process
- To avoid delays, upload documentation to CenCal Health's provider portal immediately after submitting the authorization request

If CenCal Health contacts you to obtain additional information or additional documentation, please provide the needed information right away to avoid delays in making the determination for the request. Additional resources can be found here: cencalhealth.org/providers/authorizations/treatment-authorization/.

Our 2021 Community Report is live!
cencal2021.org

Authorization Updates

What is the purpose of a Referral Authorization Request (RAF)?

RAFs should always be obtained by a member's assigned PCP. This process allows the member's PCP to be active in the member's care at all times. If a member is new to CenCal Health, they are considered Special Class and the RAF requirement is waived so the member can continue to seek care with our contracted specialists for the 1st month of eligibility. Once a member is assigned to a PCP, it is the PCP's responsibility to submit the request for additional services with a contracted specialist.

Please note that tertiary facility services require a RAF, even for those members who are new to CenCal Health in their 1st month of eligibility.

If a specialist is referring the member to a different specialist, it is the member's responsibility to obtain another RAF from their assigned PCP so they are aware of their member's care coordination.

What is an Administrative RAF?

Administrative RAFs are entered by CenCal Health only when the member has not established with their new PCP and the specialist wants to ensure care for the member for an immediate upcoming appointment.

An Administrative RAF is a courtesy to our members and our provider network, and can be done for those emergent/urgent cases during a PCP transition for the member. Otherwise, specialists need to work with the PCP to secure referrals.

For additional resources, reference cencalhealth.org/providers/authorizations/referrals/

Retro-authorization Requests

CenCal Health recognizes that there may be times that a retro authorization is required. Retro authorization requests are allowed up to 6 months from the date of service. Anything after the 6 month time period will be rejected and not processed. Once received, the review, determination, and notification of the retro authorization request will occur within 30 days of receipt.

Utilization Management Reminders — Pediatrics

Primary Care Providers

Occupational Therapy (OT) and Speech Therapy (ST) services do not require Prior Authorization for an initial assessment. Please provide your member with a prescription with the required information (for details please see Provider Manual Section E2.19-E2.21 at cencalhealth.org/providers/forms-manuals-policies/provider-manual/).

Occupational Therapy (OT) and Speech Therapy (ST) Providers

After receiving a prescription from a PCP, OT and ST providers may complete an initial assessment with a member. Continued treatment of the member requires OT and ST providers to submit a TAR 50-1 with a treatment plan to CenCal Health's UM Pediatric Department, which will process Pediatric Therapies. Pediatric Therapies will be processed by CenCal Health.

Effective January 1, 2022, please send all OT and ST authorization requests directly to CenCal Health.

Please include the following when requesting ongoing Speech and Occupational Therapy:

- Member Info (CIN)
- Referring and Referral Provider Information (Name, NPI, & Phone)
- Order for therapy (must be signed by MD)
- Medical documentation (evaluation, IEPs)
- Anticipated duration of services (Start & End date)
- HCPCS & Quantity

CenCal Health's Pediatric Utilization Management Department:
(805) 364-4950 • fax: (805) 692-5140
Secure File Drop: https://gateway.cencalhealth.org/form/hs

Developmental Screening for Pediatric Patients

The Centers for Disease Control and Prevention (CDC) reported that 1 in 6 children in the United States, between 3 and 17 years old, have one or more developmental or behavioral disabilities. Despite evidence for the importance of early screening, many children are not being diagnosed as early as possible. Less than one third of children living with developmental disabilities are diagnosed before they enter school. Routine developmental screening will help you identify patients at risk of cognitive, motor, communication, or social-emotional delays.

The American Academy of Pediatrics (AAP) recommends that healthcare providers monitor a child's development during regular well-child visits. Providers are encouraged to periodically screen children to identify any areas of concern that may require further examination or evaluation using validated tools at the following recommended ages:

- 9 months
- 18 months
- 30 months

In addition, AAP recommends that all children be screened specifically for autism spectrum disorder (ASD) during regular well-child visits at:

- 18 months
- 24 months

You can bill CenCal Health for Developmental Screenings using the CPT code 96110.

For more information regarding recommended Developmental Screening, you can go to: https://www.cdc.gov/ncbddd/childdevelopment/screening.html

PROVIDER TRAINING

Pediatric Lead Screening Provider Training

All CenCal Health members must be tested for blood lead at both 12 and 24 months. Attend this training to learn about lead screening requirements, clinical guidelines, and best practices. We will also cover lead screening resources that CenCal Health can provide to your practice. **Join us on March 16th, 2022 for this LIVE webinar and receive CME credits!**

Mental Health Provider Clinical Support Training

During this webinar we will provide information regarding mental health provider responsibilities when seeing our CenCal Health members, train on the required Level of Care Screening Tools, provide information on mild to moderate benefits, Care Coordination, and support available from the CenCal Behavioral Health Department. **Join us on Tuesday, March 22nd**

You can RSVP to these upcoming events, and our Training Library for micro learning videos on a wide variety of topics at cencalhealth.org/providers/provider-training-resources/

HEALTH PROMOTION

Tobacco Cessation: Help your Patients Quit

ASK

every patient/client if they use tobacco (smoke, vape, or chew).

ADVISE

tobacco users to quit, even if they've tried before and failed. Every attempt is important.

REFER

tobacco users to Kick It California to get a free, personal quit plan from trained quit coaches.

Kick It California provides free tobacco cessation education, training, and technical assistance. They also offer options for you to securely refer your patients to their 'Quit Services' program.

To learn more visit:
https://kickitca.org/health-professionals

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Pharmacy Drug Information Update

CenCal Health provides US Food and Drug Administration and DHSC drug utilization review (DUR) educational articles as they are released. For a full list of the articles, please visit the CenCal Health Pharmacy webpage cencalhealth.org/providers/pharmacy/

Drug Utilization Review (DUR) Educational Articles

- **February Article:** Improving the Quality of Care: Legislative Impact on the Use of Naloxone

Learning Objectives:

- Identify risk factors for opioid-induced respiratory depression
- Review California legislation regarding naloxone
- Summarize best practices for responsible prescribing and furnishing of naloxone for the complete or partial reversal of opioid-induced respiratory depression.

To access the full version of the above DUR educational article, please visit the below link: cencalhealth.org/providers/pharmacy/drug-utilization-review/

Do you have questions regarding drug information? Medi-Cal Rx? Physician-Administered-Drugs? Visit the CenCal Health Pharmacy Webpage or call our Pharmacy Team at (805) 562-1080.