



CenCal HEALTH[®]
Local. Quality. Healthcare.



CenCal Health Board of Directors Meeting Packet

***Wednesday, October 19, 2022
6:00 pm***

**CenCal Health
Office**

**4050 Calle Real
Santa Barbara, CA
Hart Auditorium**



Notice of Regular Meeting
CenCal Health Board of Directors
October 19, 2022 at 6:00 p.m.

CenCal Health Office
4050 Calle Real, Santa Barbara, CA
Auditorium

Members of the public will be allowed to provide public comment in real time during the public comment portion of the Board meeting (Item 1 below) or you may do so by emailing comments before 10:00 am, October 14, 2022 to the Clerk of the Board at pbottiani@cencalhealth.org with "Public Comment" in the subject line. Comments received will be read during the meeting.

If you require any special disability-related accommodations, please contact the CenCal Health Board Clerk's Office at (805) 562-1020 or via email at pbottiani@cencalhealth.org at least twenty-four (24) hours prior to the scheduled board meeting to request disability related accommodations.

Agenda

Action/Information

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|---|-------------|
| 1. Public Comment | |
| 2. Consent Agenda (<i>Action to accept reports</i>) (Mr. Lisa) | Action |
| 2.1 Approve Minutes of September 21, 2022 Regular Meeting (pg. 1) | |
| 2.2 2022 In-Person Meeting Covid-19 Protocols (pg. 7) | |
| 2.3 Administrative Reports | |
| 2.3.1 Executive Summary (pg. 8) | |
| 2.3.2 Government Affairs and Administrative Report (pg. 10) | |
| 2.3.3 Quality Report (pg. 15) | |
| 2.3.4 Health Services Report (pg. 18) | |
| 2.3.5 Customer Experience Report (pg. 20) | |
| 2.3.6 Performance Report (pg. 22) | |
| 2.3.7 Compliance Report (pg. 26) | |
| 2.3.8 Information Technology Report (pg. 28) | |
| 2.3.9 Communications Report (pg. 29) | |
| 2.4 Program Reports | |
| 2.4.1 CalAIM Implementation Report (pg. 42) | |
| 2.5 Committee Reports | |
| 2.5.1 Appointment to Provider Advisory Board (PAB) and Meeting Minutes of April 11, 2022 (pg. 48) | |
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| 3. Regular Agenda | |
| 1. Report from Chief Executive Officer (Ms. Owen) | Information |
| 2. Adopt CenCal Health Vision Statement (Ms. Owen) (pg. 56) | Action |
| 3. Review and Accept Independent Financial Audit Report (<i>Bartlett Pringle & Wolf, Mr. Britton and Ms. Schmoller</i>) | Action |
| 4. Report from Chief Financial Officer/Treasurer (Mr. Ambrose) (pg. 60) | Information |
| 4.1 Review and Accept Financial Statements (pg. 67) | Action |
| 4.2 Adopt 2023 Investment Policy (pg. 77) | Action |



- 4.3 Report on Dual Special Needs Program Assessment (Mr. Ambrose and Ms. Flaum) (pg. 85) Action
- 5. Adopt CalPERS Resolution on 2023 Salary Structure (Ms. Miranda) (pg. 89) Action
- 6. Report on 2023 Performance Dashboard Development (Mr. Morris) (pg. 94) Information
- 7. Items for Immediate Action Action

Items for which the need to take immediate action arose subsequent to the posting of the agenda (requires determination of this fact by vote of two-thirds of the Directors present or, if fewer than nine Directors are present, unanimous vote)

8. Closed Session

Pending Litigation CONFERENCE WITH LEGAL COUNSEL: PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.9

Note: The meeting room is accessible to the handicapped. Additional information can be found at the CenCal Health website: www.cencalhealth.org



DRAFT MINUTES
CenCal Health
BOARD OF DIRECTORS REGULAR MEETING
September 21, 2022

The regular meeting of the Board of Directors of CenCal Health was called to order by Lynda Tanner, Chair, on September 21, 2022, at 6:00 PM at the Santa Maria Inn, Santa Maria, CA.

MEMBERS PRESENT: Daniel Herlinger, Daniel Nielson, Edward “Ned” Bentley, MD, Lynda Tanner, Mark Lisa, Mohammad Zafar Iqbal, Ph.D., René Bravo, M.D., Supervisor Debbie Arnold Supervisor Joan Hartmann and Van Do-Reynoso,

MEMBERS ABSENT: Sue Andersen

STAFF PRESENT: Amanda Flaum, Andrea Alvarado, Andrew Hansen, Bill Cioffi, Carlos Hernandez, Chris Morris, David Ambrose, Emily Fonda, MD, Gaby Labraña, Jordan Turetsky, Karen Kim, Krisza Vitocruz, Lauren Geeb, Marina Owen (CEO), Michael Harris, Mimi Hall, Robert Janeway, Tommy Curran, Van Do-Reynoso, and Paula M. Bottiani (Clerk)

GUESTS PRESENT: Patrice Iqbal (Dr. Iqbal's spouse); Kieran Shah, CEO (VNA Health), and Rafael Gomez (El Cambio Consulting)

1. Public Comment (none)
2. **Consent Agenda** (*Action to accept reports*) (*Ms. Tanner*)
 - 2.1 Approve Minutes of June 15, 2022, Regular Meeting
 - 2.2 2022 In-Person Meeting Covid-19 Protocols
 - 2.3 Administrative Reports
 - 2.3.1 Executive Summary
 - 2.3.2 Government Affairs and Administrative Report
 - 2.3.3 Quality Report
 - 2.3.4 Health Services Report
 - 2.3.5 Customer Experience Report
 - 2.3.6 Performance Report
 - 2.3.7 Compliance Report
 - 2.3.8 Information Technology Report
 - 2.3.9 Communications Report
 - 2.4 Program Reports
 - 2.4.1 CalAIM Implementation Report
 - 2.4.2 Homeless Housing Incentive Program Report
 - 2.4.3 Population Health Management Report
 - 2.5 Committee Reports
 - 2.5.1 Accept Quality Improvement Committee (QIC) Report and Exhibits 1-3
 - 2.5.2 Accept Community Advisory Board (CAB) Meeting Minutes of April 14, 2022

2.5.3 Accept Family Advisory Committee (FAC) Memo & Meeting Minutes of May 19, 2022

Discussion:

Mr. Lisa asked that Item 2.5.1 Quality Improvement Committee (QIC) Report and Exhibits on the Consent Agenda be further discussed. He stated that his comments surround areas that appear on the quality dashboard in red to highlight measures needing improvement. In the future, he requested that these items be further summarized, with key actions and interventions outlined, and be presented on the regular agenda for full discussion by the board.

Ms. Geeb explained that DHCS sets a minimum threshold at 50% for certain measurements. Those appear on our dashboard in red as priorities. The summary report provided narrows the list to those metrics where the plan is required to meet a minimum performance requirement. Staff are working on interventions to support improvement of these measures.

Mr. Lisa asked if the QIC is the working body that puts together and manages the metrics.

Ms. Geeb responded affirmatively.

Ms. Owen stated that the QIC is the Board-designated Quality Committee and Dr. Bravo is the board liaison to the QIC. It is also comprised of network providers. In summary, staff accepts feedback to improve reporting in the future and will support Board oversight of QIC proceedings by better summarizing the quality metrics highlighted in the charts.

Dr. Bentley added that from his perspective, he would be concerned if there were no red metrics because quality improvement is all about identifying areas for improvement and then working on making these areas of care better. He recommends a running dashboard that contains previous quarterly data compared to current quarterly data to show improvement.

Dr. Bravo said we should take Mr. Lisa's question as one focused on process. As the liaison to the QIC, Dr. Bravo stated that the committee looks at the dashboard very carefully. Staff brings up concerns which are discussed by the committee members and actions plans are developed when necessary. If there is something in the committee that shows any real discrepancy that would affect patient care, it would rise to the level of coming before the board. Many of the senior level staff are members of the committee as well and this makes him feel confident in the level of engagement by CenCal Health at all levels.

Mr. Lisa asked if Dr. Bravo was comfortable with this being on the consent agenda.

Dr. Bravo responded that he would support quality reports reported in the regular agenda.

Mr. Lisa likened this to his two quality and safety boards at the hospital and that they are responsible to bring forth all quality and safety issues before their full board for review and input. He wants to make sure that the CenCal Health board members are meeting their charge and responsibility for overseeing quality. Those aspects of care highlighted in "red" can be brought before the board for further discussion.

Mr. Hernandez suggested that for QIC measures identified as areas for improvement, that staff bring a written report to the board which summarizes the metrics on the dashboard and identifies those interventions that staff are taking to improve the quality of care.

Ms. Owen emphasized that this discussion provides useful feedback and staff will bring forward quality reports on the regular agenda in the future with a summary for those aspects of care that need to be improved, as requested.

Dr. Bentley asked if it would be preferable to do this on an annual or quarterly basis.

Ms. Owen stated that the QIC meets on a quarterly basis and staff could highlight on a quarterly basis a well.

Dr. Bravo commended staff for our quality program ranking compared with like plans.

ACTION: On motion of Supervisor Hartmann the Board Accepted the Consent Agenda Reports with no objection.

Regular Agenda:

Executive Report

Ms. Owen reported:

To commemorate **Lynda Tanner's** 7 years of dedicated service on the Board of Directors, Ms. Owen presented a plaque from CenCal Health. Lynda served as VNA Health's Past President and CEO, she was appointed as Vice Chair and then Chair of CenCal Health's Board of Directors and Finance Committee. Her wise counsel and guidance were incredibly valuable to the organization and Ms. Owen wished her the best in retirement. Ms. Owen welcomed a guest, **Mr. Keiran Shah**, President, and CEO of VNA Health. As the Board's nominating committee considers Ms. Tanner's replacement, Mr. Shah is similarly committed to the community and members served.

CenCal Health has concluded the development of the next **three-year strategic plan**, which staff is pleased to present on the agenda for the Board's consideration. Through engagement at the July Retreat, Ms. Owen emphasized that the Board of Directors directly informed the priorities and objectives presented and with adoption tonight, provide a strong path forward.

CenCal Health concluded phase one of an **initial assessment of readiness** for a Dual Special Needs Plan (DSNP) or Medicare Program, a CalAIM required program. This assessment included an operational analysis informed by staff interviews and a high-level planning and implementation roadmap for the next three years. CenCal Health will provide an update and overview for your Board next month, in October and then again in March 2023.

The Department of Healthcare Services recently released results from their **member satisfaction survey**, which is the 2021 Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey, and the comparison of health plans that follows. Of the 25 Medi-Cal Managed Care Plans that participated in the survey, highlights of CenCal Health's performance with families with children included a ranking of #1 in the State on customer service and #2 overall on satisfaction with the health plan and #3 on rating of personal doctor (our pediatricians). While we will focus in on those areas of opportunity for improvement, including member's overall ranking of their health and healthcare, CenCal Health celebrates this success and appreciates our compassionate staff, particularly those in Member Services and the Whole Child Model. Next year, staff will highlight both provider and member survey results in a more detailed presentation.

CenCal Health has been working on the **Housing and Homelessness Incentive Program** with counties and continuum of care partners. Under the leadership of Dr. Van Do-Reynoso, our new Chief Experience and Health Equity Officer, the focus has been on collaboration, the development of a local homelessness plan and an aligned investment strategy that allows us to support this important work.

Ms. Owen continued that the Department of Healthcare Services will conduct a **limited scope audit** for their routine annual audit this year, which will take place October 17th through October 28th. It typically involves a significant amount of effort, and staff welcome opportunities for improvement that our state partners highlight. Karen Kim, your Chief Legal and Compliance Officer, oversees our annual audit process.

Ms. Owen welcomed **three Director-level leaders** to CenCal Health, two of whom are here tonight. First, **Andrew Hansen**, our Operational Excellence Director, who joins us from Central California Alliance for Health. Second, **Kim Andrade**, is serving as our Interim Human Resources Director, who comes to us from People and Culture Consulting. She has a wealth of experience and will be with us through the end of the year. Lastly, **Robert Janeway**, our new Provider Services Director, who was with CenCal Health as our Provider Contract Manager in the past. He moved on to work for San Francisco Health Plan, a sister plan, and now returns to CenCal Health to lead the Provider Services Department.

Adopt 2023-2025 Strategic Plan

Ms. Owen, Mr. Gomez, and Mr. Morris gave a detailed PowerPoint presentation of the 2023-2024 proposed Strategic Plan for adoption. At the conclusion of the presentation, **Mr. Gomez** commended staff and the board for their focus, intention, and diligence in the development of the strategic plan and especially the considerations honored to determine the "why" for developing the plan as presented tonight. He encouraged both staff and the board to regularly review it moving forward as a guide and resource for the further development of our over-arching priorities, intentions, and objectives as a plan.

Discussion:

Professor Iqbal asked that we look at the plan over time and reflect on the progress and then report to the board. Also, by continuing to engage with our community partners, it makes this a real living document with meaning.

Ms. Owen stated that within a year we should see real progress towards these objectives and report to the Board on a regular basis. Staff will work towards expanding collaboration with community partners as a key priority.

Mr. Herlinger appreciated the 2023-2025 Strategic Plan.

Mr. Lisa commended staff for their work on the plan.

ACTION: On motion of Mr. Lisa and seconded by Mr. Herlinger, the Board Adopted the 2023-2024 Strategic Plan with no objection.

Review Vision and Mission Statements

Ms. Owen and Dr. Do-Reynoso gave a detailed PowerPoint presentation of the Vision and Mission statements that were briefly mentioned at the board retreat in July for adoption at the October 2022 Board of Directors meeting. Ms. Owen stated that our prior vision statement was focused on CenCal Health being a nationally recognized health care organization and the new vision is focused on the health of the communities we serve. The Vision Statement reads "To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together".

Discussion:

Dr. Bentley commented that he interprets the word "together" in the statement to mean "partnership" and commended staff for a fine job here. By incorporating this vision, we will be a recognized model for others.

Supervisor Hartmann especially appreciates the words "trusted Leader" and "thrive". We need more trusted leaders in our communities and thrive has very expansive meaning. The word "together" also holds a great deal of meaning to her.

Mr. Herlinger stated that he appreciates CenCal Health being recognized as a national leader in health care and that other plans will emulate us based upon our performance.

Dr. Bravo appreciated the new vision statement.

Ms. Owen continued that staff are not recommending any changes to the Mission Statement. She added that our key intent is to reaffirm our commitment to providing access to quality care and education and outreach to our members. We are dedicated to achieving wellness for our members, which encompasses the social determinants of health. The Board is invited to provide additional feedback if they wish, and the vision will be brought to the October meeting for adoption.

Present Incentive Payment Program (IPP)

Ms. Turetsky gave a detailed PowerPoint presentation of the Incentive Payment Program (IPP). She will provide on-going updates at future meetings.

Present 2024 DHCS Contract Operational Readiness Update

Ms. Kim and Ms. Vitocruz gave a detailed PowerPoint presentation of the 2024 DHCS Operational Readiness Update. The board will be updated on a regular basis through the monthly Compliance Report as we make progress moving forward.

Discussion:

Mr. Herlinger asked if DHCS has a meeting with all the plans to discuss the new contract or do they just send it to us and expect compliance.

Ms. Owen answered by saying this is a significant change in state requirements, which was initially distributed to health plans engaged in the procurement process. All Medi-Cal plans will receive the same contract for 2024.

Mr. Lisa stated that we need to continue with very strong advocacy moving forward. He asked about whether we have the bandwidth and staffing to achieve all that the state is requiring of us.

Ms. Owen stated that we will need to invest in resources in a methodical way to achieve all objectives and that Mr. Ambrose and Mr. Morris are diligently identifying an appropriate administrative cost in the 2023 budget. All Directors have completed a departmental assessment process, which supports the identification of new positions needed to fulfill requirements. Marina commended staff for all of their hard work with the initial submission to the state and made it clear that these are all new requirements, and it will be both a learning process and will require new and expanded processes for the plan to implement.

Mr. Drews asked if we have enough providers in the network to provide the required care.

Ms. Owen responded that areas of opportunities exist, and that Ms. Turetsky and Mr. Janeway are working towards ensuring a provider network that meets our member needs. Behavioral Health has been particularly challenging.

Present 2022 Population Health Needs Assessment

Ms. Labraña gave a detailed PowerPoint presentation of the 2022 Population Health Needs Assessment. The board will receive an update next year in line with our update to the state.

Report from Chief Financial Officer/Treasurer

Mr. Ambrose gave a detailed Power Point presentation of the financial position of the organization to date.

Financial Highlights (fiscal year-to-date: July - August)

Operation Gain (Loss): Through two (2) months of the fiscal year we are reporting an operating gain of \$4.2 million.

Capitation Revenue is at \$178.4 million; under budget by \$1.2 million and 0.6%.

Medical Expenses are at \$150.5 million; under budget by \$4.5 million and 2.9%.

Administrative Expenses are at \$11.1 million; under budget by \$710,000 and 6.0%.

MCO Tax Expense is at \$13.4 million; essentially at budget.

Tangible Net Equity (TNE) is at \$173.7 million; representing 492% of the minimum regulatory requirement and 72% of the minimum Board of Directors desired TNE target.

Total Cash and Short-Term Investments are at \$277.7 million. Cash and Short-Term Investments available for operating the health plan is at \$153.1 million, representing 60 Days Cash on Hand.

Member Enrollment is at 220,060 for the month of August 2022.

ACTION: On motion of Mr. Nielson and seconded by Dr. Bravo, the Board Approved the Financial Statements for the period ended August 31, 2022, with no objection.

ITEMS FOR WHICH THE NEED TO TAKE ACTION AROSE SUBSEQUENT TO THE POSTING OF THE AGENDA (REQUIRES DETERMINATION OF THIS FACT BY VOTE OF FOUR DIRECTORS OR, IF LESS THAN FOUR DIRECTORS ARE PRESENT, UNANIMOUS VOTE).

None identified.

Ms. Tanner adjourned the open session at 8:10 pm and opened the closed session at 8:12 pm.

Closed Session:

1. Pending Litigation CONFERENCE WITH LEGAL COUNSEL: PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.9
2. CEO Evaluation CLOSED SESSION: PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957

Ms. Tanner adjourned the closed session 8:45 pm and opened the open session at 8:50 pm.

Report from the Closed Session:

Ms. Tanner reported: After discussion in closed session (Item 1), the board accepted Legal Counsel's recommendation regarding pending litigation.

Ms. Tanner reported: After discussion in closed session (Item 2), the board commended the performance of the Chief Executive Officer and authorized the maximum salary increase budgeted for executive leaders amounting to a 1% salary increase for the CEO.

As there was no further business to come before the Board, Ms. Tanner adjourned the meeting at 8:54 pm.

Respectfully submitted,

Paula Marie Bottiani, Clerk of the Board



Group Meeting COVID Safety Protocols

CenCal Health is committed to the safety and well-being of our customers, partners, board members and staff and has adopted the following S.A.F.E.R. principles to guide our decision-making as we continue to navigate COVID-19:

- SAFE: We prioritize the safety of our employees, board members, members and providers and align with best practices and guidelines.
- ALIGNED: We prioritize collaboration to support a cohesive organization and strong culture.
- FLEXIBLE: We value work/life balance for employees and embrace a hybrid work model.
- EMPATHETIC: We communicate proactively and empathetically.
- RESPONSIVE: We respond to the needs of our customers and partners as a local health plan committed to our community by retaining a local presence.

As these principles apply to public indoor meetings, the following COVID safety protocols have been modeled off public health guidance and available best practices. Please review these protocols before traveling to/arriving at a CenCal Health meeting, to ensure you have taken safety precautions.

1. **Vaccination** plus a booster is recommended or testing is required.
2. **Testing**¹. COVID-19 test with a negative result within 48 hours prior to the meeting is recommended, regardless of vaccination status. Pre-entry testing on-site can be arranged as needed.
3. **Self-Screening** for potential COVID-19 symptoms is required the day of the respective meeting.
4. **Illness**. Should you test positive prior to the meeting, please follow updated CDC guidelines for isolation and quarantine and do not attend the meeting.
5. **Face Coverings**² are optional at this time and recommended when in close proximity to others. Masks will be available on-site as needed.
6. **Focused Attendance**. Staff attendees will be limited to those with a business need to attend.
7. **Ventilation**³. Meeting rooms will be ventilated naturally (windows and doors) when possible.

Attendance at meetings open to the public, pursuant to the Brown Act, is welcomed and precautions will be taken to ensure the safety of members of the public, board members and staff.

CenCal health will continue to assess and adapt protocols based on public health and best practice information to promote the safety and well-being of our customers, board members, partners and staff.

I, hereby, understand, acknowledge, and attest that I have reviewed the Group Meeting COVID Safety Protocols and agree to abide by the principles and COVID safety protocols included herein.

Print Name

Date

Signature

¹ [California Department of Public Health Safe and SMART Events Playbook, April 1 2022](#)

² [California Department of Public Health, Masking and COVID-19 in California, April 2022](#)

³ [California Department of Public Health, COVID-19 & Indoor Air Quality Ventilation Tips, July 2021](#)



Date: October 19, 2022
To: CenCal Health Board of Directors
From: Marina Owen, Chief Executive Officer
Subject: **Executive Summary**

DHCS Medical Audit The Department of Healthcare Services (DHCS) will conduct their annual Medical Audit virtually from October 17th through October 26th, 2022. The audit is limited scope and evaluates CenCal Health's compliance with contract requirements and regulations in the areas of *Utilization Management, Case Management and Care Coordination, Access and Availability, Member Rights, Quality Improvement, Administrative and Organizational Capacity and State Supported Services Contract*. The audit period is October 1, 2021, through September 30, 2022. In preparation, staff successfully submitted all requested Pre-Audit documents and conducted mock audit sessions for stakeholders in early October. The opening conference will be held on Monday, October 17th and a preliminary exit review will be held on Wednesday, October 26th, 2022. Additional information can be found in the enclosed Compliance Report provided by Karen Kim, JD, MPH, Chief Legal and Compliance Officer.

Local Health Plans of California Board Meeting The association of local plans will convene its next Board Meeting on Monday, October 17th to coincide with the California Association of Health Plans (CAHP) annual conference. Topics of discussion include CalAIM and state-wide initiatives. Convenings with the Directors of the DHCS and the Department of Managed Health Care (DMHC) will also take place. In addition, the 2023 Slate of Officers for the Local Health Plans of California (LHPC) will be adopted and includes Jarrod McNaughton, CEO, Inland Empire Health Plan, serving as Chair and I will serve as LHPC Vice Chair representing Santa Barbara and San Luis Obispo Counties for a two-year term (2023-2024). Additional details on state-wide advocacy can be found in the Government Relations and Administrative Services Report provided by Michael Harris, Government Affairs and Administrative Officer.

Quality Performance Ranking In September, DHCS released its Quality Improvement accountability requirements which categorized CenCal Health in the highest tier, termed the Green Tier. Plans in this tier have one Managed Care Accountability Set (MCAS) measure below DHCS' minimum performance level (MPL), per domain. Efforts are underway to improve rates for chlamydia screening in women in San Luis Obispo and well-baby visits in both counties, so they surpass the NCQA Medicaid 50th percentile. CenCal Health is leveraging its pay-for-performance program, QCIP, as the primary mechanism to financially incentivize providers for ensuring the provision of these services in accordance with established clinical guidelines. To support the success of the program, staff engage in monthly meetings with PCPs to discuss areas of opportunity and review progress. Next steps are to complete DHCS' first required improvement submission for both aspects of care by October 30, 2022. Additional



details can be found in the Quality Division Report provided by Dr. Emily Fonda, MD, MMM,CHCQM, Chief Medical Officer, and Carlos Hernandez, Quality Officer.

CalAIM Communication and Engagement In August and September, CenCal Health's Communications Department began communicating about the State's transformation of Medi-Cal on the Central Coast through press releases titled: "*CalAIM Arrives in Santa Barbara and San Luis Obispo Counties*". News releases were circulated broadly, including the Sunday issue of the *Santa Barbara News-Press*. In addition, digital coverage was provided by the Local Health Plans of California (LHPC) via its website; Central Coast Medical Association's (CCMA) monthly e-newsletter *The Pulse*; *Nonprofit Resource Network*; and *Amigos 805*, as a bilingual report. On October 4th, Santa Barbara County CEO's office and CenCal Health gave a joint presentation on CalAIM to Chair Hartmann and the Santa Barbara County Board of Supervisors. On October 20th, I will present to the Stepping Up Executive Committee in San Luis Obispo County and will plan for a joint presentation to the San Luis Obispo County Board of Supervisors with San Luis Obispo Health Agency. Additional detail on community engagement can be found in the Communications Report provided by Nicolette Worley Marselian, MBA, Communications and Community Relations Director.

Financial Position CenCal Health's net operating gain for the month of September 2022 is \$2.8M, given improving revenue and administrative expense factors. Administrative expenses are under budget by \$2.4M or 14%. September revenue and medical expenses are tracking slightly under budget and membership is tracking well against budget at 222,683. Tangible Net Equity (TNE) or financial reserve is \$203.3M or 553% of the regulatory minimum requirement. CenCal Health welcomes auditors from Bartlett, Pringle, and Wolf, LLP, to the October Board Meeting to discuss the results and findings of the FY22/23 Independent Financial Audit. Additional financial information can be found in the Financial Statements provided by David Ambrose, Chief Financial Officer.

Staffing Update I am pleased that Kim Andrade, MS, SPHR has joined us as Interim Human Resources Director and came to us highly recommended from Spotlight Consulting. Kim has built expertise in culture and people over a 20-year career and delivered solutions in organizational design, alignment of HR strategy and initiatives to businesses, while maintaining focus on culture, values, and communication. Ms. Andrade has been supporting our Human Resources Department, providing guidance to CenCal Health leadership during this transition period and has been an asset to the organization. Dina Miranda, CenCal Health's Human Resources Manager, continues to support the day-to-day operations of the organization and supervise staff in the department. CenCal Health will begin recruiting for our next Human Resources Director in Q4 2022, supported by Ms. Andrade, following the leave of absence and departure of our prior Human Resources Director, Kim Cowles. Over the past few months, Kim Andrade conducted a comprehensive departmental assessment to identify areas of strength and opportunities for improvement moving forward.



Government Affairs and Administrative Services Report

Date: October 19, 2022

From: Michael Harris, Government Affairs & Administrative Officer

Through: Marina Owen, Chief Executive Officer

Executive Summary

With the federal midterm and California elections approaching, respective legislative houses have gone into recess. Governor Newsom finished-off the California legislative session by signing several health-related bills. On the federal level, elections will have significant impact on the federal government's ability to enact or move forward on several aspects of the Administration's agenda.

While legislators may be in their districts working, DHCS has remained active in continuing to provide health plans with additional direction and guidance for implementing the new 2024 contract and implementing CalAIM. In addition, DHCS is providing guidance to health plans on new program requirements reference in the Compliance Report.

Administrative Services continues activities to renew annual insurance policies that ensure CenCal Health, its employees and Board members are appropriately protected.

Government Affairs

State Updates

CenCal Health is intending on strengthening its presence in Sacramento in the upcoming legislative session in 2023 to continue strong partnerships with local legislators and increase interaction with State legislators whose primary interests are in healthcare and Medi-Cal specifically.

Governor Newsom signed 997 bills and vetoed 169 for a veto rate of 14.5%. The legislative bills that were forwarded to the Governor covered a wide variety of issues. While many of the health bills focus on commercial health plans and their operations in the commercial markets, the State continues to put strong emphasis and funding behind CalAIM and ensuring health plan performance. Staff continue to evaluate legislation that has been signed and is specifically working with the local health plan Association, Local Health Plans of California (LHPC), to anticipate regulatory guidance from the new legislation.

The Department of Health Care Services (DHCS) has been going through a process to determine health plan services in several counties starting in January 2024. The process known as “procurement” resulted in a tentative award in San Diego County that did not include the local health plan for San Diego County; The Community Health Group. Other commercial plans were also not offered a San Diego County 2024 contract. San Diego County will be the only county, if DHCS’ tentative awards are upheld, that will not have a local health plan. CHG had been serving the community of San Diego County for approximately 40 years. The health plan originated as a local community clinic and evolved into a local health plan. Various facts contained within the procurement are in currently in dispute and appeals are underway with Blue Shield and Community Health Group.

DHCS continues to emphasize the importance of strong partnerships between health plans and schools, local mental health plans (County mental health departments), non-traditional health partners in the community such as social service CBOs and others to support CalAIM initiatives. DHCS will also rolling out new long-term care standards for health plans to follow, new payment mechanism for Federally Qualified Health Centers (FQHCs) that focus on access and quality of care.

Federal Updates

CenCal Health works with our contracted legislative advocate to anticipate federal actions or policy changes. Currently, the federal government is maintaining a Public Health Emergency (PHE) that allows residents to remain in Medi-Cal and avoid a determination that they no longer qualify. The PHE is designed to keep persons insured during an emergency and help prevent a lapse of health insurance coverage that results in uncompensated care. It is likely that the PHE will be extended one more time for another 90-days. After that, in January, many in Washington believe the PHE will be eliminated.

Additional information can be found in the federal advocacy report from Paul Beddoe.

Administrative Services

Insurance Coverage

Administrative Services is working with CenCal Health’s insurance broker HUB International to obtain insurance policy renewals. The policies are annually reviewed to ensure appropriate coverages are afforded CenCal Health, its employees and Board members. In addition, the current policies will be extended until the end of calendar year 2022. New policies will be issued to cover CenCal health based on a calendar year schedule beginning in 2023.

An exception to this process is obtaining an Earthquake policy for the remainder of 2022 and all of calendar year 2023. Significant rate increases are anticipated during



calendar year 2023 due to Hurricane Ian that struck Florida and the East Coast. Losses from disasters are anticipated to significantly raise property insurance costs.

Employee Remote Working

CenCal Health facilities continues to support a hybrid workforce, with employees working either on-site or remotely. Safety continues to be a priority in continued recognition of the COVID-19 pandemic and upcoming flu season, with many public health officials are voicing concern.

Employees are welcome to work in the offices if they wish, while maintaining safe public health practices. A "Hoteling" software is being implemented to allow employees to reserve workspace in the office when they work at either the San Luis Obispo or Calle Real offices.

Paul V. Beddoe Government Affairs, LLC

811 4TH ST NW UNIT 911
WASHINGTON DC 20001-4925

To: Marina Owen, Chief Executive Officer
Michael Harris, Government Affairs and Administrative Officer
CenCal Health

From: Paul V. Beddoe, Principal
Paul V. Beddoe Government Affairs, LLC

Subject: Federal Report, October 2022

Overview

On September 30, the last day of Fiscal Year 2022, the House passed a continuing resolution (CR), cleared by the Senate the day before. The measure will fund the federal government at FY 2022 levels, with a handful of add-ons, until December 16. The hope is that this will give leaders time to reach an agreement on a FY 2023 omnibus appropriations bill.

The CR does not include emergency supplemental funding requested by the Administration for COVID-19 and monkeypox response. The CR does provide \$62 million for the U.S. Department of Health and Human Services (HHS) Substance Abuse and Mental Health Services Administration (SAMHSA) to continue implementation of the 988 mental health crisis line, about half of what the Administration requested.

With their must-pass appropriations work done, for now, Members headed home to campaign for the final runup to the November midterm elections. Both chambers plan to return to Washington after election day.

In addition to a FY 2023 omnibus, additional disaster relief for Florida, Puerto Rico and the U.S. Virgin Islands will likely be on the agenda, as will an extension of Medicaid funding for the territories. Mental health advocates also continue to push for a bipartisan mental health package to be included in a year-end deal. The outcome of the midterm elections will affect how much legislating will be possible during the lame-duck session.

COVID-19 Public Health Emergency Likely to be Extended into January 2023

As noted last month, HHS Secretary Javier Becerra is expected to renew the COVID-19 Public Health Emergency (PHE) sometime before it expires on October 13. Stakeholders and observers expect that the PHE will be extended at least one more time into January 2023.

CMS Announces No-Cost COVID-19 Vaccinations to Continue

Paul V. Beddoe Government Affairs, LLC

811 4TH ST NW UNIT 911
WASHINGTON DC 20001-4925

On September 13, the HHS Centers for Medicare and Medicaid Services (CMS) announced that people with Medicaid, Children's Health Insurance Program (CHIP), Medicare coverage, private insurance coverage or no health insurance can continue to receive COVID-19 vaccines at no cost as long as the federal government is purchasing and distributing the vaccines.

White House Announces Plans to End Hunger in US by 2030

On September 27, the White House released its strategy to end hunger in the U.S. by 2030, the day before the White House Conference on Hunger, Nutrition and Health. Among the policies outlined in the strategy document are working with Congress on pilot programs to expand access to nutrition and obesity counselling for Medicaid and Medicare beneficiaries and to test medically tailored meals in the Medicare program.

Activities

We continue to monitor the California Department of Health Care Services pending State Plan Amendments (SPAs) submitted to CMS, and CMS approved SPAs for California. During the October recess we are meeting with DC-based health policy staff for Rep. Salud Carbajal (CA-24), to introduce CenCal Health and its work serving Medi-Cal beneficiaries in Santa Barbara and San Luis Obispo Counties.

We will continue to monitor for, and report to CenCal Health on any legislation introduced and or proposed CMS regulations which would impact the County Organized Health System (COHS) model.



Quality Division Report

Date: October 19, 2022

From: Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer

Contributors: Lauren Geeb, MBA, Director of Quality
 Carlos Hernandez, Quality Officer

This report provides an overview of recent developments in managed care quality program policy, implications of significance for CenCal Health, and next steps to assure CenCal Health's operational readiness.

DHCS Quality Improvement Performance Tier Rating

In September, the Department of Healthcare Services (DHCS) released its Quality Improvement (QI) accountability requirements which **categorized CenCal Health in the Green Tier**. Plans in this tier have one Managed Care Accountability Set (MCAS) measure below DHCS' minimum performance level (MPL), per domain. Efforts are underway to improve rates for chlamydia screening in women in San Luis Obispo and well-baby visits in both counties, so they surpass the NCQA Medicaid 50th percentile.

Staff must complete a Plan-Do-Study-Act (PDSA) cycle to improve the rate of well-baby visits and chlamydia screening in women. A PDSA is a four-stage problem-solving model used for improving a process or outcome. DHCS' QI Tier scoring process is outlined in the table below, however, DHCS reserves the right to reassess tiers on an ongoing basis and/or require additional corrective action based on plan performance.

Tiers*	Green Tier	Orange Tier	Red Tier
Triggers	1 measure below the MPL, per domain	2 or more measures below the MPL in any 1 domain	3 or more measures in 2 or more domains
DHCS - QI Requirements	<ul style="list-style-type: none"> PDSA <i>Max of 3 PDSAs across domains for each MCP</i>	<ul style="list-style-type: none"> PDSA SWOT Infant /Child CMS Affinity work (if applicable) <i>Max of 1 SWOT on any domain and 2 PDSAs for remaining triggered domains</i>	<ul style="list-style-type: none"> QI Managed Care Plan assessment and Strategic Plan Executive leadership meeting every 4 months DHCS Nurse Consultant meetings prior to executive meetings

CenCal Health is leveraging its pay-for-performance program, QCIP, as the primary mechanism to financially incentivize PCPs for ensuring the provision of these services in accordance with established clinical guidelines. Performance is monitored and reported monthly. To support PCP success in the program, staff engage in monthly meetings with QCIP participants to discuss areas of opportunity and review progress. Next steps are to complete DHCS' first required PDSA submission for both aspects of care, no later than October 30, 2022.

Adverse Childhood Experiences (ACEs) Aware Initiative

In September, DHCS announced \$19.5 million in ACEs Aware funding to 25 teams across California. **Santa Barbara Neighborhood Clinic was awarded \$1 million in grant funding to expand and sustain screening and response to ACEs and toxic stress in the community our organizations serve.** CenCal Health was one of seven local healthcare organizations that collaborated to apply for the grant. The Preventing and Responding to ACE-Associated Health Conditions and Toxic Stress in Clinics through Community Engagement (PRACTICE) grant application was submitted in partnership with Cottage Health, Family Services Agency, Child Abuse Listening Mediation, American Indian Health and Services and Santa Barbara County Public Health Department (Lompoc and Santa Maria Health Care Centers).

As a PRACTICE Grant partner, CenCal Health will:

- Analyze, stratify, and monitor utilization in accordance with established requirements. Inequities will be examined for demographic and social determinants that may negatively influence quality of care and health equity. Frequent analysis will enable implementation of interventions to close screening disparities and improve health equity.
- Provide training to improve quality of care including training on reimbursement of covered services rendered to health plan members.
- Create strategies and pathways to facilitate referrals to services.
- Contribute to grant team's project planning and implementation efforts.

This grant also supports clinical teams mobilizing a health system's response to toxic stress within local California communities. Grantees will form a statewide learning collaborative and have access to subject-matter experts, resources, and peer-to-peer learning. Findings will inform the next phase of the ACEs Aware initiative and ongoing work throughout California to develop partnerships, evidence, and care practices that prevent and interrupt the impact of ACE-associated health conditions and toxic stress on children and families.

NCQA HEDIS® Compliance Audit

The 2022 quality of care performance reporting season that Medi-Cal Managed Care plans must undergo annually commenced in September. The quality performance evaluation will encompass many important aspects of care, including but not limited to



use of preventive services, management of chronic disease, timeliness of maternity care, behavioral health, and medication adherence. Leading the HEDIS Compliance Audit is the Health Services Advisory Group (HSAG), the DHCS-designated External Quality Review Organization. The initial phase of the audit is focused on completion of pre-audit deliverables used to prioritize where HSAG will focus their scrutiny.

This year CenCal Health's **audit readiness is high** due to refinements in operational processes to maximize quality measurement efficiency and effectiveness. In January 2023, HSAG will assess CenCal Health's organizational operations that support quality of care reporting which include information systems and technology to capture, manage, and transform member, provider, claims, and medical record information into actionable performance information. The audit will conclude in June 2023 and will result in HSAG's independent certification of CenCal Health's quality of care performance.

Health Services Operations Report

Date: October 19, 2022

From: Amanda Flaum, Chief Operating Officer

Contributors: Chris Hill RN, Director of Medical Management
Jeff Januska, PharmD, Director of Pharmacy Services
Seleste Bowers, DBH, Director of Behavioral Health
Rita Washington, Health Services Program Manager

Operational Metric Development

Health Services collaborated with the IT department to develop shared metrics across all Departments (Medical Management, Pharmacy, Behavioral Health). The first iteration of the operational dashboard to support leadership will be available in October and further development is underway for Department specific metrics.

Medical Management Update

Medical Management continues to work on improving prior authorization workflows. The inpatient team kicked off the redesign of Skilled Nursing and Long-Term Care inpatient management to support process efficiency and effectiveness, and care coordination.

CenCal Health's Radiology Benefit Manager, Care to Care continues to provide quality utilization management services, reviewing over 1,000 radiology authorization requests a month, averaging a 3% denial rate. Care to Care was selected by DHCS as the delegate interview for CenCal Health's 2022 DHCS Medical Audit in October as noted in the Compliance Report. CenCal Health's nurse-advice-line vendor, CareNet Health, continues to provide 24/7-member support for physical and behavioral health concerns. In September, CareNet provided 210 nurse-triage calls.

Enhanced Care Management (ECM) and Community Supports (CS)

Enhanced Care Management began on July 1, 2022, along with Medically Tailored Meals and Recuperative Care Community Support services. To date, twenty-seven (27) members are enrolled in ECM and receiving services, and four (4) members are receiving Medically Tailored Meals. Promotion continues for Medically Tailored Meals both internally and with CenCal Health Providers. Two (2) Recuperative Care Providers

transitioned to the Community Supports structure on October 10, 2022, and collaboration is underway with remaining Recuperative Care Providers. Readiness activities are underway to support the launch of four (4) new Community Support services as of January 1, 2023: Housing Deposits, Housing Transition Services, Housing Tenancy & Sustaining Services, and Sobering Centers.

Pharmacy Updates

The physician administered drugs (PADs) authorization volume over the summer was up 32% from the previous summer and continues to trend above the National reference of 25%. Greater than 50% of the activity comes from the oncology space followed by immunology at 13% and all processed within regulatory time standards. On September 16th Medi-Cal RX reinstated the prior authorization (PA) requirements on 11 drug classes for beneficiaries >21 years of age as the next step in their phased program roll-out. In the last 2-weeks of September this contributed to a modest, 7.5% increase in PA volume.

Behavioral Health

CenCal Health's Behavioral Health Call Center continues to meet operational and department key performance metrics. The Utilization Management and Care Coordination teams met regulatory and operational requirements. Behavioral Health is working closely with Santa Barbara and San Luis Obispo Counties Behavioral Health Departments to develop Data Sharing Agreements as part of the 2024 DHCS Contract requirement and the Behavioral Health Quality Improvement Project (BHQIP).

The Behavioral Health Insourcing project is on track to complete in 4Q22. Workgroups continue to complete all milestones for the final phase (long term sustainability) and will schedule a lessons learned project close session in November 2022.



Customer Experience Report

Date: October 19, 2022

From: Van Do-Reynoso, MPH, PhD, Chief Customer Experience Officer

Contributors: Eric Buben, Member Services Director
Jordan Turetsky, Provider Network Officer

This Customer Experience report highlights operational trends in Member Services, Provider Services, Claims Departments, as well as CalAIM incentive programmatic updates.

Enrollment

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. As of October 5, 2022, CenCal Health covers 225,557 members.

Member Services

The Member Services Director celebrated the contributions of our dedicated employees during Customer Service Week (Oct 3rd – 7th) and honored their consistent high quality and compassionate service while assisting our members, providers, community-based organizations, and internal customers.

Member Services continues to press forward in partnership with the Information Technology and Communications Departments in the creating the Member Portal and is currently assessing all build requirements by the scheduled 12/31/22 go-live date. Project sponsors and executive leadership are assessing risks and initiating mitigation strategies.

Lastly, the Member Services Call Center continues to meet its goals in call time and resolving grievances and appeals.

Provider Services

Provider Services remains deeply engaged in ongoing activities in support of current network development and regulatory compliance projects. September saw substantial growth in the number of contracted providers for Child Psychiatry and Applied Behavioral Analysis (ABA), and the addition of capacity for psychological evaluation and testing. Additionally, staff held engagement sessions with interested organizations to support capacity building for Enhanced Care Management (ECM) and Community Supports in anticipation of expansion of these programs in January 2023.

In response to new regulatory requirements, outreach has begun to inform affected home-based service providers of the Electronic Visit Verification (EVV) requirement coming January 2023, meant to verify the provision of in-home services to reduce fraud, waste, and abuse. Activities will continue to ensure registration and training in the new State-affiliated EVV data system. Lastly, staff continue preparation for the Department of Health Care Services (DHCS) medical audit in October, as well as significant policy and process deliverables for All Plan Letter (APL) releases and the 2024 DHCS updated contract.

Claims

Claims receipts for the month of September were 256,101, which is a 16% increase over the pre-pandemic baseline and trending down when compared to August receipts (269,864). Claims volume follows a seasonal variation, with peaks remaining consistent with historical trends. The auto adjudication rate, or the rate at which claims are automatically processed, reached an all-time high in September of 94.4%, representing an over 6% increase since 2020. High auto adjudication rates translate to increases in timeliness and accuracy of claims payments to CenCal Health providers. The Claims customer service team received 1,071 provider calls in the month of September, with an average speed to answer of 24 seconds. The majority of provider calls continued to reflect questions regarding the provider portal and claims submissions, and average talk time remained just above 8 minutes.

CalAIM Incentive Programs

Incentive Payment Program: CenCal Health is launching processes to allocate funds for the Incentive Payment Program (IPP) by the end of October. The team will process funding requests from current and anticipated Enhanced Care Management (ECM) and Community Support (CS) providers to support the following activities:

1. Staffing Costs
2. Capital Investments
3. System and Infrastructure Development
4. Ongoing Operations
5. Staff Training and Development

These funding opportunities will support the development and expansion of ECM and CS services for CenCal Health members.

Housing and Homeless Incentive Program: With San Luis Obispo and the Santa Barbara County Continuum of Care groups, CenCal Health created and submitted the Investment Plan (IP) on September 29, 2022. The IP detailed investment areas, including increasing access to housing and services through language services and engaging underserved populations, supporting the 2023 PIT Count, data sharing and IT infrastructure, expanding mental health services, increasing housing stock, providing landlord incentives, creating a flexible housing subsidy pool, providing best practice trainings, and strengthening support systems to obtain and maintain housing. Funding for investment areas will begin after approval of this plan.



Performance Division Report

Date: October 19, 2022

From: Chris Morris, MSOD, Chief Performance Officer

Contributors: Andrew Hansen, Operational Excellence Director

Executive Summary

The following report provides updates surrounding the development and execution of Performance Division functions: strategic development, process excellence, and organizational development.

Responsive to Board of Director feedback, Staff made a commitment to enhanced performance measurement to equip the organization to measure what matters, focus on results, and improve over time. At present, various measurement mechanisms provide some insight into CenCal Health performance. The shared vision is to build on existing strength and create a performance measurement system spanning all health plan processes to monitor the health of the entire organization in a concise and centralized manner. Structuring performance measurement around organizational processes provides advantages toward simplifying and increasing clarity of organizational performance. By January 2023, staff will establish a Monthly Huddle Board, and by March 2023, staff will finalize the Executive Level Dashboard prototype for Board consideration and adoption.

In January 2023 the Enterprise Project Management Office (EPMO) will begin overseeing the Operating Plan, introduced in May 2022, through the Plan's Portfolio Governance process. In the interim, the EPMO provides project management support for 14 of the 46 Operating Plan tactics with 78% (n=11) of which are in good health and three of which are off schedule, with corresponding mitigation activities underway.

Organizational Dashboard Update

Background Information

In April 2022, the Board of Directors was invited to identify valuable elective topics for Board meetings through the 2022 CEO Board of Directors Survey, and unanimously members selected "health plan performance" as the most valuable. Informed by that feedback, in May 2022, staff oriented the Board to the CenCal Health Performance Model. This model identifies an enterprise dashboard as a key capability relevant to organizational performance, and staff made a commitment to enhanced performance measurement through an executive level dashboard, to equip the organization to measure what matters, focus on results, and improve over time.

Performance Measurement Assessment

At present, various measurement mechanisms provide some insight into CenCal Health performance. At the departmental level, Directors utilize automated reporting supported by CenCal Health's Analytics team, some use manual tools (e.g., Excel), and others have yet to establish routine performance measurement. At the programmatic level, the Quality Improvement Workplan collates dozens of metrics spanning six (6) cross-functional committees: Claims Quality Committee, Healthcare Operations Committee, Network Management Committee, Provider Credentials and Peer Review Committee, and Quality Improvement Committee. Reporting directly to the Board, the Quality Improvement Committee provides visibility into the Quality Dashboard, which contains insight into 36 Healthcare Effectiveness Data & Information Set (HEDIS) metrics. Board visibility into other areas of cross-functional performance is largely accomplished through routine and ad-hoc narrative reports and presentations, including for example, Administrative Reports, Program Reports and Committee Reports.

The shared vision is to build on the strength of CenCal Health's Quality Program and create a performance measurement system spanning all health plan processes to monitor the health of the entire organization in a concise and centralized manner. Responsive to that vision, staff is engaged in the process of stepping back and asking, "How can we simplify and expand our measurement system?" The process to answer this question and create a comprehensive measurement system includes evaluation of evidence-based best practices in organizational performance measurement, review of peer health plan organizational performance measurement systems, and engagement of a CenCal Health leadership coalition to inform development.

Given existing variation in the presence and quality of performance measurement across the health plan, and urgency to produce performance insight, staff is pursuing the development of two capabilities in parallel. First, to meet the near-term need to gain centralized insight into organizational performance, staff will focus developmental efforts on a Monthly Huddle-Board. This capability will centralize a small cohort (approximately 30) of performance metrics to monitor key areas of operational performance. Following development, these metrics will be subject to monthly reporting and utilized by Plan leadership to monitor and adapt organizational performance as needed. This capability is targeted for implementation by January 2023. Second, to meet the long-term need to gain centralized and comprehensive insight into organizational performance, staff will concurrently pursue the development of an Executive Level Dashboard. This capability will ultimately be the source of truth for CenCal Health performance and will be utilized by Plan leadership and the Board to monitor and adapt organizational performance as needed. This capability is targeted for prototype by March 2023.

Executive Level Dashboard

Equipped with insights into performance measurement best practices – including the National Committee for Quality Assurance and the discipline of Business Process

Management – developmental efforts on the Executive Level Dashboard are underway. Foundational to this Dashboard's development is the inventory and definition of our organizational processes, with those serving our members, providers and community partners defined as core processes, those enabling the organization defined as support processes, and those that guide the organization defined as managerial processes.

Process Measurement Advantages

Designing the organizational performance measurement system around organizational processes provides six key advantages toward simplifying and increasing the clarity of performance measurement, including:

1. Organizing processes by scope and scale, known as process level:

Level	Description	Management	Example
1	Highest level	Executives	Engage and Support Members
2	Medium level	Directors, Officers	Help Members Navigate
3	Lower level	Managers, Supervisors	Onboard Members

2. Organizing processes by customer, to understand customer-specific experience and prompt customer-specific intervention, known as process type:

Type	Description	Customer(s)	Example
Core	Deliver value to members, providers and community	Members, Providers, Community	Engage and Support Members
Support	Enable organizational processes	Staff	Manage Technology
Managerial	Guide organizational processes	Staff, Board	Manage Finances

3. Formalizing roles and responsibilities for activities that span functional or departmental boundaries.
4. Creating focus by using a composite methodology, where the performance of multiple subprocesses is combined to depict various levels of performance.
5. Balancing focus between leading and lagging measures to enable timely intervention and retrospective evaluation.
6. Creating audience specific views according to relevant process level and type:

View	Processes	Metric Type	Metric Count
Executive	Level 1 Processes and Level 2 Core Processes	Composite	25 – 50
Leadership	Level 1, 2 and 3 Processes	Composite	100 – 125
Detailed	Level 3 Processes	Leading and Lagging Metrics	175 – 200

Next Steps

1. Staff will establish a Monthly Huddle Board and begin centrally monitoring operational performance through the Executive and Senior Leadership Teams, by January 2023.
2. Staff will finalize the Executive Level Dashboard prototype for Board consideration in March 2023.

Operating Plan Update

In May 2022, staff introduced the CenCal Health Operating Plan, a tool that collates multiple portfolios and work plans into a single plan to make visible all initiatives necessary to meet our annual organizational objectives. In January 2023, with the launch of the 2023 CenCal Health Operating Plan, the Enterprise Project Management Office (EPMO) will begin overseeing the Operating Plan through the Plan's Portfolio Governance process. In the interim, the EPMO provides project management support for 14 of the 46 Operating Plan tactics, 78% (n=11) of which are in good health, and three of which are off schedule with active mitigation activities, as follows:

- Contract Lifecycle Management Project – This project is intended to *adapt operations to meet customer needs* by improving the efficiency and effectiveness of the contract creation, review, execution and storage process. This project involves implementing a new contract software and scheduled go-live of the new software was delayed in September due to critical functionality gaps. Work with the vendor is underway to address functionality issues.
- Eating Disorders APL: 22-003 – This project is intended to *adapt operations to meet customer needs* by ensuring the coordination and provision of medically necessary services for members who are diagnosed with feeding and eating disorders and are currently receiving Specialty Mental Health Services from Santa Barbara and San Luis Obispo Counties. A key learning recently emerged that identified eating disorder facilities were not site certified, preventing County Behavioral Health Departments from utilizing state funds for such services. Accordingly, this project will be re-scoped and a new timeline established to ensure that site certification is included in the CenCal Health contracting process.
- Member Portal – This project is intended to *adapt operations to meet customer needs* by providing members with a secure, customizable portal to perform self-service requests and support two-way communication. This project is currently at risk of not meeting all business requirements by scheduled 12/31/22 go-live, and risk assessment and mitigation planning are underway.

Recommendation

This material is informational, and no action is requested.



Compliance Department Report

Date: October 19, 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 Barteel, 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 regulatory audits, state guidance and auditing or monitoring activities.

2024 Contract Operational Readiness

As part of the California Department of Health Care Services (DHCS) efforts to redefine how Medi-Cal managed care is delivered to the 12 million Californians receiving health care benefits, DHCS has restructured the managed care contract to hold plan partners and subcontractors more accountable for high-quality, accessible, and comprehensive care, to reduce health disparities, and to improve health outcomes. The new contract (2024 Contract or Contract) is effective January 1, 2024.

DHCS has structured the 2024 Contract Operational Readiness process into two (2) distinct periods: (1) Implementation Period; and (2) Operations Period. The Implementation Period is from August 1st, 2022 through December 31st, 2023. The Operations Period Commences on January 1, 2024. The Implementation Period includes a total of approximately 232 deliverables due to DHCS. The deliverables are spread across 3 phases and 10 due dates.

CenCal Health (CenCal or the Plan) has completed submissions for Phase 1, which includes due dates in August, September, and October. Phase 1 included 61 deliverables. Currently, a little over half of the 61 submitted deliverables have been approved and the rest are currently being reviewed by DHCS. The current percent of deliverables that were returned to the Plan requesting additional information is 15%.

Phase 2 includes 70 deliverables with due dates in December, January, and March. The Plan is actively working to prepare timely and high-quality submissions, in accordance with DHCS requirements.

Department of Health Care Services (DHCS) Medical Audits

2022 DHCS Medical Audit

CenCal Health's Medical Audit will be conducted virtually from October 17th through October 26th, 2022. The audit will be limited scope and evaluate the Plan's compliance with contract requirements and regulations in the areas of *Utilization Management, Case Management and Care Coordination, Access and Availability, Member Rights, Quality Improvement, Administrative and Organizational Capacity and State Supported Services Contract*. The scope of the audit period is from October 1, 2021 through September 30, 2022. Each year the auditors identify a delegate to evaluate and interview, and this year's focus will be on our radiology benefit manager, Care to Care.

The Plan continues to prepare for the upcoming virtual audit. The Plan successfully submitted all requested Pre-Audit documents on and conducted mock audit sessions for stakeholders in early October.

The opening conference will be held on Monday, October 17th and preliminary exit review will be held on Wednesday, October 26th, 2022.

Internal Audit and Monitoring

Delegation Oversight

The 2022 Annual Audit of Ventura Transit Systems, Inc. (VTS) is in process and remains open, while CenCal Health continues to work directly with VTS on audit findings. VTS is CenCal Health's delegate for transportation. The 2022 Annual Audit of Care to Care was completed in mid-July 2022. Care to Care is CenCal Health's radiology benefit manager and delegates utilization management activities. The Compliance Department received a Corrective Action Plan (CAP) response from Care to Care in late-September 2022, which is currently in review.

Sansum Clinic's 2023 Annual Delegation Audit will be held in early-December 2022 and notification will be sent to the Provider in October. CenCal Health delegates Credentialing & Re-credentialing to Sansum Clinic.

State Guidance: All Plan Letters

- 1) **22-016: Community Health Worker Services Benefit** (Released 9/2/2022, revised 9/9/2022) The CHW benefit went live 7/1/2022; however, DHCS delayed releasing their guidance to Plans via an APL.
- 2) **22-018: Skilled Nursing Facilities** (Released 9/28/2022) Long Term Care Benefit Standardization and Transition of Members to Managed Care



Information Technology Report

Date: October 19, 2022

From: Bill Cioffi, Chief Information Officer

Contributors: Jai Raisinghani, Director of Information Technology

Executive Summary

The following information is provided as an update on ongoing operational and project-oriented priorities in the Information Technology Department. As of September 12, 2022, the Enterprise Project Management Office (EPMO) reports to the Chief Performance Officer.

Information Technology

Cyber Security Awareness

Each year, the month of October is celebrated as Cyber Security Awareness month. To enhance awareness of the importance of cyber security, the Information Technology (IT) Department launched multiple trainings for staff. During this month, the IT Security team is will also be conducting presentations at CenCal Health's all-staff meeting.

Claims Processing

Claims incoming volume from providers is consistent with previous months. CenCal received 98% of the claims via electronic method (EDI, Provider Portal, Electronic Data exchange) with an auto-adjudication rate of 95.4% for the month of September 2022.

Staffing

The IT department is actively recruiting for IT Operations Manager and IT System/Network Administrator.



September 2022 Look Back

To:
CenCal Health's Board of Directors

From:
Nicolette Worley Marselian
Director, Communications &
Community Relations

Date:
October 6, 2022

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- Quarterly Report: Sponsorships and Donations
- Community Meetings
- Activities Report

EARNED MEDIA

Public Relations/Publicity Efforts

The Communications and Community Relations department distributed the following press release in English and Spanish in September 2022:

- **CalAIM Arrives in Santa Barbara and San Luis Obispo Counties**
CenCal Health to manage State's transformation of Medi-Cal on the Central Coast

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

This news release earned six mentions, including the Sunday issue of the *Santa Barbara News-Press*. In addition, digital coverage was provided by the Local Health Plans of California (LHPC) via its website and media monitoring email *Member Mentions*; Central Coast Medical Association's (CCMA) monthly e-newsletter *The Pulse*; *Nonprofit Resource Network*; and *Amigos 805*, as a bilingual report.

Two CenCal Health-sponsored events, which benefited New Beginnings Counseling Center and Hillside House Santa Barbara, rendered mentions in the *Santa Barbara Independent's* print edition and website, and the digital outlet *Noozhawk*.

CenCal Health was also listed as a sponsor of the Student Behavioral Health Incentive Program (SBHIP) in a digital column published by *Carpinteria Coastal View*. The program aims to increase access to preventive, early intervention, and behavioral health services at school sites.

In addition, the *Santa Barbara Independent* mentioned CenCal Health as the employer of Care Coordination Social Worker Rose Muñoz, who is campaigning for Board member reelection for the Santa Barbara Unified School District. Ms. Muñoz has worked at CenCal Health for over 14 years and currently serves as the District's Board President.

September 2022 Look Back



CenCal
HEALTH[®]
Local. Quality. Healthcare.

To: CenCal Health's Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: October 6, 2022

EARNED MEDIA

Media Coverage Report

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

CenCal Health Media Coverage Report - September 2022						
Date	Name	Type	Page	Section	Subject	Headline
*9/29/2022	Santa Barbara Independent	Print & digital	6	Endorsements	CenCal Health Employee	Santa Barbara Unified School District, Area 4: Rose Muñoz
9/15/2022	CCMA's The Pulse e-newsletter	Email		News	Introduction of CalAIM to Local Communities	CalAIM Arrives in Santa Barbara and San Luis Obispo Counties
*9/14/2022	Carpinteria Coastal View	Print & digital	12	CVN Column: Superintendent's Desk	CenCal Health Sponsorship	Student Behavioral Health Incentive program
9/12/2022	LHPC	Digital & email		Media (online); Member Mentions (email)	Introduction of CalAIM to Local Communities	CalAIM Arrives in Santa Barbara, San Luis Obispo Counties
*9/9/2022	Santa Barbara News-Press	Print & digital	B2	Life	Introduction of CalAIM to Local Communities	CalAIM Arrives in Santa Barbara, San Luis Obispo Counties
*9/9/2022	Amigos 805	Digital		News	Introduction of CalAIM to Local Communities	Bilingual Report: CalAIM Arrives in Santa Barbara and San Luis Obispo Counties
*9/8/2022	Santa Barbara Independent	Print & digital	20	Cover Story	CenCal Health Sponsorship	50 Years of Changing Lives at New Beginnings Counseling Center
9/8/2022	Nonprofit Resource Network	Digital & email		News	Introduction of CalAIM to Local Communities	CalAIM Arrives in Santa Barbara and San Luis Obispo Counties
*9/5/2022	Noozhawk	Digital & email		Good for Santa Barbara	CenCal Health Sponsorship	Hillside Fall Garden Party Benefit Features Works by Local Artists

September 2022 Look Back

To: CenCal Health's Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: October 6, 2022



CLIPPINGS SAMPLES

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

1

9/29/2022 – Santa Barbara Independent, Santa Barbara Unified School District, Area 4: Rose Muñoz

The screenshot shows a news article from the Santa Barbara Independent. The title is "Our Endorsements for the November Election" and the subject is "S.B. Unified School District, Area 4: Rose Muñoz". There is a photograph of Rose Muñoz, a woman with dark hair wearing a blue top and a black jacket. Below the photo is a caption: "Rose Muñoz | Credit: Courtesy". The article text begins with: "If there's a mean bone in Rose Muñoz's body, it would take a forensic anthropologist to find it. Given how polarized things have gotten at school board meetings, that's not an inconsequential attribute. Muñoz – who has served on the board now four years and is going for a second term – is the classic sort of citizen-activist representative all school boards should have. For the past 20 years, she's worked as a social worker for CenCal, a mega insurance provider for those on Medi-Cal. She and her husband – who live in Noleta".

2

9/14/2022 – Carpinteria Coastal View, Student Behavioral Health Incentive program

The screenshot shows a news article from CoastalView.com. The title is "Summerland School set for December opening" and it is categorized as a "CVN COLUMN: FROM THE SUPERINTENDENT'S DESK". The author is "By Diana Rigby" and the date is "Sep 14, 2022". The article text begins with: "The Carpinteria Unified School Districts is one of seven districts in Santa Barbara County that are participating in the Student Behavioral Health Incentive Program (SBHIP). The purpose of this program, funded by CENCAL, is to increase access to preventive, early intervention and behavioral health services at school sites."

Student Behavioral Health Incentive program

The Carpinteria Unified School Districts is one of seven districts in Santa Barbara County that are participating in the Student Behavioral Health Incentive Program (SBHIP). The purpose of this program, funded by CENCAL, is to increase access to preventive, early intervention and behavioral health services at school sites.

September 2022 Look Back

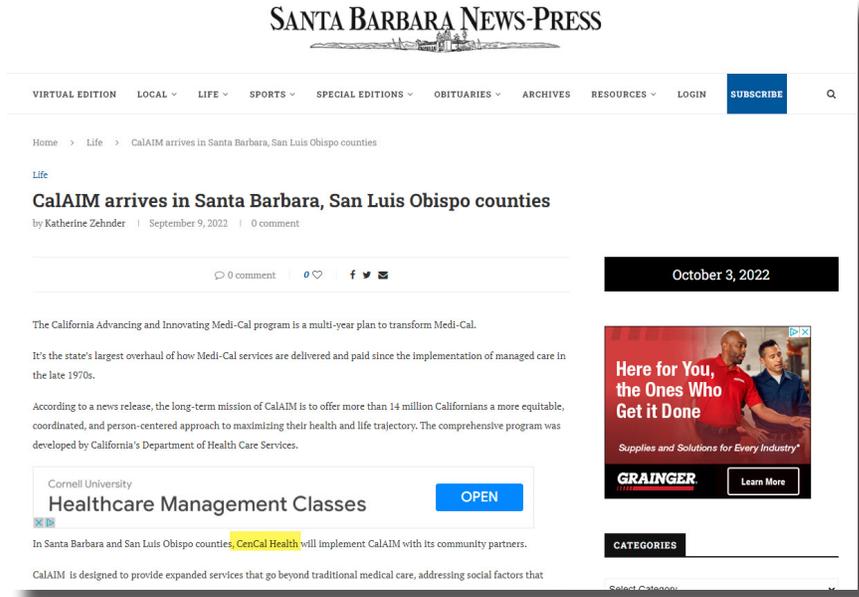
To: CenCal Health's Board of Directors
 From: Nicolette Worley Marselian, Director, Communications & Community Relations
 Date: October 6, 2022



CLIPPINGS SAMPLES (cont.)

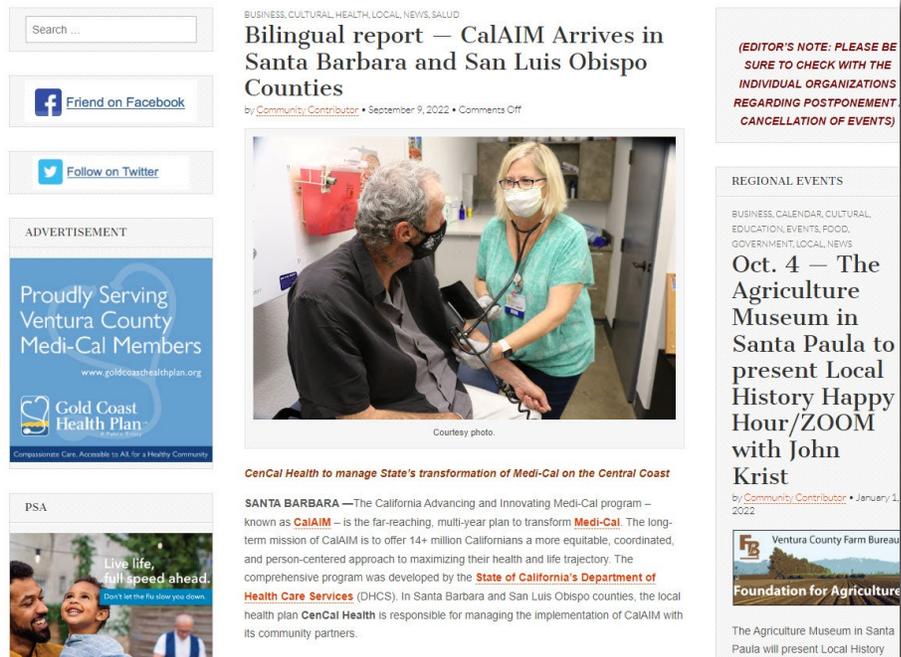
3

9/9/2022 – Santa Barbara News-Press, CalAIM Arrives in Santa Barbara, San Luis Obispo Counties



4

9/9/2022 – Amigos 805, Bilingual Report: CalAIM Arrives in Santa Barbara and San Luis Obispo Counties



September 2022 Look Back

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CLIPPINGS SAMPLES (cont.)

5

9/8/2022 – Santa Barbara Independent, 50 Years of Changing Lives at New Beginnings Counseling Center

50 Years of Changing Lives at New Beginnings Counseling Center



The Center's services are more critical than ever at the moment. Schwarz says, "We have seen an unprecedented presentation of increased distress and a decrease in distress tolerance since the start of COVID. Services need to be accessible and affordable and equitable. There are a number of community partners and collaboratives we work with who are working to increase access, through such organizations as YouthWell, the Mental Health Advisory Board, Be Well, Cottage Hospital, Mission Harbor Behavioral Health, Santa Barbara Neighborhood Clinics, and **CenCal**."



The cast of 'Food and Shelter' takes a bow. | Credit: Courtesy

Art therapies are also entrenched in the Center's list of projects and objectives. These include drawing, painting, collage, journaling, poetry, and fStop Foundation, a digital photography workshop created by former board member Terence Ford for First Responders and Veterans.

"Jonny also shows us how important and necessary and normal it is to want to talk about depression – how important interdependence is to our well-being. That it's okay to have emotions about stuff that is really challenging and scary and painful, and it can help to feel better if you talk about it. And learning that through a story about someone you can relate to, connecting to the public through the arts in this way, is somehow anonymous and safe – and, in this instance, bonding and compelling."

Circling back to the essential message and method of *Every Brilliant Thing*, Schwarz says, "Most of us have experienced grief and rejection and fear, especially like in some of the situations depicted within the context of this play. Jonny's reflections about depression and

suicide and his resulting interactions with the audience are surprisingly funny without being irreverent or political or stigmatizing. There is a tenderness to his handling of the subject that the audience appreciates and respects.

6

9/5/2022 – Noozhawk, Hillside Fall Garden Party Benefit Features Works by Local Artists



MENU Home | Local News | Coronavirus | Calendar | Schools | Sports | Business | Good for SB | Arts | Homes & Lifestyle | Your Heal



Investing in Our Community's College
 PROVIDING MORE THAN \$5 MILLION ANNUALLY TO SUPPORT THE SBCC PROMISE, STUDENT SUCCESS PROGRAMS, SCHOLARSHIPS, EMERGENCY GRANTS, AND MORE.
 Your support makes it possible. sbccfoundation.org

Good for SANTA BARBARA



POSTED ON SEPTEMBER 5, 2022 12:00 PM

Hillside Fall Garden Party Benefit Features Works by Local Artists

SOURCE: MICHAEL PADDEN-RUBIN FOR

Hillside invites community me Today & Tomorrow: A Fall Garden Party, Sunday, Sept. 25 in the 5th Alpha Resource Center, 4501 C Road, Santa Barbara.

Proceeds from the event will benefit individuals living with intellectual developmental disabilities, with Hillside on Veronica Springs Road, Santa Barbara.

Hillside thanks its in-kind donors and sponsors: Best Western Plus Santa Barbara; Blenders; **CenCal Health**; Condor Express; Norris Goss; David and Judy Jones; La Bella Rosa Bakery; Live Oak Café; Mission Linen Supply; Robert and Margaret Niehaus; Patco Jewelers; Santa Barbara Botanic Garden; Gerald and Carol Smith; Trader Joe's; and Nancy and Russ Werner.

Hillside also thanks the artists: Benjamin Brode, Kris Buck, Jessica Cardinahl, Dorothy Churchill-Johnson, Kevin Gleason, Masha Keating, Anthony Lobosco, and Kim Snyder for their generosity to Hillside and the residents.

"We are grateful Hillside is among the nonprofits they support," said Michael Rassler, Hillside president/CEO.

To buy tickets and sign up to sponsor the event, visit hillside.sb.org, or contact Elizabeth Arendt, office manager, 805-687-0788 ext.110 or email earendt@hillside.sb.org.

The Hillside events subcommittee also thanks Emerson Hancock, physical education aide, and the residents, who collaborated with him, to produce the artwork used in the invitation flyer.

For more about supporting Hillside and the residents, visit hillside.sb.org or contact Michael Padden-Rubin, director of development, Hillside, 805-687-0788 ext.115 or mpaddenrubin@hillside.sb.org.



GOOD FOR SANTA BARBARA SPONSORS

Community Environmental Council

September 2022 Look Back

To: CenCal Health's Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: October 6, 2022



PRESS RELEASE

CalAIM Arrives in Santa Barbara and San Luis Obispo Counties

CenCal Health to manage State's transformation of Medi-Cal on the Central Coast

SANTA BARBARA, Calif. – Sept 6, 2022 – The California Advancing and Innovating Medi-Cal program – known as CalAIM – is the far-reaching, multi-year plan to transform Medi-Cal. The long-term mission of CalAIM is to offer 14+ million Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectory. The comprehensive program was developed by the State of California's Department of Health Care Services (DHCS). In Santa Barbara and San Luis Obispo counties, the local health plan CenCal Health is responsible for managing the implementation of CalAIM with its community partners.

CalAIM will provide expanded services that go beyond traditional medical care, addressing social factors that affect human health from birth to end of life, including homelessness, behavioral health, care of older adults, services for individuals transitioning from incarceration, and beyond. CalAIM is the State's largest overhaul of how Medi-Cal services are delivered and paid since the implementation of managed care in the late 1970's.

"Our community partners have continuously been at the forefront of innovation, providing person-centered care to our members and underserved neighbors," said CenCal Health CEO Marina Owen. "With the opportunities afforded by CalAIM, we are pleased to support our providers' efforts to enhance, expand, and strengthen local services."

CenCal Health has implemented two new initiatives under the CalAIM framework. They are:

- Enhanced Care Management (ECM) is a benefit for members with complex needs requiring seamless coordination between multiple doctors and other care providers. With ECM, enrolled members are assigned a lead care manager who helps coordinate doctors, specialists, pharmacists, case managers, and social service providers, among others, in order to comprehensively manage the member's primary care, acute care, behavioral health, developmental health, oral health, and community services and supports.
- Community Supports provides medically appropriate and cost-effective alternatives to traditional medical services. Community Supports comprehensively addresses the needs of members — including those with the most complex challenges affecting health such as homelessness, unstable and unsafe housing, food insecurity, and/or other social needs.

September 2022 Look Back

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Press Release (cont.)

CenCal Health currently offers two Community Supports: Medically Tailored Meals and Recuperative Care. Medically Tailored Meals provides meals to members with diabetes, congestive heart failure, or chronic kidney disease, and who have had a skilled nursing facility stay, inpatient hospital visit, or two emergency room visits within 12 months.

Recuperative Care is medically supervised respite care for patients who have just been released from the hospital due to serious illness or injury, and are experiencing homelessness or at risk of homelessness. Community partners, shelters and local hospital providers Dignity Health, Cottage Health and Tenet Health have been offering recuperative care since 2019. Through CalAIM, CenCal Health will continue to support these critical services.

"Working together we can disrupt the cycle of preventable re-hospitalizations for those in our community experiencing homelessness," said Marian Regional Medical Center President and CEO Sue Andersen. "It is great news that CalAIM and CenCal Health have made Recuperative Care an immediate priority in our county."

Good Samaritan Shelter, PATH Santa Barbara, and Community Action Partnership of San Luis Obispo partner with the area hospitals to ensure an integrated referral and care coordination structure for members moving in and out of respite services. "Our shelter is committed to providing emergency, transitional and affordable housing with support services to the homeless and those in recovery throughout the Central Coast," said Sylvia Barnard, Good Samaritan Shelter Executive Director.

More information about CalAIM on the Central Coast is available at cencalhealth.org/members/calaim/. Additional information about CalAIM can be found on the DHCS site at dhcs.ca.gov/calaim. To learn more about CenCal Health go to cencalhealth.org.

September 2022 Look Back

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PAID MEDIA

Communications Plan for 2023-2025 Strategic Plan



Immediately following the approval of CenCal Health's 2023-2025 Strategic Plan by our Board of Directors, the Communications and Community Relations department authored a multi-faceted Communications Plan for its promotion.

From September 2022 through January 2023, the objective is to execute more than two dozen activities, which incorporate internal, external, provider-focused, and member-focused communications.

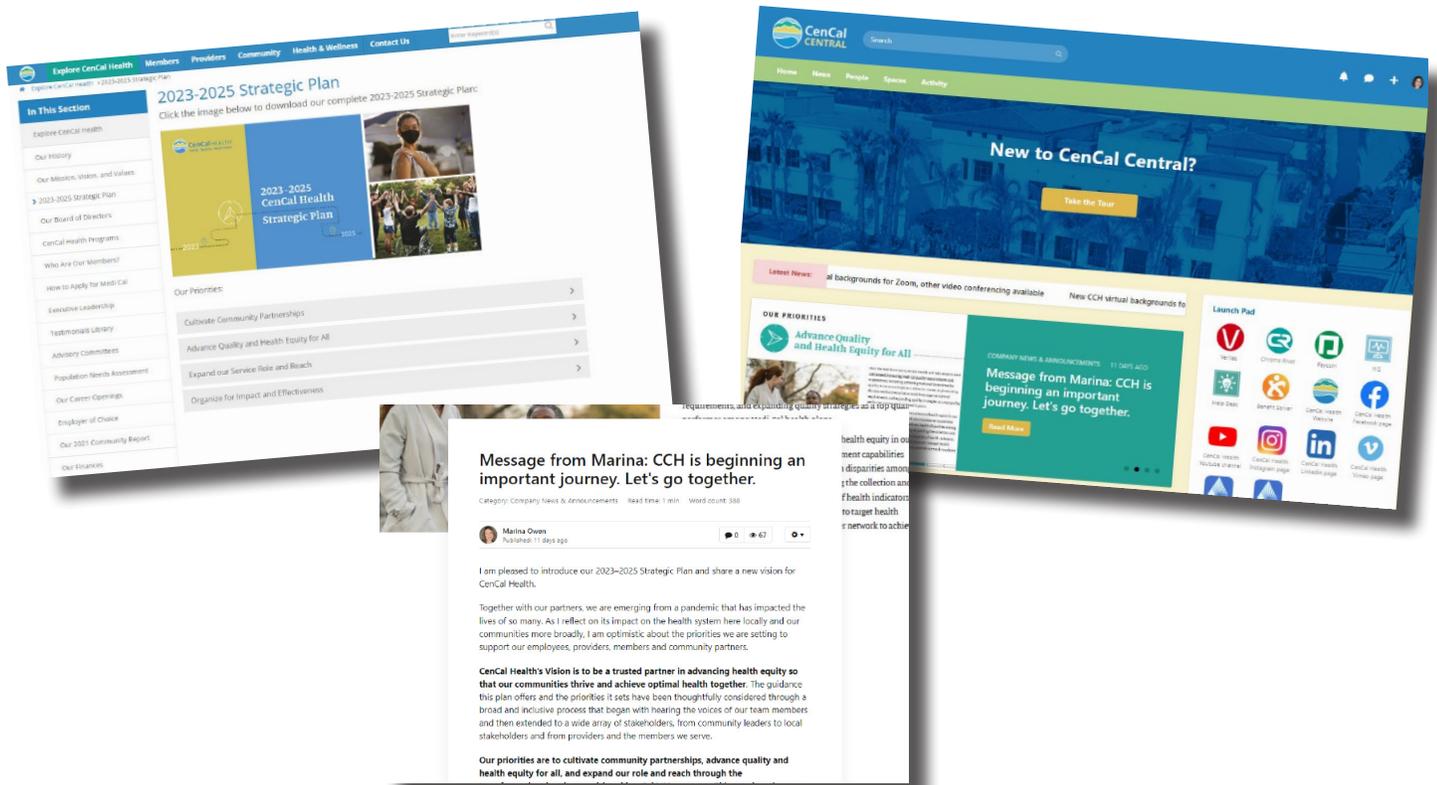
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PAID MEDIA (cont.)

Communications Plan for 2023-2025 Strategic Plan



Since the Strategic Plan's approval, the following strategies have been completed:

1. Development of materials, including a digital version of the complete Plan, hard copy booklet, and 1-sheet digital summary
2. Posting the complete Plan on CenCal Health's external website cencalhealth.org
3. Publishing an article written by Marina Owen, the complete Plan, and 1-sheet summary on CenCal Health's intranet CenCal Central
4. Presenting the Plan at the September 2022 all-staff meeting
5. Hosting a Strategic Plan-focused Town Hall to share and ingrain the priorities among staff

The Communications Plan will continually be updated as needed to ensure that the strategies are aligned and linked to CenCal Health's organizational priorities.

September 2022 Look Back

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SHARED MEDIA

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

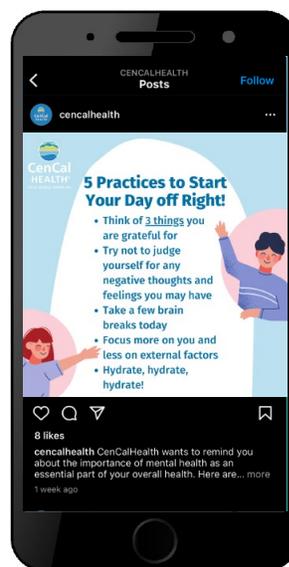
September Social Media Campaigns



CaAIM Arrives in Santa Barbara and San Luis Obispo Counties!



National Hispanic Heritage Month!



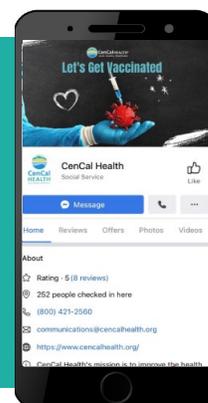
5 Practices to Start Your Day off Right!



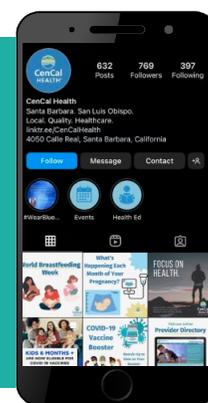
Gynecologic Cancer Awareness Month

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

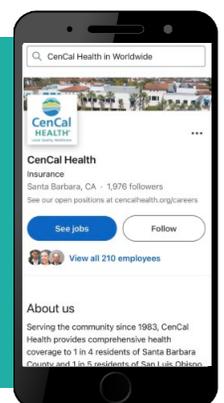
- **Follow** CenCal Health on Facebook, Instagram, and LinkedIn.
- **"Like"** posts.
- **Post comments** as appropriate.
- **Share posts** you think others may find interesting or informative.



Facebook



Instagram



LinkedIn

On social media, you will see that our Facebook and Instagram content provides targeted information for our members and providers. On LinkedIn, our posts recruit, inform and repost content published by our community partners and providers. We also communicate to teleworking CenCal Health staff.

September 2022 Look Back

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COMMUNITY RELATIONS

Quarterly Report: Sponsorships and Donations

From July 1 through September 30, 2022, CenCal Health sponsored and donated \$9,303.74 in funds, which benefited eight community-based organizations. In addition, two organizations received sponsorships during the 2021-2022 fiscal year, for events that occurred this summer. The organizations supported predominately serve underserved communities, children and families, or provide mental health/behavioral health services.

Starting in May 2022, staff began attending various sponsored in-person engagements. Nine CenCal Health Ambassadors and five guests represented the organization at seven events. Two events did not require Ambassador representation, and one organization did not have an event linked to their sponsorship.

Below is a list of all sponsored events that were supported by CenCal Health from July 1 through September 30, 2022.

Event Date	Organization	County of Organization	Targeting	Targeting Amount Provided
7/27/2022	Foodbank of Santa Barbara	Santa Barbara	Food insecurity	FY 21/22**
8/1/2022 – 8/5/2022	Santa Barbara County Public Health Department Nutrition Services/ WIC*	Santa Barbara	Health concern	\$3,864.80
8/9/2022 – 8/12/2022	SEE International	Santa Barbara	Health concern	\$1,000
8/20/2022	People's Self-Help Housing	San Luis Obispo	Unhoused/homeless	FY 21/22**
9/9/2022	Children's Resource & Referral of Santa Barbara County	Santa Barbara	Mental health	\$1,000
9/10/2022	Sansum Diabetes Research Institute	Santa Barbara	Health concern	\$721
9/23/2022	United Way of Santa Barbara County	Santa Barbara	Children	\$717.94
9/24/2022	New Beginnings	Santa Barbara	Mental health	\$1,000
9/25/2022	Hillside House	Santa Barbara	Developmental disabilities	\$500
N/A	AHA! (Attitudes Harmony Achievement)	Santa Barbara	Mental health	\$500

*Sponsorship paid for costs related to attendees at the Certified Lactation Specialist Course.

**Sponsorship was approved in the 2021–2022 fiscal year, but the event took place between July and September 2022.

September 2022 Look Back

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 Date: October 6, 2022



Community Meetings

CenCal Health staff are active on community boards, councils, and committees representing issues on access to healthcare, children and senior issues, behavioral health, Latine/x outreach, individuals with developmental disabilities, and homelessness. Our objective is improving access to high-quality healthcare, reducing health inequities, providing education, and promoting a healthy lifestyle.

Activities Report

CenCal Health participated in 19 community-focused meetings and activities in September 2022. Due to the COVID-19 pandemic, remote meetings and events are prioritized to ensure our staff's safety while maintaining engagement. On occasions when in-person activities take place, staff are encouraged to follow recommended preventive safety measures, like mask wearing and social distancing.

Date	Activity/Event/Meeting	Audience Reached
September 2	Adult Services Policy Council (SLO)	Public/CBOs/Business Community/County/ Provider/Legislators
September 7	KIDS Network (SB)	Public/CBOs/Business Community/County
September 8	YouthWell and BWell introductory and collaboration meeting (SB)	CBO/County
September 9	Help Me Grow Advisory Board (SB)	Public/CBO/Business Community/County
September 13	People Helping People 30 Year Anniversary event (SB)	Public/CBOs/Business Community/County/ Provider
September 15	5Cities Homeless Coalition introductory meeting and sponsorship delivery (SLO)	CBO
September 15	SLO Food Bank introductory meeting (SLO)	CBO
September 16	AHA! introductory meeting and sponsorship delivery (SB)	CBO
September 20	Homeless Services Oversight Council Meeting Finance & Data Committee (SLO)	Public/CBOs/Business Community/County/ Provider/Legislators
September 20	Lompoc Primary & Behavioral Health Care Coalition (SB)	Public/CBOs/Business Community/County/ Providers/Legislators
September 21	Full Homeless Services Oversight Council Meeting (SLO)	Public/CBOs/Business Community/County/ Provider/Legislators

September 2022 Look Back

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Activities Report (cont.)

Date	Activity/Event/Meeting	Audience Reached
September 21	Behavioral Health Board (SLO)	Public/CBOs/Business Community/County/Provider/Legislators
September 22	Healthy Lompoc Coalition (SB)	Public/CBOs/Business Community/County/Provider
September 22	Trauma Informed SLO (SLO)	Public/CBOs/Business Community/County/Provider/Legislators
September 26	Caring Together Santa Barbara County Partner Convening (SB)	Public/CBOs/Business Community/County/Provider
September 26	National Recovery Month event (SB)	Public/CBOs/Business Community/County/Provider/Law Enforcement/Legislators
September 27	ACEs Aware and Resilience Community Partners (SB)	Public/CBOs/Business Community/County
September 27	SB County BWell & Public Health Department Collaboration (SB)	County
September 29	Regional Equity Roundtable (SLO)	Public/CBOs/Business Community/County/Provider/Law Enforcement/Legislators



CalAIM Implementation Update

Date: October 19, 2022

From: Jennifer Fraser, PMP, EPMO Program Manager

Through: Marina Owen, Chief Executive Officer
Amanda Flaum, Chief Operating Officer

Executive Summary

This report provides information regarding CenCal Health's efforts to achieve the goals of California Advancing and Innovating Medi-Cal (CalAIM) as defined by the Department of Healthcare Services (DHCS) (see *Table 1*). To achieve those goals over the next several years, CalAIM initiatives are managed collectively with oversight through an internal Steering Committee comprised of Executive and Senior Leaders to support aligning CalAIM goals with CenCal Health's strategic objectives (see *Tables 2 and 3*). The purpose of this memo is to provide information and highlights on CalAIM implementation activities to include DHCS policy updates and plan decisions.

CalAIM Program Update

To ensure the voice of our communities are represented and their needs known, an external Steering Committee is being developed and will be led by CenCal Health's Customer Experience Division. This will be an important input to the Internal CalAIM Steering Committee in setting strategy to meet needs and address gaps in our communities. Additionally, to support the myriad requirements related to both CalAIM and non CalAIM initiatives, a focus on ensuring overall compliance without duplication of effort is needed by assessing overlapping requirements. Planning is underway to achieve such an assessment. CenCal Health staff is also assessing work being conducted across the Plan to bring visibility to the total scope of CalAIM activities, (i.e., Operations, Compliance, and EPMO, etc.) to create further insight and oversight to the Internal Steering Committee.

CalAIM Initiatives Update

Below is a list of updates for in process CalAIM initiatives:

- **Enhanced Care Management (ECM)** - For the first three (3) ECM Populations of Focus live on July 1st, approximately 3,700 presumptively eligible members have been identified: 64% in Santa Barbara County and 36% in San Luis Obispo County. Member lists generate monthly to three (3) contracted providers who are submitting authorizations for outreach. To date, twenty-seven (27) members have been enrolled for ECM services. DHCS recently updated the description for Population of Focus (POF) 2 as well as notified managed care plans of an

additional POF effective January 1, 2024 (see *Table 4*). All Model of Care submissions have been submitted to DHCS timely for Phase 1 and Phase 2 (see *Table 6*) with the most recent submission on September 1st pending DHCS approval to include a request for additional information.

- **Community Supports** – For Community Supports (CS) services, Medically Tailored Meals (MTM) launched on July 1st with one (1) contracted national provider, and Recuperative Care launched on October 1st with two (2) contracted local providers. The Internal Steering Committee made a decision based on a recommendation from staff to delay offering additional CS services until after July 1, 2023, to allow staff to focus on the implementation of the four (4) services going live January 1, 2023 (see *Table 5*). All Model of Care submissions have been submitted to DHCS timely for Phase 1 and Phase 2 (see *Table 6*) with most recent submission on September 1st pending DHCS approval.
- **Social Determinants of Health (SDOH)** - DHCS has issued a list of twenty-five (25) priority SDOH diagnosis codes for plans and providers to utilize when coding for SDOH to capture reliable data. CenCal Health staff is executing a communication plan to increase awareness to providers of the importance of reporting these codes with an emphasis on the priority codes established by DHCS. A reporting baseline has been established for the current SDOH reporting volume to help target network communication needs.
- **NCQA Accreditation & Population Health Management (PHM)** - To streamline plan oversight and to increase standardization across plans, DHCS is requiring all plans to be NCQA accredited. Beginning in 2023, CenCal Health will be required to meet NCQA standards for PHM in advance of full accreditation. A reporting deliverable to DHCS on the plan's readiness for PHM is in progress for submission in late October. Additionally, an enterprise-wide gap analysis has been launched for the NCQA Standards outside of PHM to identify areas of need in advance of potentially recruiting for a NCQA surveyor consultant to conduct mock surveys.
- **Incentives** – DHCS has established a variety of funding streams to support plans and providers in achieving the goals of CalAIM. CenCal Health staff via the External Steering Committee is currently in various stages of engaging and implementing these different incentive programs, (i.e., Incentive Payment Program (IPP), Providing Access and Transforming Health (PATH) Incentives, Behavioral Health Incentive Program (BHIP), Student Behavioral Health Incentive Program (SBHIP), and Homeless Housing Incentive Program (HHIP).
- **Mandatory Managed Care Enrollment (MMCE)** - To standardize enrollment processes to ensure members moving between counties are subject to the same enrollment requirements, DHCS is eliminating variances in benefits according to aid code, population, and geographic location. The first transition related to non-dual populations was on January 1, 2022, for approximately 200 members with the next transition related to dual populations scheduled for January 1, 2023.
- **Transition to Statewide Managed LTSS & D-SNP** – DHCS is requiring beneficiaries to enroll in a Medi-Cal managed care plan and D-SNP operated by the same organization to allow for greater integration and coordination of their care. Final meetings with the consultant who conducted the gap analysis refresh and created the planning roadmap are complete. Efforts for the procurement of consultants for both actuarial and implementation needs have been initiated.

- **Benefits Standardization** – In line with the purpose of the MMCE above, DHCS is standardizing benefits so that Medi-Cal beneficiaries will have access to a consistent set of services no matter where they live. Both Major Organ Transplant (MOT) effective January 1, 2022, and Long-Term Care (LTC) effective January 1, 2023, are currently CenCal Health benefits. Effective July 1, 2023, specialty mental health services (SMHS) will not be covered services for any managed care plan.

Recommendation

Staff recommends acceptance of this informational report describing current CalAIM implementation activities.

Appendix

Table 1 – CalAIM Goals

CalAIM has three (3) primary goals as defined by DHCS in the table below:

DHCS CalAIM Goals	
1	Identify and manage comprehensive needs through whole person care approaches and social drivers of health
2	Improve quality outcomes, reduce health disparities, and transform the delivery system through value-based initiatives, modernization, and payment reform
3	Make Medi-Cal a more consistent and seamless system for enrollees to navigate by reducing complexity and increasing flexibility

Table 2 – CenCal Health Objectives

CenCal Health's strategic objectives are noted in the table below:

CCH Objective	Objective Description
Adapt Operations to Meet Customer Needs	Anticipate and respond to the existing and emerging needs of our members, providers, community, and regulatory partners
Enhance Organizational Readiness	Enable organizational advancement by pursuing targeted improvements in operational excellence, compliance strength, technology readiness and financial position
Prepare for Strategic Advancement	Execute a collaborative planning process that positions CenCal Health to strategically focus in the coming years on efforts that advance our mission and emerging vision

Table 3 – CalAIM Initiatives Mapped to CalAIM Goals and CenCal Health Objectives:

CalAIM initiatives mapped to both DHCS goals and CenCal Health's strategic objectives are noted in the table below:

CalAIM Initiative	CalAIM Goal	CenCal Health Objective
Community Supports (formerly ILOS)	1	Adapt Operations to Meet Customer Needs
Enhanced Care Management (ECM)	1	Adapt Operations to Meet Customer Needs
Collecting Social Determinants of Health (SDOH)	1	Adapt Operations to Meet Customer Needs
Specialty Mental Health Services - Criteria for Services	1	Adapt Operations to Meet Customer Needs
NCQA Accreditation for MCPs	2	Enhance Organizational Readiness
Population Health Management (PHM)	2	Adapt Operations to Meet Customer Needs
Incentive Payment Program (IPP)	2	Adapt Operations to Meet Customer Needs
Providing Access and Transforming Health (PATH) Incentives	2	Prepare for Strategic Advancement
Behavioral Health Incentive Program	2	Adapt Operations to Meet Customer Needs
Student Behavioral Health Incentive Program	2	Adapt Operations to Meet Customer Needs
Homeless Housing Incentive Program	2	Adapt Operations to Meet Customer Needs
Mandatory Managed Care Enrollment (MMCE)	2	Prepare for Strategic Advancement
Transition to Statewide Managed LTSS & D-SNP	2	Adapt Operations to Meet Customer Needs
Benefit Standardization	3	Adapt Operations to Meet Customer Needs
Behavioral Health No Wrong Door	3	Adapt Operations to Meet Customer Needs

Table 4 – ECM Populations of Focus (POFs)

DHCS is implementing the new ECM benefit over three (3) phases with each phase targeted for specific Populations of Focus as noted in the table below. An additional Population of Focus was recently added for 2024.

Phase	Populations of Focus (POFs)	Effective Dates
1	<ul style="list-style-type: none"> Individuals & Families Experiencing Homelessness (POF 1) Adults At Risk for Avoidable Hospital and Emergency Department (ED) Utilization (POF 2) Adults with SMI/SUD Needs (POF 3) 	7/1/2022 <i>Live</i>
2	<ul style="list-style-type: none"> Adults Living in the Community At Risk for Institutionalization and Eligible for Long Term Care (LTC) Institutionalization (POF 5) Adults who are Nursing Facility Residents Transitioning to the Community (POF 6) 	1/1/2023
3	<ul style="list-style-type: none"> Individuals Transitioning from Incarceration (POF 4) Children & Youth Populations of Focus (POF 7) 	7/1/2023
4	<ul style="list-style-type: none"> Pregnant and Postpartum Individuals At Risk for Adverse Perinatal Outcomes 	1/1/2024

Table 5 – Implementation of Community Supports Services

CenCal Health's implementation of the pre-approved Community Supports services is noted in the table below.

Community Supports	Effective Date
<ul style="list-style-type: none"> Medically Tailored Meals (MTM) 	7/1/2022 <i>Live</i>
<ul style="list-style-type: none"> Recuperative Care (RC) 	10/1/2022
<ul style="list-style-type: none"> Housing Transition Services Housing Deposits Housing Tenancy & Sustaining Services Sobering Centers 	1/1/2023
<ul style="list-style-type: none"> No Community Supports Offerings 	7/1/2023

Table 6 – ECM and Community Supports Model of Care (MOC) Submission Status

The Model of Care (MOC) contains documentation to be submitted to DHCS to determine the plan's readiness to meet the regulatory requirements for ECM and Community Supports. The timeframes and status for submissions are noted in the table below.

Phase	ECM	Community Supports	MOC Parts	Deadline	Status
<u>1</u> 7/1/2022	POFs 1, 2, 3	<u>Initial Offerings</u> • Medically Tailored Meals • Recuperative Care	Parts 1 & 2	2/15/22	Approved
			Part 3	4/15/22	Approved
<u>2</u> 1/1/2023	POFs 5, 6	<u>Subsequent Offerings</u> • Housing Transition Services • Housing Deposits • Housing Tenancy & Sustaining Services • Sobering Centers	Parts 1 & 2	7/1/22	Approved
			Part 3	9/1/22	Submitted/ <i>Pending Approval</i>
<u>3</u> 7/1/2023	POF 4 POF 7	<u>Subsequent Offerings</u> • None	Parts 1 & 2	1/1/23	Planning
			Part 3	3/1/23	Not Started



Appointment to Provider Advisory Board

Date: October 19, 2022

From: Robert Janeway, Provider Services Director

Through: Jordan Turetsky MPH, Provider Network Officer

Contributors: Sheila Thompson RN CPHQ, Provider Quality and Credentialing Manager

Executive Summary

Staff asks the CenCal Health Board of Directors approve the following members to the Provider Advisory Board:

- **Steve Clarke MD DABFM:** *Medical Director, Community Health Centers of the Central Coast*

Replacing:

- **Mazharullah Shaik MD:** *Chief Quality and Population Health Officer, Community Health Centers of the Central Coast*

The membership term for the Provider Advisory Board is two years with unlimited reappointments possible.

Background

As a physician executive, Dr. Clarke is well versed in large-scale medical administration, operations and project management. He has past and current experience as committee chair for Quality Improvement, Peer Review, Pharmacy and Therapeutics, and Data Management; and has acted as physician champion and liaison to Behavioral Health, EHR/IT, Telehealth and LEAN Teams. He was the project leader for CHCCC's Covid-19 Pandemic Response, a project that was recognized by the Association of Affiliated Health Plans with the National Safety Net Award in June 2022. He has practiced with CHCCC since 2010 and in the community since 1999.

Recommendation

Staff recommends Board's approval of this change in anticipation of the next meeting of the Provider Advisory Board in January 2023.

Provider Advisory Board

Meeting Minutes – April 11th, 2022

SB ATTENDEES: **Members:** Dana Goba; Dusty Keegan; George Bifano, DO; Michael Bordofsky, MD; Nancy Tillie; Suzanne Jacobson (Excused); Yolanda Robles.
Staff: Adam Butler; Dona Lopez; Elizabeth Ginder; Karina Orozco; Marteena Cao-Galanis; Nancy Vasquez; Sheila Thompson RN, CPHQ; Carmen Obregon.

SLO ATTENDEES: **Members:** Barbara Brown-Ramirez; Kathleen Sullivan(Excused); Marie Moya (Excused); Mazharullah Shaik, MD (Excused); Rahul Vinchhi.
Staff: Cathy Slaughter (Excused); Nicole Bennett.

BOARD LIAISON: Lynda Tanner, RN, MSN.

LOCATIONS: GoToMeeting #966555309

CC: Board of Directors

Topic	Discussion	Action Item	Resp. Team Member
Meeting Start Time	The meeting started at 11:35 AM		
Welcome, Announcements, Introductions	<p>Sheila Thompson welcomed all to the call-in meeting. A special welcome was given to Dr. Bifano, attending his first meeting as an official member of this Board. Members and staff on the call self introduced to Dr. Bifano.</p> <p>All PAB members will receive a stipend form after the meeting via e-mail. Sheila reminded members to sign and return the stipend forms at their earliest convenience.</p>		Sheila
Approval of 01/10/22 Minutes	<p>Sheila Thompson inquired whether there were any suggestions or comments for the 01/10/22 minutes. Barbara Brown-Ramirez moved to approve the 01/10/22 minutes; Dr. George Bifano seconded them; the minutes in electronic format were approved. Nancy Tille abstained, as she didn't attend this meeting.</p>		Sheila
Director Updates	<p>Director Updates - Sheila Thompson</p> <p>Annual Network Certification/MOT</p> <ul style="list-style-type: none"> • DHCS hasn't publicized the updated APL for this year's network certification filing. • The plan received approval for the subcontracted network readiness plan. • Sheila foresees DHCS will include Major Organ Transplant in the APL for ANC. Historically, the plan has ensured access to this benefit mainly through OTAs. Now, DHCS requires all the plans to contract with Centers of Excellence for MOT. <p>CalAIM: ECM and Community Supports</p> <ul style="list-style-type: none"> • The go-live date for the ECM and Community Support programs is July 1st, 2022. For community support, we will go live with Recuperative Care and Medically Tailored Meals services. • On April 15th, part three of the model of care template is due to DHCS; this outlines our proposed networks for both ECM and Community Supports. • The team is working closely with some ECM potential providers to finalize agreements and move forward with contracting. <p>Strategic Planning</p> <ul style="list-style-type: none"> • The company is refocusing and working on updating its strategic plan. • The 2022 Roadmap that is being rolled out by our CEO was shared mentioning the renewed/revised Vision, Mission, and Values for the company. 		Sheila

Provider Advisory Board

Meeting Minutes – April 11th, 2022

Topic	Discussion	Action Item	Resp. Team Member
	<ul style="list-style-type: none"> • Lastly, there was a brief mention of a few new objectives for 2022. These are: <ul style="list-style-type: none"> ○ Adapt operations to meet customer needs. ○ Enhance organizational readiness. ○ Prepare for strategic advancement. 		
Insourcing Behavioral Health - Update	<p><u>Insourcing Behavioral Health Update – Nancy Vasquez</u></p> <ul style="list-style-type: none"> • Nancy showed a PowerPoint presentation outlining progress on the insourcing of the Behavioral Health benefit. • After 3 months of having this benefit administered by CenCal Health, the team wanted to show the highlights and challenges encountered during this initial period. • The presentation concluded with the next steps the team has defined to continue fine-tuning the network and solving any initial operational issues encountered during this first quarter of going live. • The slides for this presentation can be seen here. • There was an opportunity for Q&A after Nancy’s presentation. 		Nancy
2021 Provider Satisfaction Survey	<p><u>2021 Provider Satisfaction Survey – Adam Butler</u></p> <ul style="list-style-type: none"> • Adam showed a PowerPoint presentation on the results of the 2021 Provider Satisfaction Survey. • This survey ended on 11/30/21 with a total of 122 responses received, 27 responses from PCPs, and 46 from Specialty providers. • The areas/functions targeted for the survey were: (1) Provider Services, (2) Member Services, (3) Claims, (4) Population Health, (5) Quality Management, (6) Utilization Management, (7) Case Management, (8) Mental Health, (9) Pharmacy, (10) Radiology, and, (11) CenCal Health Overall Satisfaction. • The final remarks/recommendations to highlight from this survey are: <ul style="list-style-type: none"> ○ <u>An opportunity for improvement.</u> A high percentage of providers expressed a lack of knowledge re: Population Health activities and initiatives. CenCal Health can use this as an opportunity to improve outreach to providers regarding population health. ○ <u>Planning for the future.</u> The new Mental Health section has set a baseline for future years’ surveys. ○ <u>Nailing it.</u> The Member Services department continues to score very highly for provider satisfaction. • The overall results of the 2021 provider satisfaction survey were positive, with a combined satisfaction rate of 89%. • There was an opportunity for Q&A after Adam’s presentation. 		Adam
Provider Training	<p><u>Provider Training – Liz Ginder</u></p> <ul style="list-style-type: none"> • The team will continue offering the quarterly Authorization, Member Eligibility, and Claims Training webinars. • Right now, the team is working to develop new material based on the survey results to target these topics better for each provider type. • With the new features of the portal, the team is working on creating printable Quick Reference User Guides for each section of the portal, and individualized training videos for each area. 		Liz

Provider Advisory Board

Meeting Minutes – April 11th, 2022

Topic	Discussion	Action Item	Resp. Team Member
	<ul style="list-style-type: none"> The team will be hosting monthly Mental Health & Behavioral Health Clinical Check-In sessions of training to focus on areas of improvement. The team will also be hosting PCP Check-In sessions of training to continue to collaborate with them. CenCal Health will be posting Cottage’s new ACEs Training Portal link on our website for our provider network that hasn’t already received ACEs training. CenCal Health providers will be able to access this resource. Once trained, providers are still required to attest that they took the training, and CenCal Health will receive those details through the State. There was an opportunity for Q&A after Liz’s presentation. 		
Population Health Project Update	<p><u>Population Health Project Update – Karina Orozco</u></p> <ul style="list-style-type: none"> The full update report from Population Health can be seen here. <u>COVID-19 Quality Improvement Plan</u> <ul style="list-style-type: none"> CenCal Health developed strategies to address three aspects of care negatively impacted by COVID-19 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 through the development of strategies for each of these. The COVID-19 Quality Improvement Plan was submitted for outcomes approval on March 31, 2022, and is pending DHCS approval. <u>PCP Incentive Program</u> <ul style="list-style-type: none"> The four PCP incentive programs: IHA, HRI, Diabetes, and Breath SMART have been officially retired; the company has started implementing the new Quality Care Incentive Program (QCIP) program. Providers can expect to receive their last payments for the previous incentive programs in May. For specific questions, training sessions, or any additional information, please reach out to the PSR of the territory or email the Population Health team at populationhealth@cencalhealth.org There was an opportunity for Q&A after Karina’s presentation. 		
Communications & Community Relations Update	<p><u>Communications & Community Relations Update – Nicole Bennett</u></p> <ul style="list-style-type: none"> Nicole presented the 2021 Community Report. The Community Report couldn’t be shown on screen. Nicole walked attendees through the report by scrolling down to all the different sections of this virtual report. The theme for 2021 was “Building on a Legacy: Evolution, Progression, Transition”. Nicole invited everybody to navigate through this virtual report to see the different videos and information included for this year. The 2021 Community Report can be seen through this link: https://www.cencal2021.org There was an opportunity for Q&A after Nicole’s presentation. 		Nicole

Provider Advisory Board

Meeting Minutes – April 11th, 2022

<i>Topic</i>	<i>Discussion</i>	<i>Action Item</i>	<i>Resp. Team Member</i>
Items from the Floor	<ul style="list-style-type: none"> Sheila gave some updates on the plans of Returning to the Office to work in person. Member Services completed their return to the office in March. Other departments will follow. Some departments might be adopting a hybrid schedule, a combination of some days working in person in the office and other days working remotely. This is an ongoing plan to reopen the office spaces in both the Santa Barbara and San Luis Obispo buildings. 		Sheila
Meeting Adjournment	Meeting adjourned at 12:57 PM.		Sheila

Next Meeting: October 10th, 2022

Respectfully submitted,



PAB Coordinator Date: **07/06/22**



Provider Advisory Board

Meeting Minutes – April 11th, 2022

RoadMap
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Exhibit A



2022 Roadmap

VISION
CenCal Health's existing vision is "To be a nationally recognized model for publicly sponsored health care plans, facilitating excellence in care, service and efficiency, and be valued as a community resource." And in 2022, a new vision is emerging for CenCal Health "To be a trusted partner, advancing health equity in every neighborhood creating the healthiest communities in California."

MISSION
To improve the health and well-being of the communities we serve by providing access to high quality health services, along with education and outreach, for our membership

VALUES

- Integrity in all of our actions
- Respect and compassion for our members
- Continuous pursuit of performance excellence
- Collaboration with our provider partners
- Responsible stewardship of resources
- Commitment to the community
- Importance of skilled and dedicated staff
- Adaptability to a changing environment

2022 OBJECTIVES

Adapt Operations to Meet Customer Needs
Anticipate and respond to the existing and emerging needs of our members, providers, community and regulatory partners

Enhance Organizational Readiness
Enable organizational advancement by pursuing targeted improvements in operational excellence, compliance strength, technology readiness and financial position

Prepare for Strategic Advancement
Execute a collaborative planning process that positions CenCal Health to strategically focus in the coming years on efforts that advance our mission and emerging vision

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Provider Advisory Board

Meeting Minutes – April 11th, 2022

BHI

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 <h3>Behavioral Health Insourcing Project</h3> <p>Nancy Vasquez April 11, 2022</p>	<h3>Background</h3> <p>In 2021, CenCal Health made the strategic decision to insource the Behavioral Health (BH) benefit administration.</p> <p>Previously, the administration of the BH benefit was delegated to The Holman Group since 2014.</p> <p>CenCal Health engaged Health Management Associates (HMA) to assist in the preparation and implementation as key consultants.</p> <p>Effective January 1, 2022 CenCal Health assumed direct responsibility of the BH benefit administration.</p> 	<h3>Initial Q1 Launch Highlights</h3> <ul style="list-style-type: none">• Recruited, contracted and trained an adequate BH Provider Network of 306 Providers• Established Letters of Agreement (LOA's) with non-contracted providers to support member access and continuity of care• Credentialed over 395 providers as of April• Onboarded and trained over 269 providers as of April• Developed a Search Tool for BH Team to Identify Providers• Email Blast to collect Availability information for the Directory & BH Call Center
<h3>Initial Q1 Launch Challenges</h3> <ul style="list-style-type: none">• Operational protocols for ABA Providers differed under The Holman Group than with CenCal Health and the Department of Healthcare Services requirements, particularly in regards to billing codes and modifiers• Provided advance payment based on Q4 claims to providers to ensure no gaps in service to our members• Conducting individual meetings with each provider to assess these challenges and develop solutions that meet the provider, CenCal Health and DHCS needs	<h3>Next Steps</h3> <ul style="list-style-type: none">• Resolve operational differences with ABA Providers• Continue to collect provider detail to assist members in finding better matched providers• Expand the network, including the use of telehealth providers• Continue and expand provider network training	

Provider Advisory Board

Meeting Minutes – April 11th, 2022

PoPHHealth

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Population Health Projects Update

PROVIDER ADVISORY BOARD – 4.11.2022

KARINA OROZCO

COVID-19 Quality Improvement Plan

CenCal Health addressed three aspects of care negatively impacted by COVID-19. Differing from the 2020 requirements, 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 completed:

- 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 also 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 31, 2022, and is pending DHCS approval.

PCP Incentive Program

The four PCP incentive programs: IHA, HRI, Diabetes, and Breath SMART have officially been retired as we have started implementing the new Quality Care Incentive Program (QCIP) program. Providers can expect to receive their last payments for the previous incentive programs next month in May.

The new Quality Care Incentive Program (QCIP) officially launched in March of this year. This new incentive program was designed to encompass the following measure that has been categorized into 6 groups: Women's Health, Pediatric Care, Behavioral Health, Respiratory Care, Cardiac Care, and Diabetes Care. Providers will receive information reported monthly through the Portal, and payments will be sent quarterly. If providers did not attend the training given at the beginning of the year, there are educational materials and other resources on our website that help our providers navigate through the portal, a list of all eligible code sets, and other training materials. If providers have specific questions and would like to schedule a training, please reach out to your PSR or email the Population Health team at populationhealth@cencalhealth.org



Adopt Vision and Mission

Board of Directors | October 19, 2022

Marina Owen, Chief Executive Officer

1

Vision

To be a trusted leader in
advancing health equity
so that our communities
thrive and achieve
optimal health together



2

Vision

As a local health plan, CenCal Health seeks to advocate for what is best for our counties so that the voices of partners, stakeholders and members are heard on issues that are important in our communities.

To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together.

Health Equity is the attainment of the highest level of health for all people, where everyone has a fair and just opportunity to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, and other factors that affect access to care and health outcomes.



3

Vision

CenCal Health will reduce avoidable differences in health outcomes experienced by people who are disadvantaged or underserved and provide the care and support that our communities need to thrive.

To be a trusted leader in advancing health equity so that our communities thrive and achieve optimal health together.

CenCal Health recognizes the cultural, economic and social diversity in our community and will seek to provide opportunity for two-way communication. These positive connections, which place the customer as the central point of focus, will ultimately support a more informed and activated community.



4

Mission

Providing access to high quality health services is how we fulfill our purpose and affirms our commitment to access and quality. It also conveys a third emphasis, which is partnership. At CenCal Health, we believe our providers are partners.

Along with education and outreach is the promise to leverage information, knowledge and resources, sometimes through our counties or community-based organizations, for the benefit of our membership.

To improve the health and wellbeing of the community we serve by providing access to high-quality health services, along with education and outreach, for our members.

Health speaks to the physician and emotional aspects of health across the entire continuum. Well-being signals our dedication to help people with the social determinants of health towards wellness.



5

Next Steps

Execute Communication Plan for Vision and Mission statements aligned with 2023-2025 Strategic Plan.



6

Board Recommendation

Adopt revised CenCal Health Vision Statement and reaffirm CenCal Health's current Mission Statement.



7



8

Financial Report for the Three (3) Months Ending September 30, 2022

Date: October 19, 2022

From: Leanne Bauer, Director of Finance

Through: David Ambrose, Chief Financial Officer / Treasurer

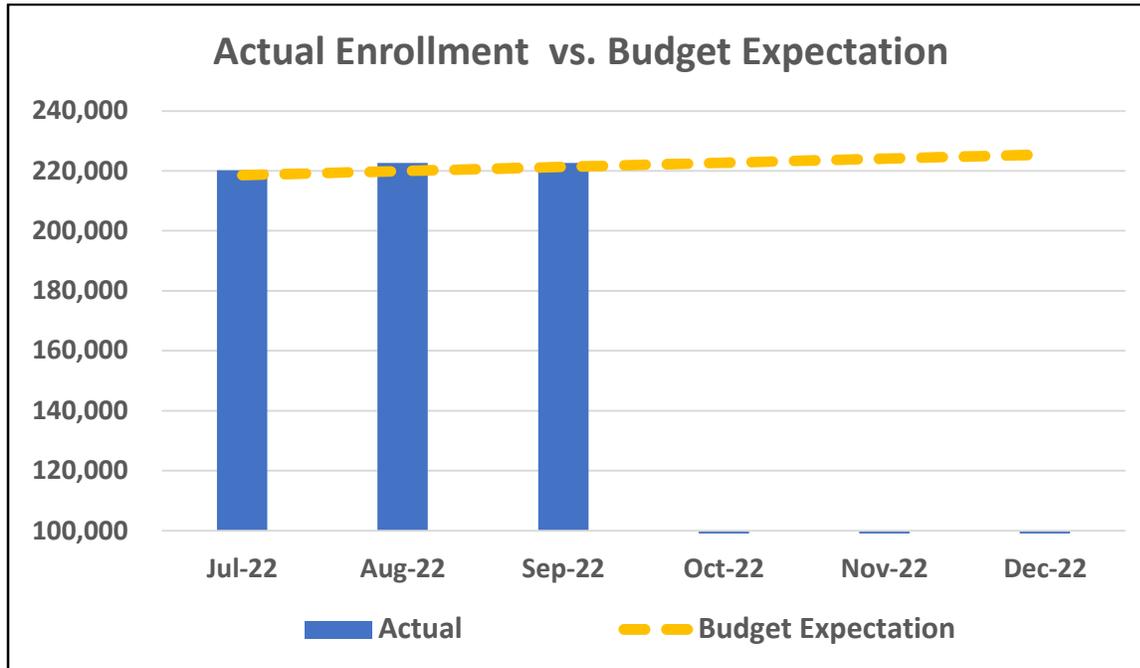
Executive Summary

This memo summarizes the health plan's financial performance fiscal year-to-date through September 30, 2022 and provides insight on how the health plan is operating against budget forecast expectations.

Financial Highlights (fiscal year-to-date: July - September)

- **Operation Gain (Loss):** Through three (3) months of the fiscal year we are reporting an operating gain of \$8.0 million.
- **Capitation Revenue** is at \$273.4 million; over budget by \$2.0 million and 0.7%.
- **Medical Expenses** are at \$230.7 million; under budget by \$3.6 million and 1.5%.
- **Administrative Expenses** are at \$15.0 million; under budget by \$2.4 million and 14.0%.
- **MCO Tax Expense** is at \$20.1 million; essentially at budget.
- **Tangible Net Equity (TNE)** is at \$203.3 million; representing 553% of the minimum regulatory requirement and 84% of the minimum Board of Directors desired TNE target.
- **Total Cash and Short-Term Investments** are at \$291.2 million. Cash and Short-Term Investments available for operating the health plan is at \$166.6 million, representing 65 Days Cash on Hand.
- **Member Enrollment** is at 222,683 for the month of September 2022.

Enrollment Trend FYTD



The health plan's enrollment count as of September 2022 is forecasted at 222,683 compared to a budget expectation of 221,374. July through August, total member months are over budget expectations by 0.6%.

Capitation Revenue

Revenue Type	FYTD Actual Dollars	FYTD Budget	FYTD Variance	% Variance
Base Capitation Revenue	\$268,296,479	\$263,036,000	\$5,260,479	2.0%
Supplemental Revenue	\$7,265,240	\$8,376,000	(\$1,110,760)	-13.3%
Budgeted Revenue Items	\$275,561,719	\$271,412,000	\$4,149,719	1.5%
Prior Year Revenue Adjustments: Prior Year Retroactive Items Recorded in Current Fiscal Year	(\$2,187,230)	-	(\$2,187,230)	-
TOTAL CAPITATION REVENUE	\$273,374,489	\$271,412,000	\$1,962,489	0.7%

Base Capitation Revenue is over budget with a variance of 2.0% due to several factors, including actual enrollment by member case mix (e.g., by aid category grouping) being different than the member case mix assumed within the budget. In addition, a component of base capitation --- hospital directed payment (HDP) PMPM\$ --- is exceeding budget expectations due to revised rates from DHCS. DHCS revised the CY2022 HDP PMPM\$ components subsequently to the development of the budget. FYTD revenue is also reduced by \$4.8 million as a result of accruing for medical loss ratio (MLR) DHCS contractual requirements.

Supplemental Revenue [Behavioral Health Therapy Services, Maternity Deliveries, and visits to American Indian Health Clinics] is under budget by 13.3% due to recent utilization data trending lower than budget expectations. Supplemental revenue is directly impacted by the volume of services incurred.

Overall, actual budgeted revenue is close to budget expectations by 1.5%.

The following retroactive revenue adjustments are also impacting the current total capitation revenue:

- Retroactive enrollment changes applicable to months on or before June 2022.
- Hospital Directed Payment revenue PMPM\$ components applicable to CY2020 were received by DHCS in August which were lower than internal estimates. This reduces current fiscal year revenue while simultaneously reducing prior year estimates for the corresponding expense of hospital directed payments, resulting in a net-zero impact to the actual bottom line operating gain for August.
- The health plan earned additional supplemental revenue applicable to prior year periods greater than internal estimates recorded as of June 30, 2022 resulting in a pick up of revenue within the current fiscal year.

Medical Expenses

Medical Expense Type	FYTD Actual Dollars	FYTD Budget	FYTD Variance	% Variance
Medical Costs + Incentives	\$239,290,108	\$233,360,000	\$5,930,108	2.5%
Reinsurance – net	\$635,907	\$952,000	(\$316,093)	-33.2%
Budgeted Medical Items	\$239,926,015	\$234,312,000	\$5,614,015	2.4%
Prior Year Expense Adjustments: Prior Year Retroactive Items Recorded in Current Year	(\$9,242,572)	-	(\$9,242,572)	
TOTAL MEDICAL COSTS	\$230,683,443	\$234,312,000	(\$3,628,557)	-1.5%

Medical Costs & Incentives are trending over budget with a variance of 2.5%. Three (3) medical expense categories are primarily currently contributing to this budget variance: Long Term Care Facility costs, Mental Health Services, and Hospital Directed Payments (HDP). [note --- HDP expense is correlated to the HDP revenue].

Overall, actual budgeted medical costs are over budget by 2.4%.

The following retroactive medical expense adjustments are also impacting total medical costs:

- \$9.2 million of reduced cost is recorded primarily as a result of a change in estimate within the recent (month of August) Incurred But Not Paid (IBNP) Model forecasting a change in the total projected medical costs for dates of service occurring on or before June 30, 2022 and the reduction in hospital directed payments associated to CY2020 [refer to correlated comments with prior year revenue].

The following table summarizes major medical costs by expense category against budget forecast expectations associated with fee-for-service medical claims. Cells colored Orange indicate where actual trend is exceeding the budget forecast.

Expense	FYTD Actual Average Claim Cost	FYTD Projected Util per 1,000	Budget Forecasted Average Claim Cost	Budget Forecasted Util per 1,000
Physician Specialty	\$142.83	5,111	\$136.35	5,361
FQHC Specialty	\$34.84	2,331	\$31.40	2,611
Hospital IP In-Area	\$12,578	49.8	\$9,563	67.7
Hospital IP Out-of-Area	\$16,727	19.3	\$37,180	8.7
Hospital OP In-Area	\$306.14	1,099	\$246.53	1,100
Hospital OP Out-of-Area	\$613.45	97	\$638.68	96
LTC Facilities	\$305.65	1,883	\$279.43	2,072
Home Health	\$241.26	66	\$229.92	74
Hospice	\$2,705.92	12	\$2,677.89	15
Laboratory	\$45.98	1,662	\$55.48	1,576
Transportation	\$133.21	203	\$154.95	153
Physical Therapy	\$60.20	225	\$51.38	262
Durable Medical Equip.	\$140.93	283	\$134.32	316
Dialysis	\$895.51	38	\$830.95	41
Behavioral Health Therapy	\$411.83	184	\$327.97	225
Mental Health	\$127.30	1,046	\$151.52	702

Note: FYTD Actual Average Claim Cost is based on paid medical claims as of Sep 30 with dates of service from July 1, 2022 through September 30, 2022. FYTD Projected Util/1,000 is backed into using the IBNP Model's estimate of total expense, the actual average unit cost to date, and actual member enrollment.

For the two new medical care benefits which became effective July 1, 2022 for the health plan, projected actual experience against budget forecast expectation is as follows:

Enhanced Care Management (ECM):

- Santa Barbara County actual is estimated at \$0.52 pmpm while budget forecast is at \$0.52 pmpm.
- San Luis Obispo County actual is estimated at \$0.59 pmpm while budget forecast is at \$0.59 pmpm.

Currently for ECM, there is no actual paid claim experience, so the actual estimate is solely based on the budget forecast.

Community Support Services (CS):

- Santa Barbara County actual estimate is at \$1.30 pmpm while budget forecast is at \$1.30 pmpm.
- San Luis Obispo County actual estimate is \$1.30 pmpm while budget forecast is at \$1.30 pmpm.

Currently for CS, there is no actual paid claim experience, so the actual estimate is solely based on the budget forecast.

MCO Tax Expense

MCO Tax expense is at \$20.1 million and is under budget by .01%.

Administrative Expenses

Administrative Expenses are at \$15.0 million and under by \$2.4 million and 14.0% primarily driven by:

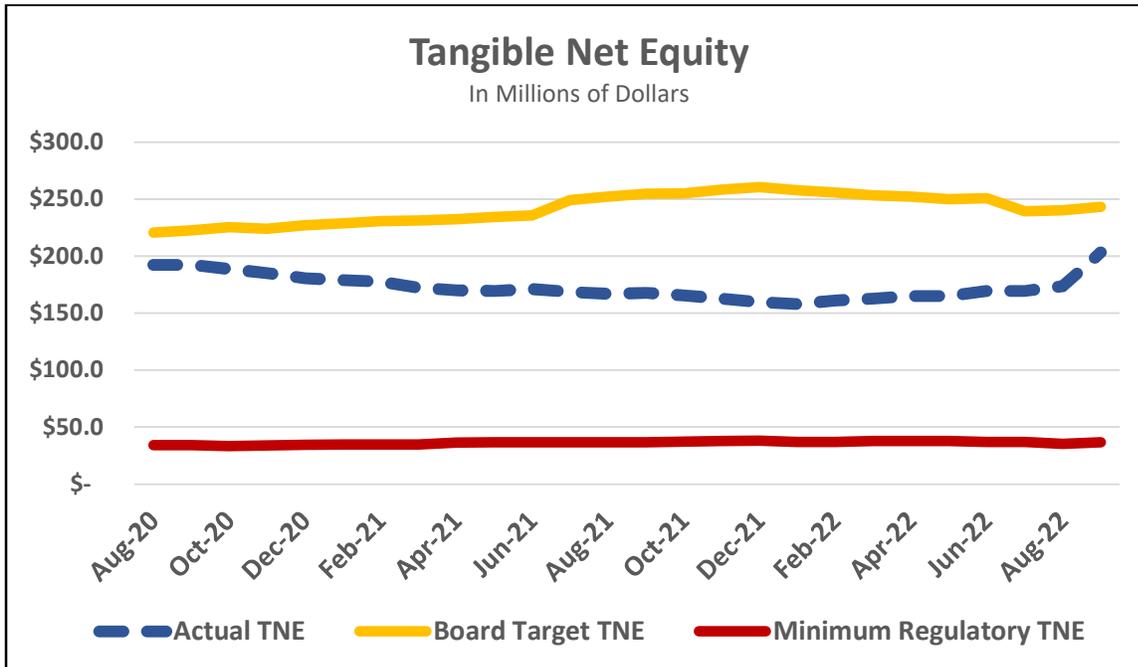
- Staffing Vacancies: 36 budgeted positions are currently vacant representing a 10.6% vacancy rate. The Administrative budget incorporated an 8% assumed vacancy rate.
- Salaries and Fringes are under budget primarily due to open positions.
- Contract Services are lower than expected, primarily due to Legal and Outside Processing costs being lower than budget expectations.
- Rent and Occupancy is lower than budget expectations mainly due to janitorial costs and other occupancy costs. Janitorial costs should increase as staff are reintroduced into the CenCal offices over the duration of the fiscal year. Utilities also vary from month to month.
- Travel Costs are under budget due to the timing of actual conferences and seminars.

- Office Supplies & Equipment are under budget primarily due to the timing of needs for printing and supplies.
- Other Expenses are under budget due to items anticipated to occur later during the Fall of 2022.

Tangible Net Equity (TNE)

As of September 2022, actual TNE is at \$203.3 million. This level represents 553% of the Regulatory Minimum TNE level and 84% of the Board of Director's minimum TNE target currently at \$243.3 million.

The following chart provides a visual representation of the health plan's TNE trend over the past two (2) years.



Treasury Activities for the Month of September 2022

Total Cash Received is at \$124.7 million.
 Total Cash Disbursements is at \$108.2 million.
 Accrued and Earned Interest Income is at \$233,273.

Unusual Cash events to note for the month:

- \$40.6 million paid out under the Hospital Directed Payment Program.

Recommendation

Staff recommends the adoption of the financial statements covering the three (3) month period ending September 30, 2022.

CenCal Health

Financial Statements and Other Information

For the three (3) month period ending September 30, 2022

<u>Primary Financial Statements:</u>	<u>Page</u>
● Balance Sheet	2
● Fiscal Year-to-Date (FYTD) Income Statement	3
● Current Month Income Statement	4
<u>Supplemental Financial Information:</u>	
● FYTD Medical Expenses by Category	5
● FYTD Administrative Expenses by Category	6
● Santa Barbara County Operating Statement	7
● San Luis Obispo County Operating Statement	8
● Tangible Net Equity (TNE)	9
● Notes to the Financial Statements	10

CenCal Health

Balance Sheet

As of September 30, 2022

Assets

Cash and cash equivalents	\$291,193,675.69
Accounts receivable:	
DHCS capitation and other	357,022,460.08
Reinsurance and other recoveries	2,899,982.92
Interest and other	<u>377,199.11</u>
Total accounts receivable	360,299,642.11
Prepaid expenses and other assets	2,053,658.15
Capital assets	29,246,941.94
Certificate of deposit – DMHC assigned	300,000.00
Corporate owned life insurance (COLI)	10,579,015.04
Deposits and other assets	8,210,572.06
Total Assets	<u>\$701,883,504.99</u>

Liabilities and Net Assets

Medical claims payable and incentives	\$109,918,561.66
Accounts payable, accrued salaries and expenses	13,185,680.75
Accrued DHCS revenue recoups – MLRs	57,518,940.61
Accrued DHCS directed payments	278,367,402.91
Accrued MCO Tax	25,146,596.27
Unfunded pension liability – CalPERS	(1,346,155.07)
Other accrued liabilities	15,798,406.25
Net Assets – Tangible Net Equity	\$203,294,071.61
Total Liabilities and Net Assets	<u>\$701,883,504.99</u>

CenCal Health

Income Statement

For the three (3) month period ending September 30, 2022

	Actual \$	Budget \$	Variance \$	%
Operating Revenues:				
Capitation	\$273,374,489	\$271,412,000	\$1,962,489	0.7%
Other	634,684	9,000	625,684	
	<u>274,009,173</u>	<u>271,421,000</u>	<u>2,588,713</u>	<u>0.9%</u>
Medical Expenses:				
PCP capitation	10,205,991	11,165,000	(959,009)	-8.6%
Physician services	46,575,854	46,806,000	(230,146)	-0.5%
Hospital inpatient	52,946,899	54,151,000	(1,204,101)	-2.2%
Hospital outpatient	18,565,646	18,526,000	39,646	0.2%
LTC facilities	31,921,949	31,894,000	27,949	0.1%
All other services	79,709,676	71,770,000	7,939,676	11.1%
PY estimate change	(9,242,572)	-----	(9,242,573)	----
	<u>230,683,443</u>	<u>234,312,000</u>	<u>(3,628,557)</u>	<u>-1.5%</u>
Operating Expenses:				
Administrative expenses	14,970,723	17,403,312	(2,432,589)	-14.0%
MCO tax expense	20,146,596	20,148,000	(1,404)	0.0%
	<u>35,117,319</u>	<u>37,551,312</u>	<u>(2,433,993)</u>	<u>-6.5%</u>
Interest income	709,876	150,000	559,876	373%
Realized gain (loss)	----	----	----	----
Unrealized gain (loss)	(889,341)	----	(889,341)	----
Operating Gain (Loss)	<u><u>\$8,028,946</u></u>	<u><u>(\$292,312)</u></u>	<u><u>\$8,321,258</u></u>	<u><u>2,847%</u></u>

CenCal Health

Income Statement

For the month of September 2022

Operating Revenues:

Capitation	\$94,976,442
Other	<u>120</u>
	94,976,562

Medical Expenses:

PCP capitation & incentives	3,432,034
Physician services	15,827,913
Hospital inpatient	18,165,362
Hospital outpatient	6,159,865
LTC facilities	9,879,315
All other services	26,819,357
Prior year change in estimate	<u>(108,623)</u>
	80,175,223

Operating Expenses:

Administrative expenses	4,873,932
MCO tax expense	<u>6,715,532</u>
	11,589,464

Interest income	276,867
Realized gain (loss)	---
Unrealized gain (loss)	(662,193)

Operating Gain (Loss) \$2,826,549

CenCal Health

Medical Expenses by Category

For the three (3) month period ending September 30, 2022

	Actual \$	Budget \$	Variance \$	%
PCP capitation	\$10,205,991	\$11,165,000	\$ (959,009)	-8.6%
Physician services	46,575,854	46,806,000	(230,146)	-0.5%
Hospital inpatient <small>in-area</small>	21,730,389	23,326,000	(1,595,611)	-6.8%
Hospital inpatient <small>out-of-area</small>	17,873,739	18,087,000	(213,261)	-1.2%
Hospital capitation <small>inpatient</small>	13,142,771	12,738,000	404,771	3.2%
Hospital outpatient <small>in-area</small>	5,570,495	5,609,000	(38,505)	-0.7%
Hospital outpatient <small>out-of-area</small>	3,309,833	3,427,000	(117,167)	-3.4%
Hospital capitation <small>outpatient</small>	9,684,318	9,490,000	194,318	2.0%
Long term care facilities	31,921,949	31,894,000	27,949	0.1%
Mental health services	7,384,788	5,917,000	1,467,788	24.8%
Behavioral health therapy	2,805,650	4,064,000	(1,258,350)	-31.0%
Transportation	3,125,879	2,853,000	272,879	9.6%
Durable medical equip.	2,211,006	2,365,000	(153,994)	-6.5%
Laboratory	4,237,479	4,882,000	(644,521)	-13.2%
Dialysis	1,876,604	1,917,000	(40,396)	-2.1%
Hospice	1,777,084	2,190,000	(412,916)	-18.8%
Home health	879,718	949,000	(69,282)	-7.3%
Enhanced care mgmt.	362,000	362,000	----	----
Community supports	866,000	866,000	----	----
DHCS directed payments	48,853,044	40,546,000	8,307,044	20.5%
All other medical services	4,895,517	3,907,000	988,517	25.3%
Reinsurance & recoveries	635,907	952,000	(316,093)	-33.2%
Prior year change in estimate	(9,242,572)	----	(9,242,572)	----
Total Medical Expenses	\$230,683,443	\$234,312,000	(3,628,557)	-1.5%

CenCal Health

Administrative Expenses by Category

For the three (3) month period ending September 30, 2022

	Actual \$	Budget \$	Variance \$	%
Salaries & wages	\$ 7,103,821	\$ 7,768,459	\$(664,638)	-8.6%
Fringe benefits	3,903,107	4,070,360	(167,253)	-4.1%
Contract services	1,666,527	2,579,475	(912,948)	-35.4%
Travel expenses	18,242	130,355	(112,113)	-86.0%
Rent & occupancy	186,499	334,400	(147,901)	-44.2%
Supplies & equipment	267,170	373,095	(105,925)	-28.4%
Insurance	295,692	417,750	(122,058)	-29.2%
Depreciation expense	327,582	384,800	(57,218)	-14.9%
Software maintenance	4,089	25,980	(21,891)	-84.3%
Software licensing	719,579	736,550	(16,971)	-2.3%
Communications	119,227	157,300	(38,073)	-24.2%
Professional dues	74,799	75,661	(862)	-1.1%
Marketing & relations	98,806	129,900	(31,091)	-23.9%
Member/Provider materials	2,852	35,100	(32,248)	-91.9%
Credentialing fees	7,748	7,050	698	9.9%
Provider relations	----	15,900	(15,900)	----
Board committee fees	4,325	8,975	(4,650)	-51.8%
Meeting room expenses	14,521	53,260	(38,739)	-72.7%
All other expenses	156,137	98,942	57,195	57.8%
Total Admin Expenses	<u>\$14,970,723</u>	<u>\$17,403,312</u>	<u>\$(2,432,589)</u>	<u>-14.0%</u>

CenCal Health

Santa Barbara County Operating Statement

For the three (3) months ending September 30, 2022

	Actual \$	Budget \$	Variance \$	%
Capitation revenue	\$ 188,884,177	\$ 183,928,000	\$ 4,956,177	2.7%
Medical expenses	164,590,994	163,368,000	1,222,994	0.7%
Administrative expenses	10,514,343	12,223,000	(1,708,657)	-14.0%
MCO tax expense	14,147,444	14,103,000	44,444	0.3%
Operating Gain (Loss)	<u>\$ (368,604)</u>	<u>\$ (5,766,000)</u>	<u>5,397,396</u>	<u>93.6%</u>

Medical Loss Ratio (MLR)	87%
Admin Loss Ratio (ALR)	5.6%
FYTD Member Months	467,426
Avg. Member Count	155,809

CenCal Health

San Luis Obispo County Operating Statement

For the three (3) months ending September 30, 2022

	Actual \$	Budget \$	Variance \$	%
Capitation revenue	\$ 84,490,312	\$ 87,484,000	\$ (2,993,688)	-3.4%
Medical expenses	66,092,449	70,944,000	(4,851,551)	-6.8%
Administrative expenses	4,456,380	5,180,000	(723,620)	-14.0%
MCO tax expense	5,999,152	6,045,000	(45,848)	-0.8%
Operating Gain (Loss)	<u>\$ 7,942,331</u>	<u>\$ 5,315,000</u>	<u>2,627,331</u>	<u>49.4%</u>

Medical Loss Ratio (MLR)	78%
Admin Loss Ratio (ALR)	5.3%
FYTD Member Months	198,113
Avg. Member Count	66,038

CenCal Health

Tangible Net Equity (TNE)

As of September 30, 2022

Actual TNE (from the Balance Sheet)	\$ 203,294,072
Tangible Net Equity – DMHC minimum regulatory requirement	36,792,791
TNE – excess (deficiency)	\$ 166,501,281
Pct. Actual TNE of the Regulatory Minimum	553%

Tangible Net Equity calculation is based upon:
Title 10, CCR, Section 1300.76

CenCal Health

Notes to the Financial Statements

As of September 30, 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 these 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, 2022, as well as prior year any retroactive rate adjustments issued by the DHCS.

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 September 30, 2022 in the amount of (\$1,346,155) based on current estimates.

The CalPERS Annual Valuation Report dated June 2022 reports the health plan's actual unfunded pension liability at \$1,412,359 as of June 30, 2021:

CalPERS Misc Plan for employees hired prior to Jan 1, 2013	\$1,818,411
CalPERS PEPRA Misc Plan for employees hired on or after Jan 1, 2013	<u>(406,052)</u>
	\$1,412,359

Annual Investment Policy

Date: October 19, 2022

From: David Ambrose, Chief Financial Officer and Treasurer

Through: Marina Owen, Chief Executive Office

Executive Summary

The purpose of this memo is to present the Investment Policy of CenCal Health and seek Board of Directors adoption of the policy applicable for Calendar Year 2023.

Background

California Government Code requires the Board of Directors annually adopt an annual Investment Policy for the health plan.

Three (3) Primary Objectives of the Investment Policy

1. Safety of Principal
2. Liquidity
3. Total Return (earnings)

Investment Policy Guidelines

- Prohibits Conflicts of Interest.
- Investments directly into Equity Securities (i.e. shares of a company stock) require separate approval by the Board of Directors.

This new Investment Policy compared to last year's adopted Investment Policy

There are no changes within the current proposed Investment Policy. It is identical to the policy the Board of Directors adopted in October 2021.

Recommendation

Staff recommends adoption of the 2023 Annual Investment Policy.

Refer to included Investment Policy document.



Financial Report

As of September 30, 2022

David Ambrose
Chief Financial Officer
October 19, 2022

1

Financial Position
for the period covering July 1, 2022
through September 30, 2022.

Discussion Topics

- CalPERS Pension Liability
- Sept 2022 Financial Statements



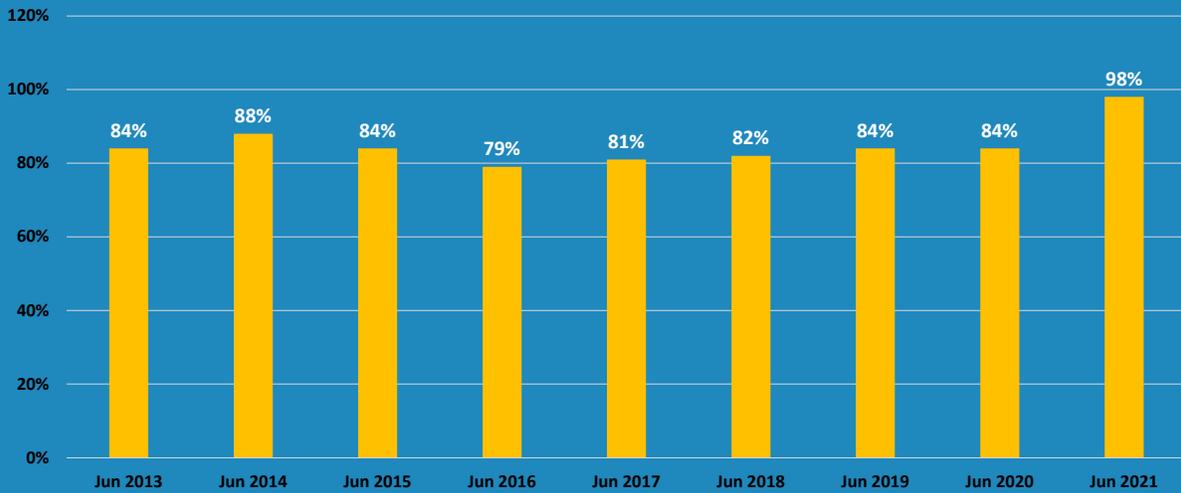
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CalPERS Pension Liability



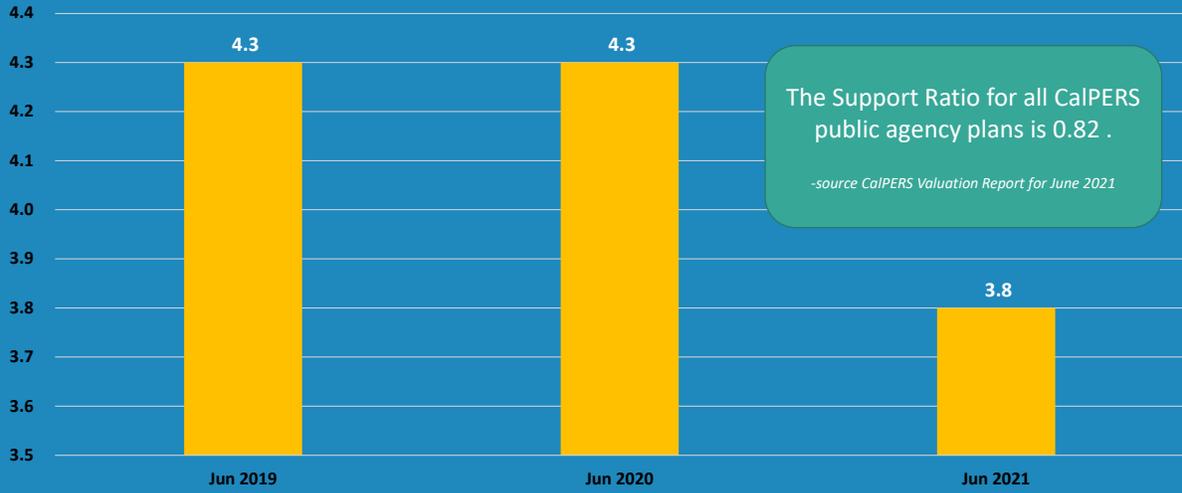
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CalPERS Pension Liability --- Funded Ratio



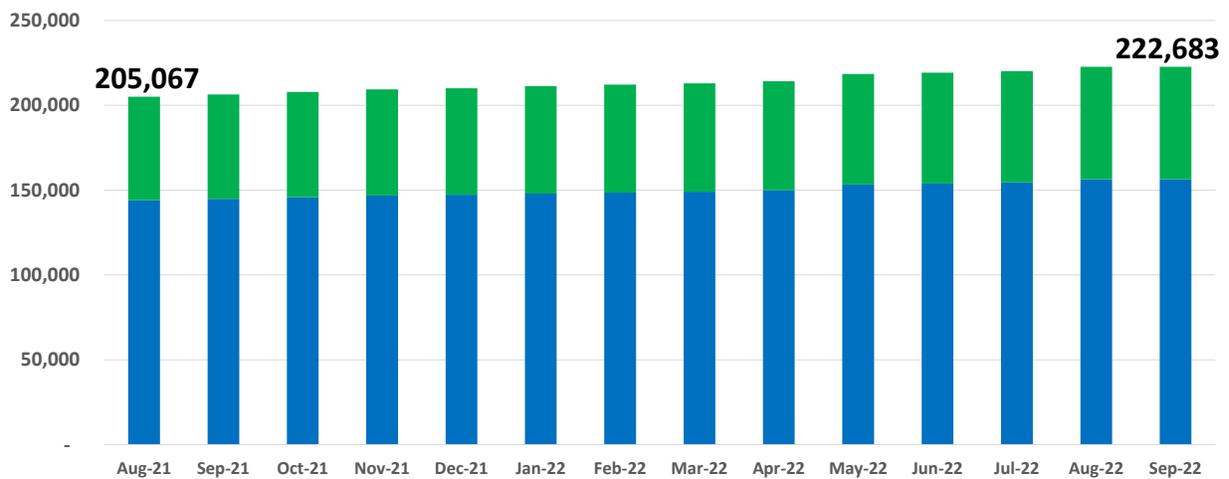
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CalPERS Pension Liability --- Support Ratio



5

Membership Trend: Enrollment Numbers

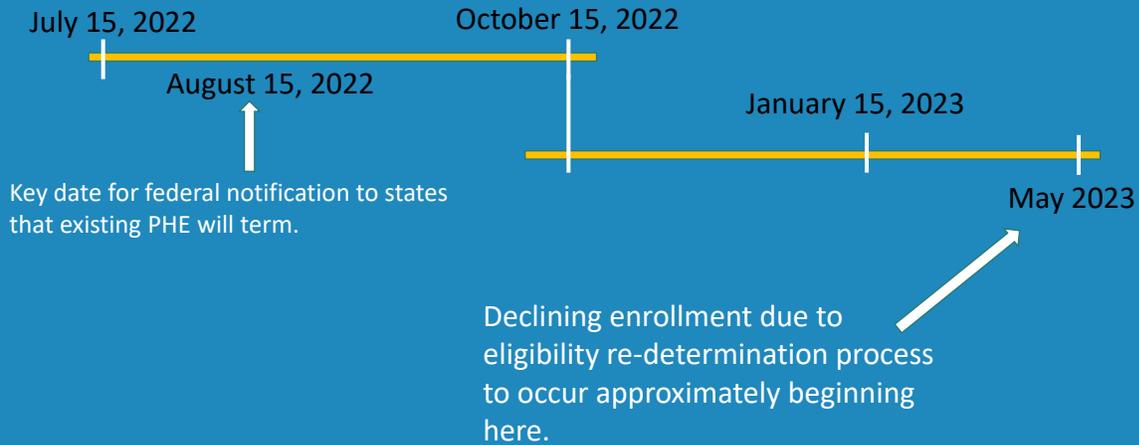


■ Santa Barbara County

■ San Luis Obispo County

6

COVID Public Health Emergency -- PHE



7

September 2022 Financial Statements

	Month of Sep	FYTD thru Sep	FYTD Budget
Capitation Revenue	\$95.0 million	\$273.4 million \$411 pmpm	\$271.4 million \$408 pmpm
Medical Costs	\$80.2 million	\$230.7 million \$347 pmpm	\$234.3 million \$352 pmpm
Medical Loss Ratio (MLR)	84%	84%	86%
Administrative Costs	\$4.9 million	\$15.0 million \$22 pmpm	\$17.4 million \$26 pmpm
MCO Tax Expense	\$6.7 million	\$20.1 million	\$20.1 million
Operating Gain (Loss)	\$2,826,549	\$8,028,946	
Cash + Investments		\$291.2 million	
Receivables		\$360.3 million	
Accrued IBNP Claims		\$98.1 million	
Tangible Net Equity Pct. of Board TNE Target		\$203.3 million 84%	

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Questions?

Staff recommends the Board of Directors approve the unaudited financial statements as of September 30, 2022



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Annual Investment Policy

David Ambrose
Chief Financial Officer
October 19, 2022

10

Investment Policy

- ✓ **Calif. Gov't Code Requirement**
- ✓ **Primary Objectives:**
 1. Safety of Principal
 2. Liquidity
 3. Total Return (Earnings)
- ✓ **Prohibits Conflicts of Interest**
- ✓ **Investments into Equity Securities require separate approval by the Board of Directors.**
- ✓ **Identical to the policy adopted last year.**



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Questions?

Staff recommends the Board of Directors approve the 2023 Annual Investment Policy



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Dual Special Needs Plan Assessment Report

Date: October 19, 2022

From: David Ambrose, Chief Financial Officer
Amanda Flaum, Chief Operating Officer

Through: Marina Owen, Chief Executive Officer

Contributors: Jeff Januska, Director of Pharmacy

Executive Summary

CenCal Health engaged an initial Medicare consultant, Belong Health, to assess the Plan's readiness for a Medicare Advantage Dual Special Needs Plan (D-SNP), a CalAIM required program. The engagement goals included identification of a target D-SNP launch date and planning roadmap. Belong Health recommended a January 1, 2026 launch date and outlined the key decisions and planning milestones in 2022-2025.

This memo highlights the key findings of the Belong Health engagement, outlines next steps and staff recommendation for your Board's consideration.

Background

Dual Special Needs Programs (DSNPs) are Medicare Advantage (MA) plans that provide specialized care to beneficiaries dually eligible for Medicare and Medi-Cal and offer care coordination and wrap-around services (e.g., Long-Term Services and Supports, transportation, CalAIM Enhanced Care Management and Community Supports). All D-SNPs in California must have executed contracts with the Department of Health Care Services (DHCS).

As part of the CalAIM initiative, DHCS is leveraging the lessons and success of the Cal MediConnect (CMC) Financial Alignment Initiative to launch exclusively aligned enrollment (EAE) D-SNPs effective January 1, 2023 in the seven counties where the Coordinated Care Initiative (CCI) was implemented: Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara. EAE D-SNPs are D-SNPs where enrollment is limited to D-SNP members who are also enrolled in the affiliated Medi-Cal managed care plan.

Counties that were not part of the CCI (non-CCI counties), which include Santa Barbara and San Luis Obispo counties, are required to offer a D-SNP plan beginning no later than contract year 2026.

In June 2022, DHCS issued a study (conducted by Mercer and Oliver Wyman) that examined the feasibility of Medi-Cal Plans operating D-SNPs in non-CCI counties to establish and operate EAE D-SNPs. The outcomes of the study will inform DHCS' review and consideration of individual plan requests for exemption from the requirement to establish a D-SNP.

San Francisco and Santa Barbara/San Luis Obispo counties/regions were selected for more detailed modeling and analysis in the DHCS feasibility study. These counties/regions were thought to potentially have more significant feasibility challenges. Santa Barbara/San Luis Obispo best scenario modeling projected losses in years 1-3, and a positive margin in year 4. The main drivers for long-term profitability include membership growth, provider contracting, STAR rating, risk score coding accuracy, and medical cost management.

Mercer and Oliver Wyman believe there is a potential path to feasibility for all regions in California; however, each region and Managed Care Plan will have unique challenges to overcome to achieve feasibility.

Key Findings from Belong Health

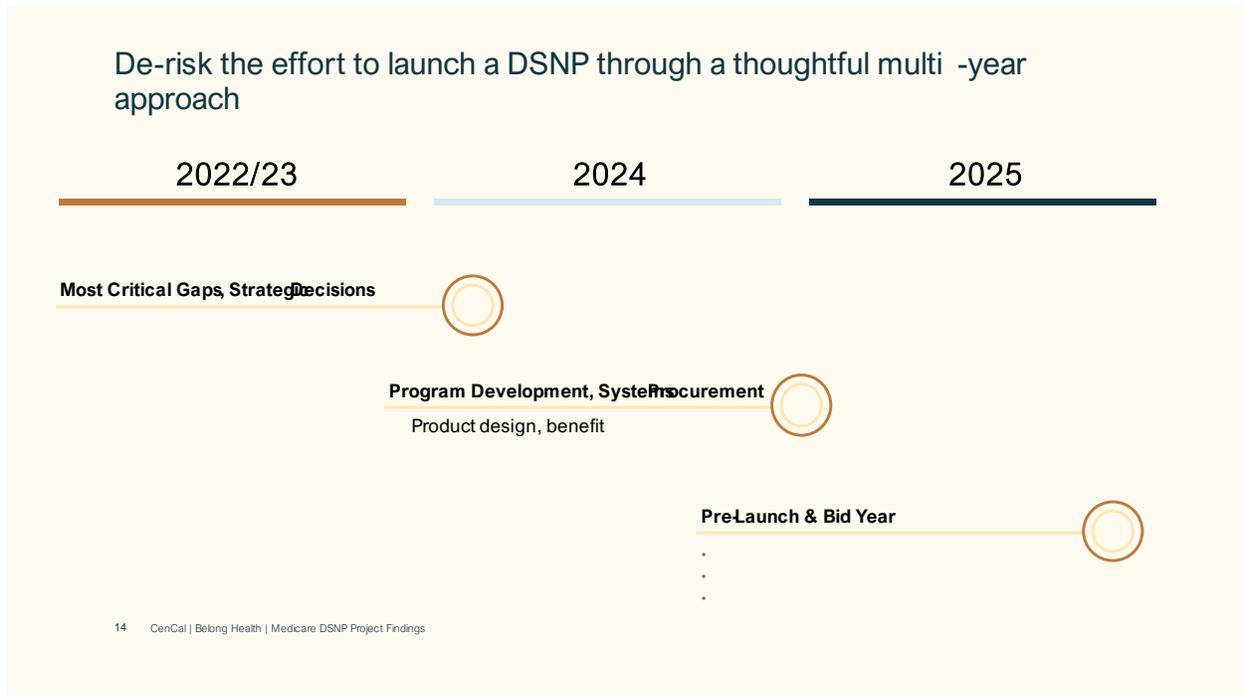
1. CenCal Health must offer Medicare D-SNP by 2026, which is no longer optional and obtaining an exemption from DHCS is not likely.
2. Launching a new Medicare D-SNP is achievable by 2026; however, CenCal Health must start planning now due to the complex implementation, need to enhance Medicare experience among staff, and complexity of CalAIM initiatives.
3. IT Systems and Case Management/Utilization Management are the top two most critical Medicare enhancement needs with additional functional opportunities in Provider Services (network), Compliance, Member Services, Sales, Marketing and Enrollment.
4. Functional Readiness is not sufficient, as DHCS feasibility study highlighted key assumptions (performance targets) to achieve financial sustainability including:
 1. Enrollment
 2. Medical Management
 3. Provider Rates
 4. STARS score
 5. Risk Adjustment

Consultant Recommendations

1. CenCal Health should target January 1, 2026 for Medicare D-SNP launch, and prioritize the following by end of 2023.
2. CenCal Health should pursue a dedicated resourcing approach and work plan to address the top critical gaps
 - IT Systems and Case Management/Utilization Management
 - i. Comprehensive business requirements and performance expectations, key strategic decisions and dependencies needed
3. Develop a Medicare Performance Plan focused on how to achieve the top 5 drivers impacting long-term feasibility
 - Enrollment, Medical Management, Provider Rates, STARS, Risk Adjustment

Planning Roadmap from Belong Health

Belong identified a high-level planning roadmap that outlines key decisions and milestones in 2022-2025.



Next Steps

CenCal Health has identified next steps to continue planning and readiness activities in support of launching a D-SNP on January 1, 2026.

1. Establish a Strategic Investment Plan cost center within the forthcoming 2023 budget, which includes known and estimated startup costs, to be funded by Plan reserves (e.g., tangible net equity). Known costs at this time include the following:
 - Staffing: Director Medicare, Senior Business Advisor - Product Line Development, Program Manager
 - Milliman, Actuary consultant
 - Medicare D-SNP planning and implementation consultant partner
 - IT planning (platform solution)
2. Engage Milliman, Actuary consultant, to perform a Plan specific financial feasibility study, and present at the March 2023 Board of Directors meeting.
3. Create and issue a request for proposal (RFP) for a Medicare D-SNP planning and implementation consultant partner, following the Plan's Procurement Policy (FIN-15). This consultant partner will provide subject matter expertise support over the next 3 years and through initial launch.

Recommendation

Staff recommends continuation of health plan readiness for Dual Special Needs Program (DSNP) development, including Request for Proposal (RFP) for a long-term Medicare consulting partner and detailed financial feasibility assessment.

2023 CalPERS Resolution and Compensation Memo

Date: October 19, 2022

From: Dina Miranda, Manager of Human Resources

Through: Kim Andrade, Interim Human Resources Director
David Ambrose, Chief Financial Officer

Executive Summary

CenCal Health participates in the state of California's CalPERS retirement program. CalPERS requires all agencies that participate in the CalPERS pension plan to have a salary structure approved by their board of directors. On an annual basis, CenCal Health's Board of Directors adopts a resolution adopting the most up to date salary structure prior to the next fiscal and/or budget year.

Background

By way of background, Human Resources staff ensured that CenCal Health positions were re-evaluated and benchmarked throughout 2021, with new positions benchmarked on an ongoing basis. Staff anticipate that CBIZ Talent and Compensation Solutions (CBIZ) will re-benchmark all positions again in 2023. Meanwhile, it is critical that CenCal Health maintain up-to-date salary structures for the CalPERS pension plan. CalPERS retirement calculations are based on "compensation earnable" and pay rates are limited to the amount listed on a pay schedule that has been duly approved and adopted by employer's governing body.

As your Board is aware, cost of living and higher than average housing costs in the Santa Barbara and San Luis Obispo counties serve as distinct disincentive when recruiting talent from outside the area if community or local presence is required. A competitive salary structure is critical to offsetting this disadvantage. Therefore, to be competitive in the employment market, to attract and retain talent, and to ensure CenCal Health's salary ranges are current, CenCal Health engages CBIZ Talent and Compensation Consulting to review the salary structure annually. CBIZ is recommending that we adjust the CenCal Health salary ranges by 5% this year due to the current labor market (see attached letter from CBIZ and attached new salary ranges) and conduct a review of current compensation practices to update the compensation/salary structure every three years.

Recommendation

Staff recommend adopting CBIZ Talent and Compensation Solutions recommendation and salary ranges effective January 1, 2023. Adjusting the salary structure annually will ensure the salary range minimums remain competitive to the market and that salary ranges remain appropriate. Lastly, an annual resolution ensures compliance with CalPERS requirements as a public agency.

Enclosures: CBIZ Salary Structure Letter, CalPERS Resolution



June 3, 2022

Ms. Dina Miranda
Sr. Human Resources Generalist
CenCal Health
4050 Calle Real
Santa Barbara, CA 93105

Dear Dina:

This letter documents our annual recommendations regarding salary structure updates and salary increase budgets. The current labor market is leading to accelerated wage growth. We will first share our commentary on the current labor market and then address the sources and rationale for our annual recommendations, which are highlighted in the below table.

Recommendations	
Structure Update:	5.0%
Salary Increase Budget:	6.2% - 7.9%

Market Commentary

The US Bureau of Labor Statistics provides insightful data regarding the current labor market. The following economic indicators help document the current conditions:

- Job Openings¹: 11.5 million
- Unemployed Persons²: 6.0 million
- Voluntary Exits (Quits)¹: 4.5 million
- Consumer Price Index³: 8.5%

The number of job opening in the labor market is at an all-time high and comparing the number of jobs openings to unemployed persons shows that there are 1.9 jobs available to each unemployed person. The voluntary exits or “Quits” data is near record levels and well above pre-pandemic trends, lending credibly to the “Great Resignation” moniker. These data points taken together indicate a labor market in which candidates have greater bargaining power and will likely result in accelerated wage growth. Finally, significant inflation has become harder to ignore, leading to another driver of rising salary increases.

Structure Update

Adjusting your salary structure annually will help ensure that your salary range minimums remain competitive to the market and that your salary range maximums remain appropriate. This is an annual best practice, but is only a short term fix as jobs move in the labor market differently from the overall labor market. Some jobs might be considered “hot

¹ Job Openings and Labor Turnover Summary; March 2022. [Job Openings and Labor Turnover Summary - 2022 M03 Results \(bls.gov\)](#).
² Employment Situation Summary; March 2022. [Employment Situation Summary - 2022 Q01 Results \(bls.gov\)](#).
³ Consumer Price Index Summary; March 2022. [Consumer Price Index Summary - 2022 M03 Results \(bls.gov\)](#)



jobs” and see pay escalate quickly while other jobs may stagnate in the labor market. For this reason, it’s important to evaluate your positions to the market every three to five years.

Our source for structure update data is the U.S. Bureau of Labor Statistics *Employment Cost Index* (ECI), which measures wage growth over the prior 12-months. ECI is a good metric for understanding board wage movement in the labor market and is a good metric to which pay structure adjustments should be based.

The relevant data in our recommendation stems from the reported wages and salaries data for private industry workers (i.e., all private, non-government), which is 5.0% from the March 2022 report⁴.

Salary Increase Budget

Matching market trends for annual salary adjustments ensures that wages remain competitive to the market. Individual increases for employees who have been in their current role for the past year should receive increases in excess of the ECI rate so that they move through the market rate of pay, not simply stay indexed to it. This is especially true for meritorious employees whose performance and skill development should be recognized.

In recent years, salary increase surveys reported that increases were 120 basis points or 157% above structure adjustments. Applying these premiums to ECI would indicate salary increase budgets should be in the range of 6.2% to 7.9%.

I trust you will find this information helpful. If you have any additional questions, feel free to call.

Sincerely,

Ryan Blackwell, CCP
Director, Compensation Consulting
(314) 692-5801
rblackwell@cbiz.com

CBIZ is a business and financial advisory firm providing a vast array of services, including compensation consulting. Our professionals perform compensation valuations on a regular basis and are qualified to provide such.

⁴ Employment Cost Index Summary; March 2022. [Employment Cost Index Summary - 2022 Q01 Results \(bls.gov\)](https://www.bls.gov/news.release/nci.t01.pdf)



**RESOLUTION OF THE
BOARD OF DIRECTORS OF
CENCAL HEALTH**

**Resolution No. 2022-01
Approval of CenCal Health Salary Structure**

WHEREAS, CenCal Health participates in a CalPERS retirement plan; and;

WHEREAS, only “compensation earnable” pursuant to Government Code Section 20636 and Title 2 California Code of Regulations Section 570.5 can be reported to CalPERS for purposes of calculating CalPERS retirement benefits; and

WHEREAS, Section 570.5 requires that “compensation earnable” that meets the applicable requirements must be based on a salary structure duly approved and adopted by the Board of Directors;

WHEREAS, CenCal Health has retained an outside compensation consultant to assist in the development of an industry standard salary structure, which has been presented to the Board of Directors;

NOW, IT IS RESOLVED THAT:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The 2023 CenCal Health Salary Structure is hereby adopted and approved effective January 1, 2023.

PASSED, APPROVED AND ADOPTED by the CenCal Health Board of Directors this 19th day of October 2022, by the following vote:

Ayes:
Nays:
Abstain:
Absent:

Mark Lisa
Acting Chair, Board of Directors

ATTEST:

by: _____
PAULA MARIE BOTTIANI
Clerk of the Board of Directors

APPROVED AS TO FORM:

Karen Kim
General Counsel

* * * * *

CERTIFICATION

I, Paula Marie Bottiani, Clerk of the Board of Directors of CenCal Health, certify that the foregoing is a true, correct, and complete copy of Resolution No. 2022-01, adopted October 19, 2022, by the Board of Directors, at which meeting a quorum was present.

DATED: _____

Paula Marie Bottiani
Clerk of the Board of Directors



Executive Dashboard Update

Chris Morris, Chief Performance Officer
October 19, 2022

1

OBJECTIVE

Share the development process for CenCal Health's organizational performance measurement system



2

BACKGROUND

- The Board unanimously identified “health plan performance” as the most valuable elective Board topic
- CenCal Health Performance Model identifies an enterprise dashboard as a key capability relevant to organizational performance
- Staff committed to building an executive level dashboard, to measure what matters, enhance focus on results, and guide improvement over time



3

SHARED VISION

Build on strength to create a performance measurement system spanning all health plan processes, to monitor the health of the entire organization in a concise and centralized manner.



4

BUILDING THE DASHBOARD

“How can we simplify and expand our measurement system?”

Evaluate
evidence-based
best practices

Review of
peer health plan
practices

Engage a CenCal
Health leadership
coalition to inform
development



5

BUILDING THE DASHBOARD

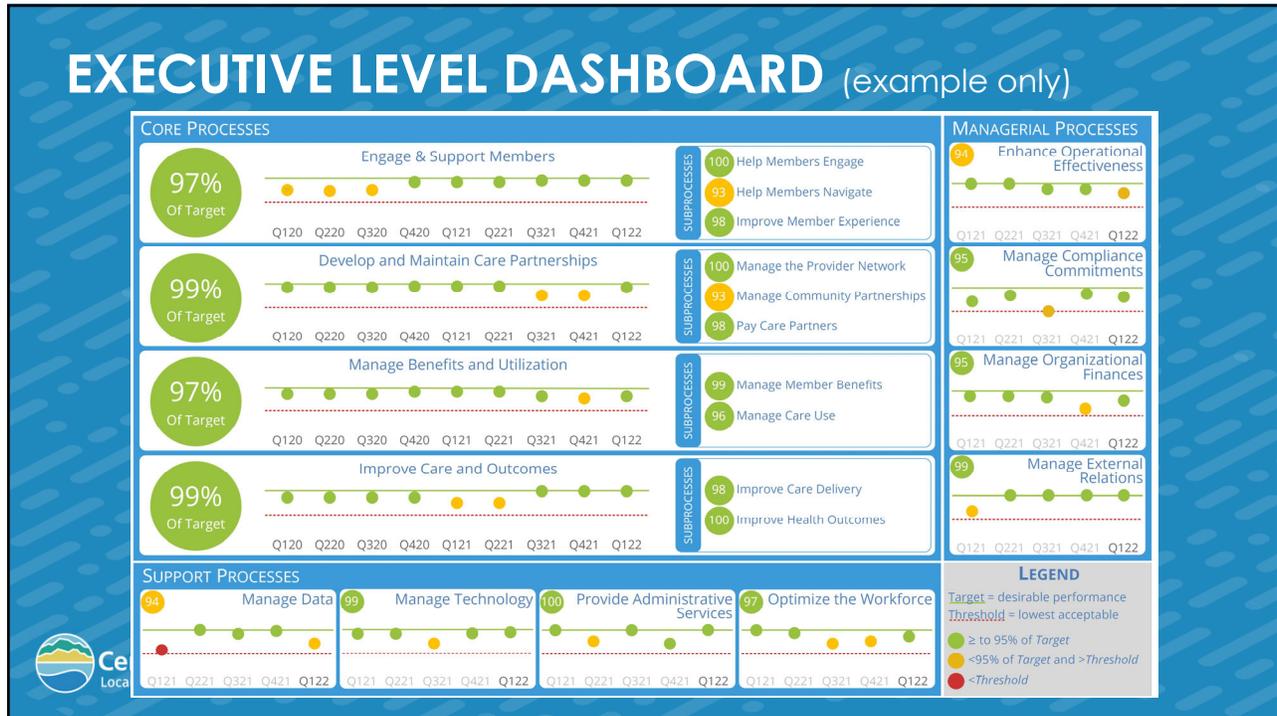
Designing the Dashboard around organizational processes provides advantages toward simplifying organizational performance measurement, including:

- Organizing processes by scope and scale, known as **process levels**
- Organizing processes by **customers**, including members, providers, community and staff
- Balancing **leading and lagging** measures to support intervention and evaluation
- Creating **audience specific views** to simplify oversight



6

EXECUTIVE LEVEL DASHBOARD (example only)



7

BUILDING FROM STRENGTH

At the **Board** level:

- The QI Committee provides visibility into the Quality Dashboard, which contains 36 HEDIS metrics
- Cross-functional performance is otherwise accomplished through routine and ad-hoc narrative reports and presentations

At the **departmental** level:

- Some directors use automated reporting
- Some directors use manual tools (e.g., excel)
- Some directors have yet to establish routine measurement

At the **programmatic** level, the Quality Improvement Workplan collates dozen of metrics spanning:

- Claims Quality Committee
- Healthcare Operations Committee
- Network Management Committee
- Provider Credentials Peer Review Committee
- Quality Improvement Committee



8

NEAR TERM, LONG TERM

To meet the **near-term need** to gain centralized insight into organizational performance, Staff will focus developmental efforts on a **Monthly Huddle-Board**

- Centralized, small cohort of metrics to monitor key areas of health plan performance
- Utilized by Plan leadership to monitor and adapt performance as needed
- Implementation by January 2023

To meet the **long-term need** to gain centralized and comprehensive insight into organizational performance, Staff will concurrently pursue the development of an **Executive Level Dashboard**

- The source of truth for CenCal Health organizational performance
- Utilized by Plan leadership and the Board to monitor and adapt performance as needed
- Prototype by March 2023



9

NEXT STEPS

- Staff will establish a Monthly Huddle Board and begin centrally monitoring operational performance through the Executive and Senior Leadership Teams, by January 2023
- Staff will finalize the Executive Level Dashboard prototype for Board consideration in March 2023



10

Q&A



11



12

PROVIDER BULLETIN

A PUBLICATION FOR
OUR PROVIDERS FROM
CENCAL HEALTH

VOL. 32 NO. 9 • SEPTEMBER 2022

CalAIM Arrives in Santa Barbara and San Luis Obispo Counties

The California Advancing and Innovating Medi-Cal program – known as **CalAIM** – is the far-reaching, multi-year plan to transform **Medi-Cal**.



PROVIDER NEWS

CalAIM Arrives in Santa Barbara and San Luis Obispo Counties

HEALTH PROMOTION

A look into the September member newsletter, *Health Matters*

BEHAVIORAL & MENTAL HEALTH UPDATES

Help your patients get mental health care

Reduce appointment cancellations:
Let us help!

Psychological eval, testing forms
available online

Required: Functional Behavioral
Assessment or Progress Reports

Quick Guide to Behavioral Health
Referrals and Treatment Requests

PHARMACY UPDATE

New Medi-Cal Rx benefit updates

QUALITY CORNER

Annual Initial Health Assessment
audit results

POPULATION HEALTH

“COVID + Flu – Don’t Spread 2!”

Help your patients get free home
blood pressure monitor

The long-term mission of CalAIM is to offer more than 14 million Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectory. The comprehensive program was developed by the **State of California’s Department of Health Care Services (DHCS)**. **CenCal Health** is responsible for managing the implementation of CalAIM with our providers and community-based organizations.

CalAIM will provide expanded services that go beyond traditional medical care, addressing social factors that affect human health from birth to end of life, including homelessness, behavioral health, care of older adults, services for individuals transitioning from incarceration, and beyond. CalAIM is the State’s largest overhaul of how Medi-Cal services are delivered and paid since the implementation of managed care in the late 1970’s.

“Our community partners have continuously been at the forefront of innovation, providing person-centered care to our members and underserved neighbors,” said CenCal Health CEO **Marina Owen**. “With the opportunities afforded by CalAIM, we are pleased to support our providers’ efforts to enhance, expand, and strengthen local services.”

CenCal Health has implemented two new initiatives under the CalAIM framework. They are:

- **Enhanced Care Management. ECM** is a benefit for members with complex needs requiring seamless coordination between multiple doctors and other care providers. With ECM, enrolled members are assigned a lead care manager who helps coordinate doctors, specialists, pharmacists, case managers, and social service providers, among others, in order to comprehensively manage the member’s primary care, acute care, behavioral health, developmental health, oral health, and community services and supports.
- **Community Supports** provides medically appropriate and cost-effective alternatives to traditional medical services. Community Supports comprehensively addresses the needs of members – including those with the most complex challenges affecting health such as homelessness, unstable and unsafe housing, food insecurity, and/or other social needs

More information about CalAIM on the Central Coast is available at cencalhealth.org/providers/calaim/. Additional information about CalAIM can be found on the DHCS site at dhcs.ca.gov/calaim.

continued on pg 2

Packet Page Number 100

“Let food be thy medicine and medicine be thy food.”

CenCal Health now offering Medically Tailored Meals as part of new CalAIM services

Many years ago, Hippocrates understood the importance of nutrition and healthy eating as a way to support community health. CenCal Health is offering the CalAIM Community Support Medically Tailored Meals (MTM), which provides nutritious cuisine to members with diabetes, congestive heart failure, or chronic kidney disease that can help assist in their recovery and overall health.

Eligible members include those who have had a skilled nursing facility stay, inpatient hospital visits, or emergency room visits within 12 months. Primary Care, Specialty Care, or Enhanced Care Management Providers can submit a Community Supports Authorization Request for MTM services through the CenCal Health Provider Portal or faxing to (805) 681-3039 using the Medically Tailored Meals Information and Referral form.

To learn more about the MTM Program and other Community Supports services CenCal Health offers, visit our website at cencalhealth.org/providers/calaim/, or by contacting the Community Supports department at (805) 562-1698.



BEHAVIORAL HEALTH & MENTAL HEALTH BENEFIT UPDATES

Help your patients get mental health care

For members who may need additional assistance to find a Mental Health Specialist, please complete a Behavioral Health Care Coordination Request form. This form should be used by PCPs to coordinate care for members to receive in-network mental health services or to be referred to the County for Specialty Mental Health Services, or for Substance Use Treatment Services. This form is located online at cencalhealth.org/providers/behavioral-health-treatment-and-mental-health-services/

Take a look at our Quick Guide to Behavioral Health Referrals and Treatment Requests, and print more for your office at cencalhealth.org/providers/behavioral-health-treatment-and-mental-health-services/primary-care-provider-screening-tools-and-resources/

We welcome your feedback on how we can improve our Provider Directory to better assist you. Please contact psrgroup@cencalhealth.org to provide feedback on how we may improve this provider search tool.

Reduce appointment cancellations: Let us help!

Members who are missing or cancelling appointments may need additional support. Before referring to another provider please submit a **Behavioral Health Care Coordination Request** for member education. Our Behavioral Health Navigators can assist with outreach to the member, providing education on the importance of treatment compliance, and identifying any barriers that we can assist the member in overcoming to support their care.

Mental Health Providers are required to complete a Level of Care Screening with all new members. Please be sure to complete this screening and keep it in the member's medical record. If a member is rated as severe, please send the Level of Care Screening with a Transition of Care Form to the Behavioral Health Department, and CenCal Health will coordinate their referral to the County. Please continue to see the member until the County provides feedback if the referral is accepted. Our Behavioral Health team will contact the referring provider with updates to member care within 5 business days of receiving the referral.

BEHAVIORAL HEALTH & MENTAL HEALTH BENEFIT UPDATES

A look into the September member newsletter, Health Matters

The fall issue of the member newsletter was mailed to all member households at the beginning of September. Regular distribution of the member newsletter is a key method for CenCal Health to promote better health and maintain compliance with necessary member notifications.

This issue includes the following topics:

- Yoga (complementary and alternative care)
- Monkeypox
- COVID-19 therapeutics
- Flu shot reminder
- Member Privacy Notice
- Physical activity
- COVID-19 vaccine guidelines
- Tobacco cessation



Scan the QR code for the latest *Health Matters*

Go to cencalhealth.org/members/member-newsletter/ and see past publications that might be of interest to you!

Psychological Evaluation and Testing Forms Available Online

CenCal Health understands the value of psychologists, as they provide vital psychotherapy and psychological testing. CenCal Health sees the unique role they can play in expanding care within our communities.

Please find the templates for Psychological Evaluation and for Psychological/ Neuropsychological Testing Pre-Service Treatment Authorization form on our Mental Health Provider webpage at cencalhealth.org/providers/behavioral-health-treatment-and-mental-health-services/mental-health-service-provider-resources/

Thank you to those of you who joined CenCal Health's Psychologist Symposium on Wednesday, August 3, 2022. During this collaborative symposium, CenCal Health presented the referral changes effective 8/15/22, the Mental Health Benefit, Psychological Testing Referral, & Evaluation Process, and emphasized fostering communication between the Mental Health Specialist and the member's Primary Care Physician. [Please reference this link to listen to this recorded symposium.](#)

CenCal Health instituted some changes to the referral process effective August 15, 2022. For more information please contact the Behavioral Health Provider Line at (805) 562-1600.

Required: Functional Behavioral Assessment or Progress Reports

Please ensure you are using an approved Functional Behavioral Assessment (FBA) or 6-month Progress Report template. Our minimum data set is available online and education on this form was included in the Behavioral Health (ABA) Treatment Overview, Authorization & Claims Training. To learn more go to cencalhealth.org/providers/behavioral-health-treatment-and-mental-health-services/behavioral-health-treatment-aba-provider-resources/

For any questions related to this form, or if you would like to use the internal Progress Report please contact the Director of Behavioral Health, Dr. Selesté Bowers at sbowers@cencalhealth.org for approval.

Friendly Reminder! Members only require an approved referral to begin the assessment process, Please offer members an appointment within 10 business days of their request for an FBA, per DHCS Timely Access Standards. If you are unable to accept a referral, please contact the referring provider to request a redirection or contact the Behavioral Health Care Coordination Provider Line at (805) 562-1600 for assistance.

Please reference the Provider Directory to ensure your information, including your availability, is up to date. You can send updates to BHProviderUpdates@cencalhealth.org.

Quick Guide to Behavioral Health Referrals and Treatment Requests

Psychotherapy (Therapy) and Medication Management (Psychiatry)

Referrals and Treatment Authorization Requests are not required

Members can access care by:

1. Finding a provider at cencalhealth.org, select “Find a Doctor Now” and schedule with any contracted Mental Health Specialist
2. Calling the Behavioral Health Call Center at (877) 814-1861
 - a. Spanish and English Line, follow prompts
 - b. They will receive a list of three Mental Health Specialists they can call to schedule an appointment
3. Providers can submit a Behavioral Health Care Coordination Request form to the Behavioral Health Department. You can download the form here: cencalhealth.org/providers/behavioral-health-treatment-and-mental-health-services/
 - a. Our Behavioral Health Navigators will contact member to assist member connecting with a provider and inform you of the outcome of the referral

Psychological Evaluation

Important Note: A Psychological Evaluation is an initial assessment of the member’s symptoms as well as the clinical recommendations for member’s care. This is the first step towards requesting Psychological Testing.

A referral is not required.

1. Direct a member to any contracted Psychologist for a psychological evaluation of any underlying mental health symptoms or diagnosis (including Autism Spectrum Disorder)
2. Contact the Psychologist to consult the reason for being referred or assist member to schedule and inform the Psychologist for the reason for the consultation
3. The Psychologist will complete a Psychological Evaluation and provide the findings and recommendations to the PCP



Psychological and Neuropsychological Testing

A referral is not required by PCP. Please work directly with any contracted Psychologist to refer for a Psychological Evaluation.

An authorization is required for the actual psychological or neuropsychological testing.

Providers can direct members for psychological testing by:

1. Providers should direct member to any contracted Psychologist for a Psychological Evaluation (No Referral Required)
2. Contact the Psychologist to consult the reason for being referred or assist member to schedule and inform the Psychologist for the reason for the consultation
3. The Psychologist will complete a Psychological Evaluation and provide the findings and recommendations to the PCP
4. If psychological testing is indicated, the psychologist will submit a 50-1/Treatment Authorization Request to CenCal to complete the testing or send Psychological Evaluation to a psychologist who will complete the testing
5. If ABA treatment is indicated, the psychologist may submit the ABA Referral to CenCal Health
6. The PCP will receive the evaluation form with all findings and recommendations



ABA Referral

A Referral is required from a Physician, Surgeon or Psychologist.

Providers can refer members by:

1. Submitting an ABA Referral form to the Behavioral Health Department or submitting the ABA Referral form on the Provider Portal
2. Please select an ABA Provider with the Member
 - a. Please see the provider directory to identify a provider who is available in the Member's area and has open availability
 - a. Please contact provider as appropriate to consult prior to referring
3. If a provider is unsure if ABA Treatment is medically necessary, they please consult with a Psychologist for a Psychological Evaluation to determine the clinical recommendations for Member's care



New Medi-Cal Rx benefit updates

Prescriber advantages of using CoverMyMeds® for Medi-Cal Rx prior authorization requests

For Medi-Cal Rx prescribers who currently fax their prior authorization (PA) requests, CoverMyMeds® allows you to submit an electronic PA for drug/product requests to Medi-Cal Rx.

- Benefits to Using CoverMyMeds®
 - + Presents covered alternatives during the submission process.
 - + Interacts with Medi-Cal Rx systems presenting clinical questions directly to the prescriber, so all information is gathered up front.
 - + Allows for real-time approvals based on clinical information submitted by the prescriber. Note: If a PA request is not approved in real time, the request will be routed to Medi-Cal Rx for further review.
 - + Allows prescribers to include attachments to the PA request as well as inquire about the status of the PA. Note: The status of PAs submitted on CoverMyMeds® can also be found on the Medi-Cal Rx Provider Portal.

Create your account today! Sign up for your free CoverMyMeds® account by visiting <https://account.covermymeds.com/signup> and entering the requested information.



Implementation of Phase I, Wave III - Reinstatement of PAs for 11 drug classes

DHCS has announced a proposed plan for reinstatement of claim edits and PAs, as well as the phasing out of the Transition Policy for Medi-Cal Rx. DHCS presented a three-phase plan that includes reinstatement of PAs for new-start medications based upon drug classes. This approach allows providers to initiate PAs on a gradual basis while DHCS continues to grandfather prescriptions with historical claims or PAs.

On September 16, 2022, Phase I, Wave III of the Reinstatement Plan will go live. Providers will be required to submit PAs for new-start medications in the 11 identified drug classes below:

- Diuretics
- Lipotropics, including statins and omega-3 fatty acids
- Hypoglycemics, including glucagon
- Coronary vasodilators (nitrates and pulmonary arterial hypertension agents)
- Cardiovascular agents, including antiarrhythmics and inotropes
- Anticoagulants and antiplatelets
- Niacin, Vitamin B, and Vitamin C products

Specifically, new-start prescriptions for children and youth beneficiaries (21 years of age and under) within these 11 drug classes will not be subject to PA-reinstatement.

For any questions regarding CoverMyMeds® or the implementation of Phase I, Wave III of the Reinstatement Plan, please contact MediCal Rx at (800) 977-2273 or CenCal Health Pharmacy Department at (805) 562-1080.

Annual Initial Health Assessment audit results

CenCal Health would like to thank participating Primary Care Providers (PCPs) for their support with the annual Initial Health Assessment (IHA) audit, which evaluated the completion of required IHA components.

Of 300 records reviewed, overall findings indicate a 70% rate of compliance.

Results were based on separate review of pediatric and adult IHAs. Areas for improvement include documentation of screening assessments, anticipatory guidance, and completion of a Staying Healthy Assessment (SHA) by the patient and PCP.

While specific findings will be shared and discussed with the audited PCPs this month, high-level results of the findings are as follows:



PCPs are required to perform an IHA for each newly assigned member within 120 days of a member's CenCal Health enrollment.

Each IHA must include documentation of the following:

- A comprehensive physical and mental developmental health history
- A physical exam
- Oral health assessment and dental screening and referral for children
- Completion of, or referral for, recommended preventive screenings and services
- Identification of high-risk behaviors
- Health education and anticipatory guidance appropriate for the patient's age
- Diagnosis and plan for treatment of any disease
- "Staying Healthy Assessment" (SHA) questionnaire

Please go to DHCS and print the Staying Healthy Assessment (SHA) Questionnaires by age group: www.dhcs.ca.gov/formsandpubs/forms/pages/stayinghealthy.aspx

To identify your patients due for an IHA and their IHA due date, go to CenCal Health's secure provider portal and click the Coordination of Care section in the "Assignment" tab. For more information about IHA requirements, please contact the Population Health Team at populationhealth@cencalhealth.org.

Pediatrics

- Highest scoring components: Comprehensive History (~90%), Preventive Services (91%), and Anticipatory Guidance (84%)
- **Areas for Improvement:** Physical Examinations (73%), Screening Assessments (~60%), and completion of SHA questionnaire (28%)
- 150 pediatric records reviewed

Adults

- Highest scoring components: Comprehensive History (~92%), Physical Examinations (~96%), and Preventive Services (83%)
- **Areas for Improvement:** Screening Assessments (~67%), Anticipatory Guidance (~63%), and completion of SHA questionnaire (31%)
- 150 adult records reviewed

'COVID + Flu Don't Spread 2!'

Flu season is quickly approaching, and getting your patients vaccinated against the flu as well as COVID-19 is more important than ever. Please use this opportunity to educate your patients on the importance of getting vaccinated, to administer flu and COVID-19 vaccines as well as to conduct diagnostic testing, given that their symptoms are very similar. **Get your patients vaccinated today!**

The CDC recommends that:

- Everyone 6 months and older get an annual flu vaccine
- Everyone 6 months and older get the COVID-19 vaccine
- Everyone 5 years and older get COVID-19 boosters, if eligible

For more information you can go to:

www.cdc.gov/flu/season/faq-flu-season-2020-2021.htm

www.cdc.gov/vaccines/covid-19/index.html

You can also visit:

cencalhealth.org/health-and-wellness

cencalhealth.org/coronavirus/covid-vaccine/

September 2022 Provider Bulletin

Provider Services (805) 562-1676

Claims Services (805) 562-1083

Pharmacy Services (805) 562-1080

Health Services (805) 562-1082

Member Services (877) 814-1861

Behavioral Health (805) 562-1600



4050 Calle Real
Santa Barbara, Ca 93110

Standard Presort
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Santa Barbara, CA
Permit No. 625

Help your patients get free home blood pressure monitor

Help your hypertensive patients take control of their blood pressure. Medi-Cal hypertensive patients are eligible to receive a free blood pressure monitor.

As their PCP, it's easy to help:

1. Write a prescription for a blood pressure monitor after a routine blood pressure appointment.
2. Tell the patient to take the prescription to their local pharmacy for a monitor free of charge.
3. Let them know that the pharmacist can also answer their questions about how to use the device.

Please take the opportunity to educate your patients on how often they need to check their blood pressure.

Please reference a list of blood pressure monitors approved by Medi-Cal Rx, the State pharmacy benefit at medi-calrx.dhcs.ca.gov/cms/medicalrx/static-assets/documents/provider/bulletins/2022.05_A_Medical_Supplies_Pharmacy_Benefit_Addition_of_BP_Monitors_BP_Cuffs.pdf

For specific questions, please email: populationhealth@cencalhealth.org.

