



CenCal HEALTH[®]
Local. Quality. Healthcare.

40th
ANNIVERSARY
1983 - 2023



CenCal Health Board of Directors Information Update

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**For Activities within
the month of July/August 2023**

August 18, 2023

CEO Executive Summary

Date: August 18th, 2023

To: CenCal Health Board of Directors

From: Marina Owen, Chief Executive Officer

40th Anniversary Celebration

This year is CenCal Health's 40th anniversary in Santa Barbara and 15th anniversary in San Luis Obispo County. To recognize this incredible milestone, staff have engaged in a variety of internal and external activities highlighting the collective impact of the local Medi-Cal Program in service to our members and communities, accomplishments achieved together with providers, and highlighting the people and organizations, including our Board of Directors, community providers and employees, that supported CenCal Health in reaching this important milestone. The 2022/2023 Community Report highlights these accomplishments. As part of this celebration, CenCal Health will hold a 40th Anniversary Celebration for our Board of Directors, community members, providers, and staff in Santa Barbara in the Fall. Please watch for save the dates to be distributed soon and community engagement in anticipation of this celebratory event.

Champions in Healthcare

Congratulations to our CenCal Health Board Member, Kieran Shah, CHPCA, President and CEO of VNA Health, for recognition by the Pacific Coast Business Times as a 2023 Champion in Healthcare. CenCal Health also congratulated the honorees representing our provider partners Cottage Health, French Hospital Medical Center, Tenet Health and all healthcare champions. Congratulations are also in order for Van Do-Reynoso, MPH, PHD, for being recognized by Congressman Salud Carbajal, as a Woman of the Year, an award highlighting exceptional women across the 24th Congressional District who have positively impacted their community. These recognitions exemplify steadfast commitments to improving the health and well-being of our communities.

New Chief Operating Officer at CenCal Health

Jordan Turetsky, MPH, was recently promoted to Chief Operating Officer (COO) and previously served CenCal Health as our Provider Network Officer over the past year. Prior to joining CenCal Health, Ms. Turetsky served as Director of Provider Services for eight years at Central California Alliance for Health in Santa Cruz, Monterey and Merced Counties. She holds a Master's Degree in Public Health from UC Berkeley and a Bachelor's Degree from UC Santa Cruz. As CenCal Health's next COO, Ms. Turetsky will oversee Provider Services, Provider Relations and Claims Departments and lead CenCal Health's Medicare program development efforts for the Dual Special Needs Program

(DSNP), including partnership with our consulting partner, Healthcare Management Associates. CenCal Health is pleased to have her serve in this important role. Ms. Turetsky succeeds Amanda Flaum, who left CenCal Health to pursue a career opportunity with Kaiser Permanente Health Plan earlier in the year.

Additional details on promotions at CenCal Health and a comprehensive Human Resources report can be found in the Performance Division Report provided by Chris Morris, MSOD, Chief Performance Officer, and the Operations Report provided by Jordan Turetsky, MPH, Chief Operating Officer.

Quality Incentive Program Recognizes Primary Care Providers

CenCal Health's Quality Care Incentive Program (QCIP) recognizes Primary Care Providers (PCPs) for providing clinically recommended services to members in accordance with well-established, evidence-based, clinical guidelines. In July 2023, CenCal Health distributed \$3.92 million in QCIP payments to 96 eligible PCPs. Since the program's inception in March 2022, over \$18.84 million has been earned by and distributed to PCPs for their achievements. CenCal Health's pay-for-performance program encompasses five clinical categories of care – Behavioral Health, Diabetes Care, Pediatric Care, Respiratory Care, and Women's Health. The incentive program and many of CenCal Health's related processes to improve population health also satisfy important Department of Healthcare Services requirements and National Committee for Quality Assurance standards. Importantly, improvements in compliance with established clinical guidelines has improved as follows:

| Percentage of Members that Received Timely Recommended Treatment or Preventive Services | | |
|--|-----------------------------|------------------|
| QCIP Categories of Care | Baseline: March 2022 | June 2023 |
| Behavioral Health | 50.0% | 63.5% |
| Diabetes Care | 66.5% | 68.9% |
| Pediatric Care | 57.2% | 57.2% |
| Respiratory Care | 73.9% | 70.7% |
| Women's Health | 55.7% | 56.3% |
| Total | 57.4% | 58.2% |

Additional details can be found in the Quality and Population Health Reports provided by Dr. Emily Fonda, MD, MMM, CHCQM Chief Medical Officer, and Carlos Hernandez, Quality Officer.

Member Eligibility Redetermination

As your Board is aware, the federal government suspended the annual redetermination process for members to ensure health coverage for the country's most vulnerable,

especially seniors and children. As of March 31st, this temporary suspension of eligibility renewals ended nationwide and Medi-Cal members will begin to receive state-wide communication in the coming months.

The month of July was the first month where information was available on member eligibility redetermination state-wide and CenCal Health's rate of member disenrollment is within range of the statewide average of approximately 21%. The June 2023 data from the Department of Healthcare Services (DHCS) indicates that of the 5,139 San Luis Obispo County members who were due for enrollment redetermination, 74.4% completed the redetermination process of which 23% were disenrolled. Of the 11,115 Santa Barbara County members, 58.6% redeterminations were completed, of which 19.7% were disenrolled. The Department of Social Services in Santa Barbara and San Luis Obispo counties are continuing to process June renewals; thus, the member retention rate will increase after the 90-day cure period that allows members an opportunity to respond to retain their Medi-Cal eligibility. In addition to member redetermination, CenCal Health continues to observe increases in new members.

CenCal Health's aggregate membership in August 2023 was 234,291. This reflects a minor 88-member decrease from July 2023, accounting for both new membership and member disenrollments due to redetermination. To ensure common messaging, CenCal Health has engaged in member outreach and messaging campaigns including a comprehensive toolkit that provides scripting for call centers, texting, social media and website use, and FAQs, flyers, posters, and other materials for outreach. CenCal Health, in partnership with the County of Santa Barbara and San Luis Obispo, continue this renewal outreach strategy with support from social services organizations and state agencies.

Additional details can be found in the *Customer Experience Report* provided by Van Do-Reynoso, MPH, PHD, Chief Customer Experience and Health Equity Officer, and in the *Communications Exhibit* by Nicolette Worley Marselian, MBA, Communications Director.

Quality Report

Date: August 18th, 2023

From: Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer
Carlos Hernandez, Quality & Population Health Officer

Through: Marina Owen, Chief Executive Officer

Executive Summary

This report provides an overview of recent developments in managed care quality program operations, implications of significance for CenCal Health, and next steps and best practices to assure continuous improvement and CenCal Health's compliance with regulatory requirements.

CenCal Health's Quality Care Incentive Program (QCIP) is a pay-for-performance system used to continuously and strongly motivate widespread adoption of well-established, evidence-based, clinical treatment and preventive health guidelines. The QCIP system also satisfies an important NCQA standard for accreditation, and Department of Health Care Services (DHCS) requirements.

In July 2023, CenCal Health distributed \$3.92 million in QCIP incentive payments to 96 Primary Care Providers (PCPs). Since the program's inception in March 2022, \$18.84 million has been distributed to PCPs. The QCIP program encompasses five clinical categories of care -- Behavioral Health, Diabetes Care, Pediatric Care, Respiratory Care, and Women's Health. Compliance with established clinical guidelines has improved as follows:

| Percentage of Members that Received Timely Recommended Treatment or Preventive Services | | | | | | |
|---|------------------|--------------|--------------|--------------|--------------|--------------|
| QCIP Categories of Care | Baseline: Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 |
| Behavioral Health | 50.0% | 50.6% | 50.9% | 52.4% | 56.3% | 63.5% |
| Diabetes Care | 66.5% | 66.7% | 67.2% | 69.0% | 68.6% | 68.9% |
| Pediatric Care | 57.2% | 57.1% | 57.2% | 57.2% | 57.2% | 57.2% |
| Respiratory Care | 73.9% | 78.2% | 78.8% | 78.3% | 73.6% | 70.7% |
| Women's Health | 55.7% | 56.1% | 56.4% | 56.9% | 56.4% | 56.3% |
| Total | 57.4% | 57.6% | 57.8% | 58.1% | 58.0% | 58.2% |

Note: Includes all QCIP-eligible PCPs and all aspects of care evaluated for incentive payment calculations.

Background

Through CenCal Health's Quality Care Incentive Program, \$3.92 million in QCIP payments were distributed to 96 eligible PCPs in July 2023. This marks the fifth quarterly payment for the QCIP pay-for-performance program launched in March 2022.

PCPs eligible for QCIP participation earn payment based on their delivery of care that aligns with well-established, evidence-based, standards of care. Incentives are earned according to a 5-star methodology for all capitated PCPs with QCIP-qualifying members ≥ 30.

The program encompasses five clinical care domains -- Behavioral Health, Diabetes Care, Pediatric Care, Respiratory Care, and Women's Health. Individual aspects of care have improved significantly within four domains since the QCIP program launched. The most noteworthy achievements include antidepressant medication management, well-child visits for infants 15 months of age, and chlamydia screening for women. Each of these aspects of care significantly improved by approximately 13, 9, and 6 percentage points, respectively. Well-child visits for infants and chlamydia screening for women have been longstanding challenges for CenCal Health. The table below provides further detail:

| Percentage of Members that Received Timely Recommended Treatment or Preventive Services | | | | |
|---|-----------------|--------------|-------------|--------------------------|
| QCIP Categories of Care | Baseline Mar-22 | Jun-23 | Change | Statistically Meaningful |
| Behavioral Health | | | | |
| Antidepressant Medication Management Effective Acute Phase Treatment | 57.3% | 71.1% | 13.8% | Yes |
| Antidepressant Medication Management Effective Continuation Phase Treatment | 42.8% | 55.8% | 13.1% | Yes |
| Diabetes Care | | | | |
| Comprehensive Diabetes Care - Eye Exam | 48.5% | 53.6% | 5.0% | |
| Comprehensive Diabetes Care - HbA1c Testing | 84.5% | 84.3% | -0.1% | |
| Pediatric Care | | | | |
| Child and Adolescent Well-Care Visits | 56.5% | 56.3% | -0.2% | |
| Immunizations for Adolescents - Combination 2 | 51.2% | 45.8% | -5.3% | Yes |
| Lead Screening in Children | 59.1% | 63.3% | 4.3% | Yes |
| Well Child Visits - 2+ visits before 30th month of age | 78.7% | 79.9% | 1.1% | |
| Well Child Visits - 6+ visits before 15th month of age | 50.6% | 59.1% | 8.5% | Yes |
| Respiratory Care | | | | |
| Asthma Medication Ratio | 73.9% | 70.7% | -3.3% | Yes |
| Women's Health | | | | |
| Breast Cancer Screening | 60.5% | 61.1% | 0.6% | |
| Cervical Cancer Screening | 54.4% | 53.9% | -0.5% | |
| Chlamydia Screening in Women | 57.3% | 63.5% | 6.2% | Yes |
| Grand Total | 57.4% | 58.2% | 0.8% | |

To motivate continuous improvement, CenCal Health provides monthly QCIP performance reports and member-level detail to PCPs via CenCal Health's secure Provider Portal. QCIP engagement is managed through recurring meetings with CenCal Health's largest PCPs to motivate continuous improvement, and consequently earn greater incentives. Assistance is also available to any PCP upon request to orient them to the QCIP's easily accessible analytical tools and informative data to maximize performance.

Detailed QCIP program information and resources are available on CenCal Health's website or may be requested via email at QCIP@cencalhealth.org.

Next Steps

The QCIP program was recently refined to incorporate two new clinically important aspects of care that warrant significant improvement. The refinements add measurements for seasonal flu vaccination for two-year-olds, and human papilloma virus (HPV) vaccination for adolescents. For these aspects of care, PCPs will not be accountable for QCIP performance for the initial 12 months of reporting. This reporting period provides sufficient time for PCPs to maximize their member outreach and immunization practices. Effective April 2024, these important aspects of care will transition to use for incentive calculations. The addition will strengthen CenCal Health's incentive to complete each multi-dose influenza and HPV vaccination series in accordance with the well-established, evidence-based, guidelines of the CDC Advisory Committee on Immunization Practices.

Recommendation

This Quality Report is presented for information only.

Population Health Management Report

Date: August 18th, 2023

From: Emily Fonda, MD, MMM, CHCQM, Chief Medical Officer
Carlos Hernandez, Quality & Population Health Officer
Lauren Geeb, MBA, Director, Quality

Through: Marina Owen, Chief Executive Officer

Executive Summary

This report provides an overview of recent developments regarding CenCal Health's *Infection Prevention Nursing Home Pilot Project* and next steps to assure continuous improvement and CenCal Health's commitment to advance health equity for all. This innovative pilot project focuses on implementing successful bathing techniques that will aid in protecting an underserved, disadvantaged population residing in a skilled nursing facility (SNF) from infections leading to hospitalization. It satisfies an important Department of Health Care Services requirement and NCQA standard for accreditation that requires managed care plans to implement a program or service that addresses patient safety or outcomes across settings.

CenCal Health completed the first phase of the project, "Preparation" which included hosting informational sessions with potential SNF participants. The informational sessions were presented in collaboration with Susan Huang, MD, MPH, Chancellor's Professor, Division of Infectious Disease, University of California, Irvine. Memorandums of Understanding have been sent to six identified SNFs to formalize commitment to this 6-month Pilot Project.

Background

Increasing mortality rates have proven Multi-Drug Resistant Organisms (MDROs) infections are a worsening population health and public health issue. CenCal Health initiated a Board-approved Infection Prevention Nursing Home Pilot Project based on best practices developed during Project SHIELD, which was conducted from 4/17-7/19 by a UC Irvine Epidemiology team led by Susan Huang, MD, MPH – Chancellor's Professor of Infectious Diseases/Director of Epidemiology and Infection Prevention for UCI Health. The results from Project SHIELD demonstrated successfully that a simple change in bathing protocol from regular liquid soap to chlorhexidine among SNF patients led to a decrease in the presence of MDROs ranging from 31-73%, with MRSA decreasing by 31% (McKinnell IDWeek 2019). In addition, infection-related hospital stays could be expected to decrease by about 30%.

A recent CCH data analysis used 1,768 CPT billing codes, reflecting all types of infections, to identify the six facilities with the highest rates of infection requiring transfer to an inpatient setting across both counties. The data showed infection rates ranging from approximately 47% to 27% among these top six facilities, with CenCal Health membership per facility ranging from 62 to 212.

The three phases of the project entail:

Phase 1: Preparation (Completed)

- Informational session with partnering facilities
- Host SNF training sessions by webinar, including support from Project SHIELD led by Susan Huang, MD, MPH – Chancellor's Professor, Division of Infectious Diseases
- Issue Memorandum of Understanding to SNF participants

Phase 2: Products & Purchasing

Phase 3: Process & Practice with onsite team visits

The program cost estimates are \$1,658 per month for a 100-bed skilled facility, which includes chlorhexidine soap, nasal iodophor swabs, and peroxide bleach. The approximate cost for this six-month pilot across six facilities in SB and SLO counties is approximately \$59,688. The potential cost savings for hospitalizations are estimated to be at about 30% of total inpatient expenditures.

Next Steps

CenCal Health has issued Memorandums of Understandings to identified SNF partners and will proceed with formalizing commitment to this pilot project prior to moving on to Phase 2: Products and Purchasing. For any SNFs that cannot commit to the project at this time, CenCal Health will identify another potential partner with the highest volume of inpatient admissions due to infection. This program has been incorporated into CenCal Health's Population Health Management strategy to satisfy the NCQA area of focus requirement regarding patient safety.

Recommendation

This Population Health Management Report is presented for information only.

Health Services Report

Date: August 18th, 2023

From: Christopher Hill, RN, MBA, Health Services Officer

Contributors: Sue Fischer RN, MA, Director of Medical Management
Jeff Januska, PharmD, Director of Pharmacy Services
Seleste Bowers, DHA, LCSW, Director of Behavioral Health
Blanca Zuniga, Associate Director, Care Management

Through: Marina Owen, Chief Executive Officer

Executive Summary

This report provides an overview of recent developments in Medical Management, including program operations in *case management*, *utilization management*, *behavioral health*, and *pharmacy*.

Medical Management

The Utilization and Case Management teams focused on submissions for the 2024 contract requirements and **completed all deliverables** through July which are now pending approval by the Department of Healthcare Services (DHCS). Additionally, the teams have identified 31 areas that need process changes to comply with new 2024 regulations and 11 will require additional resources.

The prior authorization turnaround time has been improving; however, it *did not* achieve its monthly turnaround time goal of 95% in one of the six areas. Staff continue to offer overtime and backfill open positions to address. Health Services has submitted all required documents requested by DHCS for the 2023 Medical Audit and are engaged in a multi-level review before submission.

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

Current enrollment in ECM for all populations is 777 members. Effective 1/1/2024, the ECM benefit will expand to both Adults and Children/Youth transitioning into the Community from Incarceration. This population has a disproportionately high physical and behavioral health care need that require ongoing treatment and medication maintenance when reentering the community. The Model of care for this population has been completed and additional work needs to be completed to develop the detailed care coordination process and expand the ECM network.

The Community Support Team began developing the operational process workflows for the four (4) new Community Supports going live 1/1/24. 1) Short term Post Hospitalization Housing, 2) Day Habilitation, 3) Respite services 4) Personnel Care and Homemaker Services. The development of workflows includes authorizations, referrals, developing member and provider materials, and participating in subgroups around billing, coding, and program utilization analysis.

CenCal Health has approved 977 authorizations for Community Supports Services and is serving 649 members. Additional detail is as follows:

- Medically Tailored Meals – 52 total approved authorizations
- Recuperative Care - 111 total approved authorizations
- Sobering Center - 441 total approved authorizations
- Housing Transition Navigation Services - 171 total approved authorizations
- Housing Tenancy and Sustaining Services - 137 total approved authorizations
- Housing Deposits - 65 total approved authorizations

Behavioral Health

Behavioral Health is working to implement 2024 contract operational requirements and working on ongoing submissions for the 2024 contract policies. **Prior authorization turnaround time is at 100%** in addition to post service and concurrent.

The Behavioral Health Call Center monthly call volume decreased in the month of July. The call center is compliant with their performance of average speed to answer and implement their action plan of answering all calls within regulatory times. The team is working closely with both counties to support care coordination and supporting both counties with implementation of new EHR systems and will be resuming monthly collaborative oversight meetings in August. CenCal Health will be presenting a new form to the County to collaborate on member care coordination for eating disorders treatment and County Referral log shared procedures for joint approval.

Behavioral Health is working with Human Resources to recruit for the following 6 open positions: Health Plan Nurse Coordinator, Behavioral Health Navigator, Behavioral Health Representative, Business Data Analyst, Behavioral Health Community Integration Specialist and Regulatory Liaison.

Pharmacy

In closing out the first semester of 2023, the physician administered drugs (PADs) authorization volume of 2023 continues the upward trend experienced throughout 2022 and has experienced a double-digit growth since Q2 2022. Approximately **60% of the activity volume has come from the oncology space** as a combination of chemo-therapeutic and chemo-supportive followed by the immunology space and we

continue to follow this closely and support our determination through like-specialty match review. Our biosimilar preferred benefit design across several oncology products and immunology now represents an ~80% market share. **All cases were processed within regulatory time standards.**

Medi-Cal Rx Update

The reinstatement of the final benefit edits for beneficiaries older than 21 effective June 23rd has created an increased PAD volume as medications which previously went through the Medi-Cal Rx program are now subject to the edits and appropriate redirection back to the plans. This was accompanied by provider operational process changes with education and coordination through our Provider Services team.

Recommendation

The Health Services Report is presented as informational.

Performance Division Report

Date: August 18th, 2023

From: Chris Morris, MSOD, Chief Performance Officer

Contributors: Andrew Hansen, MBA, Operational Excellence Director
Joanna Hayes, SHRM, Human Resources Director

Executive Summary

The following report provides updates surrounding the development and execution of Performance Division functions, where applicable, including human resources, organizational development, strategic development, and operational excellence.

Human Resources

Talent Acquisition and Retention Update

As a result of Board approval of new FTE through the CY23 budget, total vacancy peaked at 22.3% in January 2023. Recruiting capacity in Human Resources was subsequently increased and **current vacancy rate is 14.7%**, on track for staff's 9.0% goal by end of year. Highlights surrounding key senior leadership recruitments include:

- Jordan Turetsky, MPH, promoted as our new Chief Operating Officer
- Citlaly Santos, promoted as our new Strategic Engagement Director
- Puja Shah, Esq., promoted as our new Audits and Monitoring Director
- Amy Sim, promoted as our new Accounting Director
- Recruitment for the following senior leadership positions is underway: Data Analytics and Business Intelligence Director and Program Development Director.

Voluntary turnover remains healthy at a 12-month rolling average of 11.5% through July 2023, stable over the CY22 average, and greater than 20 points below the industry average (Bureau of Labor Statistics). CenCal Health is committed to remaining an employer of choice for mission-driven professionals, through a thoughtful and competitive hybrid workforce strategy that meets the needs of our members, providers and community partners, and supports collaboration and belonging for our team.

Performance Evaluation Process Update

With the adoption of our three-year strategic plan in 2022 and the ensuing strategy execution efforts, staff made a commitment to implement a new performance evaluation tool and process in 2023 to support effective strategy execution.

After review of several systems, CenCal Health has selected Lattice as robust and user-friendly platform. Lattice will enable CenCal Health to systematize, simplify, and align goal setting and performance evaluation to organizational objectives. Additionally, the system will support the collection of employee feedback through regular individual meetings and organizational engagement surveys, as well as support employee growth and development.

CenCal Health has historically conducted employee performance evaluations at six months of employment (introductory evaluation) and annually thereafter. Due to our transition from a fiscal year to a calendar year annual planning process, we are shifting our annual review process from July to January annually. On our way to our annually recurring performance evaluation process in January 2024, CenCal Health will **conduct a midyear performance check-in process in Q3 2023**. The midyear performance check-in purpose is to provide an opportunity to reflect and consider successes, challenges, and growth. The mid-year check-in process has been initiated with organizational communications and user training and will conclude in October 2023.

Operational Excellence Update

Organizational Dashboard

Following the adoption of the Executive View Dashboard prototype at the May 2023 Board of Directors meeting, work is underway to produce Q123 and Q323 Organizational Dashboards in September 2023, following which a quarterly cadence will be implemented.

2023 Operating Plan Update

The *2023 Operating Plan* is comprised of forty-one (41) tactics. To date, one (1) tactic has completed, eight (8) have not yet started, one (1) has been deferred for reassessment at a later date, and the remaining thirty (31) are active. Of the active tactics, progress is as follows: 11 (35%) are between 0-25% complete, 10 (32%) are between 25-50% complete, 3 (10%) are between 50-75% complete, and 7 (23%) are between 75-100%. Additionally, **97% (n=30) of active tactics are in good health**, and one (1) is at-risk of becoming off-track and has planned mitigations as follows:

Develop and Execute a Compliance Risk Assessment Plan – This tactic is intended to *advance organizational readiness to support strategy* by enhancing audit readiness and mitigating the chance of repeat medical audit findings. The timeline to produce analysis surrounding necessary policy, procedure, and process revisions was delayed. Compliance is working to accelerate next steps through collaboration with business leaders to implement and track progress of

recommended changes as well as support audit readiness, given multiple compliance priorities and deadlines.

Recommendation

The Performance Division report is informational.

Enclosure

1. July 2023 CenCal Health Operating Plan

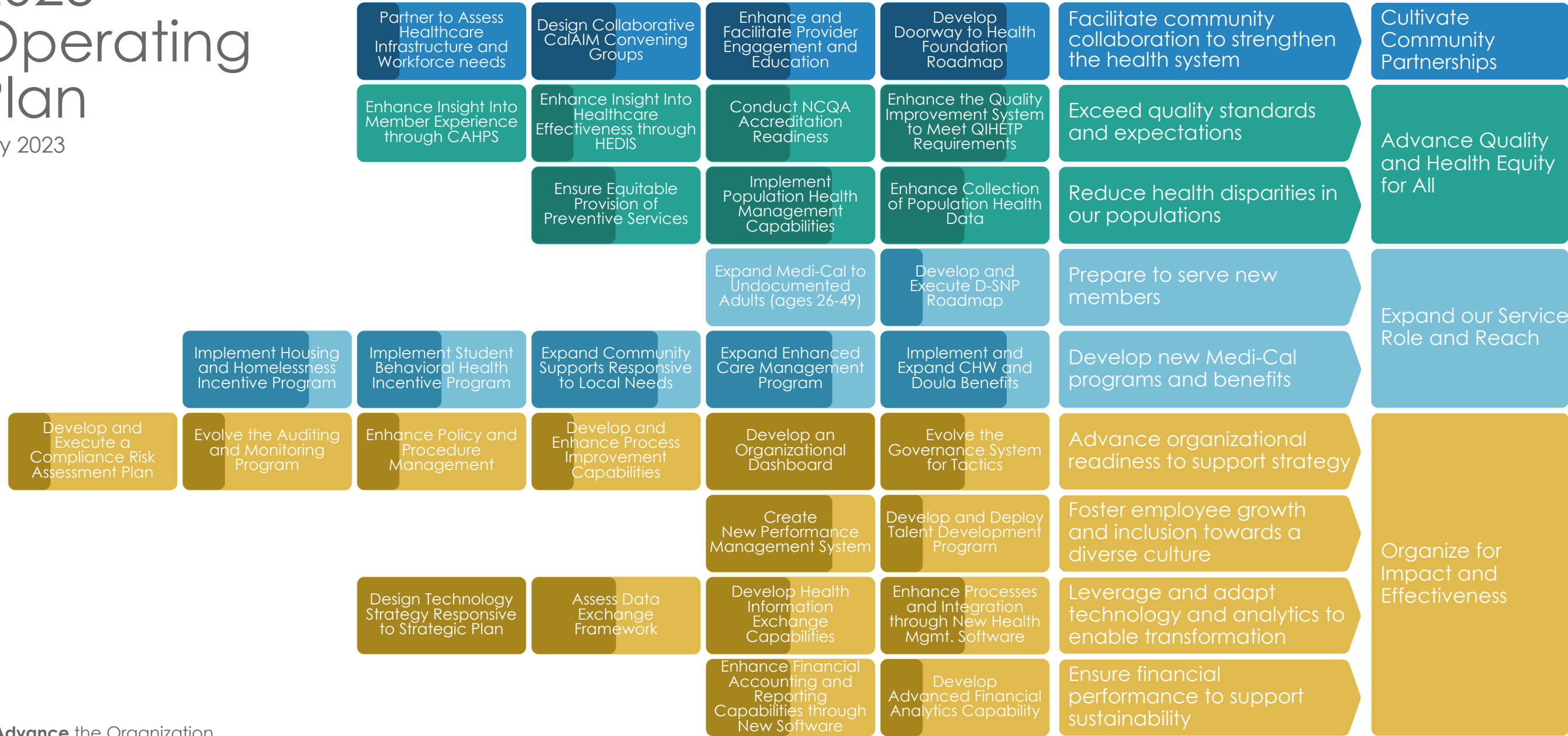
2023 Operating Plan

July 2023

Organizational Tactics

Objectives

Priorities



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

Vision

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



Customer Experience Report

Date: August 18th, 2023

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

Contributors: Eric Buben, Member Services Director
Nicolette Worley Marselian, MBA, Communications Director

Through: Marina Owen, Chief Executive Officer

The July and August 2023 report from the Customer Experience Division provides operational trends and initiatives in the Member Services, Program Development, and Communications Departments. This report highlights a key update: the **rate in CenCal Health's service area for completed member redeterminations is within range of statewide averages** and the rate of disenrolled members via redetermination process is similar to the statewide average of 21%. The Communications Department is leading the engagement with providers and community partners for outreach and enrollment efforts to ensure successful Medi-Cal redeterminations. Please see additional updates within this Customer Experience Report and the Communications Exhibit.

Redetermination Update

The June 2023 data from the Department of Healthcare Services (DHCS) indicates that of the 5,139 San Luis Obispo County members who were due for enrollment redetermination, 74.4% completed the redetermination process, of which 23% were discontinued. Of the 11,115 Santa Barbara County members, 58.6% redeterminations were completed, of which 19.7% were discontinued. These redetermination rates are similar to or better than the State average rate of 21.4%. The Department of Social Services in Santa Barbara and San Luis Obispo counties are continuing to process June renewals; thus, our retention rate may likely increase after the 90-day cure period that allows members an opportunity to respond to retain their Medi-Cal eligibility.

Redetermination Processing Total

| Eligibility Month | County Name | Total Enrollment | Redeterminations Due | Redeterminations Completed Percentage | Total Redeterminations Discontinued Percentage | Renewals In Process Count | Renewals In Process Percentage |
|-------------------|-----------------|------------------|----------------------|---------------------------------------|--|---------------------------|--------------------------------|
| Jun-23 | San Luis Obispo | 73,889 | 5,139 | 74.4% | 23.0% | 1,317 | 25.6% |
| Jun-23 | Santa Barbara | 181,560 | 11,115 | 58.6% | 19.7% | 4,600 | 41.4% |
| Jun-23 | Statewide Total | 15,568,357 | 1,051,401 | 68.9% | 21.4% | 327,077 | 31.1% |

Data Source: DHCS

Member Enrollment Update

Following is a summary of the impact of redetermination on CenCal Health enrollment:

- CenCal Health's aggregate membership as of July 4, 2023 was 233,746. This was an initial -1,939 decrease from June's final enrollment count of 235,685. This also reflected the first loss in eligibility totals for CenCal Health since January 2020. However, July's final enrollment total was 234,379, indicating many members that lost coverage likely responded in the 90-day grace period and were re-instated. CenCal Health data indicate that approximately 633 members were re-enrolled.
- CenCal Health's aggregate membership as of August 6, 2023 is 234,291. This reflects a minor 88 member decrease from July's final total of 234,379. If August follows July's experience, August will likely result in a positive increase by the end of the month as many of those in the 90-day grace period after losing coverage will be re-enrolled.

Member Outreach and Engagement Efforts

Member Services received 67 calls from members with questions about the renewal process in June 2023 and 98 calls in July 2023. Member Services representatives are trained to assist members. The Communications and Member Services Departments continue use of the scripts provided by DHCS for use in member discussions, social media posts and website materials. CenCal Health also developed a Phase II Outreach Strategy to target members when they need support, based on when their redetermination is set to occur. CenCal Health began a text message campaign in early June 2023 to those members with bad addresses or NCOA changed addresses to advise how to update their address in order to receive their renewal packet. This is continuing every month for members when CenCal Health receives incorrect address data files. CenCal Health is also texting and sending robocall reminders to members who are due for redetermination in the month to check for their packets and to return their information immediately to DSS electronically through www.BenefitsCal.com or www.benefitscalwin.com or in person at their local Department of Social Services (DSS) office.

CenCal Health continues working closely with DSS in both counties to ensure messaging is timed with renewal dates for each member and to provide NCOA address changes we receive from our print vendors. CenCal Health gained approximately 60,000 new members during the pause in negative redeterminations, most of which have never been through a redetermination process before. CenCal Health is committed to a robust outreach effort to support continuation of coverage for all our members.

Member Services

Member call volume to Member Services in June and July 2023 increased, reflecting members needing additional assistance regarding redeterminations and new Health Risk Assessments (HRA) surveys. June's call volume of 8,700 (414/day) was above 2022's monthly average of 7,939. July's call volume of 9,844 (496/day) was significantly above 2022's monthly average of 7,939.

Member Services' Average Speed to Answer (ASA) goal to answer 85% of calls within 30 seconds was met at 85% in June. For July, our ASA goal was not met at 74%. The mailing and automated calls to members regarding the Health Risk Assessments (HRA) surveys has substantially increased call volume resulting in multiple days exceeding 650+ in call volume. The increase in call volume centered on concerns that the HRA is required for DHCS Medi-Cal Redetermination, given the requirement to execute at the same time.

The Member Portal went live April 9, 2023. As of June 5th, CenCal Health has 5,677 member accounts that have been created. As accounts are only currently available for adults (Ages 18+), this reflects 4% of CenCal Health adult membership have created an account. CenCal Health is receiving daily interactions from members now through their accounts, mostly to provide demographic updates, request ID cards, change PCPs and complete Health Risk Assessments on-line.

Health Equity

Dr. Do-Reynoso recently led a team to conduct a gap analysis of CenCal Health infrastructure and operations to identify strengths and opportunities using a survey instrument from the ACAP Health Equity Learning Collaborative, of which CenCal Health is a participant. The results of the gap analysis will be presented at the September Board meeting,

CenCal Health Chief Health Equity Officer represented the Local Health Plan of California Chief Health Equity Officers at the July California Association of Health Plan Symposium on Health Equity by presenting on the role of chief health equity officers and CenCal Health's strategic goals to address health equity.

Program Development

Human Resources is launching a recruitment to fill the Program Development Director vacancy since Ed Tran submitted his resignation effective June 30, 2023. In the interim, Van Do-Reynoso, Chief Customer Service and Chief Health Equity Officer, will oversee the functions of the department, with support from HMA for the SBHIP program.

Student Behavioral Health Incentive Program (SBHIP): Program implementation is progressing as planned. Evaluators and SBHIP staff have been meeting with the nine

Local Education Agencies (LEAs) on the evaluation plan. The LEAs Referral workgroup selected FIND HELP as their closed loop referral system.

Housing and Homelessness Incentive Program (HHIP)

CenCal Health received seven applications from SLO providers and five from SB providers for Round Two funding and are evaluating the applications to distribute \$1.7M in SLO and \$3.1M for SB, with support from the IPP Funding Committee as well as the Continuum of Care in both counties. Staff continue to collaborate with partners to monitor and understand progress made towards metrics and measurements outlined in the first funding agreement, as this data will be used to report to DHCS, resulting in the final round of funding for HHIP from DHCS.

Recommendation

The Customer Experience Division report is provided as informational.

Operations Report

Date: August 18th, 2023

From: Jordan Turetsky, MPH, Chief Operating Officer

Contributors: Gary Ashburn, Director of Claims
Robert Janeway, Director of Provider Services
Cathy Slaughter, Director of Provider Relations

Through: Marina Owen, Chief Executive Officer

Executive Summary

CenCal Health's Operations Division includes the *Claims Department*, *Provider Services* and *Provider Relations Departments*, and *Medicare Program Development*, including the Medicare Officer (position to be hired) and Senior Financial Advisor of Product Line Development. This report provides highlights of work within the Operations Division, inclusive of dashboards providing insight into core operational functions.

Incentive Payment Program

The Incentive Payment Program (IPP) is an opportunity offered by the Department of Health Care Services (DHCS) to health plans to support the initiation and uptake of Enhanced Care Management (ECM) and Community Supports (CS). In a May 2023 report to your Board, staff shared details regarding the status of CenCal Health's IPP deployment, including the initial funding allocation received from DHCS and awards issued to date. In a subsequent report to your Board in June 2023, staff provided additional information as to those ECM and CS services which were funded through the initial allocation.

CenCal Health earned a second installment of IPP funds totaling \$6.4M in July 2023, allowing the IPP application process to reopen following receipt of funding. Staff are finalizing an award strategy which considers unmet member need, service expansion opportunities, geographically underserved areas, and opportunities to support the development of data sharing infrastructure. The revised funding strategy will be reviewed by the CenCal Health CalAIM Steering Committee and considered for adoption. Application review is anticipated to begin in September 2023 by the IPP Review Committee, with awards issued thereafter. Staff are working to complete the next IPP report due to DHCS on September 1, 2023.

Claims Operations

The Claims Department monitors core service metrics across all operational and customer service functions. The included Claims Dashboard includes a suite of key operational metrics ranging from Claims Volume to Provider Call Center performance.

For the June and July 2023 reporting periods, **all customer service metrics were at or above goal** and were within normal range. Claims paid per 1,000 members was consistent with prior months and was in-line with the trend. In July 2023, Provider Dispute acknowledgement missed goal due to one late dispute acknowledgment, the cause of which was identified and will be remediated moving forward.

Provider Services and Provider Relations

CenCal Health will be recruiting for a Provider Services Director, with Robert Janeway assuming the role of Provider Contracts Manager in August 2023. In June, CenCal Health **reinstated in-person engagement sessions for Provider and community partners**, which had been paused due to the Public Health Emergency. Two Enhanced Care Management (ECM) and Community Support (CS) engagement sessions were held, one in Santa Barbara and one in San Luis Obispo. In addition, CenCal Health hosted two virtual training sessions: a Whole Person Care webinar in July to educate providers and community-based organizations on the services available to members through CalAIM; and a virtual Adverse Childhood Experiences (ACEs) Aware learning collaborative to provide guidance around efforts to integrate ACEs screening and prevention into expanded services. Staff will continue in-person engagement sessions paired with virtual learning opportunities moving forward.

Regarding departmental operations, sustained improvement in the processing of re-credentialing files is noted month-over-month, with all files due for recredentialing in July 2023 completed timely. **Providers approved within 90 days of initial credentialing continues to exceed goal.** While average speed to answer provider calls within 30 seconds improved in June 2023, performance declined below goal to 79.8% during July 2023. Department leadership are reassessing phone coverage to ensure sufficient staff are available to answer phones timely moving forward.

Recommendation

The Operations Report is presented for informational purposes.

Compliance Report

Date: August 18th, 2023

From: Karen Kim, JD, MPH, Chief Compliance Officer

Contributors: Puja Shah, Esq., Audits and Monitoring Director
Kimberly Wallem, Audits and Monitoring Manager
Yadira Casarrubias, Compliance Specialist

Executive Summary

The purpose of this memo is to provide an overview of current compliance activities for the organization. The memo highlights certain compliance activities and includes the Department of Health Care Services (DHCS) Medical Audits, DHCS APLs, Audits and Monitoring, and other Compliance Department updates.

2024 Contract Operational Readiness

As part of 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 1, 2022, through December 31, 2023. The Operations Period Commences on January 1, 2024. The Implementation Period includes a total of approximately 227 deliverables due to DHCS. The deliverables are spread across 3 waves and 10 due dates.

CenCal Health has completed submissions for Wave 1 and 2, and is currently completing deliverables for Wave 3, which includes due dates through December 2023. CenCal Health's AIR rate (Additional Information Requested by DHCS) for Wave 1 is 13.1%. The AIR rate for Wave 2 is 9.4%. The current AIR rate for Wave 3 is 0.008%. In addition, CenCal Health has been informed by DHCS that it will not be subject to the on-site readiness interviews as part of the 2024 Contract Readiness activities.

Department of Health Care Services: All Plan Letters

For the month of **June**, there were five (5) released and two (2) revised DHCS APLs.

Released APLs:

1. APL 23-014: Proposition 56 Value-Based Payment Program Directed Payments
Released 06/09/23
Supersedes APL 22-019
2. APL 23-015: Proposition 56 Directed Payments for Private Services
Released 06/09/23
Supersedes APL 19-013
3. APL 23-016: Directed Payments for Developmental Screening Services
Released 06/09/23
Supersedes APL 19-016
4. APL 23-017: Directed Payments for Adverse Childhood Experiences Screening Services
Released 06/13/23
Supersedes APL 19-018
5. APL 23-018: Managed Care Health Plan Transition Policy Guide
Released 06/23/23

Revised APLs:

1. 23-005: Requirements for Coverage of Early and Periodic Screening, Diagnostic, And Treatment Services For Medical Members Under The Age Of 21
Revised 06/28/2023
Supersedes APL 19-010
2. 23-008: Proposition 56 Directed Payments for Family Planning Services
Revised 06/27/2023
Supersedes APL 22-011

For the month of **July**, there were two (2) released and one (1) retired DHCS APLs.

Released APLs:

1. 23-019: Proposition 56 Directed Payments for Physician Services
Released: 07/25/2023
Supersedes: APL 19-015
2. 23-020: Requirements for Timely Payment of Claims
Released: 07/26/2023
Supersedes: N/A

Retired APLs:

1. 15-009: Proper Use and Billing of Makena
Retired: 07/05/2023

Audits & Monitoring

In July 2023, **Puja Shah, Esq. was promoted to Director of Audits & Monitoring**; she is building the Audits & Monitoring (A&M) unit with Kimberly Wallem, CenCal Health's Audit Manager. The A&M Unit is responsible for performing internal audits with our departments and business owners, facilitating external audits with our regulator(s), and conducting delegation oversight with our delegated providers. The A&M Team is currently recruiting to fill three positions: one Senior Delegation Oversight Specialist and two Compliance Auditors. Now that a fourth position – the Senior Compliance Specialist – recently became vacant, the A&M Team will begin recruiting to fill this position as well.

Internal Audit

In addition to actively recruiting, the A&M Team is focusing on establishing standardized tools and protocols and identifying areas of known risk to target for future internal audits. The A&M Team will be working closely with business units and committees to develop an internal reporting, monitoring, auditing, and remediation cadence resembling our oversight of delegates as well as the Department of Health Care Services' (DHCS) oversight of CenCal Health.

External Audit – 2022 DHCS Medical Audit

The 2022 Department of Health Care Services (DHCS) Medical Audit was conducted virtually, from October 17, 2022, through October 24, 2022. The 2022 audit was a limited scope audit and evaluated 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 ran from October 1, 2021, through September 30, 2022. Each year the auditors identify a delegate to evaluate and interview, the 2022 delegate was Care to Care.

The A&M Team is leading the remediation of the 2022 DHCS Medical Audit findings, ensuring that all matters cited in DHCS's final report (issued on May 23, 2023) are appropriately addressed as soon as possible. CenCal Health provided Corrective Action Plan (CAP) responses to DHCS on June 30, 2023, and August 1, 2023, with **two (2) of nine (9) findings accepted and the remaining seven (7) partially accepted**. Following submission of additional documentation with the August submission, CenCal Health is awaiting further guidance from DHCS.

External Audit – 2023 DHCS Medical Audit and Focused Audits

CenCal Health received notification that the **DHCS Medical Audit and Focused Audits will occur on October 9th -20th, 2023**. Through the Medical Audit, CenCal Health will be evaluated in six (6) categories of performance: utilization management, case management and coordination of care, access and availability, member's rights, administrative and organizational capacity, and state supported services. The Focused Audit will evaluate CenCal Health in the areas of transportation and behavioral health. The A&M Team is currently driving the fulfillment of DHCS's pre-audit requests, working with business units to ensure questions are answered thoroughly and correct documents are submitted, and to oversee a robust quality review of all deliverables provided to DHCS. The A&M Team is planning for mock audits and interview preparation in September.

Delegation Oversight

The A&M Team is completing the audits of Ventura Transit Systems, Inc. (VTS), CenCal Health's transportation broker, and of Care to Care, CenCal Health's delegated radiological services provider. Compliance is currently finalizing the audit findings, and the delegates will receive the results by the end of August. The Delegation Oversight Committee (DOC) met for Q2 on July 17, 2023, during which the DOC approved a revised DOC Charter and approved the new Director of A&M as DOC Chair. The DOC reviewed and closed the 2023 annual audit of UCLA Medical Group, with zero deficiencies found. The DOC also approved an addition to the 2023-24 annual audit schedule to include Carenet, a vendor that provides after-hours nurse advice line services. While not a delegate, CenCal Health will audit Carenet in December 2023 to ensure that their nurses are adequately certified and credentialed to provide these services to CenCal Health members.

Recommendation

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

Administration Report

Date: August 18th, 2023

From: Michael Harris, Government Affairs & Administrative Officer

Contributors: Hon Chan, Esq., Senior Associate Counsel, Legal Department
Kaleb Madrid, Director, Administrative Services Department
Citlaly Santos, Director, Strategic Engagement Department

Through: Marina Owen, Chief Executive Officer

Administrative Overview

In the area of Government Affairs, the legislators are out on their summer recess. In Sacramento, when the legislature returns mid-August, significant effort and focus will be placed on various appropriations bills associated with the State's 2023-2024 fiscal year State budget. Mental health and drug addiction services will also be of significant interest with numerous hearings scheduled.

Local Health Plans of California continues to work with the wide coalition of partners in securing a permanent approach to keeping the recently adopted managed care organization (MCO) tax directed towards Medi-Cal providers. The coalition is working together in efforts to place a voter referendum that permanently enshrines the MCO tax for medical provider fees without supplanting State General Fund.

At the federal level, Congress is in recess for the summer. As it returns, all eyes will be on preventing a federal government shutdown over funding. With this report, are attached reports from Public Policy Advocates "PPA" the legislative advocates in Sacramento, and a report from Paul Beddoe of Paul V. Beddoe Government Affairs, LLC, CenCal Health's advocate in Washington DC.

As your Board is aware, with considerable compliance requirements facing CenCal Health, Karen Kim assumed the responsibilities of full-time Chief Compliance Officer. The Legal Department's day-to-day operations are managed by Hon Chan, Esq., the Senior Associate Counsel, Mr. Chan reports to Michael Harris. The Legal Department continues to provide legal assistance on a wide variety of provider and vendor contracts.

Kaleb Madrid was hired as the director of the Administrative Services Department (ASD) a few weeks ago. During his time, Mr. Madrid has been oriented to the various aspects of CenCal Health and has initiated a review of a wide variety of ASD functions to ensure efficiency and best business practices. Various projects include, evaluating maintenance of CenCal Health's main office, developing a space utilization plan,

working with the Finance Department and Legal Department around contracting and procurement, and planning for insurance renewals for the 2024 calendar year.

The Strategic Engagement Department (SED) is an external facing department that seeks to extend CenCal Health's mission, vision and objectives into the local philanthropic, political and other intentional partners who assist CenCal Health in its vision of being, "... a trusted leader in advancing health equity..." Citlaly Santos serves as the director of the SED and was promoted just about three weeks ago. Ms. Santos previously served as a manager in the Communications and Community Affairs Department and is highly regarded.

Background

Government Affairs

As mentioned, in Sacramento a significant focus will be on reforming the way California addresses mental health and drug abuse services. The governor's efforts to revamp the mental health services act (MHSA) is considered very controversial and is receiving considerable scrutiny from advocates, legislators, the Legislative Analyst's Office and Counties.

CenCal Health's interests will be in what services, particularly children's mental health services, the Administration attempts to shift to managed care plans. Recently, Dr. Mark Ghaly, the State's Secretary of California's Health and Human Services Agency, the agency which oversees DHCS and Medi-Cal, when speaking about children's mental health services, stated, "For example, in terms of some children behavioral health services, 'many of those (programs) should be funded through the Medicaid system and shouldn't be straight up funded 100% through Mental Health Services Act dollars.'" (LA Times 5 August 2023)

Administrative Services

Kaleb Madrid, the new Administrative Services Department (ASD) director, has jumped in with both feet into examining and improving various aspects of the ASD. Mr. Madrid has been assisting with a couple of significant contract issues and has been working closely with the Finance and Legal departments. Contract and procurement management is a significant responsibility of CenCal Health in ensuring best business practices are maintained.

Mr. Madrid is working to examine and improve CenCal Health's internal contracting processes and accountabilities for contracting and procurement. This is a complicated subject that looks to build upon a recently acquired software system that specializes in contracting processes.

Strategic Engagement

The Strategic Engagement Department (SED), previously known as “Government Affairs,” seeks to enhance and cultivate relationships with local, state, and federal partners to advocate and provide education about the communities’ strategic interests, safety-net priorities, and Medi-Cal priorities. Working together with our cohorts, the department will anticipate regulatory guidance and transform policy analysis into meaningful insight that can be conveyed to a wide variety of partners, audiences, and political leaders, and can impact policies and regulations.

Ensuring alignment with CenCal Health’s Strategic Leadership team, organizational mission, and strategic priorities, the department will provide administrative oversight of the following functions:

- Government affairs, including policy analysis, advocacy, and relationships that have a strategic value in enhancing our communities’ health and CenCal Health leadership position.
- Philanthropic services effected through CenCal Health’s Doorway to Health Foundation.
- Community communications, including public relations.

As mentioned, the new director of the SED is Citlaly Santos. Before working at CenCal Health, Ms. Santos served in the commercial media and broadcast journalism sector, in the areas of production, assistant news director and on-camera talent.

The SED will focus on the following priorities over the next months:

- Developing a comprehensive communications plan that outlines the department’s focus areas, resources, responsibilities, and projects/initiatives that will support the achievement of CenCal Health’s 2023-2025 Strategic Plan and 2023 Operating Plan.
- Recruit top talent for three positions to support department growth, achievements, and contributions to the priorities outlined in CenCal Health’s 2023-2025 Strategic Plan and 2023 Operating Plan.

CenCal Health’s public relations efforts are now managed by the SED. Going forward, public relations reporting will be presented in this section of our Board Report.

Recommendation

This report is meant as informational only.

Exhibits

1. Report from Public Policy Associates (PPA) on Sacramento Advocacy
2. Report from Paul V. Beddoe Government Affairs on Washington, DC Advocacy



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

From: Russ Noack, Public Policy Advocates, Partner
Armand Feliciano, Public Policy Advocates, Partner

Subject: Legislative Update –August 2023

State Legislative Update

The California Legislature is set to return from its Summer Recess on August 14 to begin the annual dash to adjournment on September 14. A number of health care items will remain a high priority for the Governor and Legislature during the last month of the 2023 Session.

Two informational hearings on mental health and substance use disorders have been scheduled for the first week back. On August 15, the Senate Select Committee on Mental Health and Addiction will review health plan compliance with [Senate Bill 855 \(Wiener\)](#), the critical bill enacted in 2020 to strengthen mental health care and addiction treatment. Representatives of the Department of Managed Health Care, the Department of Insurance and many stakeholder organizations will participate in the hearing. The next day, the Senate Health Committee will conduct an informational hearing on [Senate Bill 326 \(Eggman\)](#), the Behavioral Health Modernization bill which is the Governor's proposal to revamp the existing Mental Health Services Act (MHSA) along with a companion measure, [Assembly Bill 531 \(Irwin\)](#) which would authorize the issuance of \$4.68 billion in bonds to fund the overhaul of the state's behavioral health system. The debate is likely to be heated as some county governments fear a shift in allocations away from them creating unfunded mandates that will result in cuts to services for those people who need it the most.

As you know, the Managed Care Organization Tax (MCO Tax) passed the Legislature before the break with a projected \$19.4 billion revenue infusion between 2023 and 2026, with \$11.1 billion of it going directly to Medi-Cal and another \$8.3 billion going to the state fund to offset state spending on Medi-Cal. A clear policy direction from the legislative leaders was for these funds to be prioritized to provide higher payments for doctors, hospitals and Medi-Cal providers who serve the state's Medi-Cal and Medicaid programs. And yet, since the precise details were left out of the budget negotiations as they were being finalized in July, they need to be worked out when the Legislature returns next week. Accordingly, a lobbying effort from some interested groups has begun in earnest to obtain MCO funding in the last month of session.

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A key legislative activity this month will determine the fate of most of the healthcare bills introduced this year when the Assembly and Senate Appropriations Committees take up their lengthy Suspense Files. Some bills on the Suspense Files that we have been tracking include:

[Senate Bill 525 \(Durazo\)](#) is the very controversial measure that seeks to raise the minimum wage for healthcare workers to \$25 an hour and would attach an annual cost of living adjustment. It is supported by dozens of labor groups and opposed by over 200 healthcare and business organizations. We note that Mr. Harris has spoken with legislators' offices regarding local health provider concerns.

[Senate Bill 598 \(Skinner\)](#) would prohibit a health plan or health insurer after Jan. 1, 2025 from requiring a contracted health professional to complete or obtain prior authorization for any covered health care service if the plan or insurer approved or would have approved not less than 90% of the prior authorization requests they submitted in the most recent one year contracted period.

[Senate Bill 770 \(Wiener\)](#) is the measure which is characterized as providing a step toward the establishment of a single-payor healthcare system by requiring the state to seek a waiver from the federal government.

[Senate Bill 873 \(Bradford\)](#) would require at point of sale, the cost-sharing of a health plan enrollee to be reduced based on rebates received in connection with the dispensing of the pharmaceutical.

[Assembly Bill 716 \(Boerner\)](#) would delete the direct reimbursement requirement that allows medical transport service providers to bill enrollees for sums not paid by health plans.

[Assembly Bill 719 \(Boerner\)](#) would require DHCS to require Medi-Cal managed care plans to contract with public transit operators to establish reimbursement rates for nonmedical transportation and nonemergency transportation trips provided by such operators.

[Assembly Bill 931 \(Irwin\)](#) would prevent a health plan or health insurer from imposing prior authorization for the initial 12 treatments for physical therapy.

These measures will be heard in mass when the Appropriation Committee takes up the Suspense Files at hearing prior to the deadline of September 1, 2023.

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, August 2023

Situational Awareness

The House and Senate are out on the August Recess until after Labor Day. The Senate plans to gavel back in on September 5, and the House on September 12. When they return, they will have just eleven legislative days before the end of the federal fiscal year on September 30. Collectively the twelve FY 2024 appropriations bills reflect about a \$100 billion gap between the House and Senate versions. Many observers predict that a government shutdown is likely before an agreement can be reached on a short-term continuing resolution or a longer term plan for funding the federal government.

Health Legislation and Medicaid Policy

In the busy period before the recess, congressional health policy committees have been focused on the reauthorization of a number of public health measures, including the Pandemic and All-Hazards Preparedness Act (PAHPA), primary care reauthorization, which would include funding for the Federally Qualified Health Centers (FQHC) program, among others, and the SUPPORT Act of 2018, which includes a number of programs to address the opioid epidemic and other substance use disorders. Statutory cuts to the Medicaid disproportionate share hospital (DSH) allocations are scheduled to go into effect on Oct. 1, 2023. If Congress fails to act on these issues before the end of September, it could generate significant disruption for CenCal Health's community providers, including hospitals, FQHCs and county public health departments.

As we have noted before, there continues to be a steady drum beat of concern for program integrity in the Medicaid space. For example, the Government Accountability Office (GAO), Congress' non-partisan audit and evaluation agency, released a report at the end of July, which highlighted GAO's concern with the Centers for Medicare and Medicaid Services' (CMS) financial oversight of the program. The report specifically found that 35 states, including California, do not participate in the Medicaid Recovery Audit Contractor program. As California continues to lead innovation in the Medicaid, and uses Medicaid to advance ambitious health policies, plans, providers, and other stakeholders should also be prepared for increased scrutiny from CMS as well as from Congress.

Information Technology Report

Date: August 18th, 2023

From: Bill Cioffi, Chief Information Officer

Contributors: Jai Raisinghani, Deputy Chief Information Officer

Executive Summary

The following information is provided as an update to ongoing operational and project-oriented priorities of the IT functions within the organization.

Operational Statistics

Claims Operational Statistics

During the month of June and July 2023, the Health Plan received average of 277,000 claims in total. HIPAA Compliant 837I/837P was the source of 92% of total claims and CenCal Health's Provider Portal was used for 5% of claim submissions. In total 98% of total claims were received via electronic method (HIPAA 837I/ 837P/ Proprietary files). **Auto-adjudications rates for the month was at 95%.**

Authorizations Operational Statistics

During the month of June and July 2023, the Health Plan received an average of 11,800 authorization requests in total. **82% of total authorizations were received using CenCal Health's Provider Portal** and 5% of total requests were part of data transmission from that Plan's Radiology Benefit Manager (RBM). 13% of total authorization requests were received via Fax.

IT Operations

The IT Service Desk received a total of 2191 requests during June and July via IT Service Desk system related to various systems and services supported by the IT department. During these two months, 2144 total requests were closed and at the time of reporting. For month of June 2023, IT Network uptime and connectivity recorded average **availability of 99% or higher.**

Digital Transformation

Migration of CenCal Central, Intranet for CCH Employees, to Cloud Platform

The IT Department is pleased to support the **successful migration** of CenCal Central, our internal Intranet, to a cloud-based infrastructure. CenCal Central serves as a critical platform for internal communication, collaboration, and resource sharing among employees.

This move aligns with our digital transformation efforts, promising scalability, security, and remote accessibility. This shift reinforces our commitment to modernizing operations and improving collaboration. The Communication and Community Relations Department who served as business owner and liaison with the intranet vendor.

Recommendation

The IT Report is informational.

Financial Report for the seven (7) Month Period Ending July 31, 2023

Date: August 18th, 2023

From: Kashina Bishop, Chief Financial Officer/Treasurer

Contributors: Amy Sim, Accounting Director

Executive Summary

This memo summarizes the health plan's financial performance calendar year-to-date (CYTD) through July 31, 2023, and provides insight on how the health plan is operating against budget forecast expectations.

In addition to monitoring current performance, staff is beginning work on the CY 2024 budget which will incorporate the financial forecast for 2024 and beyond to reflect more current information. This will involve an assessment of the potential financial risk associated with the resumption of redeterminations, program development costs (e.g. D-SNP) start-up costs and increasing financial expectations from the provider network.

Staff is also in the process implementing improvements to the financial reporting beginning in 2024 which will align the reporting methodologies used for the budget, monthly statements, and State submissions. This will allow staff to identify cost variances more effectively and implement strategies to reduce risk or maximize revenue.

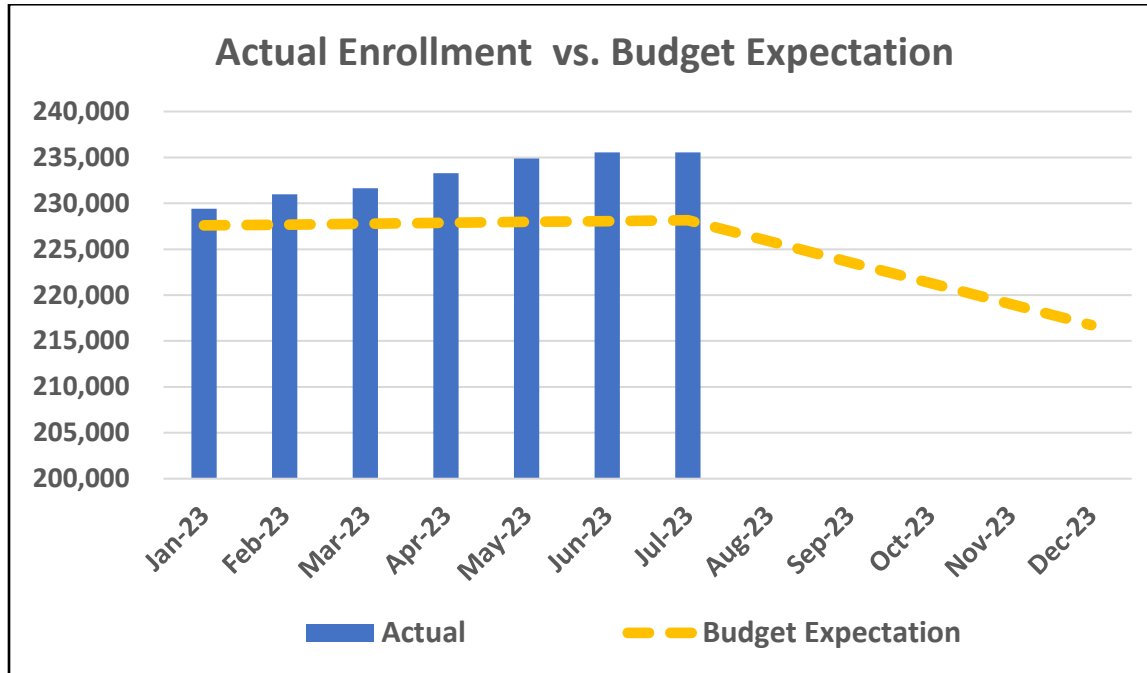
The preliminary fiscal year ended June 30, 2023 operating gain was \$46.5 million. The June financial statements are held open through the audit with the final results being presented to the Board at the October meeting.

Financial Highlights (CYTD: Jan-Jul)

- **Operating Gain (Loss):** Through seven (7) months of the calendar year we are reporting an operating gain of \$49.4 million.
- **Capitation Revenue** is at \$741.3 million; over budget by \$60.7 million and 8.9%.
- **Medical Expenses** are at \$637.0 million; over budget by \$16.2 million and 2.6%.
- **Administrative Expenses** are at \$39.7 million; under budget by \$4.4 million and 9.9%.
- **Tangible Net Equity (TNE)** is at \$262.2 million; representing 781% of the minimum regulatory requirement and 91.8% of the minimum Board of Directors desired TNE target.
- **Total Cash and Short-Term Investments** are at \$301.8 million. Cash and Short-Term Investments available for operating the health plan is at \$261.7 million, representing 102 Days Cash on Hand.

- **Member Enrollment** is at 235,565 for the month of July 2023.

Enrollment Trend YTD



The health plan's enrollment count as of July 2023 is at 235,565 compared to a budget forecast of 228,158. January 1st – July 31st total member months are at 1,631,375 compared to budget expectations of 1,595,111; over budget 2.3%.

Capitation Revenue

| Revenue Type | YTD Actual Dollars | FYTD Budget | YTD Variance | % Variance |
|--|----------------------|----------------------|---------------------|-------------|
| Base Capitation Revenue | \$708,503,472 | \$671,188,000 | \$37,315,472 | 5.6% |
| Supplemental Revenue | \$23,327,779 | \$9,429,000 | \$13,898,779 | 147.4% |
| Budgeted Revenue Items | \$731,831,251 | \$680,617,000 | \$51,214,251 | 7.5% |
| Prior Year Revenue | \$9,498,294 | - | \$9,498,294 | |
| Adjustments: Prior Year Retroactive Items Recorded in Current Fiscal Year | | | | |
| TOTAL CAPITATION REVENUE | \$741,329,545 | \$680,617,000 | \$60,712,545 | 8.9% |

Base Capitation Revenue is over budget with a variance of 5.6% due to revised capitation rates from DHCS for Hospital Directed Payments (HDP) and Proposition 56, subsequent to the budget development.

Supplemental Revenue [Maternity Deliveries, and visits to American Indian Health Clinics] is over budget by 147.4% mainly due to maternity submission and updated rates for CY 2023. Recent additional submission for maternity included claims from the prior 12 months based on technical data review. Maternity rates were also updated effective January 2023 with adjustments from Jan 23-Mar 23.

Overall, actual budgeted revenue is exceeding budget expectations by 8.9%.

Interest Income

Calendar YTD Interest Income is exceeding budget expectations primarily due to current market interest rates being earned are greater than budget assumption.

Medical Expenses

| Medical Expense Type | YTD Actual Dollars | FYTD Budget | YTD Variance | % Variance |
|--|----------------------|----------------------|---------------------|-------------|
| Medical Costs + Incentives | \$637,100,690 | \$619,291,000 | \$17,809,690 | 2.9% |
| Reinsurance – net | \$2,274,195 | \$1,559,000 | \$715,195 | 45.9% |
| Budgeted Medical Items | \$639,374,885 | \$620,850,000 | \$18,524,885 | 3.0% |
| Prior Year Expense Adjustments: Prior Year Retroactive Items Recorded in Current Year | (\$2,334,317) | - | (\$2,334,317) | |
| TOTAL MEDICAL COSTS | \$637,040,568 | \$620,850,000 | \$16,190,568 | 2.6% |

Medical Costs & Incentives are trending over budget with a variance of 2.9%. Excluding DHCS directed payments which are budget neutral, the medical expenses in aggregate are in line with budget expectations. We are noting some upward trends in hospital inpatient costs due to high dollars cases and some increasing costs to LTC expenses which are assessing the overall impact.

Administrative Expenses

Administrative Expenses are at \$39.7 million and under budget by \$4.4 million and 9.9% primarily driven by:

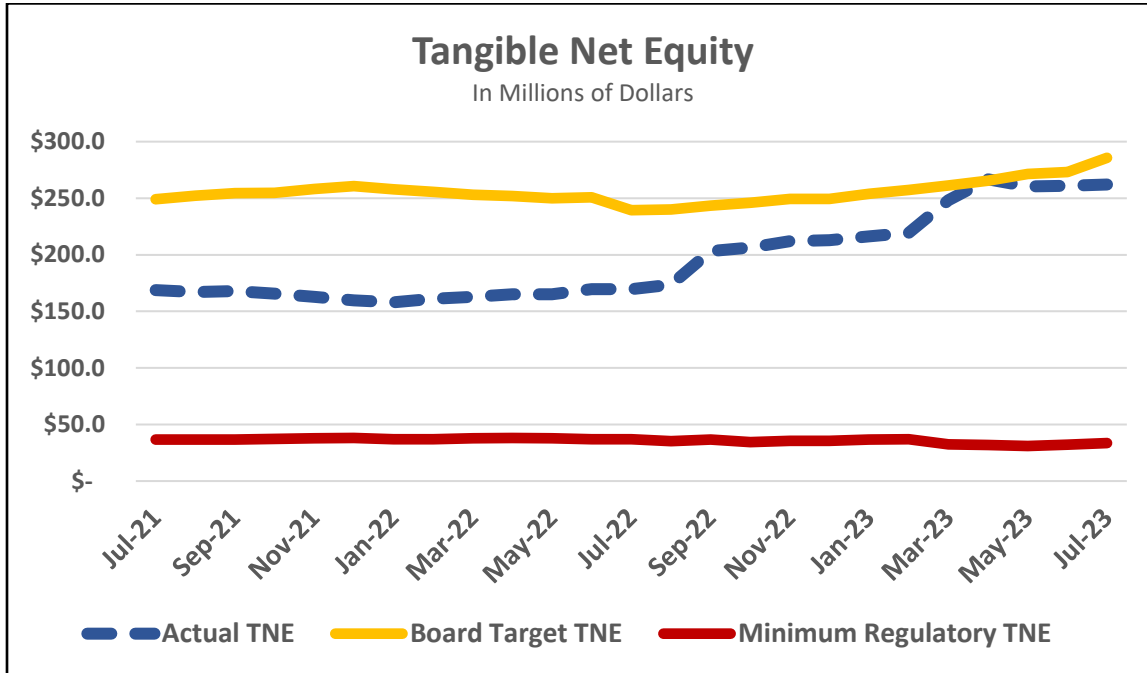
- Staffing Vacancies: 61 budgeted positions are currently vacant representing a 15.6% vacancy rate. The Administrative budget incorporated a 9% assumed vacancy rate.
- Salaries and Fringes are under budget primarily due to open positions.
- Contract Services are under budget due to the timing of services needed.
- Rent and Occupancy is lower than budget expectations mainly due to janitorial costs and other occupancy costs.
- Travel Costs are under budget due to the timing of actual conferences and seminars.
- Office Supplies & Equipment are over budget primarily due to postage and printing costs for additional State requirements of member materials.
- Other Expenses are over budget due to the timing of software subscriptions.

Strategic Investments

Calendar year-to-date Strategic Investments, which include expenditures associated with start-up costs for launching a Medicare Dual Special Needs Program (D-SNP) and investments in technology infrastructure solutions, as of July 31, 2023 YTD actual is at \$344,479 compared to the budget forecast of \$5,314,400. The budget variance is primary due timing occurring later than anticipated during the budget process.

Tangible Net Equity (TNE)

As of July 2023, actual TNE is at \$262.2 million. This level represents 781% of the Regulatory Minimum TNE level (\$33.6 million) and 91.8% of the Board of Director's minimum TNE target currently at \$285.7 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 July 2023

Total Cash Received is at \$90.8 million.
 Total Cash Disbursements is at \$124.6 million.
 Accrued and Earned Interest Income is at \$794,667.

CenCal Health

Finance Statements and Other Information

For the five (7) month period ending July 31, 2023

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|--|----|
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CenCal Health

Balance Sheet

As of July 31, 2023

Assets

| | | |
|--|----|-------------|
| Cash and cash equivalents | \$ | 301,810,214 |
| Accounts receivable: | | |
| DHCS capitation and other | | 451,365,788 |
| Reinsurance and other recoveries | | 3,106,154 |
| Interest and other | | 205,224 |
| Total accounts receivable | | 454,677,166 |
| Prepaid expenses | | 2,600,352 |
| Capital assets-net | | 28,286,605 |
| Certificate of deposit - DMHC assigned | | 300,000 |
| Corporate owned life insurance (COLI) | | 10,783,582 |
| Deposits and other assets | | 7,916,312 |
| Total Assets | \$ | 806,374,231 |

Liabilities and Net Assets

| | | |
|--|-----------|--------------------|
| Medical claims payable and incentives | \$ | 117,488,974 |
| Accounts payable, accrued salaries and expense | | 14,697,799 |
| Accrued DHCS revenue recoups-MLRs | | 25,901,836 |
| Accrued DHCS directed payments | | 382,597,081 |
| Unfunded pension liability - CalPERS | | (1,346,155) |
| Other accrued liabilities | | 4,827,253 |
| Net Assets - Tangible Net Equity | | 262,207,443 |
| Total Liabilities and Net Assets | \$ | 806,374,231 |

CenCal Health

Income Statement

For the seven (7) month period ending July 31, 2023

| | Actual \$ | Budget \$ | Variance \$ | % |
|-------------------------------|-----------------------|-----------------------|-----------------------|---------------|
| Operating Revenues: | | | | |
| Capitation | \$ 741,329,545 | \$ 680,617,000 | \$ 60,712,545 | 8.9% |
| Medical Expenses: | | | | |
| PCP capitation | \$ 19,565,859 | \$ 24,014,000 | \$ (4,448,141) | -18.5% |
| Physician services | 106,700,365 | 122,030,000 | (15,329,635) | -12.6% |
| Hospital inpatient | 144,172,408 | 130,345,000 | 13,827,408 | 10.6% |
| Hospital outpatient | 48,152,607 | 49,438,000 | (1,285,393) | -2.6% |
| LTC facilities | 95,294,791 | 84,252,000 | 11,042,791 | 13.1% |
| All other services | 225,488,855 | 210,771,000 | 14,717,855 | 7.0% |
| PY estimate change | (2,334,317) | - | (2,334,317) | 0.0% |
| | <u>\$ 637,040,568</u> | <u>\$ 620,850,000</u> | <u>\$ 16,190,568</u> | <u>2.6%</u> |
| Operating Expenses: | | | | |
| Administrative expenses | \$ 39,681,505 | \$ 44,035,038 | \$ (4,353,533) | -9.9% |
| Strategic investments | 344,479 | 5,314,400 | (4,969,921) | -93.5% |
| | <u>\$ 40,025,984</u> | <u>\$ 49,349,438</u> | <u>\$ (9,323,454)</u> | <u>-18.9%</u> |
| MCO Tax Expense | (3,195,452) | - | (3,195,452) | 0.0% |
| Interest income | 4,110,061 | 350,000 | 3,760,061 | 1074.3% |
| Non-Operating expense | (22,474,610) | - | (22,474,610) | 0.0% |
| Unrealized gain (loss) | 306,832 | - | 306,832 | 0.0% |
| Operating Gain (Loss) | \$ 49,400,728 | \$ 10,767,562 | \$ 38,633,166 | 358.8% |

CenCal Health

Income Statement

For the month of June 2023

| | <u>Actual \$</u> |
|---------------------------------------|---------------------|
| Operating Revenues: | |
| Capitation | \$ 101,621,809 |
| Medical Expenses: | |
| PCP capitation | \$ 2,917,768 |
| Physician services | 13,973,120 |
| Hospital inpatient | 23,775,316 |
| Hospital outpatient | 7,499,368 |
| LTC facilities | 13,810,089 |
| All other services | 40,043,155 |
| PY estimate change | <u>(3,562,911)</u> |
| | \$ 98,455,905 |
| Operating Expenses: | |
| Administrative expenses | \$ 5,850,401 |
| Strategic investments | <u>79,438</u> |
| | \$ 5,929,839 |
| Interest income | 695,574 |
| Non-Operating Income (expense) | 969,623 |
| Unrealized gain (loss) | 114,701 |
| Operating Gain (Loss) | \$ (984,037) |

CenCal Health

Income Statement

For the month of Jul 2023

| | <u>Actual \$</u> |
|---------------------------------------|----------------------|
| Operating Revenues: | |
| Capitation | \$ 101,302,854 |
| Medical Expenses: | |
| PCP capitation | \$ 3,692,434 |
| Physician services | 15,605,118 |
| Hospital inpatient | 144,172,408 |
| Hospital outpatient | 48,152,607 |
| LTC facilities | 95,294,791 |
| All other services | (214,619,149) |
| PY estimate change | 1,497,809 |
| | <u>\$ 93,796,018</u> |
| Operating Expenses: | |
| Administrative expenses | \$ 5,198,147 |
| Strategic investments | 66,975 |
| | <u>\$ 5,265,122</u> |
| MCO Tax Expense | - |
| Interest income | 607,739 |
| Non-Operating Income (expense) | 3,883 |
| Unrealized gain (loss) | 73,288 |
| Operating Gain (Loss) | \$ 2,926,624 |

CenCal Health

Medical Expense by Category

For the seven (7) month period ending July 31, 2023

| | Actual \$ | Budget \$ | Variance \$ | % |
|---------------------------------|-----------------------|-----------------------|----------------------|-------------|
| PCP capitation | \$ 19,565,859 | \$ 24,014,000 | \$ (4,448,141) | -18.5% |
| Physician services | 106,700,365 | 122,030,000 | (15,329,635) | -12.6% |
| Hospital inpatient in-area | 50,902,683 | 59,585,000 | (8,682,317) | -14.6% |
| Hospital inpatient out-of-area | 59,976,218 | 37,795,000 | 22,181,218 | 58.7% |
| Hospital capitation inpatient | 33,293,507 | 32,965,000 | 328,507 | 1.0% |
| Hospital outpatient in-area | 13,795,895 | 14,376,000 | (580,105) | -4.0% |
| Hospital outpatient out-of-area | 8,235,154 | 10,897,000 | (2,661,846) | -24.4% |
| Hospital capitation outpatient | 26,121,559 | 24,165,000 | 1,956,559 | 8.1% |
| Long term care facilities | 95,294,791 | 84,252,000 | 11,042,791 | 13.1% |
| Mental health services | 17,252,057 | 19,276,000 | (2,023,943) | -10.5% |
| Behavioral health therapy | 10,647,182 | 11,137,000 | (489,818) | -4.4% |
| Transportation | 6,184,625 | 8,367,000 | (2,182,375) | -26.1% |
| Durable medical equip. | 5,197,978 | 6,104,000 | (906,022) | -14.8% |
| Laboratory | 8,127,484 | 10,416,000 | (2,288,516) | -22.0% |
| Dialysis | 3,977,600 | 4,749,000 | (771,400) | -16.2% |
| Hospice | 3,098,880 | 4,761,000 | (1,662,120) | -34.9% |
| Home health | 1,687,097 | 2,145,000 | (457,903) | -21.3% |
| Enhanced care mgmt. | 2,033,657 | 6,963,000 | (4,929,343) | -70.8% |
| Prop 56 | 8,068,924 | - | 8,068,924 | |
| Community supports | 857,177 | 779,000 | 78,177 | 10.0% |
| DHCS directed payments | 138,215,287 | 117,849,000 | 20,366,287 | 17.3% |
| All other medical services | 17,866,711 | 16,666,000 | 1,200,711 | 7.2% |
| Reinsurance & recoveries | 2,274,195 | 1,559,000 | 715,195 | 45.9% |
| Prior year change in estimate | (2,334,317) | - | (2,334,317) | 0.0% |
| Total Medical Expenses | \$ 637,040,568 | \$ 620,850,000 | \$ 16,190,568 | 2.6% |

CenCal Health

Administrative Expenses by Category

For the seven (7) month period ending July 31, 2023

| | <u>Actual \$</u> | <u>Budget \$</u> | <u>Variance \$</u> | <u>%</u> |
|-----------------------------|----------------------|----------------------|-----------------------|--------------|
| Salaries & wages | \$ 18,496,912 | \$ 20,805,055 | \$ (2,308,143) | -11.1% |
| Fringe benefits | 7,915,741 | 9,418,863 | (1,503,122) | -16.0% |
| Contract services | 5,698,525 | 6,620,825 | (922,300) | -13.9% |
| Travel expenses | 73,534 | 315,207 | (241,673) | -76.7% |
| Rent & occupancy | 533,800 | 538,175 | (4,375) | -0.8% |
| Supplies & equipment | 1,279,502 | 1,054,577 | 224,925 | 21.3% |
| Insurance | 961,970 | 1,196,100 | (234,130) | -19.6% |
| Depreciation expense | 902,269 | 1,000,700 | (98,431) | -9.8% |
| Software maintenance | 22,714 | 57,715 | (35,001) | -60.6% |
| Software licensing | 2,043,230 | 1,833,575 | 209,655 | 11.4% |
| Communications | 301,215 | 321,600 | (20,385) | -6.3% |
| Professional dues | 200,982 | 183,355 | 17,627 | 9.6% |
| Marketing | 58,254 | 43,000 | 15,254 | 35.5% |
| Member/Provider materials | 14,237 | 53,750 | (39,513) | -73.5% |
| Credentialing fees | 27,272 | 15,750 | 11,522 | 73.2% |
| Provider relations | 8,123 | 37,100 | (28,977) | -78.1% |
| Board committee fees | 14,350 | 21,290 | (6,940) | -32.6% |
| Meeting room expenses | 68,729 | 124,250 | (55,521) | -44.7% |
| All other expenses | 1,060,147 | 394,151 | 665,996 | 169.0% |
| Total Admin Expenses | \$ 39,681,506 | \$ 44,035,038 | \$ (4,353,532) | -9.9% |

CenCal Health

Santa Barbara County Operating Statement

For the seven (7) month period ending July 31, 2023

| YTD: | <u>Actual \$</u> | <u>Budget \$</u> | <u>Variance \$</u> | <u>%</u> |
|--------------------------------|------------------|------------------|--------------------|----------|
| Capitation Revenue | \$ 507,687,233 | \$ 465,328,000 | \$ 42,359,233 | 9.1% |
| Medical Expenses | 451,075,018 | 437,845,000 | 13,230,018 | 3.0% |
| Administrative Expenses | 27,874,579 | 30,815,679 | (2,941,100) | -9.5% |
| MCO Tax | (2,236,816) | - | (2,236,816) | |
| Operating Gain (Loss) | \$ 30,974,452 | \$ (3,332,679) | \$ 34,307,131 | -1029.4% |

| | |
|--------------------------|---------|
| Medical Loss Ratio (MLR) | 87% |
| Admin Loss Ratio (ALR) | 5.5% |
| YTD Member Months | 811,775 |
| Avg. Member Count | 162,355 |

CenCal Health

San Luis Obispo County Operating Statement

For the seven (7) month period ending July 31, 2023

| YTD: | <u>Actual \$</u> | <u>Budget \$</u> | <u>Variance \$</u> | <u>%</u> |
|--------------------------------|------------------|------------------|--------------------|----------|
| Capitation Revenue | \$ 233,642,312 | \$ 215,289,000 | \$ 18,353,312 | 8.5% |
| Medical Expenses | 180,917,177 | 183,005,000 | (2,087,823) | -1.1% |
| Administrative Expenses | 11,807,247 | 13,218,000 | (1,410,753) | -10.7% |
| MCO Tax | (958,635) | - | (958,635) | |
| Operating Gain (Loss) | \$ 41,876,523 | \$ 19,066,000 | \$ 22,810,523 | 119.6% |

| | |
|--------------------------|---------|
| Medical Loss Ratio (MLR) | 74% |
| Admin Loss Ratio (ALR) | 5.0% |
| YTD Member Months | 346,184 |
| Avg. Member Count | 69,237 |

CenCal Health

Tangible Net Equity (TNE)

As of July 31, 2023

| | |
|--|-----------------------|
| Actual TNE (from the Balance Sheet) | \$ 262,207,443 |
| Tangible Net Equity - DMHC minimum regulatory | 33,567,613 |
| TNE - excess (deficiency) | \$ 228,639,830 |
| Pct. Actual TNE of the Regulatory Minimum | 781.1% |

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

CenCal Health

Notes to the Financials Statements

As of July 31, 2023

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 reported 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, 2023, 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 in the amount of (\$1,346,155) based on current estimates.

CenCal Health

FYTD Operating Statement

For the one (1) month period ending July 31, 2023

| | | |
|---------------------------------------|-----------|------------------|
| Capitation Revenue | \$ | 101,302,854 |
| Medical Expenses | | 93,796,018 |
| Administrative Expenses | | 5,198,147 |
| Strategic Investments | | 66,975 |
| MCO Tax | | - |
| Interest Income | | 607,739 |
| Unrealized gain (loss) | | 73,288 |
| Non-Operating Income (expense) | | 3,883 |
| Operating Gain (Loss) | \$ | 2,926,624 |

| | |
|--------------------------|---------|
| Medical Loss Ratio (MLR) | 93% |
| Admin Loss Ratio (ALR) | 5.1% |
| YTD Member Months | 235,565 |
| Avg. Member Count | 235,565 |

Note: This Operating Statement corresponds to the health plan's accounting cycle which is on a fiscal year cycle (July 1 - June 30). The health plan's budget cycle is on a calendar year cycle and is reflected in the prior operating statements within this financial statement packet.



Exhibits

- 1. Aggregate Monthly Enrollment by Program**
- 2. Aggregate Call Volume**
- 3. Member Grievances and Appeals**
- 4. Provider Services Statistics**
- 5. Claims Operations Statistics**
- 6. Communications Board Report**

**CENCAL HEALTH - CALENDAR 2023
CENCAL HEALTH MONTHLY ENROLLMENT BY PROGRAM**

MEMBER ENROLLMENT BY MONTH: JULY 2023 – SBHI & SLOHI

Reporting period:

July 2023 – Calendar 2023

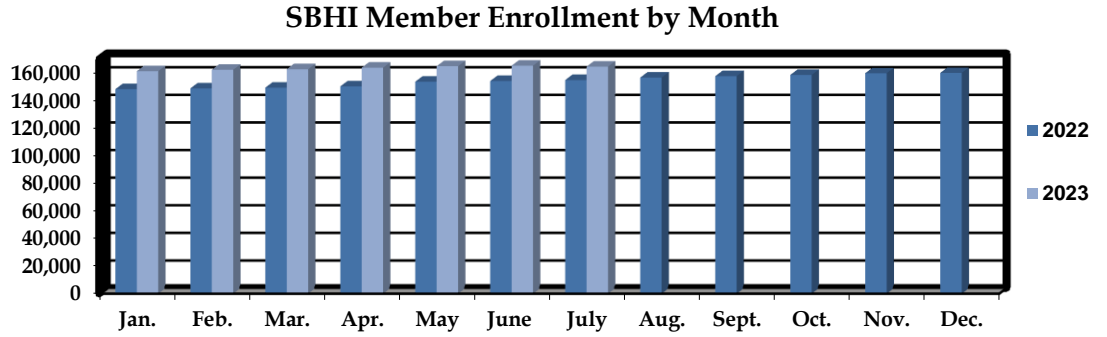
SBHI Monthly Enrollment 2023

July 2023 = **164,464**

Membership decreased by a net **679** members when compared to last month. The first month of decreased membership since January 2020.

New members for July = **1,561**

Medi-Cal Annual Redeterminations for all Medi-Cal beneficiaries began again with the ending of the PHE. April 20, 2023, the first redetermination packets in CA were mailed for those members with redetermination dates for July 30, 2023. 60 days prior to the member’s redetermination date, DHCS is mailing renewal packets or auto-approval letters to beneficiaries.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2022 Members | 148,119 | 148,657 | 149,203 | 150,143 | 153,555 | 154,077 | 154,717 | 156,487 | 157,558 | 158,413 | 159,679 | 159,913 |
| 2023 Members | 161,132 | 162,167 | 162,579 | 163,706 | 164,805 | 165,143 | 164,464 | | | | | |

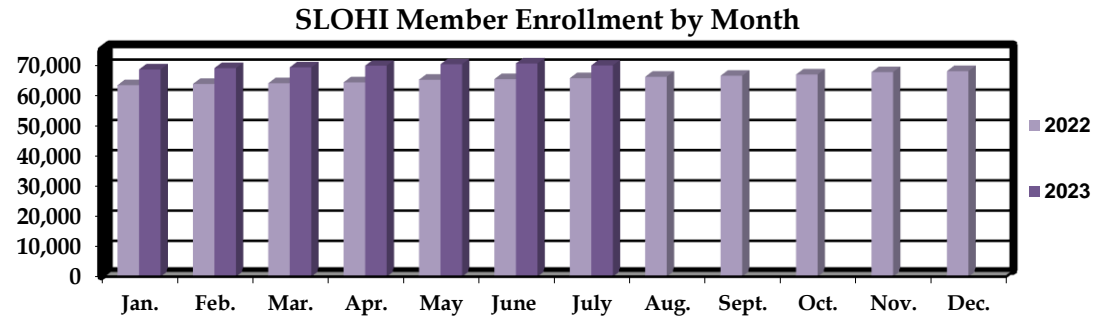
SLOHI Monthly Enrollment 2023

July 2023 = **69,915**

Membership decreased by a net **627** members when compared to last month. The first month of decreased membership since January 2020.

New members for July = **738**

Medi-Cal Annual Redeterminations for all Medi-Cal beneficiaries began again with the ending of the PHE. April 20, 2023, the first redetermination packets in CA were mailed for those members with redetermination dates for July 30, 2023. 60 days prior to the member’s redetermination date, DHCS is mailing renewal packets or auto-approval letters to beneficiaries.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 Members | 63,347 | 63,753 | 63,990 | 64,291 | 65,157 | 65,348 | 65,653 | 66,150 | 66,480 | 66,897 | 67,663 | 68,002 |
| 2023 Members | 68,547 | 68,987 | 69,253 | 69,826 | 70,304 | 70,542 | 69,915 | | | | | |

CENCAL HEALTH CALENDAR 2022 - 2023 MEMBER SERVICE TELEPHONE STATISTICS

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

Reporting period:

June 2023 - Calendar 2023 Chart #1

Monthly Call Volume

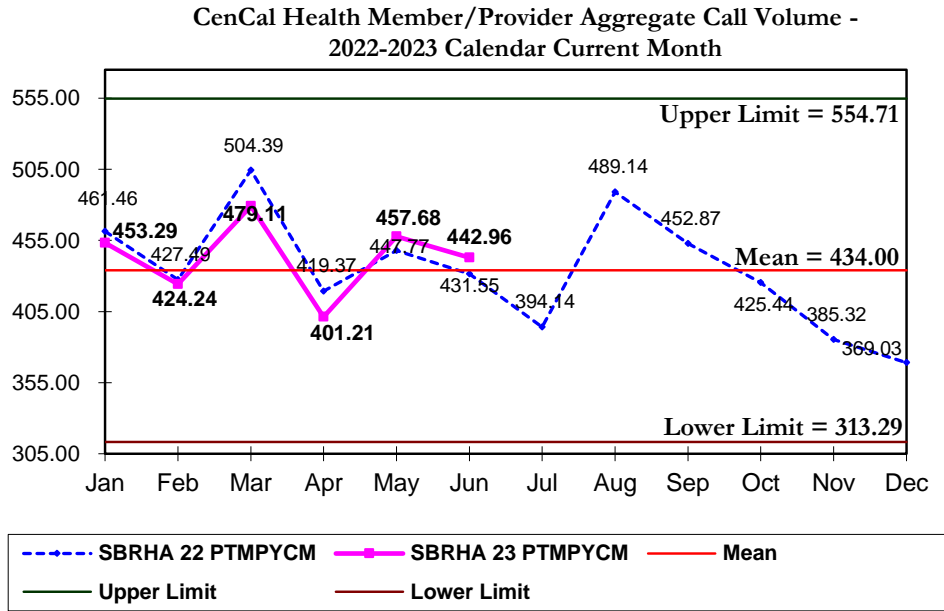
- In Control
- Not In Control

June 2023:

Member Queue = **7,327**
 Provider Queue = **1,018**
 Non ACD = **355**
 Aggregate Call Volume = **8,700**

Calls per 1,000/month (PTMPM) = **36.91**
 Calls per 1,000/year (PTMPY) = **442.96**

Analysis:
 June's call volume PTMPY is slightly above 2022's mean and in control. The call center averaged 414 daily calls in June 2023.



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| 22 Members | 211,466 | 212,410 | 213,193 | 214,434 | 218,712 | 219,425 | 220,370 | 222,637 | 224,038 | 225,310 | 227,342 | 227,9915 |
| Call Volume | 8,132 | 7,567 | 8,961 | 7,494 | 8,161 | 7,891 | 7,238 | 9,075 | 8,455 | 7,988 | 7,300 | 7,009 |
| PTMPYCM | 461.46 | 427.49 | 504.39 | 419.37 | 447.77 | 431.55 | 394.14 | 489.14 | 452.87 | 425.44 | 385.32 | 6,722 |
| 23 Members | 229,679 | 231,154 | 231,832 | 233,532 | 235,109 | 235,685 | | | | | | |
| Call Volume | 8,676 | 8,172 | 9,256 | 7,808 | 8,967 | 8,700 | | | | | | |
| PTMPYCM | 453.29 | 424.24 | 479.11 | 401.21 | 457.68 | 442.96 | | | | | | |

June 2023 - Chart #2

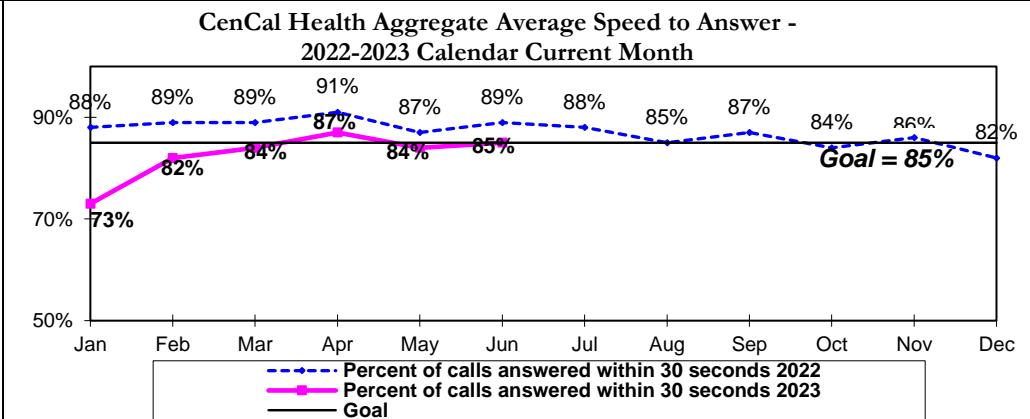
Monthly Average Speed to Answer

- Exceeding Goal
- Meets Goal
- Not Meeting Goal

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

June's score = 85%

Aggregate calls answered: **8,444**
 Aggregate calls answered within 30 seconds: **7,157**



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Answered in 30 seconds or less 2022 | 88% | 89% | 89% | 91% | 87% | 89% | 88% | 85% | 87% | 84% | 86% | 82% |
| Answered in 30 seconds or less 2023 | 73% | 82% | 84% | 87% | 84% | 85% | | | | | | |

June Analysis: The average speed to answer goal of 85% **was met** with an average speed to answer of 85% in June 2023. This was accomplished with a strong team effort as the call center was short-staffed by two MSRs. The two open positions have been filled and training began in June. There were 8 calls in the queue over 10 minutes before being answered in June. The bulk of these calls occur during Intrado (Welcome Call/HRA Survey) member outreach which allows members to connect directly to the call center creating a backlog of calls at one time.

CALENDAR 2022 - 2023

MEMBER SERVICE TELEPHONE STATISTICS

AGGREGATE MONTHLY ABANDON RATE (CHART #3)

AGGREGATE MONTHLY CALL CODING PERCENTAGE (CHART#4)

June 2023 - Chart #3

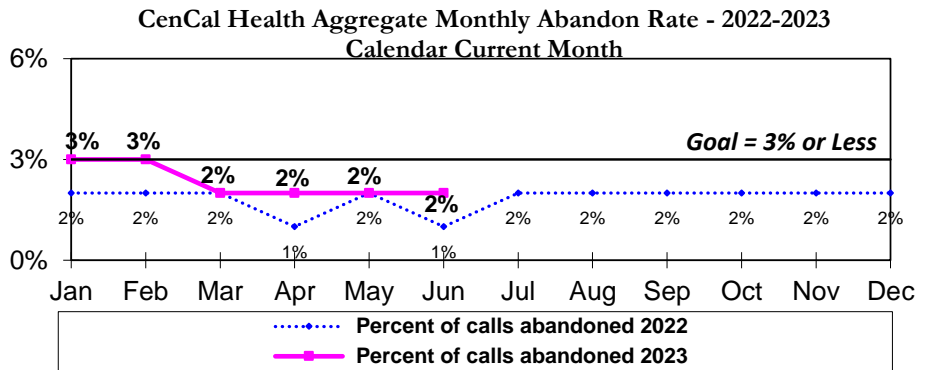
Monthly Aggregate Abandon Rate

- Exceeding Goal
- Meets Goal
- Not Meeting Goal

CenCal Health Goal = 3% or less

Aggregate Call Volume: **8,700**
Abandoned Calls: **161**

Percent of calls abandoned in June 2023 = 2%



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| % of Abandoned Calls 2022 | 2% | 2% | 2% | 1% | 2% | 1% | 2% | 2% | 2% | 2% | 2% | 2% |
| % of Abandoned Calls 2023 | 3% | 3% | 2% | 2% | 2% | 2% | | | | | | |

June 2023 - Chart #4

Monthly Aggregate Calls Coded

- Exceeding Goal
- Meets Goal
- Not Meeting Goal

Goal for Percentage of Coded Calls = 95%

Queue Calls Handled: **8,089**
Queue Calls Coded: **7,720**

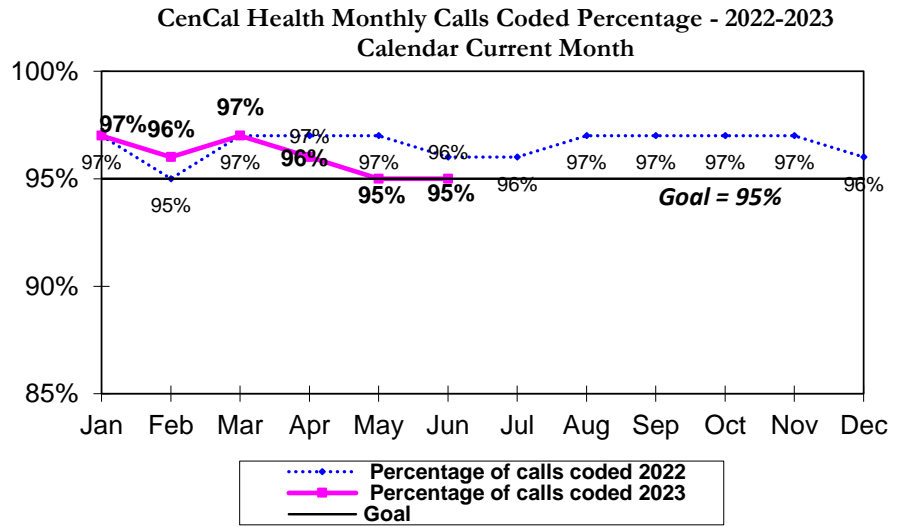
Percentage of calls coded in June 2023 = 95%

Total Issues Coded: **9,203**
*Calls may have more than one category.

Top 5 Call Categories:

| Category | Calls | % of Total |
|----------------|-------|------------|
| Eligibility | 2,550 | 28% |
| PCP Selection | 1,545 | 17% |
| Transfer | 949 | 10% |
| Benefits | 881 | 10% |
| Member Request | 830 | 9% |

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



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Percentage of Calls Coded 2022 | 97% | 95% | 97% | 97% | 97% | 96% | 96% | 97% | 97% | 97% | 97% | 96% |
| Percentage of Calls Coded 2023 | 97% | 96% | 97% | 96% | 95% | 95% | | | | | | |

June Analysis:

*Eligibility Calls – 58% Eligibility verification, 31% Referred to DSS/SSA, 7% Coordination of Benefits (OHC) Verification.

- 67 Calls from members with questions about the DHCS Re-Determination process.

*Transferred Calls – 43% to the Medical Management Department (Mostly for Case Management & Community Supports), 19% Ventura Transit (Transportation), 13% to the Behavioral Health Department.

*Benefits – 37% Dental, 14% Specialists (Mostly asking for list of/contact information for OBGYNs), 12% Vision.

*Member Requests – 41% Demographic Update, 40% Survey/Mailing Response (HRA).

*Member Portal – There were 84 calls requesting general information or password resets.

*Provider Calls Coded (1,265) = 14% of all calls coded. 64% were for Eligibility, 17% were transferred out of Member Services (Mostly to Claims & Medical Management) and 9% for PCP selections.

CENCAL HEALTH CALENDAR 2023 MEMBER GRIEVANCE SYSTEM GRIEVANCE & APPEAL RECEIPTS

MEMBER GRIEVANCES & APPEALS

Reporting period:

July 2023 - Calendar 2023

- In Control
- Not in Control

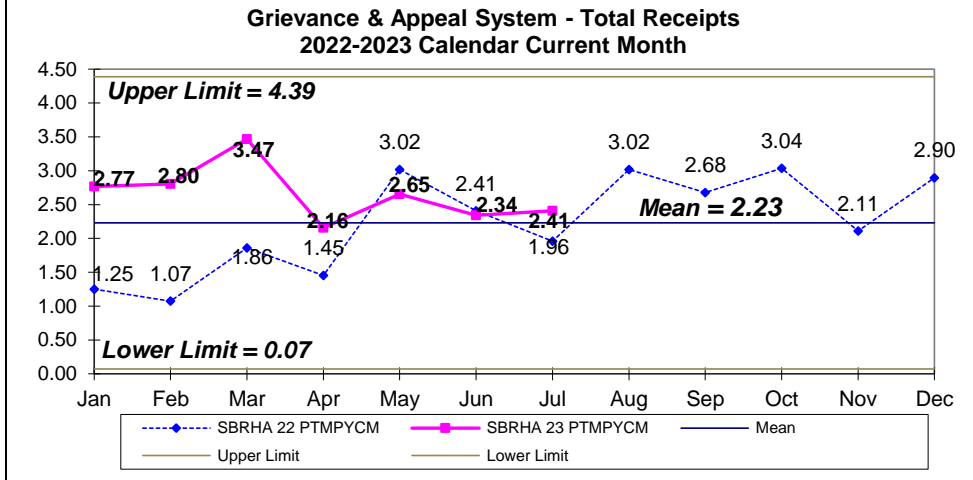
July's PTMPY for grievance and appeals was **2.41**, slightly above 2022's Mean of 2.23 and in control.

July Grievance/Appeals = 47

- Access – 11
- Benefits – 8
- Appeals – 7
- Administrative – 7
- Interpersonal – 7
- Quality of Care – 7

Of the **46** grievances/appeals filed:

- \bar{x} = SBHI 91% of the aggregate volume (PTMPM: 0.26)
- \bar{s} = SLOHI 9% of the aggregate volume (PTMPM: 0.07)

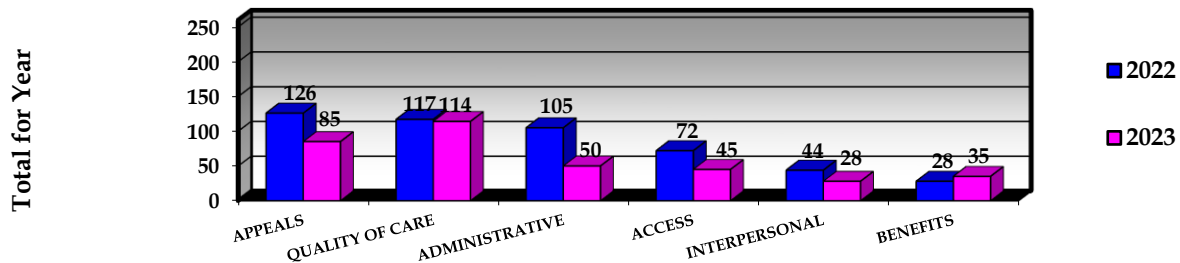


| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| CenCal 22 Mbrshp | 211,466 | 212,410 | 213,193 | 214,434 | 218,712 | 219,425 | 220,370 | 222,637 | 224,038 | 225,310 | 227,342 | 227,915 |
| CenCal G&A Issues | 22 | 19 | 33 | 26 | 55 | 44 | 36 | 56 | 50 | 57 | 40 | 55 |
| CenCal PTMPYCM | 1.25 | 1.07 | 1.86 | 1.45 | 3.02 | 2.41 | 1.96 | 3.02 | 2.68 | 3.04 | 2.11 | 2.90 |
| CenCal 23 Mbrshp | 229,679 | 231,154 | 231,832 | 233,532 | 235,109 | 235,685 | 234,379 | | | | | |
| CenCal G&A Issues | 53 | 54 | 67 | 42 | 52 | 46 | 47 | | | | | |
| CenCal PTMPYCM | 2.77 | 2.80 | 3.47 | 2.16 | 2.65 | 2.34 | 2.41 | | | | | |

July Analysis and Trends:

- * **Access:** Most access issues were due to providers not having available appointments within the members expected timeframe or the timeliness of authorization submission (6 PCP, 3 Specialists, 1 BH, 1 CCH).
- * **Benefits:** 6 were for members being billed by various provider(s)/provider types, 2 against Ventura Transit Systems (VTS) for late arrival/scheduling issues.
- * **Appeals:** 7 TAR appeals: 3 DME including 1 for cubby beds, 3 various outpatient services and 1 SNF no trends.
- * **Administrative:** Mostly centered around the member's dissatisfaction with scheduling, timely communication, etc. There were 6 Administrative grievances against CenCal Health including two for dissatisfaction around a resolution of previous grievance and two for delays in ABA auth approval, no other trends.
- * **Interpersonal:** Main cause of overall interpersonal issues was the member's perception of rude demeanor or comments made by office staff/provider during interactions. There were 2 filed against VTS for interactions with drivers for late arrivals, no other provider had more than 1 interpersonal issue.
- * **QOC Grievances:** 3 PCP, 2 Behavioral Health, 1 Specialists, 1 Transportation. Various perceived quality of care concerns/reasons with most issues stemming from member concerns that the provider inadequately addressed their concerns/conditions. Only 1 provider had more than one filed against them with two, no trends.
- * **Transportation:** There were 5 grievances filed against transportation vendor (VTS) as noted above, resulting in zero missed appointments. 4 in SBHI (80%), 1 in SLOHI (20%).
- * **Total Mental Health/BHT Services:** 4 (2 QOC, 1 Interpersonal, 1 Access). Commonly dissatisfied with appointment availability, being dismissed by provider, delays in call back/poor communication or not being prescribed medications of choice/preference. Only one BH provider had two grievances filed against them in July.

Member Grievance & Appeal System Receipts by Reasons



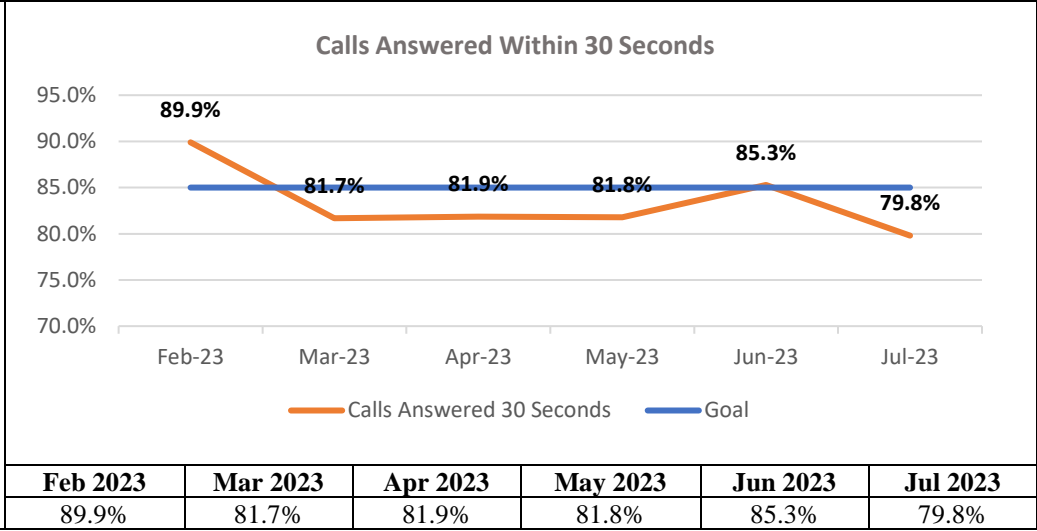
| Type | Calendar 2022 | Calendar 2023 |
|-----------------|---------------|---------------|
| Appeals | 126 | 85 |
| Quality of Care | 117 | 114 |
| Administrative | 105 | 50 |
| Access | 72 | 45 |
| Interpersonal | 44 | 28 |
| Benefit | 28 | 35 |

Analysis: Grievances and appeal volume are above the 2022 averages of 41/month at 52/month in 2023, directly related to an increase in Behavioral Health grievances and appeals.

CENCAL HEALTH PROVIDER SERVICES STATISTICS AUGUST 2023

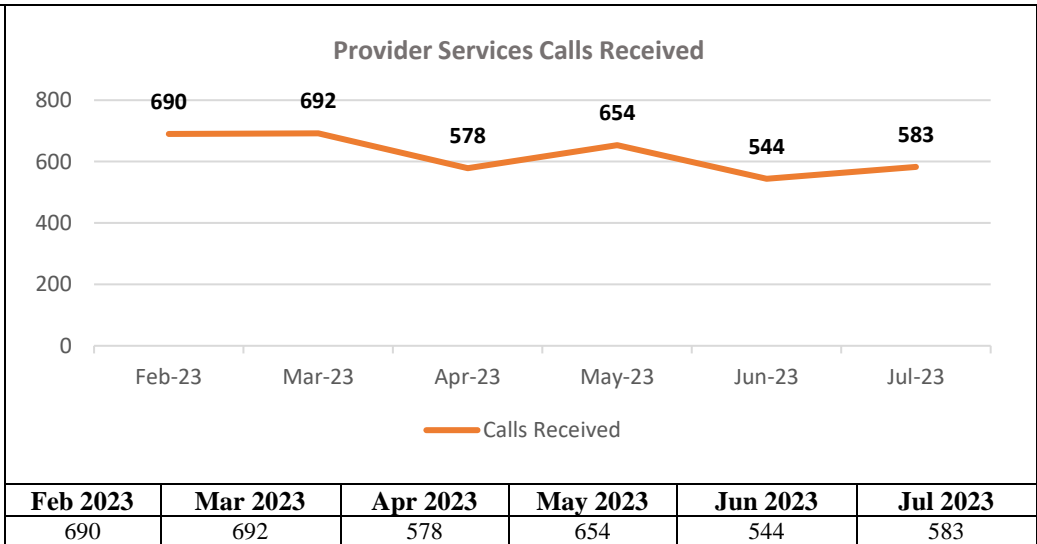
Analysis:
Goal: 85%
Result: 79.8%

The percentage of calls answered within 30 seconds is 79.8%, below the goal of 85%. Staff are reevaluating phone to focus improvement against this goal moving forward.



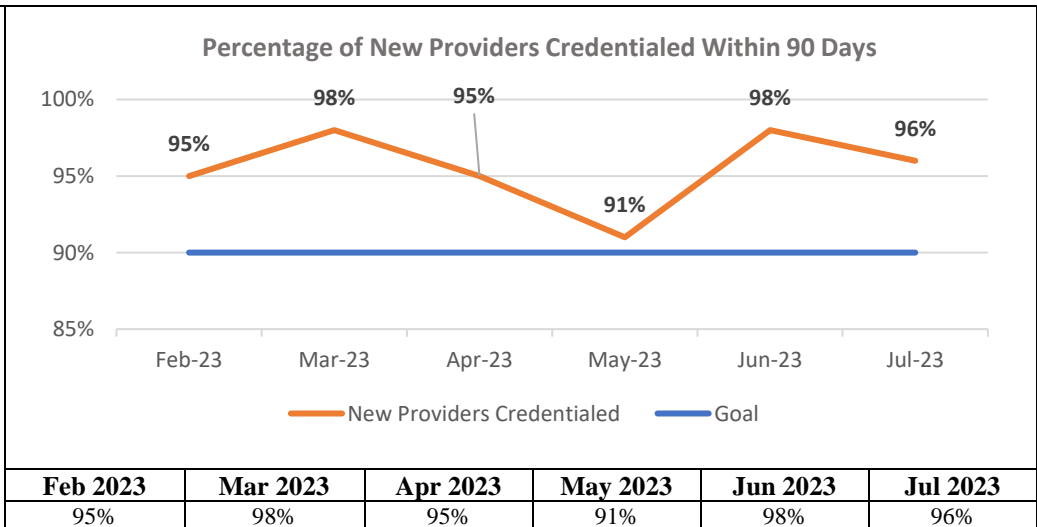
Analysis:
July 2023 Calls Received: 583
Trend to compare volume per month.

Total calls received continues to fluctuate consistent with the trends of the last 6 months. Call volume increased in the month of July, but remains in line with the trend of prior months.



Analysis:
Goal: 90%
Results: 96%

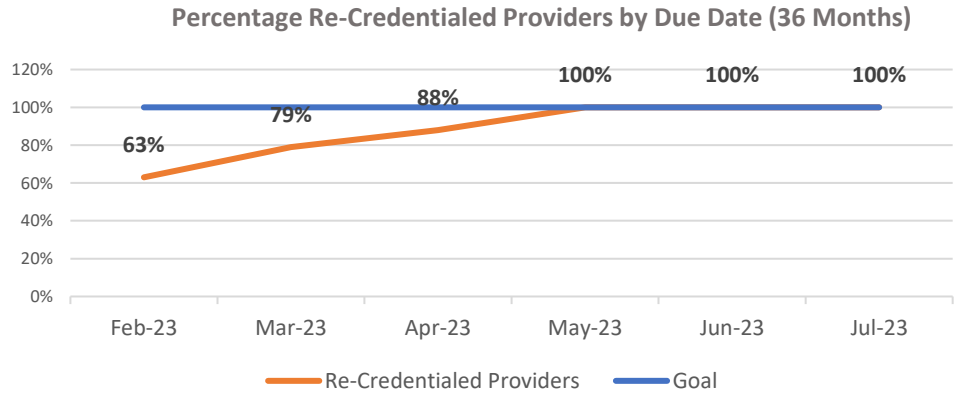
Of the 46 providers made effective in July, 44 were made effective within 90 days of credentialing application.



CENCAL HEALTH PROVIDER SERVICES STATISTICS AUGUST 2023

Analysis:
Goal: 100%
Results: 100%

8 of 8 providers due for recredentialing in July 2023 were approved prior to their due date (between March & June), representing sustained improvement over prior months.



| Feb 2023 | Mar 2023 | Apr 2023 | May 2023 | Jun 2023 | Jul 2023 |
|----------|----------|----------|----------|----------|----------|
| 63% | 79% | 88% | 100% | 100% | 100% |

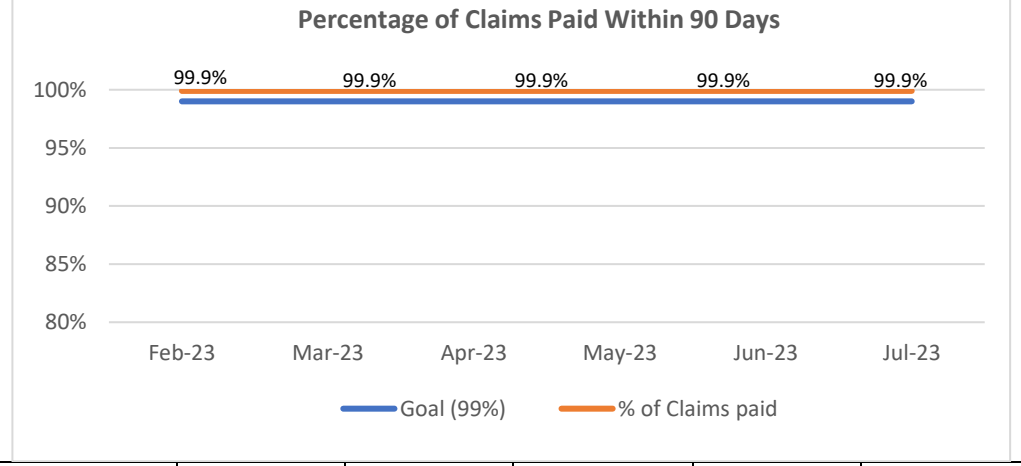
CENCAL HEALTH

CLAIMS OPERATIONS STATISTICS AUGUST 2023

Analysis:
 Goal: 99%
 Result: 99.9%

The Turn-around-Time (Percentage of Claims Paid) is a regulatory requirement with a standard of 99%.

Results are consistently above this level at 99.9%.

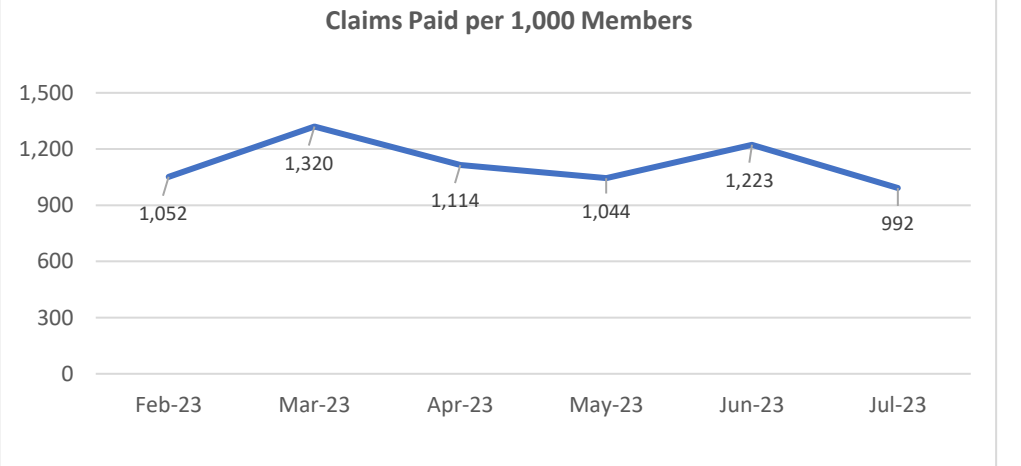


| Feb 2023 | Mar 2023 | Apr 2023 | May 2023 | Jun 2023 | Jul 2023 |
|----------|----------|----------|----------|----------|----------|
| 99.9% | 99.9% | 99.9% | 99.9% | 99.9% | 99.9% |

Analysis:
 Trend to compare payments per month normalized with the total membership to account for membership fluctuations.

Result: 992 claims paid per 1,000 members

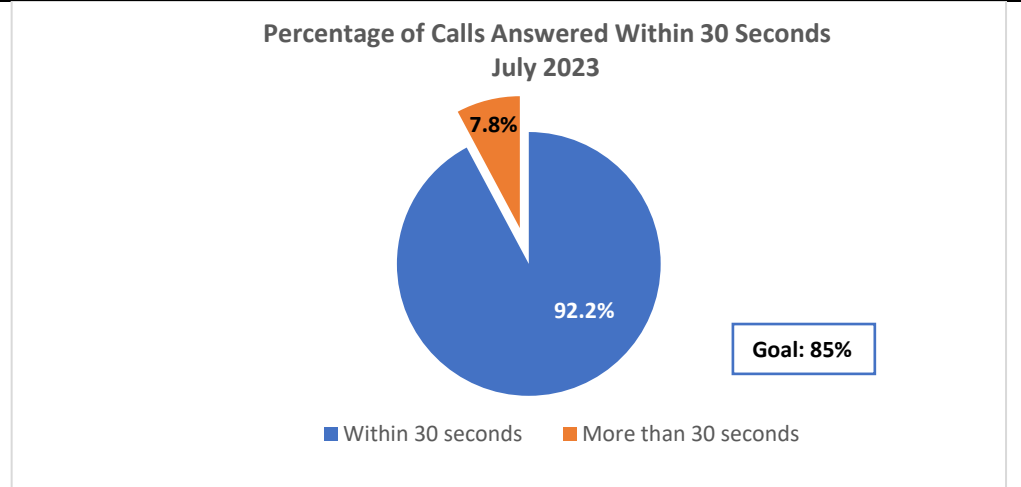
Claims Paid per 1,000 members varies and is within a normal range.



| Feb 2023 | Mar 2023 | Apr 2023 | May 2023 | Jun 2023 | Jul 2023 |
|----------|----------|----------|----------|----------|----------|
| 1,052 | 1,320 | 1,114 | 1,044 | 1,223 | 992 |

Analysis:
 Goal: 85%
 Results: 92.2%

The percentage of calls answered within 30 seconds is 92.5% vs. goal of 85%. The current performance is significantly above goal. The calls not answered in 30 seconds were isolated during peak call times. These calls were answered since Abandonment Rates remain under 1%.

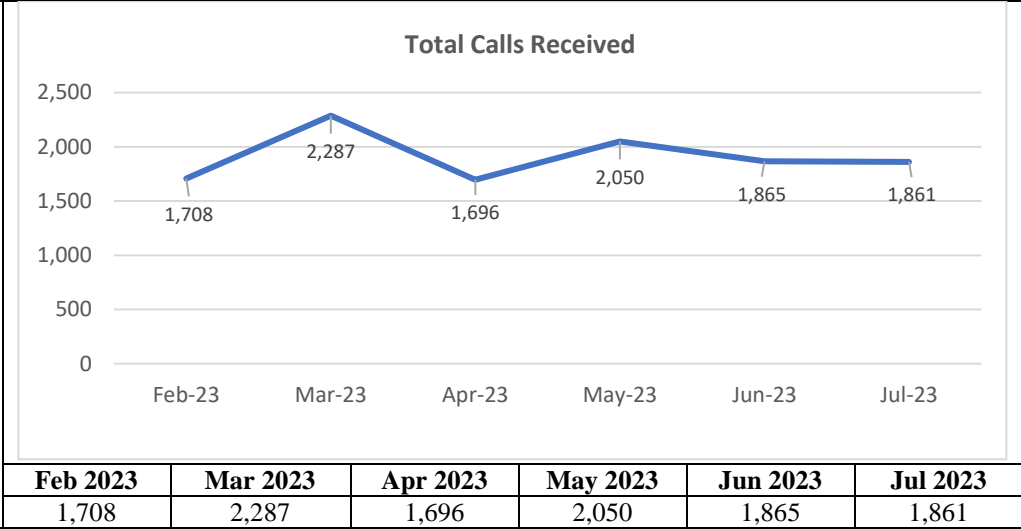


CENCAL HEALTH CLAIMS OPERATIONS STATISTICS AUGUST 2023

Analysis:
Trend to compare call volume per month

Calls Received: 1,861

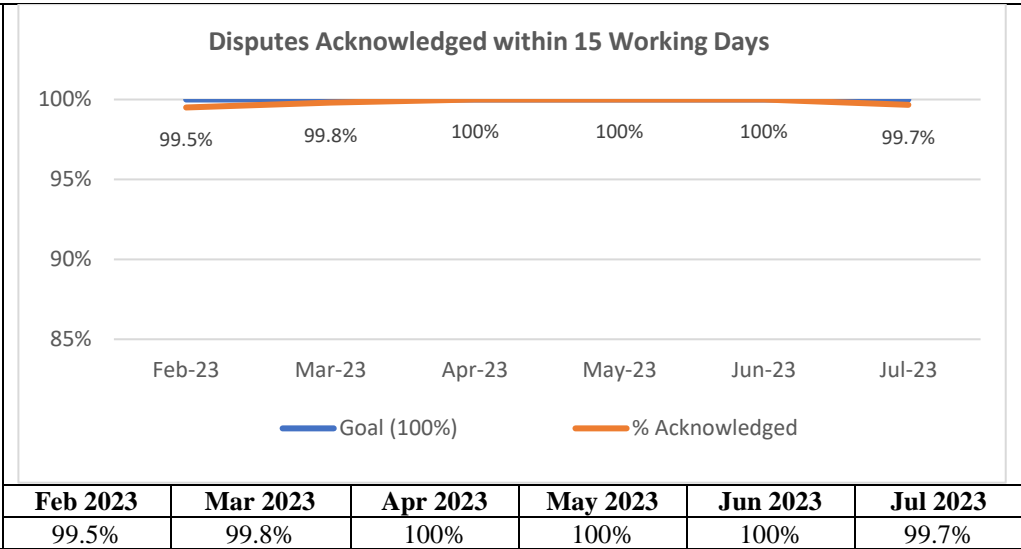
Total Calls received has leveled off, but remains at a historically high level. Despite the increased volume metrics remain above standards. Claim status remains the top reason for calls. New self-service options on the website have been deployed for 3rd party callers and the provider portal are being offered as alternatives to obtain this information.



Analysis:
Goal: 100%
Results: 99.7%

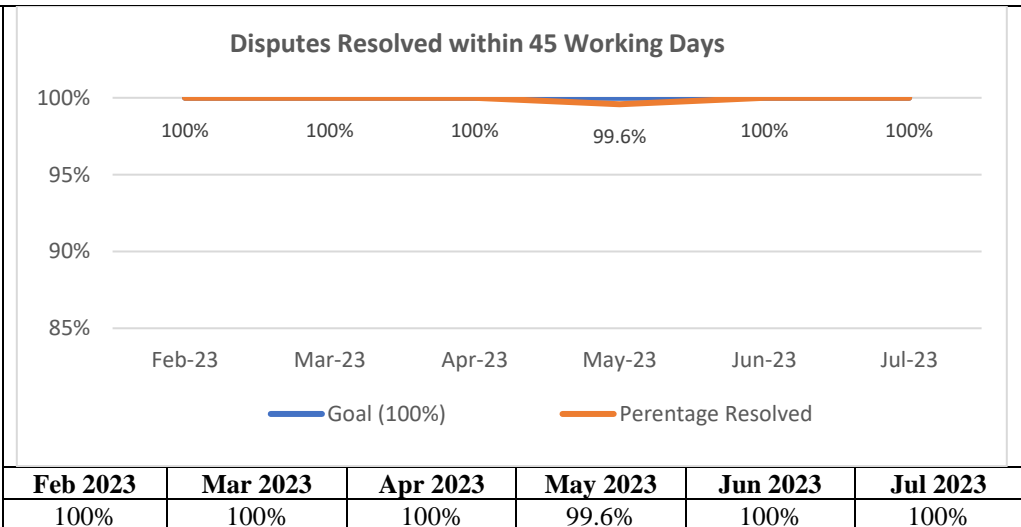
The Disputes Acknowledged in 15 Working Days is a regulatory requirement with a standard of 100%.

The percentage of disputes acknowledged in 15 days dipped to 99.7% due to a single dispute acknowledged after the 15 day target.



Analysis:
Goal: 100%
Result: 100%

The Disputes Resolved in 45 Working Days is a regulatory requirement with a standard of 100%.



Communications June & July 2023 Look Back



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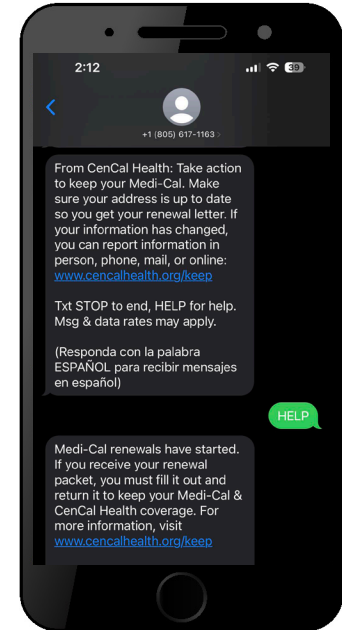
To: CenCal Health's Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: August 11, 2023

Medi-Cal Redetermination Outreach Campaign Update

Text messages alert members to take action to keep Medi-Cal

In July, the DHCS-provided data of members in their renewal month more than doubled. Using customized scripts approved by DHCS, CenCal Health began sending text messages in July aimed directly at those in their renewal month, in addition to regularly-occurring campaigns to members with undeliverable addresses or forwarding.

As of this report writing, June retention data from DHCS was unavailable. However, in the CMS Unwinding Data Monthly Report, the state estimates a statewide renewal disenrollment rate of 21%, with a majority of procedural disenrollments due to non-response. However, the state estimates a 3-4% re-enrollment rate during the 90-day post-disenrollment cure period.



Public Relations Report

The news of Medical Management Associate Director Ana Stenersen's national award received significant coverage from numerous media outlets, including the front page of the *Santa Ynez Valley News*. Media mentions also included the *Santa Barbara Independent*, *Lompoc Record* & *Santa Maria Times* among others.

In other news, 21 articles and 12 tweets were published regarding the Department of Justice settlement between June and July.

Media Coverage Highlights: June & July 2023

| Date | Publication | Headline |
|---------|---|--|
| 6/20/23 | SM Times/SYV Valley News/Lompoc Record | ...Honored as 2023 CommUnity Champion |
| 6/16/23 | Santa Barbara News-Press | CommUnity presents awards during 17th annual... |
| 6/15/23 | Local Health Plans of California (LHPC) | CommUnity's 17th Annual 2023 Champions Dinner... |
| 6/15/23 | The Pulse | Understanding CalAIM: CenCal Health Presents... |
| 6/14/23 | Noozhawk | CommUnity's Champions Event Raises \$216,154... |
| 6/13/23 | Santa Barbara Independent | CommUnity's 17th Annual 2023 Champions Dinner... |
| 6/1/23 | LHPC | Benefit Raises Record Amount of Funds... |
| 7/31/23 | LHPC | Solvang nurse Ana Stenersen receives national award... |
| 7/30/23 | Santa Barbara Independent | 18th Annual Lompoc Empty Bowls Community Fundraiser... |
| 7/28/23 | Pacific Coast Business Times | Caring Champion |
| 7/27/23 | LHPC | Local Resident Receives National Award... |
| 7/27/23 | LHPC | Thousands of Central Coast residents risk losing Medi-Cal... |
| 7/27/23 | Lompoc Record | Solvang nurse Ana Stenersen receives national award... |

Communications June & July 2023 Look Back



CenCal HEALTH
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To: CenCal Health's Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: August 11, 2023

Public Relations Report (cont.)

| July 2023 | | |
|-----------|-----------------------------------|--|
| Date | Publication | Headline |
| 7/27/23 | Santa Ynez Valley News | Nurse Ana Stenersen receives national award |
| 7/27/23 | EdHat | Local Receives National Award for Making a Difference... |
| 7/27/23 | Santa Maria Times | Solvang nurse Ana Stenersen receives national award... |
| 7/25/23 | KEYT-TV News, Channel 3-11-12 | Thousands of Central Coast residents risk losing Medi-Cal... |
| 7/24/23 | Santa Barbara Independent | Local Resident Receives National Award... |
| 7/24/23 | Nonprofit Resource Network (NPRN) | CenCal Health's Ana Stenersen Recognized as Advocate... |
| 7/13/23 | The Pulse, CCMA's e-newsletter | CenCal Health's Ana Stenersen Nationally Recognized... |
| 7/6/203 | Noozhawk | Foodbank of Santa Barbara County Sets Table for Lompoc... |

Clippings Samples

Rev. Randall Day of St. Mark's in Los Olivos honored as 2023 CommUnify Champion



Each year the community individuals, nonprofit organizations, and business whose dedication-work in the community makes Santa Barbara County a better place.

According to outreach coordinator Heidi Kelly, 200 guests attended the sold-out event at The River Grill at Alisal Ranch in Solvang, including community leaders, business owners and nonprofit directors.

The dinner was supported by more than 60 corporate and in-kind sponsors throughout Santa Barbara County and raised \$20,000 according to Kelly, who noted that local sponsor [CenCal Health](#) donated a \$10,000 dollar in-kind match of funds. Funds raised are committed to seven programs provided by CenCal's Family & Youth Services division, she said.

Patricia Berken, CenCal's CEO, credited the community for its generosity and continued support which make possible the delivery of critical social programs to local needs.



How Modern Lifestyle Changes are Disrupting our Immune Systems

Disrupting our Immune Systems In addition to a steep increase in prevalence, in recent decades, we have seen an evolution in the ways our immune system misbehaves. This data alone should remind us that we are an ever-evolving species. With our rapidly changing lifestyle over the last century, it shouldn't be surprising that we are seeing some sort of physiologic hangover.

Everything from viral infections, early traumatic events, the food we eat, and the air pollution we inhale is a potential culprit for us to point a finger at when looking for a reason for all of this suffering.



Understanding CalAIM: CenCal Health Presents Suite of Online Videos

Understanding CalAIM: CenCal Health Presents Suite of Online Videos Five new videos that introduce and outline the California Advancing and Innovating Medi-Cal program known as CalAIM, are available online now at cencalhealth.org/CalAIM. Created by CenCal Health, the informational videos provide a local perspective on the far-reaching, multi-year plan to transform Medi-Cal. CalAIM's expanded services go beyond traditional medical care, addressing social factors that affect human health, including behavioral health, homelessness, and care of older adults.



1
6/20/23
Santa Maria Times,
Rev. Randall Day of St. Mark's in Los Olivos honored as 2023 CommUnify Champion

2
6/15/23
The Pulse,
Understanding CalAIM: CenCal Health Presents Suite of Online Videos

3
7/24/23
Santa Barbara Independent,
Local Resident Receives National Award for Making a Difference in Care of Most Vulnerable

Social Media

CenCal Health's social media platforms include Facebook, Instagram, and LinkedIn.



Congratulations Ana Stenersen, 14th annual ACAP Making a Difference Award winner!

Ana Stenersen, CenCal Health Utilization Management Associate Director, was selected to receive the Association of Community Affiliated Plan's (ACAP) 14th Annual Making a Difference Award!

Communications June & July 2023 Look Back

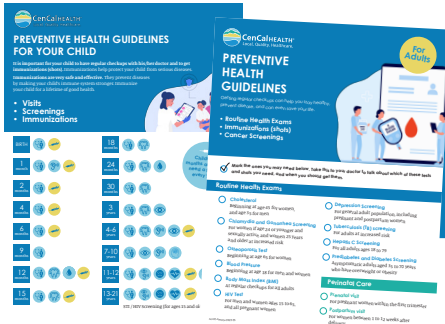


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OWNED MEDIA

Member & Providers Materials Published



Child & Adult Preventive Health Guidelines

The Preventive Health Guidelines for adults and children. Both bilingual guidelines are available on CenCal Health's website.

Q2 2023 Provider Bulletin

In collaboration with Provider Services, the next quarterly Bulletin, with Medi-Cal updates, CenCal Health trainings, news, and resources launched.



Summer Communitē Newsletter

In July, the quarterly Communitē Newsletter, which is emailed to over 200 CBO subscribers, informed on Medi-Cal renewal restarting.



Summer 2023 Member Newsletter

We produced our bilingual Member Newsletter Summer 2023 edition to inform members on redetermination, health education services, health tips, and more.



Simplified Redetermination info card

We created a bilingual hand-out for use in provider offices to inform members how to revise their mailing address on record with DSS.

Communications June & July 2023 Look Back



CenCal
HEALTH[®]
Local. Quality. Healthcare.

To: CenCal Health's Board of Directors
From: Nicolette Worley Marselian, Director, Communications & Community Relations
Date: August 11, 2023

COMMUNITY OUTREACH

Sponsorship & Donations Program Report

In June and July, CenCal Health committed sponsorship funds to the following organization and events:

| Organization Name | Event Name | Event Date |
|---|--|------------|
| Savie Health | Thanks for Giving: Honoring Heroes in Healthcare | 11/4/2023 |
| Domestic Violence Solutions for Santa Barbara County | 15th Annual DVS Luncheon | 10/15/2023 |
| Children's Resource & Referral Center of Santa Barbara | Party with a Purpose 2023 | 10/6/2023 |
| Teddy Bear Cancer Foundation | Golden Gala | 10/4/2023 |
| VNA Health Foundation | 19th Annual Charity Regatta | 9/9/2023 |
| Mixteco Indigena Community Organization Project (MICOP) | A Night in Oaxaca | 8/4/2023 |
| Magoo's Shoes | Magoo's Shoes 2023 | 7/6/2023 |

Community Engagement Spotlight

The following images highlight some of the community events and activities supported by CenCal Health and attended by our leaders and ambassadors in June and July.

Proudly supporting CommUnify's vision of helping people live sustainable and independent lives, several CenCal Health leaders attended CommUnify's 17th Annual Champions Dinner & Awards fundraiser.

The money raised at the event will support seven programs provided by CommUnify's Family & Youth Services division.



CenCal Health was humbled to be recognized by Pacific Coast Business Times among the Best Places to Work on the Central Coast. At the celebratory event, our Ambassadors joined President and CEO of VNA Health and CenCal Health Board Member Kieran Shah. VNA Health was also recognized in the special report.

On July 6th, CenCal Health proudly supported the annual Magoo's Shoes shoe giveaway. Magoo's Shoes, a local not-for-profit, works with Deckers Brands and other community partners, like CenCal Health, to provide students from underserved communities and low-income families with a new pair of shoes annually that the kids themselves get to pick!



PROVIDER BULLETIN

A QUARTERLY PUBLICATION
FOR PROVIDERS

VOL. 33 NO. 2 • JUNE 2023

A MESSAGE FROM OUR CEO

- Remaining Focused on Advancing Quality and Health Equity

PROVIDER NEWS

- Medi-Cal Redetermination has restarted
- COVID-19 reminders
- NEW 2023 Provider Manual released!
- Reminder: Appeals on behalf of Members Require Written Consent
- New private Member Accounts available to adult members
- New Doula benefit
- New Community Health Worker benefit
- Why CenCal Health is focusing on Social Determinants of Health

CLINICAL CORNER

- New Provider Portal report for Improving Well-Baby Visits

CaAIM CORNER

- Enhanced Care Management Spotlight: Children and Youth and Adults at Risk of Long-Term Care Institutionalization
- Helping members live healthy at home!
- How do I know if my assigned member is receiving care coordination services?
- CenCal Health CaAIM Whole-Person Care July Webinar
- Street Medicine: A New Medi-Cal Benefit

CLAIMS CORNER

- New itemized report available for Prop 56 payments!

INSERT

- Medi-Cal Renewal FAQs

A MESSAGE FROM OUR CEO

Remaining Focused on Advancing Quality and Health Equity

In 2023, CenCal Health's Board of Directors adopted a bold vision to be a trusted partner in advancing health equity so that our communities thrive and achieve optimal health together.

As we celebrate our 40th year in Santa Barbara County and 15th in San Luis Obispo County, we are reminded of the importance of cultivating community partnerships and supporting the providers who serve our members. Together, we have seen great improvement each year in quality outcomes because of your commitment and dedication. Last year, the Department of Healthcare Services recognized CenCal Health and our provider partners as those in the highest tier for quality of care in the Medi-Cal Program.



As we look ahead, exceeding quality standards and advancing health equity will be key priorities. Through innovative local programs, like the Quality Care Incentive Program and Enhanced Care Management, local providers are supporting this vision of optimal health. With the expansion of community supports, including medically-tailored meals, recuperative care, and housing navigation for those experiencing homelessness, local providers are advancing health equity for all. Despite the growth and continued expansion of these important programs, CenCal Health remains focused on our customer service and improving our provider's experience working with our health plan. We are always open to hearing from you, should you be interested in joining one of our committees or have suggestions for improvement. We look forward to our continued partnership.

Marina A. Owen

Thank you, Marina Owen
Chief Executive Officer of CenCal Health

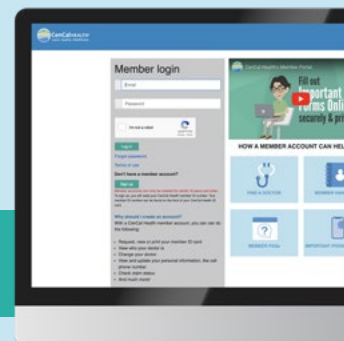


PROVIDER NEWS

New private Member Accounts available to adult members

CenCal Health now offers all members (18+) a secure, Member Portal Account upon registration at www.cencalhealth.org. The Member Portal allows members to update their mailing address, phone number, and demographic information.

It also allows them to view important health appointment reminders, view their assigned PCP information or change their PCP, see authorization and billing history, complete important forms online, like annual Health Risk Assessment Surveys, and more!



Help members register today!

<https://memberportal.cencalhealth.org>

Medi-Cal Redetermination has restarted

States were required to restart their Medi-Cal eligibility redetermination process beginning April 1, 2023. Sometime over the next 12 months, most of your patients will need to renew their coverage, to prove they still qualify. For those who joined Medi-Cal in the last three years, they will be unfamiliar with this process.

Medi-Cal beneficiaries began receiving Renewal Packets at the end of April 2023, with the first discontinuances beginning as early as July 2023 for those who do not provide the requested information to verify eligibility requirements. Completion of renewal packets is crucial to ensuring that Medi-Cal members maintain coverage. Below are resources which you can share with your patients.

Important information to share with your Medi-Cal patients:

- We've put together an FAQ for providers to educate themselves and their members about the process. cencalhealth.org/providers/redeterminationFAQ.
- Department of Health Care Services (DHCS) created a new Medi-Cal Renewal Website www.KeepMediCalCoverage.org for members to create an online account to verify their contact information is correct in order to receive their Renewal Packet. Please share this website as much as possible with your Medi-Cal members.
- Some beneficiaries will be auto-renewed and will receive a Letter of Approval however, the majority will receive a Renewal Packet by mail sometime over the next 12 months, which must be completed and returned to their local DSS office or on-line following the instructions at their client portals at: www.mybenefitscalwin.org (SLOC) or <https://benefitscal.com> (SBC). It's important to note that if a member's address and phone number information is not up to date, this packet will not be able to be delivered, and members risk discontinuance for lack of returned information.
- DHCS also created a Renewal Toolkit for health plans to share with our providers and community partners. DHCS wants these to be used in their current formats so that standard messaging is out to beneficiaries across California. Providers may access these posters, text scripts, flyers, call scripts and social media/website content for use in your offices and correspondence with Medi-Cal members at: www.dhcs.ca.gov/toolkits/Pages/Medi-Cal-Continuous-Coverage-Unwinding.aspx

Help your patients keep CenCal Health



Members can find DSS' phone numbers & addresses at cencalhealth.org/keep or cencalhealth.org/mantenga

NEW 2023 Provider Manual released!

Find answers for most questions here

CenCal Health has revised our Provider Manual, which includes information on provider responsibilities, claims information, member eligibility, guidelines for medical authorizations, and more! Please view our electronic guide online at cencalhealth.org/providers/forms-manuals-policies/provider-manual/ today!

If you have any questions about this publication, please contact the Provider Relations Department at psrgroup@cencalhealth.org.

Reminder:

Appeals on Behalf of Members Require Written Consent

CenCal Health supports a “no wrong door” process for submission of grievances and appeals.

Providers may submit appeals on behalf of a member, however regulations require that the written consent of the member be obtained by the Provider prior to submission of an appeal on the member's behalf. CenCal Health wishes to remind all providers that such written consent must accompany an appeal on behalf of a member in order for the appeal to be accepted.

You can print a CenCal Health member Consent Form for your office at cencalhealth.org/providers/file-grievance/. Please contact CenCal Health Provider Relations Department at (805) 562-1676 with any questions.



COVID-19 reminders: No member cost for testing, treatment

CenCal Health is dedicated to keeping our providers up to date with the most current information for the screening, testing, and treatment of COVID-19.

As a reminder, there is no cost to a CenCal Health member for medically needed screening, testing, and treatment for COVID-19. The following National Institutes of Health (NIH) COVID-19 Treatment Guidelines provide clinicians with evidence-based recommendations on the management of COVID-19 treatment options. You can locate the NIH COVID-19 Treatment Guidelines online at www.covid19treatmentguidelines.nih.gov/management/clinical-management-of-adults/

NIH COVID-19 Treatment Guidelines

| Medication | Pharmacy Benefit (Billed by a pharmacy) | Medical Benefit (Billed on a medical claim) | |
|--------------------------------------|--|--|-----------------------|
| | Medi-Cal Rx | Medi-Cal FFS | CenCal Health Benefit |
| Paxlovid (nirmatrelvir/ritonavir) | Yes | No | No |
| Lagevrio (molnupiravir) | Yes | No | No |
| Veklury (remdesivir) | Yes | Yes | Yes |

For more information, including Medi-Cal RX Treatment Resources and test to treat sites, please visit cencalhealth.org/providers/covid-19-resources/ or contact our Provider Services department at (805) 562-1676.

CenCal Health CalAIM Whole-Person Care July Webinar

CalAIM is a long-term initiative created by the California Department of Health Care Services (DHCS) to transform and strengthen Medi-Cal. The mission of CalAIM is to offer Californians a more equitable, coordinated, and person-centered approach to maximize their health and life trajectory.

With CalAIM, the holistic health needs of members are prioritized through prevention and whole-person care. Whole-person care means members with complex needs have access to novel services that extend beyond traditional healthcare settings. These services aim to provide comprehensive care and achieve better health outcomes for members whose wellness is impacted by complex social factors, including homelessness, behavioral health, care needs for older adults, transitioning from incarceration, and more.

Join CenCal Health on July 26th as we share CalAIM's primary goals, learn how to identify members who might benefit from Enhanced Care Management (ECM) with our populations of focus now and in the future, as well as how to refer eligible members for Community Support (CS) housing services, medically tailored meals services, and more!

To RSVP for this virtual learning experience go to Provider Training & Resources online at cencalhealth.org/providers/provider-training-resources/



Do you have patients that could benefit from Community Health Worker services?

CenCal Health covers Community Health Worker (CHW) services as preventive services, on the written recommendation of a physician or other licensed practitioner of the healing arts within their scope of practice.

CHW services are preventive health services delivered by a CHW to prevent disease, disability, and other health conditions or their progression; to prolong life; and to promote physical and mental health. CHWs may include individuals known by a variety of job titles, such as promotores, community health representatives, navigators, and other non-licensed public health workers, including violence prevention professionals.

Importantly, CHW services provide a mechanism for the delivery of equitable and culturally competent care for CenCal Health members which align with CenCal Health's Population Health Management program.

Services may be provided to a parent or legal guardian of a CenCal Health member under the age of 21 for the direct benefit of the member, in accordance with a recommendation from a licensed provider.

To learn more about this service please reference Section 17 of the Provider Manual online at cencalhealth.org/providers/forms-manuals-policies/provider-manual/. For more information on becoming a CHW contracted provider, please contact the Provider Relations department at psrgroup@cencalhealth.org.



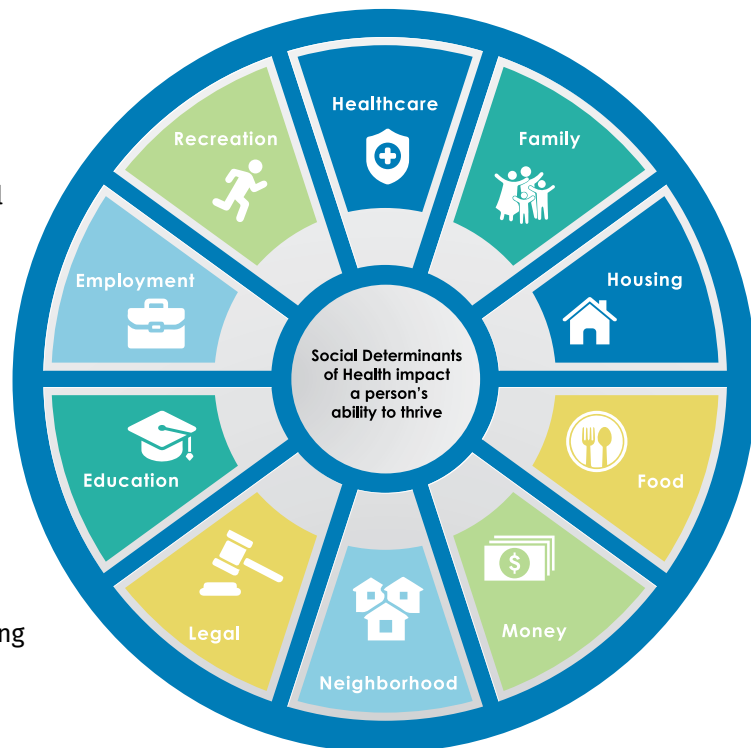
Why CenCal Health is focusing on Social Determinants of Health

The Centers for Disease Control and Prevention (CDC) defines Social Determinants of Health (SDOH) as the nonmedical factors that influence health outcomes. The conditions into which people are born and in which they live their lives have a profound effect on their health.

To support health equity for all, CenCal Health is focused on addressing Social Determinants of Health to ensure we best address the health needs of the community we serve. CenCal Health is asking our provider partners to help us identify our members' SDOH by submitting procedure codes within authorizations and claims to allow us to appropriately assess the needs of our community. Thank you for your partnership in collecting and submitting these data.

For more information on coding for SDOH, please visit: cencalhealth.org/providers/social-determinants-of-health/

Please visit the CDC website for additional information on Social Determinants of Health: www.cdc.gov/about/sdoh/index.html



New Doula benefit for pregnancy, miscarriage, abortion, and post delivery

Any CenCal Health member who is pregnant or was pregnant within the past year and meets eligibility criteria may receive Doula services. Doula services require a recommendation from a provider.

A recommendation for services authorizes the following:

- One initial visit;
- Up to eight additional visits that may be provided in any combination of prenatal and postpartum visits;
- Support during labor and delivery (including labor and delivery resulting in a stillbirth), abortion or miscarriage; and
- Up to two extended three-hour postpartum visits after the end of a pregnancy

Doulas serving CenCal Health members provide person-centered, culturally competent care that supports the racial, ethnic, linguistic, and cultural diversity of beneficiaries, while adhering to evidence-based best practices. Doula services are aimed at preventing perinatal complications and improving health outcomes for birthing parents and infants.

If your organization would like to become a Doula provider or if you would like assistance locating a Doula provider, please contact the Provider Relations department at psrgroup@cencalhealth.org.



CLINICAL CORNER

New Provider Portal report for Improving Well-Baby Visits

CenCal Health has added a new “Well Baby Report” to the Provider Portal to support the provision of at least 6 well-care exams by a child’s 15th month of age.

This new report aligns with the American Academy of Pediatrics (AAP) periodicity schedule to help prevent children from falling behind in their recommended and subsequent appointments. According to AAP, by the time a child is 15 months of age, they should have received approximately eight well-care exams. In addition, this new report will support providers in improving Quality Care Incentive Program (QCIP) performance in childhood immunizations, lead testing, and developmental screenings.

Primary Care Providers will be able to access and download the well-baby report by following these simple steps

1. Sign into CenCal Health’s Provider Portal
2. Select Quality Care Incentive Program then Well Baby Report
3. On the Well Baby Report home screen, providers can enter a specific date to generate a report
4. Select ‘View Report’ to auto-populate detailed information for all members due for their Well Baby Exam for member outreach

For more information, please email us at QCIP@cencalhealth.org.



Street Medicine: A new Medi-Cal benefit

Among the many new benefits offered under California Advancing and Innovating Medi-Cal (CaAIM) is Street Medicine.

Street Medicine refers to health and social services developed to address the unique needs of individuals experiencing unsheltered homelessness. Under Medi-Cal, this means those visits provided directly to members in their unsheltered lived environment, outside the clinic walls. Street Medicine can be provided via mobile units (such as RVs) that go directly to unsheltered Members; however, services provided in fixed locations or in shelter settings, are not considered Street Medicine. Providers who may render

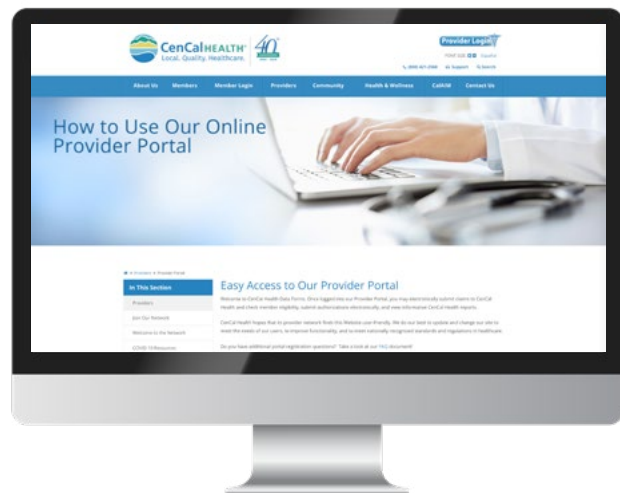
Street Medicine include a licensed Doctor of Medicine (MD)/Doctor of Osteopathic Medicine (DO), Physician Assistant (PA), Nurse Practitioner (NP), and Certified Nurse Midwife (CNM) who have knowledge and experience in street medicine clinical guidelines and protocols. These providers should ensure linkages to needed medical, behavioral, and social services including referrals to Enhanced Care Management (ECM) and Community Supports (CS).

There are several ways a Street Medicine provider may perform services and participate in the CenCal Health network, as either a:

- **Primary Care Provider (PCP)** – where Members elect to have a Street Medicine provider as their PCP, providing all primary care and components of the medical home including case management, care coordination, and referrals to specialists and other supportive services.
- **Referral Provider** – where Street Medicine providers coordinate with the Member’s assigned PCP and ECM Care Managers to ensure provision of direct services and ensure coordination and referrals to primary care and other needed services.
- **Enhanced Care Management Provider** – providing those comprehensive care coordination and case management functions directly to Members in their lived environment.

CenCal Health is proud to partner with organizations to provide our members with expanded benefits and whole person care approaches under CaAIM to serve our most vulnerable community members. To learn more about the Street Medicine benefit, including becoming a contracted Street Medicine provider with CenCal Health, please contact our Provider Relations department at psrgroup@cencalhealth.org or at (805) 562-1676.

How do I know if my assigned member is receiving care coordination services?



The Provider Portal Eligibility module has been enhanced to identify members receiving Care Management ECM and Community Supports services.

Providers are encouraged to check this new report to determine if assigned members are engaged in care coordination and to outreach to the respective provider to collaborate on care coordination efforts and engagement with CenCal Health members.

Enhanced Care Management spotlight: Children and youth and adults at risk of long-term care institutionalization

With CaAIM, the holistic health needs of members are prioritized through Enhanced Care Management (ECM), a whole-person care approach to address clinical and non-clinical needs of high risk members.

These services aim to provide comprehensive care and achieve better health outcomes for members whose wellness is impacted by complex social factors, including homelessness, behavioral health, care needs for older adults, transitioning from incarceration, and our children and youth population.

Members who are enrolled in ECM are assigned a Lead Care Manager who conducts a comprehensive assessment, develops a member-centric care plan, and coordinates with those involved in the members care such as PCP, Specialists, and community based organizations. The Lead Care Manager ensures that the member is receiving all necessary services including durable medical equipment, caregiver support and nursing care.

CenCal Health would like to highlight two Populations of Focus eligible for ECM.

Effective 7/1/2023 CenCal Health will be offering the ECM benefit for qualifying Children and Youth, allowing for the systematic coordination of services across other children/youth care management programs, specialty mental health services, Child Welfare Services, and foster care systems.

Children and Youth who meet the following ECM eligibility criteria will be eligible:

- Experiencing homelessness
- At Risk for Avoidable Hospital or E.D. Utilization
- With Serious Mental Health and/or SUD Needs
- Enrolled in CCS or CCS WCM with additional needs beyond the CCS condition
- Are involved in Child Welfare Services
- With an Intellectual/Development Disability
- Pregnant or Postpartum



Helping members live healthy at home!

In addition, effective 7/1/2023 CenCal Health will be offering another ECM benefit which is designed to meet the specific needs of Adults Living in the Community and At-Risk for Long Term Care Institutionalization.

Intensive coordination through ECM can help adults continue to reside in the community, who would otherwise have entered an institutional setting for care.

Adult members eligible for this Population of Focus are:

- living in the community who meet the SNF Level of Care (LOC) criteria

OR who require lower-acuity skilled nursing, such as time-limited and/or intermittent medical and nursing services, support, and/or equipment for prevention, diagnosis, or treatment of acute illness or injury;

- Actively experiencing at least one complex social or environmental factor influencing their health
- Are able to reside continuously in the community with wraparound supports

To refer eligible members for ECM benefits please submit the CenCal Health Case Management Referral Form located online under the ECM section of our website cencalhealth.org/providers/calaim. If you are interested in becoming an ECM provider for these populations of focus, please contact the Provider Relations Department at (805) 562-1676 or email ecmandcs@cencalhealth.org

Provider Bulletin update

CenCal Health is now publishing quarterly Provider Bulletins in March, June, September, and December, in addition to monthly digital Bulletins!

CenCal Health will continue providing time-sensitive information to our provider network through other means of communication, including emails, the CenCal Health website, and in person during provider visits.

To ensure that you receive important updates, sign up today by scanning the QR code or with your email address online at cencalhealth.org/providers/provider-bulletin-newsletter/



CenCal Health Holiday Closures

- Monday, June 19, 2023 (JuneTeenth National Independence Day observed)
- Tuesday, July 4, 2023 (Independence Day observed)
- Monday, September 4, 2023 (Labor Day observed)

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



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CLAIMS CORNER

New itemized report available for Prop 56 payments!

Beginning in April 2023, claims received and paid where Prop 56 Supplemental Add-On payments are due are no longer reflected on individual claims, but instead are reimbursed monthly by separate check from CenCal Health.

These payments will be made by the 15th of the following month that the claim appeared as “**Payable**” on an Explanation of Payment (EOP).

For **payment details** you can find the New Prop 56 Report on the Provider Portal located under the Claims & Billing module. The report will contain the claim information that the Prop 56 payment is related to, including the member’s information, internal patient account number, and the claim Explanation of Payment (EOP) date. This report will be a great tool to assist in provider billing reconciliation.

HELPFUL TIPS:

- If you are experiencing difficulties with viewing the “View Report” icon at the top of the report, zoom out by pressing and holding the CTRL & Minus button on your keyboard.
- For best practice and legibility, you can download the Prop 56 Report to an excel file or PDF file.

Please contact the Claims department at (805) 562-1083 if you have any additional questions related to claims and billing and your Prop 56 payments.

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